AN ASSESSMENT OF THE PERFORMANCE AND MANAGEMENT OF THE NIGERIAN RAILWAY CORPORATION, 1975 - 1985.

BY

OMONIWA, MOSES ADEKUNLE

OCTOBER, 2000

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A Thesis submitted to the Postgraduate School, Ahmadu Bello University, Zaria in Partial Fulfillment of the Requirements for the award of the Doctor of Philosophy in Public Administration.

DEPARTMENT OF PUBLIC ADMINISTRATION
AHMADU BELLO UNIVERSITY,
ZARIA, NIGERIA

OCTOBER, 2000

CERTIFICATION

This thesis entitled: **"An Assessment of the Performance and Management of the Nigerian Railway Corporation, 1975 - 1985"** by Moses Adekunle Omoniwa meets the regulations governing the award of the Doctor of Philosophy (Public Administration) of Ahmadu Bello University Zaria, and is approved for its contribution to knowledge and literary presentation.

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DECLARATION

I hereby certify that this Thesis has been written by me and that it is a record of my own research work. It has not been presented in any previous application for a higher degree. All quotations are indicated by quaotation marks or identification and the sources of information are specifically acknowledged by means of references.

Moses Adekunle Omoniwa.

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ABSTRACT

The main purpose of the study was to identify the factors behind NCR's inefficiency and ineffectiveness since independence in spite of government's efforts, which included the transfer of its management to RITES in 1979. Secondly, the study was to make recommendations that could turn around the fortunes of the Nigerian Railways as a major transport system in Nigeria.

The study identified and investigated some basic factors, which were crucial to the efficient functioning of the Nigerian Railway system, especially since the post independence era. Some of the factors include: the level of funding and sources of the funds, the condition of the roiling stock - locomotives, coaches and wagons: the rail routes capacity, intermodal allocation of funds within the transport sector, competition and co-ordination of the transport sector, stability of the socio-economic and political environment of the NRC; dependence on foreign technology' and expertise, government's interference in the day-to-day operations of the Railways, government's transport policies since independence; etc.

The study was conducted at the National headquarters of the NRC in Lagos and at three other district headquarters located at Ibadan, Enugu and Zaria. A total of 213 respondents were drawn from the staff consisting of 78 management and 135 non-management. Stratified and proportional sampling techniques were used in selecting the sample.

The study focuses, essentially on the period 1975 - 1985, which was sub-divided into three periods. Pre-RTTES, 1975 - 1978, RITES, 1979 - 1982 and post RITES 1982 - 1985. Through this approach, we were able to do a comparative analysis on the

management and performance of the NRC, covering the period 1975 - 1985. A discussion of the Pre-Independence era of the Nigerian Railways has been provided because of its importance to the study. Some of the findings of this study include:-

1. That at the heart of the NCR's inefficiency is government's failure to pay for the social services rendered by the NRC.
2. That the developments in the Road sub-sector have minimised the importance of the NRC in the economic life of the nation and also its efficiency.
3. That government's wrong assessment of NCR's problem has also led to government's formulating and implementing ineffective policies.
4. That there are other problems that effect the performance of the NRC apart from management.
5. That the NRC suffers directly and indirectly from the lack of a National Transport policy as well as a Railway policy.
6. That approved funds were not released to the NRC thereby increasing its inefficiency, and
7. That the failure of RITES to improve the efficiency of the NRC represents government's poor response in terms of policy decision.

The study put forward some proposals, which if accepted and implemented could lead to improve rail services and revenues, generated by the NRC. Other proposals include improved funding, modernization of rail tracks, rolling stock and equipment, gradual commercialization and privatisation of the NRC; and a complete overhauling of the NRC and the Nigerian Railways.

Finally, there was a call on the government to have a clear definition of the main goal of the Nigerian Railways: profitability or social services and that where it is necessary to render national service the corporation should be fully paid or compensated. Failure to do this will continue to militate against the efficiency of the NRC.

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CHAPTER ONE

INTRODUCTION

1.1. Background Of The Study

The efficiency of public Enterprises inherited at independence by many Third World Countries has been anything but satisfactory. That performance of those established in post independence era has not been better either. Many reasons have been given to explain the phenomenon. The decline and the deterioration in the performance of public enterprises in Nigeria have been of serious concern to every successive government since independence. Such public enterprises are not only inefficient but also ineffective in terms of the services they render and the revenues generated.

The Nigerian Railway Corporation (NRC) is one of the largest Public Enterprises inherited at independence – the NRC Act was passed in 1955 while rail services began in 1901. The decline and deterioration in the performance and the general condition of the Corporation and the railway system since independence has been a source of embarrassment to every successive government since independence (military or civilian). The fact that the NRC was a profitable parastatal up to the pre-independence era has led to many questions being raised on the post independence management and performance of the Corporation. The deteriorating performance of the NRC since independence as well as other public enterprises can be attributed to many factors, which include

i. The adoption of a new orientation by the public enterprises. Whereas they were concerned with economic services in the pre-independence era, the new orientation was to provide economic and social services required for effective national development after independence.

ii. Lack of funds arising from competing socio-economic and political programs, which had to be implemented by the newly independent states.

iii. The absence of indigenous private entrepreneur/investors who could assist the government by investing in some of the projects.

iv. Poor management, arising from lack of trained and skilled manpower required to operate a modern economy.

v. Too much dependence on the erstwhile colonial masters by the newly independent states.

vi. Corruption, mismanagement and misallocation of scarce financial resources, which has been made possible through collusion by the management and top government officials.

vii. The mode of funding, through yearly budgets, and exclusively by government causes instability, as funds that come to such organizations, depend on how much fund government has. The exclusion of the organized private sector has meant that governments bear the burden alone.

viii. Interference in the day-to-day affairs of the parastatal by the government of the day has meant loss of autonomy for the management and board of such organizations.

ix. Failure to clearly define the boundary between social and economic involvement leaves room for confusion as to the exact role of public enterprises in developing and newly independent states.

x. The development strategy adopted by the new states which was largely import-export oriented has led to most developing nations adopting the so called import

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substitution approach to economic development, and as a means of technology transfer. (Lawal, 1976)[1] has argued that this economic strategy continued to make the new states dependent on their former colonial masters.

xi. Unplanned withdrawal of subsidy to government parastatals. This, for practical purposes, has meant lack of money to pay personal emolument, overhead and operational costs, as money generated through their operations was not sufficient. Such a serious change in orientation and outlook should have been planned and implemented in phases.

xii. Unstable external environment. The socio-political and economic environment of most government parastatals has been anything but stable since independence. This has made planning and plans implementation an impossible task. Frequent change of governments and in socio-political and economic structures does not only frighten investors, especially foreigners, but present problems that are beyond such government parastatals.

In the light of the aforementioned factors, the performance of government enterprises in Nigeria since independence seems to have shifted away from efficiency considerations to purely social services. Although efforts have been made to restructure such enterprises towards improving their efficiency, the effects of the above factors have rendered such efforts less effective.

In the case of the NRC, the crisis its inefficiency seems to have reached a climax in 1979 when the then Federal Military Government decided to transfer the management of the Corporation to RITES (Rail India Technical and Economic Services).

1.2 The Objectives of the Transfer of the NRC Management to RITES:

Firstly, to revitalize the railway system, which for all practical purposes had collapsed as at 1979.

Secondly, to restore the railways' comparative advantage within the transport sectors. Thirdly, to restore public confidence in the railway system which had almost been completely deserted by its customers, including government agencies, and fourthly, to re-organize the NRC in such a way that it would be able to discharge its statutory functions as a worth-while public enterprise (Federal Government of Nigeria, 1981)[2].

The efficiency of the NRC since independence has been one of the major concerns to each successive Federal Government of Nigerian. The continued deterioration in the efficiency of the NRC even after RITES, is an indication that RITES intervention may not be the ultimate solution to the corporation's inefficiency. This study is an attempt to make an in-depth study into what actually happened during RITES (1979 –1985) and to proffer reasons while NRC's inefficiency persists.

1.3 Research Problem

The Nigerian Railways in the colonial period (1901 – 1959) operated efficiently for nearly all the period. This is in line with Section II, of the NRC Acts of 1955 which states that;

> "The NRC shall ensure that the Railways annual revenues were sufficient to meet all its expenditures properly chargeable to revenue" (Olanewaju, 1976).

In line with the above provision, the colonial administration was not willing and did not release funds to NRC, apart from its investment in basic infrastructure without which the corporation could not operate. Thus, the NRC was able to cover all its operational costs through its revenues.

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Unfortunately, the NRC since independence has not been able to maintain same efficiency level. The downward trend continued and got to the worst in the 1970s through the 1980s. This has been of great concern to every successive federal Government. Government in their response to the problem has zeroed in on the management of the NRC – which the inefficiency of the NRC since independence is due to poor management.

Arising from this the management and Boards of the Corporation were changed several times. The Boards and management changed as soon as a new government come into office and at times changes were made several times in the life of an administration. Unfortunately, these changes did not lead to any improvement in the performance and efficiency of the NRC.

By 1979, government had to bring in the RITES as a management consortium to manage the NRC for 3 years on contract. The RITES, therefore, took over the management of the NRC from January 1979 to June 1982 (3½ years). But still the performance of the NRC did not improve; and even if there was some improvement during RITES tenure, this was not sustained. By the time the RITES left in 1982, the performance of the NRC was back to the pre-1979 level.

Why was this so? Was government's assessment of the problem correct? What impact did RITES make on the efficiency of the NRC? Did they succeed in turning the fortunes of the Corporation around? Why were they not able to put the NRC on a sound management financial footing, if they did during their tenure, why was this not sustained in the post-RITES era? What this means is that there are other problems apart from management. What are the other problems that have made improved performance or

efficiency difficult to achieve and sustain, given government's solution. These are the kernels of this thesis.

1.4 Research Objectives

The objectives of this study are five fold., viz.:

i. To assess the performance of the NRC for the period 1975 – 1985.

ii. To evaluate the response of government to the NRC's poor performance inefficiency since the independence era

iii. To ascertain the extent to which the intervention of ETES actually succeeded ass a policy measure intended to improve the efficiency of the NRC.

iv. To determine the other factors that are responsible for the inefficiency of the NRC other than management.

v. To make recommendations for the improvement of the performance efficiency and management of the NRC

1.5 Hypotheses/Propositions

This study is predicated and guided by four hypotheses or propositions to assist the researcher. They are: -

(i) That faulty or incorrect assessment of an organization's problems can lead to ineffective policies.

(ii) That government's poor policies have led to NRC's poor performance inefficiency and mismanagement.

(iii) That socio-economic and political environment of an organization will affect its performance; and

(iv) That factors other than management determined the performance of RITES.

1.6 Significance of Study

(i) The significance of this study lies in the fact that it is the first of its kind on the subject, and at this level.

(ii) The study focuses or searches by its design on factors other than manage which impinge on the efficiency of the NRC since independence.

(iii) The study provides a detailed assessment of government's response to the NRC's problems and why government's policies on the NRC did not succeed in turning around the fortunes of the corporation.

(iv) The study shows very clearly that the NRC is an open-social system that is affected by the happenings in the Nigerian polity: the socio-economic, political and technological developments in the nation; it argues that the corporation is not isolated from all the instability in the economic and political sectors of the Nigerian society.

(v) The study makes a detailed analysis of the transfer of the NRC management to RITES from 1979 – 1982; as a policy measure or response. It shows the extent to which the policy succeeded or failed; and

(vi) The study has offered alternative solutions through its recommendations based on the findings of the study, which the researcher hopes to make available free-of-charge to the management of the NRC.

1.7 Scope of the Study

i. The study covers the National Headquarters of the NRC in Lagos and three other District Headquarters located at Ibadan, Enugu and Zaria representing the Western, Eastern and Northern axles of the NRC's geographical setting.

ii. The study essentially covers the period 1975 – 1985 but it goes back to the colonial period of the NRC because of the importance of that era to the life of the Nigerian Railways.

iii. The study dwells very extensively on the post independence period of the NRC, which is the focal point of this thesis.

iv. The choice of four of the then six centers of the NRC was informed by the need to provide a good geographical spread of the Nations regional setting at the time the fieldwork was undertaken.

1.8 Limitations Of The Study

Shortage of time and financial constraints were the most serious limitations to the study. These limit the number of days the researcher could spend in the field to collect data for the thesis. The constraints also affected our mode of transportation during the fieldwork. The researcher would have preferred to make all the trips by rail to get a full grip of the NRC's operational problems, but this was not possible in all the cases.

The study excludes the views of the NRC's daily rated workers and those of the officials of the supervising ministry by use of questionnaire, but in our interviews, a sample of the views of such people were collected.

Some of the limitations on this study were drastically reduced by the researcher's on-the-spot visits to NRC's major facilities, such as training schools, workshops, etc. available at the four centers on which this study is based.

1.9 Definition of Terms/Concepts

The words listed below are used as defined in this thesis.

NRC	-	Nigerian Railway Corporation
RITES	-	Rail Indian Technical and Economic Services.
PERFORMANCE	-	The Total Output of an Organization in terms of goods, services and products.
EFFICIENCY	-	The Ratio of Input to Output e.g. when the output is higher than the input, the organization is efficient.
EFFECTIVENESS	-	Attainment of goals of an organization. Organizations that are effective achieve their goals.
INEFFICIENCY	-	When the input of an organization is higher than its out.
SOCIAL SERVICES	-	Services that are not geared towards profitability.
INFRASTRUCTURAL FACILITIES	-	Facilities that are needed for laying the foundation for National Development.
PRIVATISATION	-	Transferring of the ownership and operations of a public enterprise to the organised private sector, groups and individuals in the society.
COMMERCIALISATION		Inviting organised sectors of the private and public sectors of the economy to invest in and participate in the funding and operations of a public enterprise through the purchase of shares in its capital.

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CHAPTER TWO

REVIEW OF LITERATURE ANDTHEORETICAL FRAMEWORK

2.1 Introduction

This chapter is organized into two main parts. The Review of Literature and the theoretical framework adopted by the study. The literature review covers extensively the Nigerian Railways from 1989 when construction began up to 1985, which is the cut off date for the study.

The Review followed the order below

i. The Nigerian Railways

ii. The British Railways

iii. The American Railways

iv. The Russian Railways

v. The Japanese Railways

vi. The Indian Railways

vii. The Tanzanian-Zambian Railways.

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The Reviews includes the establishment and operations of the railways, ownership, funding contributions to the social, political, economic, cultural and technology development of their respective nations.

The second part of the chapter presents the Theoretical framework for the study in which we used the systems theory of Organization as it helps us to discuss the issue of organizational survival through the impute/output ratio or device.

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2.2 The Nigerian Railways

The present structure, performance, orientation and administrative set up of the NRC can be better appreciated if viewed within the colonial setting such as the reasons for the establishment of railways in the colonial territories from which the present situation of the NRC can be properly analyzed. While the most important reason for the construction of the Nigerian Railways by the British colonial administration was economic, the demands being made on the NRC in the post independence era go beyond this. They include social, political, cultural and administrative. (Tamuno, 1964) [1].

While the colonial Railway System was not intended to be a vehicle for national development, one of the main objectives of the post independent Nigerian governments has been to use the Railways as a spring-board for the facilitation of National development and this has been at the heart of the NCR's problems as previous writers have indicated (Adegbeyeni, 1986)[2].

The failure of successive Federal Government administrations to transform the colonial Railways into a modern system of transport that the post independence era needed is another serious problem. From the colonial point of view, railways were constructed in the colonial territories for their distinct advantages over the other modes of transport. These advantages include:

i. Railway technology was already available for export from Britain to Nigeria.

ii. Railways offered the most effective mode of transport compared to other transport systems, as an all-season transport system.

iii. It was cheap to construct Railways from the seaports to the hinterland or sources of raw materials by linking them up with feeder roads;

iv. It was easy to export the narrow gauge railway system, which was being phased out in Britain as it was being replaced with the standard gauge Railway system; and

v. Since the sole objective of constructing the Railways was the transportation of import commodities to the hinterland and export commodities to the seaports, the narrow gauge Railway system, which involved minimum capital investment was considered adequate (Lugard, 1922)[3].

Thus, the transport infrastructural facilities inherited at independence were such that only a dynamic intervention by the state could correct the imbalance in the transport sector development at independence. The need to use transport systems as a measure of speeding up socio-economic and political development was not only real but overwhelming. Attempts had to be made through the injection of capital into the development of roads, airways and waterways in order to provide an integrated transport system for economic and social services (Chima, 1986)[4]. This effort was compounded by shortage of funds and competing sectors of the economy such as Education, Health, Agriculture, etc. which required a lot of capital investment at independence.

In spite of the competing needs, the transport sector consistently got the 'lion' share of available capital for investment all through National plan period, 1962-85. The transport sector over the National Development Plans got an average of 20 percent of capital available for investment.

The greatest problem, however, was how to redress the distortions in the transport sector as inherited at independence. The dilemma faced by successive governments was how to provide an integrated transport sector and yet meet the needs to link all parts of the country by a viable network of road transport system. Given the limited resources and intense lobby by community and political leaders, Road transport was allocated most of the resources made into the transport sector (Ezeife and Bolade, 1984) [5].

The commanding role played by governments of developing countries has been a subject of controversy. While the argument that governments should provide basic infrastructural facilities and leave the actual operation of transport services may be sound theoretically, and economically, however, it has been discovered that organized private entrepreneurs are not usually available either for joint participation with government or to own and operate transport services. This problem seems to be the genesis of the Nigerian government's involvement in transport system provision and operation. Since transport sector development in the post independence era was predicated on providing social and economic services, the private sector was naturally limited to the provision and operation of transport services with high economic orientation such as bus services. This development has been responsible, until very recently, for the low participation of the private sector in the development of such transport systems as the Railways, Airways and Waterways. Private sector participation has been visible mainly in the Road transport sector and this has been limited to the operation of bus and trucking services on the highways constructed and maintained wholly by governments-Federal, State and Local.

The effect of these developments on the Nigerian Railways can be described as that of neglect and stagnation. Given its head start over the other modes of transport,

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which began from the colonial era, the railways have never been accorded any serious attention in the provision of funds and construction or reconstruction of the railways.

As a result of this, the Nigerian Railway System has remained essentially what it was during the colonial era, while Road Transport, Waterways have grown tremendously from their pre-independence levels.

Railway development has also suffered more through low investment and lack of continuity. Plans and programs meant to enhance the capacity, efficiency and the effectiveness of the system have always been jettisoned as soon as a new government comes into place, sometimes, for political reasons and at times, for unexplained reasons. As (Braton, 1975)6 has argued, this needs not be so if policies and programs adequately reflect the needs of the society and their aspirations for rapid socio-economic development. Lack of proper economic co-ordination of the transport sector, which has resulted in uneven and uncoordinated development of the various transport sub-sectors has produced a Railway System that is behind its time (Ifedi, 1991) [7] and the Railway System has remained the worst hit by this development (Robinson et al, 1961) [8]. It may, however, be argued that this is not peculiar to the transport sector or the Railways. The entire public sector of the Nigerian economy is characterized by lack of a clear sense of direction and lack of proper mix between economic and social services demands (Federal Government of Nigeria, 1981) [9].

In virtually all the parastatals inherited at independence, the need to decolonise and restructure them for their new roles in the post-independence period as agents for socio-economic and political development ought to have been given top priority by the new leaders. This is necessary since the needs and the orientation of such enterprises in

the post-independence cannot be the same as those of the pre-independence (Adamolekun, 1985)10. The vital role of the transport sector as a catalyst and stimulus for rapid socio-economic development in a newly independent state makes the sector the most crucial as far as national integration and development is concerned (Thomas, 1976)[11].

One argument that has dominated the literature of organizations is the performance of public enterprises, and the choice of performance measures to use – efficiency or effectiveness? While government has been judging the performance of the Corporation through its financial results, the same government seemed to have ignored the fact that nearly all NRC services are underpriced, and are sometimes regarded as necessary social services. Yet the general view of government is that the NCR's poor financial results should be blamed largely on poor management which must have informed the decision to transfer the management of the Corporation to RITES in 1979. This, was thought, would enable RITES to transfer the techno-magerial know-how to Nigerians (Federal Government of Nigeria, 1981)12.

This erroneous belief was so pervading within government circles that the argument that efficiency criterion was not adequate to measure NCR's performance was ignored. This, itself, has introduced a new set of problems for all the public enterprises that perform economic and non-economic services (Ekong, 1980)13. Some of such problems bother on excessive regulation and interference with the day-to-day affairs of such parastatals. The deliberate policy of government to keep down fares and charges for train services as a means of assisting the low income earners and petty business people, who use the services of the NRC without compensating or reimbursing the Corporation

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fully, to meet its operating costs (World Bank, 1993)14 is a fundamental factor that cannot be ignored in any meaningful assessment of the NCR's financial performance. A direct resultant effect of this on the NRC is that it has to finance its operations through borrowing at high interest rates. This problem, coupled, with failures to disburse approved funds to the Corporation as and when due, has been the bane of the Corporation's poor financial and operational performance (Shettima, 1979)15. Can the problems facing the NRC be narrowed down to poor management, as government has tended to portray? (Ifedi, 1991)16 has argued that the experience during and after RITES shows that the problem was barely scratched on the face as the financial performance remained particularly worrisome during and after RITES, when the Corporation was supposed to have been revitalized and put on a sound management and financial footing.

Technology transfer through the handing over of an indigenous public enterprise has remained a bone of contention. The experience of other countries such as Britain, USA, Japan and Germany shows that rail technology could only be acquired and sustained through massive training of indigenous manpower locally and from abroad, and with high commitment to research and technology development. Unfortunately, this lesson was not taken into full consideration when RITES were invited to take over the management of the NRC.

Does the solution lie in privatization and commercialization as government is now pursuing? The situation in the developing countries with regard to the development of infrastructural facilities needed for economic take-off, given the absence of organized private sector places more responsibility on the government of such countries – if they do not provide some of the services, nobody else would provide them.

In the developed and industrialized countries of Europe and North America, commercialization and privatization have worked successfully. This is because the provision and development of public utility enterprises were seen as a joint venture between the governments and the private sector, which is there and ready to provide such services at economic rates. The obstacles on the way to the privatization and commercialization of the NRC, cannot be ignored or underestimated as the private sector will only invest in profitable ventures and on short-term programs – investors in Nigeria hardly invest in projects and programs of long-term duration. They always want quick return on their investment (Gilpin, 1992) 17.

What this means is that for the NRC to go through a successful privatization and commercialization program requires massive investment of capital into rail construction. rolling stock development, and a complete overhauling of railway operations and services. There will also be a need to carefully define the orientation of the corporation vis-à-vis its social and economic services and debt recovery. Anything short of this will technically, make the NRC a less attractive area for potential investors, and if that happens, the burden of providing and operating railway services may continue to be borne by the government for a long time to come.

2.3 The British Railways

Since the Nigerian Railways can be fittingly described as an off-shoot of the British Railways – the British constructed the Nigerian railways when Nigeria was a colony of the British colonial power, some information on the British Railways should be pertinent to this study. Although Railways have been described as England's gift to the World (Rao, 1975)18, Nigeria being an inheritor of the British Railways, yet she cannot

claim to have received the best railway system that Britain could offer. The reason for this might be because the Railway technology and infrastructure provided in Nigeria by Britain – the narrow gauge system was merely disposed off as it was being replaced by the standard gauge system at home. Thus, in terms of investment by the British colonial government, there was little or nothing, really. Since labor for the construction of the routes was largely conscripted, it cosseted the colonial administration very little to lay tracks and put trains on them.

As emphasis was on providing an all-season transport system that could be used to sustain the import-export economic system of the colonial government, what was provided and what was actually needed was the barest rail infrastructure (Lugard, 1922)[19].

One unique feature of the British Railways that was absent from the Nigerian Railways was that the British Railways started, essentially, as a private enterprise owned and operated by private individuals and companies. Government intervention was limited to regulatory roles such as setting standards for safety and services. However, when they started the Nigerian Railways, private enterprises were denied the opportunity to either own or operate railway services or to do so jointly with the colonial administration. This attitude of the colonial government can only be attributed to the exploitative tendency, practices and relationship that existed between the colonial government and the colonial territories. It also shows that the colonial government was not willing to share the profits or benefits of colonial administration. Perhaps, the railway infrastructural facilities inherited at independence would have been better if rival railway companies were allowed to compete by operating rail services throughout the country. The North-South

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railway system bequeathed to Nigeria by Britain was only useful as a means of national unity, which could come through close and frequent interaction by the people of Nigeria through a network of railway systems.

Although the British Railways have gone through a technological revolution, resulting in the emergence of high-tech railway system, such as Electric Trains and High-Speed Trains (HST) and Advanced passenger Trains (APT) some of which have a remarkable start-to-stop speed of 178.km per hour (Nock, 1980)20 yet, the NRC has continued to import and use train components designed for operating the Narrow gauge railway system, which has long been discarded in Britain and other industrialized countries like Japan and USA.

Britain is also reputed for having one of the best networks of Railway Systems in the world, yet the Nigerian Railway System has remained largely untouched by these developments on Britain's Railway scene. This is something that has remained enigmatic or difficult to justify.

In spite of all these developments, the period of decline also set in for the British Railways due to the emergence of a strong network of road transport, which offered almost a door-to-door service. When this happened, the response of railway owners and the British government was swift and spontaneous: there were mergers and conversion of some routes to feeder routes to cope with the dangers posed by the new dispensation. Those who could not adjust quickly enough were forced to fold up and liquidate their assets.

Naturally, one would have expected successive Nigerian governments to learn from the experience of Britain, its erstwhile colonial master in the running of the

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Nigerian Railways. Contrary to this, the Nigerian governments have continued to assemble Railway Components from different parts of the world – Japan, former USSR, Germany, South Korea, USA, etc. there by compounding the problems of standardization. With this development standardization of the Nigerian Railway System has been an impossible task. For instance, even when RITES were managing the NRC, importation of spare parts and rolling stock was done from many countries. As a result of this, Nigerian Railway System has continued to depend more on foreign technology and expertise in the post independence era than was the case during the pre-independence era.

What has happened since independence is merely diversification of sources of purchasing railway component parts where as, during the colonial period, Britain was the only source of importation (Tamuno, 1964)21. The transfer of the NRC Management to RITES in 1979, should, therefore, be seen within this context of diversifying the dependence. Since the Indian Railway system is also a product of the United Kingdom" colonial Railway heritage like Nigeria, bringing in RITES can only be a political decision which governments usually take responsibility for.

The argument being made here is that based on India and Nigeria common colonial heritage, the Indians could not have been in a better position to manage the Nigerian Railways. This issue will be raised later in the study.

2.4 The American Railways

The development of the American Railways and its relevance to this study lies in the fact that it represents, in the true sense of it, how a nation can decide and chart its own course for national development. Although the American Railways developed almost at the same time with those of Britain, however, there were certain features which emerged

and remain essentially American in design, construction, development and operations. It was in no way dependent upon the British Railway technological know-how. The system emerged purely on the research and development efforts of the American engineers, scientists and technicians.

The American Railways, however, followed a similar pattern with its British counterparts, they were owned and operated by private companies and individual entrepreneurs or investors, while the role of the governments – Federal and States was confined to regulatory functions and the setting of standards aimed at providing an efficient, cheap and safe railway system that the economy required.

Like it happened in Britain and other countries, there was a period of the "age of the Railways" when the railways remained the most important mode of transport for passengers and goods within and between States (Stover, 1961)22.

The development of the American Railways also revealed the reality of technology transfer: following the refusal of the British Rail engineers invited to the USA, to help the transfer of the British Rail technology to the Americans, the Americans decided to dispense with the services of foreigners in the development of their railway system by pooling their own human resources together to develop and construct the American Railways (Holdbrook, 1947)[23]. If the Americans learned in the 1950s, the falsity of technology transfer, through foreigners, who were invited for that purpose. it was strange that the Nigerian government, when faced with the same predicament in the 20th century went ahead to invite foreigners to manage her own Railways. The result of the America's bold step is that the American Railway system is not only one of the best

in the world, it has surpassed the British system in terms of technology innovations and adaptations.

For Nigeria, in the 20th century to think that the RITES (Indians) will willingly transfer their Railway technological know-how to Nigerians by coming to operate the Nigerian Railway System cannot be supported by historical or empirical data.

The emergence of electric Trains which has led to the development of High Speed Trains (HST) and Advanced Passengers Trains (APT), almost a decade ahead of Britain is a monumental achievement brought about by a strong determination to succeed and proper harnessing of the human and other resources of a nation to achieve a worthy cause.

The history and development of the British and American Railway systems shows that railways have gone through two periods: boom and decline. During the period of decline, governments have always responded with some assistance to ensure their recovery and put them back in business (Coleman, 1977)[24]. Government intervention has always come because of the critical role railway play in the movement of people and goods, regardless of whether they were private or government owned.

The implication of this is that there is nothing wrong per se, with government funding of a public utility enterprise like the railways because of their important role in stimulating rapid socio-economic development or activity. The crucial issue, however, is whether or not a nation's railway system is built completely on local technology and expertise, in countries where the railway system depends largely on governments to intervene successfully in a time of crisis. The failure of government intervention in the affairs of the NRC to achieve its objective is because of its over dependence on foreign

technology, which results in so much of the system's needs that are not within the control of the government. The importation of a configuration of railway locomotives, coaches, wagons, tracks, etc. from all parts of the world with little or no local content input is an area that has to be properly examined and articulated because this is central to rail standardization and the ability to provide effective and efficient railway system.

2.5 The Soviet Union Railways (Russia)

The Railways of the former Soviet Union (now Commonwealth of Independent States (CIS) are unique from those of the other countries in that they are based largely on co-operation and integration. The development of the Railways in this former Republic was based on its comparative advantage over Road, Water and Airways. Because of this, the influence of the Soviet Railways is not only total but the Soviet economy was rail based for over a century (Zvonkov, 1957)[25].

The Soviet Railways, like their counterparts in Britain and the USA were based on home technology and expertise in terms of their design, development, operations and services. They were also geared towards the promotion and expansion of internal trade through movement of people and goods. To avoid unnecessary duplication of transport facilities and infrastructure, an integrative and co-operative approach was adopted; the choice of mode of transport in any given situation was based on capacity utilisation, equipment and facilities available and cost effectiveness in terms of freight capacity, technical and operational efficiency and competitiveness (Williams, 1962)[26].

Another significant feature of the Soviet Railways is that they are owned and funded completely by the State under the former Soviet economy, private participation or ownership of public utility enterprises was not only discouraged but also outlawed. This

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was so because the prime motive for the provision of Rail Services was not profitability but to facilitate economic and national development, given the fact that most of the economic activities depended on efficient transport system.

The efficiency and the effectiveness of the Soviet railways have helped to debunk an erroneous but popular belief that public enterprises owned and funded by the State are bound to be inefficient and ineffective (Duncan, 1984)[27]. One basic principle upon which the Soviet Railways were based was the strong belief that some services may be effective without necessarily being efficient or profit making. This was a necessary understanding in the USSR because the Railways were used for many objectives: political, economic, cultural, ideological etc. Therefore, in this context, the Soviet authorities did not insist that the railways must be profit making at all costs. This is one crucial point that has not been well articulated or appreciated by the Nigerian governments in their expectations of the Nigerian Railways. The success of the Soviet Railways can also be seen in their exportation of their Railway technology to countries under their sphere of influence. Rail locomotives, coaches, wagons, etc. are not only freely exported, Soviet Railway experts and technicians are also found in those countries, constructing and operating the various railway systems. In fact, the NRC imports some of its rail components from the former USSR, thereby further compounding the problem of standardization and over dependence on foreign technology and expertise from Britain, USA, South-Korea, Japan, etc. The reality of the NRC situation at present is that it is more dependent on foreign technology and expertise than it was during the colonial era. During the colonial era, the only source of importing technology and expertise was from the United Kingdom. In the post

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independence period, importation has been from any country of interest to the government of the day.

2.6 The Japanese Railways

The construction and development of the Japanese Railways provide a model for other countries to copy in terms of self-dependent and use of local technology and expertise. The Japanese Railways are not only reputed to be the best and the most advanced technologically, they are also one of the most efficient and effective railway systems in the world. With her Shinkasen railways, currently providing a train service with a start-to-finish speed of 210km per hour, the Japanese railways offer the fastest train service of its kind elsewhere in the world.

The Japanese approach to technology transfer and acquisition was based on their own conviction that no country, no matter how progressive and altruistic she may claim to be, will transfer her technological know-how on a 'platter' of gold. Therefore, their own approach was to send out their own people to acquire any relevant technology to Japanese development, anywhere in the world. In some cases this approach was formalized, why in others it was something like "Spying" or espionage on those countries with relevant technology to Japan. This approach was also a state policy with generous incentives to those who were so commissioned by the state or its relevant organs.

Although the Japanese Railways started as a government agency (the first public Railway was opened in 1872) it later became a joint venture between the government and the private sector. However, by 1906, the Railway Nationalization Act was passed. By this Act, all the Railways were transferred to a state agency – the Japanese National

Railways (JNR), a body corporate, set up in 1949; as a parastatal of the Ministry of Transport (Strasz and Tuck, 1980)[28].

The success of the Japanese Railway System under a state agency like the Nigerian Railway Corporation shows that, given the right atmosphere, and resources, state owned and operated parastatals should be efficient and effective in their operations. The Japanese Railway System is a showcase of a successful state Railway System, even in a capitalist state.

The completion of the Shinkansen Railways – a High Speed Train (HST) in 1964 which, although similar to those of Britain and USA, however, puts the Japanese Railways ahead of them over a decade in terms of technological advancement. The production of the Railway locomotives, Coaches, Wagons and other equipment, using local technology and expertise, and their subsequent exportation to other nations – developed and Third World, have brought the Japanese Railway technology almost to every nation of the world that can afford it.

A very important feature of the Japanese Railways that has a direct implication for the Nigerian Rail System is the existence of two systems side by side in Japan – the Narrow Gauge and the Standard Gauge Railways which allows for and encourages healthy competition between the two, and provides commuters a choice of service for freight and passenger train services. The plan by Nigeria to replace the existing narrow gauge with a Standard gauge railway has not materialized since it was first mooted during the 1975 – 80 plan period because of its implications. Perhaps, Nigeria could have studied the Japanese experience of constructing a separate standard gauge system to run side by side with the present system.

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The success of the Japanese Railway System has been attributed to many factors – high work ethics, total dependence on local technology and expertise, full capacity utilization of Railway facilities and a good mix of capitalist and socialist tendencies. These attributes, of course, are not by any means peculiar to the Japanese: Nigerians are also endowed with such attributes, given the right conditions and environment to perform. The unique way in which the Japanese Railways have combined their social responsibilities with their economic activities, nationally, and internationally has made the Japanese Railways System a pace-setter for the rest of the world. As a leading Railway System, its responsibilities cut across geo-political, cultural and ideological boundaries: Japanese Railway technology and experts are exported frequently to nations that desire and can afford them.

The enduring legacy of the Japanese Railway System is that in Japan, it is the most important mass transit system for internal movement of goods, services and passengers across the country. This is the greatest source of sustenance for the Japanese Railways rather than government subventions. This is an important lesson that the NRC can learn from the Japanese Railway System. The development of the Japanese Railways also shows that patriotic and nationalistic aspirations must go beyond platitudes; they have to be backed by policies that can translate such aspirations into reality. The NRC unfortunately is still run and maintained largely on platitudes, and sometimes, through unrealistic expectations by both government and the general public.

2.7 The Indian Railways

The relevance of the Indian Railways to this study can be predicated on the following factors; viz.:

i) Both the Nigerian and the Indian Railways were products of British colonialism.

ii) While the British colonial administration refused direct participation in the construction and operations of the Indian Railways because of India's so called extreme poverty, the reverse was the case in Nigeria. This shows that the concern of the colonial administration in the two cases was profitability.

iii) The success of the Indian Railways in the post-independence era was so impressive that Indians (RITES) were invited in 1979 to come and help manage the Nigerian Railway System; and

iv) The history, development and growth of the Indian Railways is another case of a determined people who took their own destiny in their hands and did not toy with it.

The Nationalisation programme of private Railways in India in 1944 was a major government intervention in the affairs of the Indian Railways, whose standards and performances varied under their different owners. After the nationalization, the next major action of government between 1948 and 1952 was integration and creation of a network of Indian Railways, and through this the government of India assumed total control and ownership of the Indian Railways (Rao, 1975)[29].

The success of the Indian Railways in terms of its performance in the haulage of goods, services and passengers is yet another case of a public utility enterprise managed and funded through a government agency. The Federal Government of Nigeria might have been so impressed with the performance of the Indian Railways that of all those

who bided for the Management Contract to run the affairs of the NRC when it became imperative that, the step had to be taken, the RITES were considered. Besides this, RITES, which is a Rail Management Consultancy Team has done many Consultancy services for the NRC (Federal Government of Nigeria, 1981)[30].

An analysis of the success of the Indian Railways points to three main factors: **Firstly**, the Indians have a high record of nationalism and patriotism, which is necessary for mobilizing people for National Development. **Secondly**, the Indian Railways in the post-independence era operated using local technology and expertise. This indigenisation rate was put at about 95% which means that the Indian Railways depended on foreign technology and expertise for only 5% which was in direct contrast to Nigeria's. **Thirdly**, nationalization and the complete overhauling of the Railway System that took place shortly after independence gave the Indians the chance to prove the fact that necessity is the mother of invention.

Like the Japanese, the Indian government preferred the option of sending her nationals to foreign countries to acquire Rail technology, as a means to transfer technology. Given this background upon which the Indian Rail Technology was founded and laid, it would have been a surprise if the motivation for RITES coming to the NRC in 1979 was to transfer their Rail techno-managerial know-how to Nigerians (Thomas, 1976)31. They did not acquire their own so cheaply, and nobody should have expected them to transfer any meaningful technology to Nigerians within three and a half years of their stay in Nigeria.

In all the cases we have seen so far, it appears that the most critical factor in the provision of an efficient and effective railway system is the commitment of the people

through their government and the creation of the necessary economic, political, cultural and conducive environment in which Railway services can be carried out successfully. This basic fact, which has not been given adequate attention by the successive Federal Governments, has contributed to the problems of the NRC. Railways, normally, operate in a competitive environment and as such, its routes have to be well planned, using or depending to a greater extent on local technology and experts. No railway system can succeed in its tasks if it operates virtually on imported technology and expertise as the case is with the Nigerian Railway System, the fact that India is a Third World country like Nigeria, shows that rail techno-managerial know-how is not the exclusive preserve of the developed nations of the world, as one may be tempted to assume. At least, the foregoing review has confirmed this.

2.8 The Tan-Zam Railways

The Tanzanian and Zambia Railway project was conceived by the two countries as a means to facilitate rapid socio-economic and political development and linkage of the two countries. Unfortunately, the two countries have no funds to construct the rail link.

To translate this laudable project into reality they had to apply for assistance from the Western countries and their multi-national corporations, such as the World Bank and International Monetary Fund (IMF) supported with favorable feasibility reports on the economic viability of the rail link. Unfortunately, this project was denied funding by all of them on the ground that the two countries were pursuing radical and socialist policies that were at variant with their own capitalist tendencies. The Presidents of Zambia and Tanzania were also considered too radical in view of their open and strong campaign

against the then apartheid system in South Africa, through their unflinching support for the liberation movements (Bailey, 1976)[32] and (Hall, Richard and Peyman, Hugh, 1977)33.

Following this development, the two countries had no other option but to turn to the Eastern block – China did not only respond positively and favorably to the idea of the Tan-Zam Railway link, it agreed to construct the Railways without pre-conditions with the greatest speed. The construction of the 1860km. Rail-line commenced effectively in 1969 and was completed in 1974 and train services linking the two countries began immediately (Hall, Richard and Peyman, Hugh 1977)[34].

The relevance of the Tan-Zam Rail line to this study lies mainly in the fact that it exposed the Western countries and their multi-national Corporations for what they are. They are only interested in funding or providing socio-economic infrastructure in the Third World countries, if such projects are in line with their own pre-conceived ideas and about how a developing country should develop and the path of development it should follow. It also shows that economic viability was not adequate to receive financial assistance to prosecute development projects - there are social, political, cultural and other conditions that have to be met by the recipient nations. The point had earlier been made that the construction of Railways in the African countries was not intended essentially to benefit the local people as much as the colonialists, who mooted the idea and constructed most of the Railway Systems in Africa (Tamuno, 1964)[35].

The Chinese experiment with the Tanzanian – Zambia Railway project in Africa has led to the opening up of Africa to both the east and the west and the consequence of this development is that many, if not all African countries have supported the idea of

Non-Alignment as a concept to govern their relationships with the West and the former eastern block led by the USSR.

The issue of technology transfer which has been the recurring factor in foreign aids and technical Assistance Programs Promoted in most African countries by the West can now be seen in their true perspective – such programs always have strings attached to them and those strings are more important than the issue of technology transfer or the provision of fundamental infrastructural facilities needed for rapid socio-economic development. This explains why laudable and economically viable technical Assistance programs can be terminated or abandoned at any stage. The initial success of the Tan-Zam Railway System, which eventually forms the nucleus of the East African Railways, which later collapsed should also be seen within the context of east-west political and economic relations. The west have never pretended that they were happy at the Chinese involvement in the Railway project, and they were ready to do anything on the political and economic fronts to ensure that the project did not quite succeed in linking the economies of the region as was anticipated. The failure or the collapse of the Railway project was due to economic and political instability and over-dependence on the Chinese technology and expertise which represents another mistaken notion of technology acquisitions in form of a Turn-key project, with little or no indigenisation policy to back it up (Thomas, 1975)36.

If organizations must survive and grow change must be a common phenomenon. Change will have to be made continuously on the structure, task, people and its technology in the light of emerging trends in the environment (Leavitt, 1965)[37].

Changes are initiated from the top management when change is effected through the power distribution continue, the perception is that organization's efficiency is a function of a key-man (Greiner, 1967)[38]. For organization change to be regarded as successful, the change must be measurable. Has the change led to improved efficiency and effectiveness (Greiner and Barnes, 1970)?[39]. If not, what must have gone wrong? Some reasons have been proffered to explain the failure of organization change (Bragger and Hollowway, 1978)[40].

Self-interest can over shadow organization interest (Kotter and Schlesinger, 1979)41 and when this happens, change designed to improve organization efficiency is bound to fail.

Resistance to change by people can also be due to lack of understanding (Bartlett and Kayser, 1973)[42] and the fear of uncertainties that such a change could bring on them. As (March and Simon, 1958)[43] found out in their own study, personal or group investment into an organization, which is likely to be threatened, provides reasons for opposing change in an organization.

Is it possible that certain people can benefit from organization's inefficiency? It has been observed that in some cases people hardly think of the over-all good (efficiency and effectiveness) of the organization (Patti, 1974)[44]. Measuring organization's performance – effectiveness and effectiveness has been a major issue. Attention has been drawn to the need to apply correct and adequate measure of organization performance.

Finally, whether we like it or not, organizations cannot remain static. As open-social systems, organizations cannot run away from change; some may be imposed by the changes in the organization's external environment while some may be induced from the

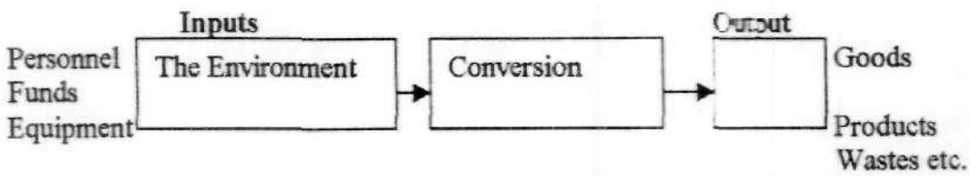
internal environment. Therefore whether the course for resistance is clear or not it should be investigated. Constructive resistance to change should be noted for necessary remedial action (Lawrence, 1969)[45] in order to fully serve the interest of the organization.

2.9 The Systems Theory of Organization

The systems theory as seen by management theorists (Tosi and Carroll, 1996)[46] is a theoretical formulation that defines organizations as sets of interrelated and interdependent components, surrounded by a boundary, which receives and absorbs inputs from other systems in the environment and transform them into outputs (goods and services) that are needed by other systems in the environment.

The theory shows that organizations are open-social systems because they must draw resources (input) from their environment which they mobilise and utilize to produce goods and services that they have to export back to their environment as output. As this input – output system occurs in a cyclic manner, the success or failure of an organization can be measured by the ratio of inputs to outputs. If the outputs are higher than the inputs, the organization will be regarded as efficient. If on the other hand, the inputs are higher than the outputs, the organization will be regarded as inefficient. The concept of input – output ratio is presented graphically in figure below.

FIGURE I: The Systems Theory – Input – Output Device



SOURCES: Bedeian Arthur G. (1980) Organisation Theory and Analysis P.5

This Input – Output device will also mean that when the Outputs of an organization are higher than the Inputs, the organization is contributing and more than it is taking from its

environment; and that is this is sustained on a continual basis, the survival of the organization can be guaranteed.

When this concept is applied to the NRC we can easily see whether the organization is efficient or inefficient. The difference between the revenues generated and the total working expenses will show which way the NRC gravitates towards; efficiency or inefficiency.

In Nigeria, most of the analyses of Public Enterprises have always given this wrong notion which regard such enterprises as closed systems, suggesting that the NRC is isolated or untouched by Nigeria's turbulent political, economic, technological backwardness and perennial social unrest. This, of course, is far from the truth. As a result of this faulty analysis, many analysts have not been able to get to the root of the problems confronting the Nigerian Railways. In most cases, the analysts stop at identifying symptoms while the ailment remains untouched.

For instance, any analysis of the Nigerian Railways, which tends to give the impression that the Corporation is isolated from socio-economic environment and political decisions of the government of the day will not only lead to wrong conclusions and generalizations but will hardly touch on the real problems faced by the organization. To suggest or give an impression that the NRC operates as a closed system or in a closed environment would also further compound the problems of the Corporation – because the assumption is not only wrong, it is misleading.

Many analyses of the NRC as a Corporation also do not always see the corporation in terms of it being made up of many sub-systems which are interdependent and interrelated, and unless all the sub-systems function properly, the over-all

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performance of the entire organization will normally fall below expectation. Therefore, any analysis of the NRC's performance which focuses mainly on such departments as operations and commercials, Accounts and Personnel without due reference to the Engineering and Communication functions or departments will always produce misleading results because the engineering and communications departments constitute the hub of any railway system.

For instance, no matter how much the Personnel and Accounts Departments try to improve the over-all financial performance of the NRC; if the engineering and communications units remain underdeveloped and under utilized, only very little can be achieved. In addition to all these, the systems approach shows that no organization can function properly except all its parts or sub-systems carry out their assigned roles satisfactorily. The survival of an organization using the systems approach will also be seen solely in terms of its ability to produce or export to the environment more outputs than the inputs it draws from the environment continually. While we must bear in mind that some enterprises can be effective without been efficient, it is still very important for us to be able to assess correctly while an organization survives if its inputs are more than its outputs. As (Katz and Kahn, 1978)[47] have noted the concept of organization survival based on the input – output device is not only relevant but central to the measurement of organization performance; whether it is efficient or inefficient. A Theoretical analysis of measures of organizations efficiency (Soyode, 1980)[48] has clarified many of the confusions between productivity and efficiency.

2.10 Conclusion

In this chapter we can see through the review of literature that:

i. The efficiency of Railway systems does not depend on their ownership structure; government railway systems such as the Japanese, the American and the Indian railways at one point or the other.

ii. The railway systems are technology driven not labor. They are also capital intensive. The literature review shows the backwardness of the Nigerian railway in terms of technology and capital investment.

iii. Most railway systems now operate on the standard gauge track instead of the narrow gauge single track systems. Where the standard gauge still exists, it does so side by side with the standard gauge. The Nigerian Railway system is completely of the narrow gauge system.

iv. The railways world-wide have gone through periods of "prosperity" and of "survival" when government intervention in form of financial investment was imperative.

v. Railways require constant modernization and expansion if they must continue to be relevant to the economic activities of their countries. Unfortunately the Nigerian has not witnessed much modernization and expansion to its system over the years.

The theoretical framework on the other hand has provided a good base for understanding or explaining the efficiency or inefficiency of the Nigerian Railway system. However we noticed that for an organization to be inefficient over a long period of time, and still remains alive means that organization survival requires something

beyond the input/output device as the systems theorists have offered. Both the literature review and the theoretical framework have helped us to fill gaps in our knowledge of the Nigerian Railways with special respect to its efficiency or inefficiency.

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CHAPTER THREE
METHODOLOGY

3.1 Introduction

Since this study is an ex-post facto research (in which all the events had already taken place), it means that the researcher does not have direct control of the independent variables. As such we have found the survey methods very appropriate as (Babbie 1973)1 has pointed out. However, this method is supported with other methods such as context analysis and non-participant observation as data collecting techniques.

Because we cannot study the entire population of the study, a sample had to be drawn through the use of stratified sampling technique. This technique was used for two main reasons;

i. The need to organize the population of the study into distinct and homogenous sub-sets; and

ii. The need to reduce the margin of sampling error to the barest minimum.

3.2 Data Collecting Techniques

Four data collecting techniques were employed in this study:

i. The Questionnaire

ii. Oral Interview

iii. Content Analysis

iv. Non-Participant Observation

The design of the questionnaire, in content and structure was guided by the research problem, objectives and the hypotheses/propositions for the study. The oral interview method was used to collect additional information verify and classify data obtained through the questionnaire and documentary sources. Through the interview

technique, the views of those who were excluded from the questionnaire technique were incorporated. These groups of respondents included officers on Grade Levels 01 – 03, officials of the ministry of Transport, the supervising ministry of the NRC and some train commuters at Lagos, Ibadan, Enugu and Zaria Railway stations.

The non-participant observation method was employed to enable the researcher select and observe on-the-spot, important railway infrastructural facilities and relevant events and situations at the four centers chosen for this study.

The content analysis method was used to collect and collate data from primary and secondary sources, which had direct or indirect bearing to the topic of the research.

Although the use of the above data collecting techniques was tedious and costly in time and finance, it was found out later that the means justified the end. Inaccurate or exaggerated responses to the questionnaire items were minimized. In the subsequent sections that follow, a step-by-step approach or description of the research procedure is given.

3.2.1 The Questionnaire Design and Technique.

The questionnaire for this study consists of 70 questions (closed and open-ended) or structured and non-structured questions. This was done because of the need to obtain guided as well as free responses to the questions which a study of this type requires (Clemens, 1977)[2] in order to provide a balanced assessment of the questions.

Two pretests and a pilot study were done using the questionnaire in 1986 and 1987. The pretests and pilot study were designed to improve the quality, of the questions, their relevance, appropriateness, and adequacy of the questionnaire as a research instrument.

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The questionnaire is made up of four sections. Section one consists of questions of general nature on the NRC and the respondents to provide background information on the NRC as a public utility enterprise. Section two contains questions relating to the general condition of the NRC and its performance for the period 1975 – 1978 (Pre-RITES era). Section three, provides for questions relating to the period 1979 – 1982 (the RITES period), while section four covers the post RITES period, 1982 – 1985.

The periodization employed here was done to help us generate data relating to the specific periods of this study in order to make data presentation and analysis flow from the data collected during the field work.

3.2.2 The Non-Participant Observation Technique

Through the use of this technique the researcher was able to make on-the-spot assessment of selected facilities, events, equipment and infrastructure relevant to the study. The technique also provided an opportunity to conduct interviews with those not included in the sample, but whose views were regarded could be helpful on some aspects of the study.

3.2.3 Oral Interview Technique

This technique was employed for four main reasons;

i. To follow up the administration of the questionnaire,

ii. To seek clarification to some of the responses given in the questionnaire,

iii. To verify some of the answers given in the questionnaire, which appeared doubtful on the basis of data, collected and on-the-spot-assessment carried out.

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This technique was very helpful in minimizing the inherent weakness in each of the four data collecting techniques employed as described above.

3.2.4 The Pre-test of the Questionnaire

Two pretest exercises were carried in 1986 and 1987. The first was conducted on 66 participants at a six-week training workshop organized by the National Institute for Transport Technology (NITT) Zaria. The workshop was for middle level managers (GL.13 and 14 officers) drawn from all the Transport parastatals in the country. The initial objective of this exercise was to determine the relevance acceptability and appropriateness of the questionnaire items as a data collecting technique.

The second pre-test was carried out in 1987 shortly before the fieldwork for this research. It was conducted at the same N.I.T.T. Zaria, on 50 participants, all of whom were NCR staffers. The main objective of this second pre-test was to improve on the effectiveness of the questionnaire in readiness for the pilot study which was done in 1987.

3.2.5 The Pilot Study

The pilot study was carried out at the Northern District of the NRC based at Zaria, in June 1987. 80 copies of the questionnaire were administered to all categories of the staff as stratified for the purpose of the study.

During the pilot study, particular attention was paid to the clarity of responses, re-actions of respondents to the questions in terms of adequacy, relevance, appropriateness and effectiveness. Particular attention was given to responses to open-ended questions and the over-all usability of the questionnaire as a data/collecting technique.

3.2.6 The Population of the Study

The population of this study consists of 1300 members of staff of the NRC, who were4 on Grade Levels 04 – 16 as at 1987, when the fieldwork for this study was conducted at the four centers located at Lagos, Ibadan, Enugu and Zaria.

The population was stratified into two major groups: Management and Non-Management. The management group consists of officers on Grade Levels 07 – 16, while the Non-management includes staff on Grade Levels 04 – 06. The management staff was 476 (37%) of the population while the Non-management staff was 824 (63%) of the population.

The stratified proportional sampling was used for two main reasons:

i. The strata employed correspond largely with the normal classification of the staff in the NRC into junior and senior staff; and

ii. Through the stratification all categories of staff were adequately represented in the sample in proportion to their strength in the population.

3.2.7 The Administration of Questionnaire

The questionnaire was administered through the office of the Director of Administration at the National Headquarters in Lagos, and the Divisional Director of Personnel (DPOs) at the other centers.

The distribution was as follows; Lagos 100, Ibadan 70, Enugu 70 and Zaria 70 copies. Out of the 310 distributed 224 (72.7%) were returned out of which 11 copies were not satisfactorily completed and were therefore, rejected. As a result of this the researcher was left with 213 (68.7%) of sample drawn, and 16% of the population of the study. This return rate is quite high for a type of survey study as this (Babbie, 1973)3 where 50%

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return rate was recommended as adequate for survey research of this type. This view is also shared by other researchers (Wiersman, 1980)[4] and Lovell, and Lawson, 1976)[5].

3.2.8 Statistical Treatment

In an expost-facto research of this type, the need to use a combination of statistical methods of analysis cannot be overstressed. In order to make inferences and analyze possible relationships between expected and observed frequencies, we have used chi-square test and analysis of variance (ANOVA). We also made such computation as mean scores, mean group scores, percentages, probability of level of significance, degree of freedom and f-ratio.

Data derived from the above statistical tests or treatments were used to test the hypothesis or propositions put forward in chapter one of this study. From the data collected, analyzed and interpreted we were able to make appropriate recommendations and conclusions, all deriving from the findings of the research.

3.2.9 Outline of the Study

This thesis is organized into six chapters as described below:

Chapter one serves as the introductory chapter to the whole thesis. It contains a brief discussion of public enterprises in Nigeria. The research problem, the objectives, the hypotheses/propositions, the significance of the study, the scope and limitations of the study.

Chapter two contains the review of literature and the theoretical framework for the study. Chapter three provides for the methodology and the procedures employed in carrying out this study. Chapter four contains a review of the NRC but with emphasis on the period 1975 – 1985, and the factors that influenced the performance of the NRC.

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Chapter five shows data presentation and analysis, the testing of hypotheses/propositions, statistical treatment and conclusions. Chapter six is the concluding chapter deals with the summary of major findings, recommendations and conclusions, followed by bibliography and appendices.

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CHAPTER FOUR

NIGERIAN RAILWAYS, 1898 - 1985

4.1 Introduction

The chapter focuses, and discusses some of the issues and factors that have shaped the course of the Nigerian Railways from the beginning of construction in 1898. The historical sketch provided here helps to trace the genesis of the Nigerian Railways in some chronological form. The bulk of the Data used in this chapter were drawn from documentary sources – primary and secondary. The analysis of the data provides some evidence on the events that led to the near – total collapse of the NRC and the provided the justification for the transfer of its management to RITES in 1979 as part of government's attempt to find solutions to the NCR's inefficiency.

4.2 The Nigerian Railways In The Colonial Era: 1898 – 1959

From 1898 when construction of the Nigerian Railways commenced on the Lagos – Ibadan route, up to 1955, the affairs of the Nigerian Railways were managed as a Division of the Department of Public Work Ministry. The impression created by this administrative arrangement was that it is in the public interest, whereas, in reality, the Railways were being constructed to enhance the grip of the colonial administration on the Nigerian economy through the provision of a channel to service the import-export oriented economic system of the colonial administration.

The construction of the Railway system also attests to its objectives. The railways were constructed mainly from South to the North, and particularly to sources of mineral and agricultural materials, which were to be evacuated to the seaports of Lagos and Port Harcourt for their eventual evacuation to the Metropolis of the United Kingdom. At the

same time, finished or manufactured goods were also evacuated from the sea-ports to the hinterland. Thus, from the beginning, it was clear that the Railways were not constructed even to promote internal trade or movement of people, goods and services from one part of the country to another. Yet the Railways were constructed and operated at public expenses – through the taxpayer money.

4.3 The Establishment of the NRC as a Corporate Body

The establishment of a body corporate to which the affairs of the Nigerian Railways were transferred – the Nigerian Railways Corporation (NRC) in 1955 was done mainly to respond to the growing bureaucracy in the then colonial Ministry for Public Works. The objectives of the NRC Act of 1955 where four – fold:

i. To manage and operate the Railway System by providing reasonable facilities for the carriage of passengers and goods;

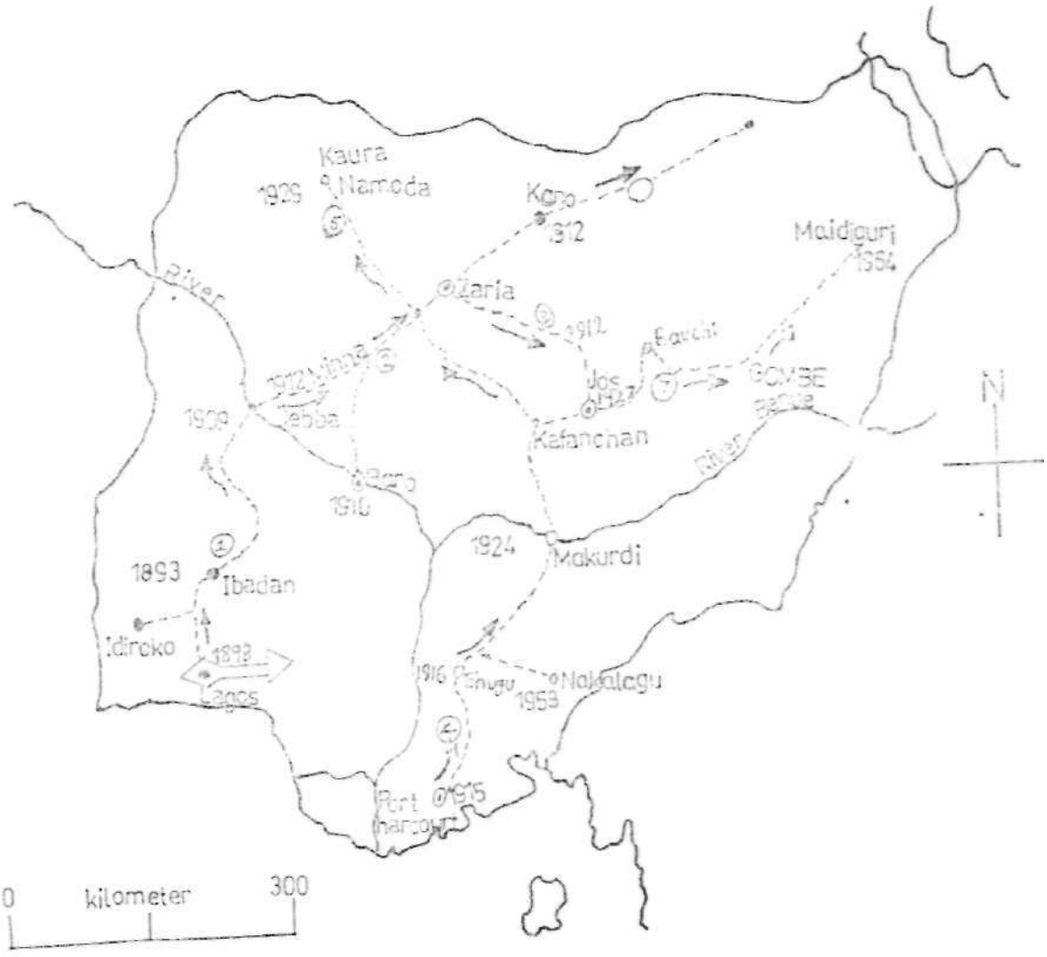
ii. To ensure that the Railway's annual revenues were sufficient to meet all expenditures properly chargeable to revenue;

iii. To control Railway expenditures; and

iv. To direct and control the expansion of the Railway System (Olarewaju, 1976) [1].

A close study of the objectives stated above reveals the real motives of the colonial administration for providing Railway services-to facilitate the exploitation of the nation's natural resources through a reliable and cheap means of transportation. The creation of the NRC as a monopoly endowed with the power to establish and operate Railways in Nigeria was also aimed at ensuring that there was no rival Railway authority in Nigeria, thereby preventing any competition with the NRC. By strict control of the

Fig 4.1 THE HISTORICAL DEVELOPMENT OF THE NIGERIAN RAILWAYS 1898—1964



SOURCE : OLAREWAJU, S.A (1976) ADMINISTRATION OF THE NRC JOURNAL OF PUBLIC AFFAIRS 6(1)56

NCR's expenditures and expansion programmes, the colonial administration was able to ensure that Railway construction and operations were governed mainly by economic viability. The Social Services of the Railways were left, or at best, ignored. This situation has to be well appreciated in our analysis of the Nigerian Railway System in the period under review.

4.4 The Nature of the Nigerian Railways

The static nature and the essentially North-South feature of the Nigerian Railways is shown in figure 4:1. From the Figure, it is also shown that the last major expansion to the Railway System was completed in 1964 and since then there has not been any major extension to the system for some inexplicable reasons. This development contrasts sharply with the developments that have taken place in the other subsections of the Transport Sector, The change in transport policies in the post independence period is another factor that should be noted. While emphasis during the colonial era was laid on the Railways and their economic viability, the post independence period had witnessed an era when transportation development has been perceived as basic to the over-all development of the nation. Because of this, the possibility of adopting a multi-modal approach to the development of the transport sector was attempted. Using this approach ordinarily would have placed the Railways at per with the other modes of transport except that politics and social considerations rather than economic or profitability. The unfortunate aspect of this development, however, is the neglect the Railways have suffered in the post independence era from successive governments in their attempt to use transportation systems to open up the entire country for rapid socio-economic development. Unfortunately in doing this, government has tended to concentrate most of

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the funds available for transport development on road transport, at the expense of the other modes of transportation.

Given these factors and other conditions under which the NRC operates in the post-independence era, it is obvious that any comparison of the performance of the NRC for the colonial and post-independence periods would normally show that the NRC in the colonial era was not only more efficient but also more effective. In the colonial era, the Railway System had no competitor, its orientation was on economic viability while social services were relegated or ignored. Capacity utilization was enhanced during the colonial era, because the focus of the Railway System during this period was only on the haulage of import – export commodities on which the colonial economy depended from which the Railway System earned the bulk of its revenue.

The situation in the post-independence was different. The Railway System was faced with a stiff competition by the Road transport and limited capacity devoid of east-west linkages and new extensions, which the Road transport quickly took advantage of. Lack of funds, which the NRC has experienced since independence is also a post-independence phenomenon: if it existed during the colonial era, it was not well pronounced. It can also be noted that in the post independence era, the objectives of the NRC were not as clearly well defined as they were in the colonial era. The Railway System was used to provide social and economic services almost on equal basis in the independence period.

Therefore, the apparent efficiency and effectiveness of the NRC during the colonial period can be attributed to six major factors, which are summarized as follows:

Fig 4·2 THE NIGERIAN RAILWAY COPORATION DISTRICT HEADQUARTERS



SOURCE : RESEARCH UNIT NRC EBUTE METTA

i) There was no competition with the Railway System, instead, roads were constructed to serve as feeders to the railway system.

ii) Low capital investment and availability of cheap labor for the railway system.

iii) Since Railways were constructed based on their economic viability there was full capacity utilization of rail infrastructure;

iv) The narrow gauge railway system that was installed was cost – effective as it was cheap to maintain:

v) Since profitability was the prime motive, social and uneconomic services were reduced to the barest minimum, and

vi) The mission of the NRC was clearly well defined and there was a clear definition of duties and responsibilities.

The aforementioned factors must have influenced the patterns of performance in the colonial period and influenced the organization structure and administrative set up that were put in place during the colonial period.

In Figure 4:3, the line of authority provided is not only well defined and simple, but ensured that they were clearly designed to promote the profitability motive of the colonial administrators. The administrative set up, as shown in figure 4:2, and was also in line with the colonial administrative set up of the entire country. The District headquarters of the Railway system were based on the then regions – Northern, Western and Eastern in line with the Geo-political setting at the time.

This was to facilitate administrative, political and economic supervision and control of the railway, operations and services. Co-ordination – economic and

administrative was also enhanced during the colonial period. The creation of Districts which started with three – reflecting the geo-political division of the country was designed to provide effective linkage of the regions by rail, which was the most reliable and effective mode of transport during the colonial period. The highly centralised nature of the NRC was also in line with the unitary structure of the colonial administration. During the colonial period, power was concentrated largely at the center. In the case of the NRC, ultimate decision making for railway affairs was the responsibility of the national headquarters in Lagos. However, the location of District headquarters was influenced more by economic and administrative importance to the haulage of import and export commodities, which formed the mainstay of the Railway operations than any other considerations.

These facts, more or less, explained the establishment of NRC districts at Kafanchan, Bauchi and Ebutte-Metta (Lagos) much later in the life of the administration of the Nigerian Railways.

Given Nigeria's total land area of 923,768sq km. The total capacity of 3505km reveals the inadequacy of the Nigerian Railway System in terms of providing adequate coverage for the country. Yet the Nigerian railway System is rated the sixth largest in Africa (Nigerian Council for Science and Technology (1973)[2]. This also goes to confirm the very narrow interest of the colonial administrators in providing rail services in their African colonial territories.

The Nigerian Railway System is made up of two main sections: The main lines sections consisting of 2792.16km (79.6%) and the Branch Lines sections, which consist of 712,89km (20.3%) routes (Olarewaju, 1976)3. The implication of this is that since the

railway system lacks east-west routes to service the main lines, the Branch lines, which also run from south-north like the main line serve as feeders and hence the Branch lines provided mainly for light railways.

In Table 4:1 below, the two sections of the Nigerian Railways, reflecting their total rail capacity in Km routes are shown. It must be noted that the railway system has not changed from the picture provided in the table after three decades of independence. This cannot be compared with the monumental improvements that have taken place in the other subsectors of the transport sector – the road, water-ways and airways, in terms of their growth, development and investment since independence.

TABLE 4.1: MAIN & BRANCH SECTIONS OF THE NIGERIAN RAILWAY

MAIN LINE SECTIONS ROUTES	KM	BRANCH LINE SECTIONS ROUTES	KM
Lagos/Apapa – Kano	1126.51	Minna - Baro	178.63
Apapa/Local – Ebutte Metta Junction	8.05	Ifaw Junction	
P/Harcourt - Kaduna Junction	915.65	Zaria - Kaura Namoda	220.47
Kafanchan - Jos	101.39	Kano - Nguru	230.12
Kuru - Maiduguri	614.51	Elelenwa - Alesa Eleme Oil Refin.	9.65
Total Main Line (a)	2792.1	Ogbaho – Nkalagu	14.18
		Enugu - Iva Valley	8.04
		Enugu – Obuetti	8.04
		Total Branch Line (b) Section	712.8
TOTAL RAIL CAPACITY (A) + (B)	-	3505 KM	

Source: Olarewaju, S.A. (1976) The Administration of the NRC, P.51

The colonial administration rationalized the low capacity of the railway system on the role of the system, which was limited to the export-import haulage activities between the hinterland and the seaports of Lagos and Port Harcourt. Given this central role of the railway system to the success of the economy of the colonial administration, the system was not only well coordinated administratively and economically but there was full capacity utilization. As a result of this, the Railway System was able to cover its operational costs and make some profits all through the colonial era.

4.5 **The Nigerian Railways From 1960 – 1978**

Throughout the colonial era, rail transport was the most important mode of transport in terms of its infrastructural facilities, traffics hauled and reliability as an all the-year-round transport system. For instance, while the first motorable road in Nigeria was opened in 1906 (Onakomaiya, 1981) [4] train services had begun as early as 1901. On the Lagos – Ibadan route. This foremost position of the Nigerian Railways during the colonial era was overturned shortly after independence.

During the post independence period, a five year National Development Plan was introduced, beginning from 1962 (1962 – 68) in which priority attention was given to the critical sectors of the economy. The transport sector was given a top riority, because of its potential to open up the country through internal movement of goods, services and people. However, a new policy for transport development also evolved. Transport development was conceived as an integral part of National Development. A multi-modal approach was also adopted in which all the major transport modes were given some attention, based on the government's perceived need, for them. As a result of this thinking, road transport was not only given the most important attention, more than half

of the resources available for the transport sector was invested into road transport development.

Road development was also made a joint responsibility of the three tiers of government – Federal, State and Local, where as, Railway development had remained a Federal concern. Thus, for the period 1960 – 1978, the railway system did not only lose its importance and relevance to the post independence socio-economic and geo-political activities, but its role as a major transport system in the scheme of national development. This, meanwhile, is against the massive and rapid development that took place, in road sub-sector.

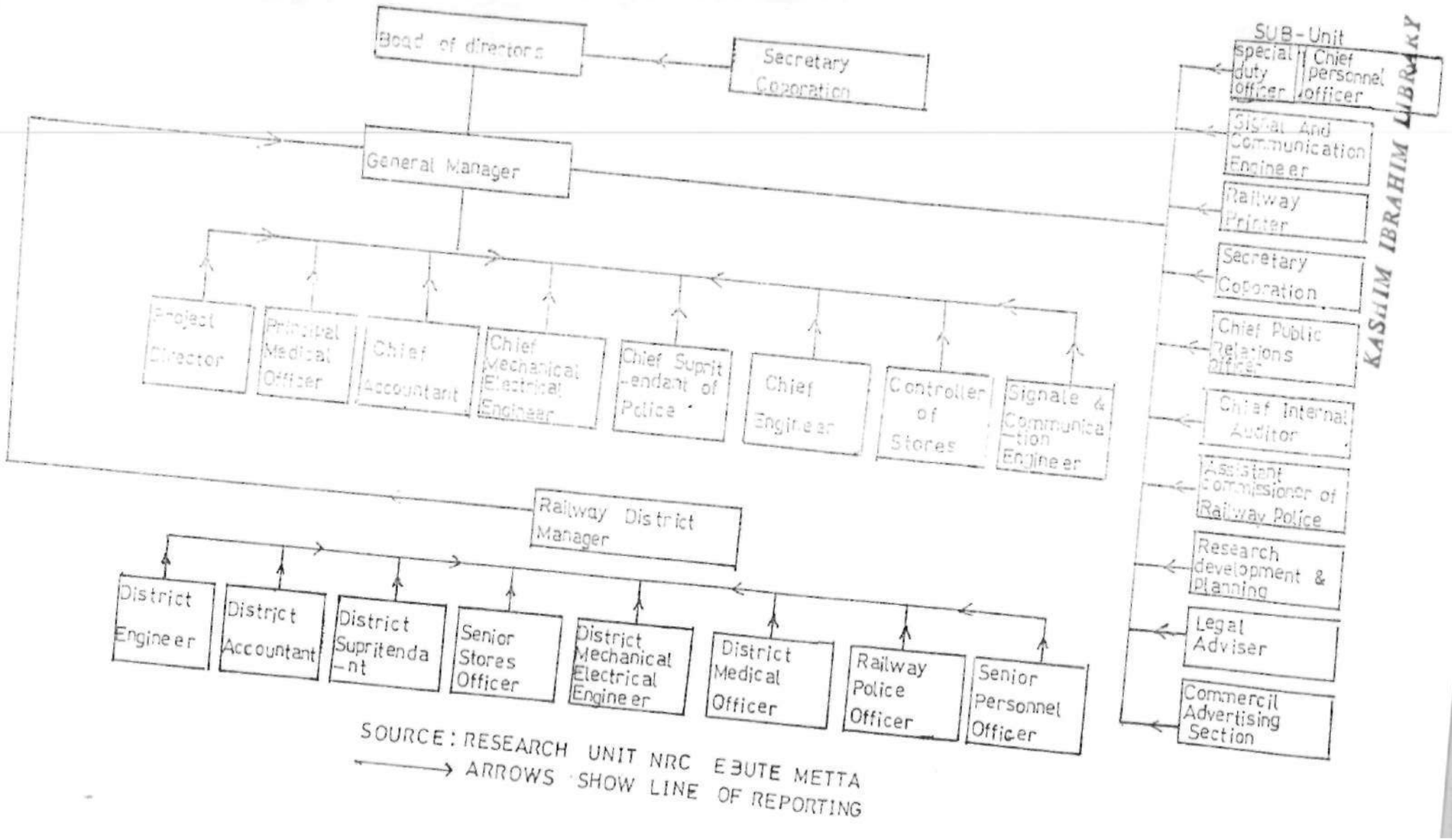
In an interview with officials at the Ministry of Transport during the field-work for this study, many reasons were given to explain or justify the apparent neglect of the Nigerian Railways since independence. These include:

i. The desire of the political leadership, most of whom came from the rural areas, to link-up their areas by road which was much cheaper to construct and maintain, given the commitment of the three tiers of government to road development and the provision of a network of roads nation-wide.

ii. The adoption of a multi-modal approach to transport planning and development, the provision of transport infrastructural facilities in the post independence was aimed at providing basic infrastructural facilities needed for national development – more emphasis was placed on using the transport sector development as a base for National Development.

4.3 PRE RITES NIGERIAN RAILWAY CORPORATION

ORGANISATION CHART



SOURCE: RESEARCH UNIT NRC EBUTE METTA

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iii. The capital intensive nature has tended to make further investment in the railway system relatively costly when compared to investments in the other sub-sectors of the transport sector.

iv. Lack of political clout by the railway management and commuters to lobby for more funds to be allocated to rail development and operations in the face of dwindling revenues to government; and

v. Poor and inept management, which could not justify the level of funds committed to rail maintenance and operations.

The implication of the above development for the railway system could be seen in two respects; low level of financial allocation to the railways, when compared to the huge capital outlay on road development during the same period; and the systematic deterioration in rail facilities and infrastructure, which has resulted in near total collapse of the Nigerian railway system.

Therefore, for the entire period of 1960 – 1970, there was very little attempt at the development of the Nigerian Railway system. Given this post-colonial development, the Nigerian Railway System was faced with the problem of how to regain its lost glory and make itself relevant to the socio-economic and political development of Nigeria.

The first attempt at re-organization or restructuring the rail system only came in 1971, when a new organizational structure was adopted. This is presented in Figure 4.3. The distinctive features of the 1971 reforms can be summarized as follows:

i) The cancellation of the post of Deputy General Manager which existed in the pre-independence era, and the location of the Secretary to the Corporation outside the NRC line Management, thereby making the

Secretary responsible solely to the Board and its functions. The abolition of the post of Deputy General Manager by the New Reform was designed to remove the constant in fighting between the General Manager and his Deputy, arising purely from lack of specific functions assigned to the post of Deputy General Manager.

ii) The placement of District Managers below the Heads of Department in the new structure was designed to remove the misconception that the District Managers were higher in the organizational hierarchy of the NRC. However, this subordination was not actualized as the District Managers still reported directly to the General Manager like the Heads of Departments.

iii) There was more decentralization and clearer lines of reporting, when compared to the pre-independence structure, the new reforms provided for the establishment of more units and departments, including more districts, technical and professional Unites in the Corporation.

A close study of the new structure, however, shows that the office of the General Manager was still too loaded by the large number who report to him contrary to the principle of span of control, which puts the number of people that a manager can effectively control at between 5 and 8 (McGregor, 1966) [5].

The dangers in having a very large span of control are obvious; it makes the individual involved less efficient and too powerful; and less attention is given to high policy issues; more of the Manager's time is given to routine issues, which his sub-ordinates are better able to handle. Therefore, if efficiency and effectiveness are to be

promoted, the new structure would have to provide for more decentralization of power and a limited span of control at all levels of the organization. This is necessary if the management staffs are to have more time for policy and management issues rather than routine.

The static nature of the Nigerian Railways when one compares the pre-independence situation with the post-independence era has been clearly demonstrated (Okoro, 1986) 6. In table 4.2, the stock of Rolling Stock purchased before and after independence are given. The picture presented in the table is not only that of neglect of the Railway System since independence, but that of a clear shift of policy by the Government in Transportation Development (Federal Government of Nigeria, 1981)7. The huge financial investment made into road transport development provides a clear testimony of where government's priority was in transport development in the post independence period.

TABLE 4.2: NRC's Rolling Stock Up to 1978

TYPE OF ROLLING STOCK	NO. PURCHASED BEFORE INDEPENDENCE	%	NO. PURCHASED AFTER INDEPENDENCE	%	TOTAL
Coaching Stock	318	47	356	53	674
Wooding Wagons	1843	68.3	853	31.7	2696
Tank Wagons	237	23.9	857	76.1	1094

Source: Okoro N.C.U. (1986) Rail Transport System in Nigeria. P4.

The neglect of the Railway tracks is another evidence of the post independence era. From the total track routes, of 3505km, about 1788km (or 51%) has been due for renewal from as early as 1961, yet no major action had been taken to replace the over-age tracks or overhaul them since independence.

This poor state of tracks has been responsible in the main for the NCR's inability to retain its freight traffics and the relatively low speed of trains on the tracks. This

situation usually worsens during the raining season when sections of the tracks could be washed away by heavy rainfall. In fact, some of the petty traders interviewed made it clear that although rail transportation was the cheapest means of transport, yet they had to opt for road transport because of the unreliability of rail transportation arising from accidents and operational problems.

In table 4.3 below, the deteriorating condition of the NCR's track is shown by the parts that have been due for renewal since independence. The reality of this table is that except attention is paid to this aspect of the railway maintenance, very little will be achieved as this is part of the crisis affecting the financial performance and management of the Railway system.

TABLE 4.3: Portions of NRC Tracks Due for Renewal. 1961-1983

SECTION	LENGTH (IN KM)	YEAR FOR DUE REN
Ibadan – Offa	154	1962
Offa – Jebba	141	1961
Jebba – Minna	150	1978
Zaria – Kano	140	1963
Kano – Nguru	230	1963
Ifaw Junction – Idogo	63	1963
Minna – Baro	170	1983
Kuru – Maiduguri	140	1983

Source: Okoro, NCU (1986) Rail Transport System in Nigeria. P6.

Another indicator which shows the low rating accorded the NRC since the post independence era is the financial allocation made to the Railway development through the National Development Plans, 1962 – 1980. The allocations for the three plan periods show that the Road Transport received the "lion share" of the Transport Sector allocation for each plan period. The problem here is that whereas, the Transport Sector received priority allocation in terms of financial investment, the intermodal share had been rather very lop-sided in favor of the road transport. When this issue of persistent low financial

allocation to the railways was raised with the officials of the Ministry of Transport, their response was that financial allocation to each sector of the economy was based on available funds and the sector's contribution to the Gross National Product (GNP) directly or as an agency providing infrastructural base for national development.

The picture of under-funding or neglect suffered by the NRC seems to be very clear when the percentage of intermodal share of the Railways is compared to the other modes of transport within the same plan period as depicted in Table 4.4 below.

TABLE 4.4: NRC's Percentage Share of the Transport Sector Allocation, 1962 – 1980

PLAN PERIOD	TOTAL TRANSPORT SECTOR ALLOCATION N MILLION	ROAD (%)	WATERWAYS (%)	RAILWAYS (%)
1962 – 1968	309.092	58.0	25.0	10.0
1970 – 1974	472.398	67.0	13.0	9.0
1975 – 1980	9677.541	70.0	10.0	9.4

Source: National Development Plans, 1962 – 1985.

The problem of low financial allocation to the NRC is made worse by non-disbursement of funds allocated to the Corporation as and when due. It has been noted (Shettima, 1987)[8] that there was no year in which the NRC got half of what was allocated to it through the plan periods, 1960 – 1980. This, he argued, has been responsible for most of the crises between the management and the workers and between the government and the management. To be able to survive, the management had to resort to deficit financing through borrowing, especially to pay staff salaries and allowances.

The situation, instead of improving grew from bad to worse over the years, resulting in the disruption of rail services, as workers embarked on strike actions to press their cases to the management. The negative effects of these crises in the NRC have been reflected in the Corporation's financial and operational efficiency. This point has been adequately argued (Shettima, 1987) [9].

The analyses of the Nigerian Railways in the post independence period, which follow in the rest of this chapter, are predicated on the following factors or characteristic features of the Nigerian railway system:

i. The system can be described as static in terms of growth and development. in spite of government's huge investment in the transport sector during the period under consideration;

ii. The railway system was made to function more as a social service organization and to provide social infrastructure rather than as an efficient transport system being motivated by profitability;

iii. The NRC was faced with high operating costs due to poor maintenance of its rolling stock and tracks, which were not only archaic but unserviceable, and rising personnel costs;

iv. The railway system was faced with intense competition by the Road transport; which had received massive and rapid development;

v. The Railway system was faced with over-dependence upon foreign technology from all parts of Europe without actual technology managerial transfer to the NRC;

vi. The railway system operated in a situation where there was no National Policy on Transportation in terms of planning, financing and operations; and

vii. The system was faced with poor and unstable management which was lacking in political clout. Hence, its failure to lobby against harmful or negative transport 'policies' of the government of the day.

The NRC Management and Staff tried to defend themselves against the charge that they had failed to prevent governments of implementing harmful policies that further compounded the inefficiency of the NRC. Their argument was that since they were always requesting for funds, they were completely at the mercy of each government of the day and completely under the control of the supervising ministry.

4.6 The Invitation of RITES to the NRC – 1979 -

The need to inject into the management of the NRC, an external management Team was first mooted in 1975 by a Canadian consultant appointed by the Federal Government to carry out a management audit of the Corporation between 1974 and 1975. Both the World Bank and RITES also made a similar recommendation to the Federal Government in 1976 and 1977 respectively as consultants to the Federal Government on the Nigerian Railways. These external consultants were of the view that there was a compelling need to inject into the NRC an external techno-managerial know-how, which they concluded, was lacking and constituted one of the problems militating against the efficiency and effectiveness of the NRC.

Therefore, the decision of the Federal Government to hand over the management of the NRC to RITES in 1979, apart from the long standing recommendation, was premised on some other reasons among which are:

i. The need to safe the NRC's operations from total collapse;

ii. The need to stem the increasing high operating cost;

iii. The need to reduce urgently, the worsening financial deficits; and

iv. The need to provide a more conducive atmosphere (- economic, labor, political and technical) in which the NRC operates.

The over-all deterioration in the condition of the NRC's rolling stock and near total collapse of the NRC traffics (goods and passenger services) provided the immediate justification for the invitation of RITES to the NRC.

The choice of RITES by the Government in 1979 was informed by the organization's familiarity with the NRC's problems, having served as consultants to the Federal Government on Railway matters before (World Bank, 1983) [10] in order to completely overhaul the NRC four main objectives were given to RITES to accomplish, viz.:

i) To revamp, restructure and revitalize the operations and services of the NRC.

ii) To restore the Railway's competitive advantage within the transport sector.

iii) To re-establish the important role of the Railways in the economic life of the nation; and

iv) To restore public confidence and interest in the NRC as a public utility enterprise (World Bank, 1983) [11].

In the rest of the chapter, either directly or indirectly, the analysis shows the extent to which the set objectives were accomplished, using available data with due cognizance to the conditions under which the NRC operated under RITES management between 1979 and 1982.

4.7 The Management Of The NRC Under RITES 1979 – 1982

The RITES management team made up of 36 top managers and 470 technicians formally took over the management and running of the NRC in January 1979. (World

Bank, 1983) [12]. Prior to this, the Government had towards the end of 1978 sacked the Board of the Corporation, Management and other top Nigerian Managers. This was designed to pave the way for the emergence of a new Board, which was constituted in line with the laws of the NRC. The wide range of professionals that composed the new Board was a marked departure from previous Boards, which were usually dominated by political appointees.

The introduction of Executive Directors into the Board of the NRC – directors of Departments, was a significant change from the past, when only the Managing Director/General Manager of the Corporation was a member of the Board. The fact that all the Executive members of the Board during this period were Indians – RITES Managers cannot reduce the significance of this development. The other members, representing political and other interests were made part-time members of the Board and they served in advisory capacity. This new development, apart from helping to improve the quality of the NRC and its deliberations, made the Executive Directors directly accountable to the Board for their performance and each Executive Director was able to give his expert opinion directly at Board meetings.

This restructuring of the NRC Board also witnessed the re-designation of the position of General Manager to that of Director-General, which made the NRC to be in conformity with the other Federal Parastatals, where Chief Executives had long been re-designated Directors-General. Following this development, positions of Assistant Directors and Chief of Departments were created to enhance the status of the top management of the NRC and to boost the morale of Management staff generally.

The new structure of the NRC inevitably led to extensive decentralization of its operations, function and responsibility of staff at all levels. Some of the immediate implications of this were delegation of authority and decongestion of the D.G's office. This can be noted from Figure 4.4. Given this new structure, the Chief Executive was now able to pay more attention to high policy issues and operational matters while his sub-ordinates had more responsibility for implementation and achievement of goals for their sphere of operation.

This new structure represents a significant departure from the pre-RITES structure of the NRC; where the General Manager's office handled virtually all matters, both policy and routine.

Apart from creating a new sense of responsibility at all levels of the Corporation, the new structure provided for widespread participation by staff at all levels. It also placed more premium on responsibility and accountability among management staff from the top to the lowest level and this attitude gradually filtered down to the rank and file of the NRC staff during the RITES period.

4.8 The Organizational Structures Of The NRC Under RITES

One of the mandates of RITES was to re-organize the Nigerian Railways in such a way that all its functions and operations would be completely overhauled. The overhauling, it was argued was necessary for three main reasons:

i. To boost the morale of staff through a more dynamic and responsive railway system and parastatal;

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ii. To make the Railway System more relevant to the Nigerian economy; and

iii. To provide for injection of capital and other resources in order to upgrade rail facilities and infrastructure.

In addition to the above, the new structure as can be seen in Figure 4.1 was also aimed at the following:

i. To provide clear lines of reporting at all levels ,

ii. To provide clear guides as to the limit of authority and responsibility,

iii. To define clearly, functions, duties, relationships in financial and administrative terms,

iv. To provide for decentralization of functions,

v. To provide for a more reasonable span of control for managers and supervisors at all levels; and

vi. To provide for a clear and distinctive career structure for all categories of personnel – professionals, administrators, technicians, etc.

Although these objectives highlighted above were, desirable, we should also not lose sight of their limitations, which include –

Firstly, the creation of new posts and the enhancement of existing ones necessarily led to high personnel costs. **Secondly**, all the top management and technical posts were filled by RITES Officials, a situation that led to the frustration of competent Nigerian managers and technicians that were still in NRC. **Thirdly**, RITES managers and technicians formulated and implemented or supervised the implementation of the new programs and projects with little or no input from Nigerians, **Fourthly**, the new dispensation seemed to have placed so much emphasis on profitability that the social and

fundamental structure of the railway system were almost totally ignored or neglected. Finally, the complete autonomy granted to RITES by the government seemed to amount to a total surrender of a key sub-sector of the transport industry to a team of foreigners. This was dangerous for Nigeria's political and economic independence – a fundamental issue that was never addressed.

One argument that has continued to be made against the new dispensation was the high cost of maintaining the RITES experts. This was not only colossal, but unparalleled in the history of the Nigerian Railways. One school of thought had argued that such funds should have been better utilized in procuring the much needed rolling stock, and for the training of manpower locally and overseas as an indirect way of acquiring Rail technology by Nigerians (Ohaeri, 1984)[4].

The observed high expenditure profile of the NRC during the period under review (1879 – 82), especially on items that had no direct bearing on the rehabilitation of the Railway system has been described as not in the best interest of the nation (Guardian, 1988)5. For instance, the expenditure of N141 million on the maintenance of Officials in Nigeria, excluding their salaries and other charges paid to the Indian government showed the high cost nature of the RITES experiment in the NRC (Ohaeri, 1984) 6. It also showed how costly the option the government has chosen for improving the efficiency of the NRC has been.

Although it could be argued that there were some improvements in rolling stock availability, revenue generation and effectiveness of train services during the period of RITES, the question, however, is at what cost were those improvements achieved? Given

the environment, in which the NRC operated – economic and political, the cost was indeed very high.

4.9 The NRC's Management and Structure, 1982 – 1985

Since one of the objectives of inviting RITES to the NRC was to re-structure or re-organize the Corporation, the issue of the structure of the NRC that RITES put in place, and which remained to the post RITES period is worthy of close examination. This structure as can be seen in figure 4.1, by all considerations was the most decentralized and distinctive in terms of distribution of responsibilities, duties and the line of reporting at all levels of the Corporation. The fact that the structure was operated fully and effectively under RITES between 1979 and 1982 would have helped to perfect its workings so that its implementation during the post RITES period should not have posed any problem.

Unfortunately, no sooner the RITES left than the structure was shelved and the management was transferred to a sole Administrator. The Sole Administrator was given full executive powers, and he performed the functions of the Board in consultation with the Minister of Transport under which Ministry the NRC was a parastatal.

The emergence of the Sole Administrator during this period was attributed by the government to in-fighting among the top managers of the NRC for the post of Director-General, following the departure of RITES managers.

Although a number of issues or questions can be raised Son the development that arose with respect to the management and structure of the NRC in the post-RITES period, the most crucial one was the failure of the RITES Management to produce a successor management, based on the structure, it formulated and implemented for 3 ½ years, when

in fact, it was supposed to transfer its techno-managerial know-how to the Nigerian managers. The bastardization of the structure of the NRC in the post RITES by the imposition of a Sole Administrator, left its negative impact on the Corporation – another series of re-organizations were introduced, which, sadly, led to the exodus of top managers, professionals and technicians from the services of the Corporation.

The consequences of this development were many for the Corporation. Structurally, the NRC was returned to the pre-1979 era. Secondly, all the gains associated with technology transfer under RITES were lost on the altar of political expediency. With the Sole Administrator at the helm of affairs, government then assumed full control of the day-to-day affairs of the Corporation – orders and instructions came down from the Minister to the Corporation through the Sole-Administrator, who implemented them to the letter.

Although it can be argued that the RITES Management left behind a new structure and management for the NRC in 1982, the fact is that what was designed and left behind by RITES was abandoned after the departure of RITES in 1982.

4.10 The General Condition of the NRC's Rolling Stock 1982 – 1985

As we found out in the previous chapter, one area that the RITES management seemed to have made some impact on the operations of the NRC between 1979 and 1982 was in the area of rehabilitation of the Corporation's Rolling Stock. With more Rolling Stock – Locomotives, Coaches and Wagons available to the NRC, train services received a boost and impetus in their operations.

However, this improved state of the rolling stock only lasted for the period of RITES: the rolling stock were only refurbished and not completely overhauled with new

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replacements. As a result, the life span of the refurbished Rolling Stock, coupled with extensive use during the period of RITES, was short. By the time the RITES Management left in June 1982, the state of the rolling stock was back to the pre-RITES situation. The post-RITES era, was, therefore, faced with over-aged rolling stock, which had become too expensive to maintain. This, to some extent, had contributed largely to the high operating cost recorded during the period 1982 – 1985.

By 1985, over 70% of the NRC's rolling Stock had exceeded their life-span of between 25 and 30 years. The worsening condition of the NRC's rolling stock in the post-RITES period had been attributed to other factors, which the Corporation had little or no control over. These problems include:

1. Instability in the Nigerian political environment and the internal management of the corporation;
2. Declining revenues from Rail operations due to high operating costs and inability of the NRC to compete with the Road Transport.
3. Declining government subvention, which government attributed to global economic recession, coupled with high personnel costs; and
4. Constant crises between management and staff, arising from the inability of the Corporation to pay salaries and allowances of staff as and when due. This almost led to a total paralysis of the operations of the NRC and the Railway System (African guardian, 1985) [13].

As a result of these, the NRC was not only operating below installed capacity, but was almost thrown out of operations completely. As has been reported (New African 1992)[14], for the period 1982 – 1985, the Corporation operated with less than 40 locomotives,

whereas it required 148 for its daily operations. The condition of the coaches, wagons and the tracks was also not better. Apart from acute shortages, the corporation was also faced with infrastructural facilities that had become inappropriate for available traffic offerings.

The deterioration in Rail Services during this period also led to the retrenchment of staff as a way of cutting down the ever-increasing operating costs. For instance, as at 1985 while the personnel costs alone stood at N16 million monthly, the Corporation could only generate N4 million from its operations in a month (New African, 1983) [15].

The failure of the government to implement the Rail Standard gauge project, which had been in the pipeline from the 1975 – 1980 plan period, had robbed the NRC the opportunity to standardize and modernize its facilities and equipment. The program was eventually cancelled in 1985 after a whopping sum of N890 million had been paid to contractors for surveying/mapping works on the project.

The irony of the situation is that if this huge sum had been invested in the rehabilitation of the existing narrow gauge rail system, a significant improvement might have been recorded.

By sacking the NRC Board and Management after the departure of RITES in 1982, government by implication was acting contrary to one of the objectives for inviting RITES to the NRC: transfer of technology, especially techno-managerial know- how to Nigerian managers and technicians. This development, apart from being inconsistent with government's policy, was also a negation of the gains that ought to have been made between 1979 and 1982, when RITES managed the NRC. This view was also widely held by previous reviews of the NRC (World Bank, 1983) 4 and (Shettima, 1987) 5.

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The significant thing to be noted on the condition of the NCR's Rolling Stock and other infrastrucural facilities is that while there was obvious deterioration, there was equally a strong determination by the staff to make the best out of a bad situation. As it will be seen in the next section, the performance of the corporation was by far higher than expected in view of the level of deterioration of facilities and low morale in the post-RITES period.

Generally, there was a determination on the part of the staff to prove that the departure of RITES was not worth regretting. There was a desire to demonstrate that they could do what RITES did and better too, if given the opportunity and the resources needed.

4.11 Conclusion

In this chapter, an attempt has been made to provide a historical sketch upto 1985. Some relevant and significant landmarks relating to the objectives of this study were identified and discussed.

The chapter also focuses on developments in the NRC which directly or indirectly affect the efficiency of the corporation. Some of the issues raised here will be answered at chapter V, which is devoted to Data presentation and Analysis. What this chapter has provided was to trace the problems of the NRC from the pre-independence to 1985 and government's response to the problems. Whether government's responses were adequate or not will be shown in chapter V.

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CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

5.1 Introduction

In this chapter data collected through primary and secondary source, and the questionnaire are presented. The data presentations are in three main sections – The pre-RITES – 1975 – 1978, the RITES period 1979 – 1982 and the POST-RITES era, 1982 – 1985.

The chapter also includes the testing of Hypotheses/Propositions of the study and statistical treatment of data – Analysis of variance (ANOVA) The major findings of the study are provided in chapter VI.

5.2 NRC's Performance

A very important indicator by which the performance of a railway system can be gauged is the volume of traffics it carries out in terms of passengers and goods hauled within a given period of time. This indicator can also be used to evaluate the impact of the railway system of the nation's economy.

In Table 5.1 the performance of the NRC for selected years from 1955/56 to 1977/78 reveals the volume of traffics carried by the railway system for passengers and goods. The pattern for both goods and passenger traffics is that of a negative growth, and the factors responsible for this can be attributed to the ones we have discussed earlier in the chapter. Therefore, any suggestion that the performance of the NRC can be attributed to only a factor is not only false but lacks merit.

TABLE 5.1: NRC's Passenger and Goods Traffics for Selected Years from 1955 – 1978

YEAR	PASSENGER CARRIED CARRIED (000)	TONNAGE OF GOODS CARRIED (000)
1955 – 1956	5451	1725
1958 – 1959	7863	2739
1959 – 1960	7015	3097
1960 – 1961	7881	2087
1964 – 1965	10630	2834
1966 – 1967	10065	2481
1970 – 1971	8942	1604
1972 – 1973	5131	1146
1974 – 1975	4342	1737
1975 – 1976	6775	1737
1977 – 1978	6485	1170

Source: Nigerian Railway Corporation Reports, 1955 – 1978.

The other major important factor that contributed directly to the declining performance recorded above could be the abandonment of agriculture, which formed the mainstay of the Railways in the pre-independence era. Another factor was the introduction of pipelines and oil tankers for the haulage of petroleum products by the Federal Government. Since the petroleum accounts for 90% of the country's foreign exchange earnings, the magnitude of NRC's loss in the volume of petroleum products hauled can better be imagined. These are factors, which are usually not taken into consideration when assessing the crisis in the performance and management of the NRC. Yet they are important factors that provide rationale basis for any meaningful evaluation.

Financial Results also constitute an important indicator for measuring the performance of an organization, especially thoroughgoing commercial or quasi-commercial ventures. In a profit-making organization, this criterion is the most direct way of looking at the performance within a period of time.

In Table 5.2 the financial performance of the NRC from 1955/56 to 1977/78 is presented. The pattern of performance from the Table is very clear – downward

performance all through the post independence period except for the period 1961 – 1962 and 1963 – 1964 when the Corporation recorded N1.1 and N6.8 million surpluses respectively. From a comfortable performance of N51 million profit in 1955/56, the performance declined to a loss of N37.9 million in the 1977/78 financial year.

One major factor which has been responsible for this poor performance apart from high operating costs, is the near total dependence of the Corporation on importation of spare parts and rolling stock from abroad at high inflationary rates. Deficit financing has also done more harms than good to the operations of the NRC in terms of financial stability. NRC's total dependence on government annual subventions is also a major factor that has affected the financial performance or stability of the Corporation negatively: and is responsible for its financial crisis.

TABLE 5.2: NRC's Financial Results for Selected Years from 1955 – 1978.

YEAR	TOTAL EARNINGS FROM OPERATIONS (N MILLION)	TOTAL OPERATING EXPENSES (N MILLION)	TOTAL WORKING RESULTS (N MILLION)
1955/56	27.330	22.202	-5.128
1956/57	28.592	24.554	+4.030
1957/58	27.522	25.834	-1.688
1958/59	31.510	27.448	-4.062
1959/60	27.536	28.126	-0.590
1961/62	30.422	29.230	+1.192
1963/64	35.576	28.688	-6.888
1965/66	29.100	23.016	+3.916
1967/68	22.032	23.440	-0.894
1969/70	23.148	27.530	-4.382
1971/72	22.546	28.254	-15.708
1973/74	25.533	38.407	-12.874
1975/76	27.209	61.690	-34.481
1976/77	28.296	65.201	-36.905
1977/78	30.217	68.166	-37.949

Source: Nigerian Railway Corporation Annual Reports, 1955 – 1978.

The volume of import and export commodities hauled by the NRC both during the colonial era and the post independence period is another important indicator that can

be used to gauge the performance of the Nigerian Railways in the economic activities of the nation. This is more so when the economy is mainly import-export oriented. From the picture presented in Table 5.2. the dominant nature of the Railways on the colonial economy in both import and export haulage is not in doubt.

The gradual loss of the Railway's hold on these key economic activities which began as early as 1958/59 for import haulage and 1962/63 for export haulage, has continued unabated. The Road Transport has since independence taken complete control of both sectors of the Nation's economic life. From 76% control of the import haulage and 81% export haulage in 1955/56 the Railway's performance has fallen to 2% haulage (imports) and 4.5% for export haulage in 1977/78. This decline is not only significant in terms of the Railway's relevance or otherwise to the economic life of the nation, it helps to understand the poor economic performance of the NRC. With this type of performance in a purely import-export economic oriented system, the financial performance cannot be anything different from the pattern that emerges from Table 5.3 below.

TABLE 5.3: **Import and Export Commodities Hauled by the NRC from the Lagos and Port-Harcourt Quays for Selected Years from 1955 – 1978.**

	IMPORT GOODS HAULED		*EXPORT GOODS HAULED*	
YEAR	RAIL TRANSPORT (%)	ROAD TRANSPORT (%)	RAIL TRANSPORT (%)	ROAD TRANSPORT (%)
1955/56	76	24	81	19
1956/57	70	30	70	30
1958/59	52	48	67	33
1960/61	47	53	64	36
1962/63	37	63	57	36
1963/64	33	67	48	52
1965/66	18	82	38	62
1966/67	26	74	49	51
1969/70	21.6	78.4	39.9	60.1
1971/72	15.3	84.7	31.9	68.1
1972/73	10.9	89.1	20.7	79.3
1974/75	7.9	92.1	11.6	88.4
1976/77	4.7	95.3	10.6	89.4
1977/78	2.0	98.0	4.5	95.5

In an agricultural country like Nigeria the role of the railways should be such that will promote the haulage of agricultural produce for export and internal consumption. During the colonial era, when the economy was agro-based, the importance of the railways in the movement of agricultural produce was evident. However, with the emergence of more roads, which connect all parts of the country – North-South and East-West, the Railway's ability in the haulage of agricultural produce began to decline. The decline as can be seen in Table 5.3 is significant. From 849,000 metric tons of produce carried by Rail in 1958 – 1959, it fell to 100,000 tons in 1977/78.

The low performance has been attributed to three main factors: The decline in agricultural produce, stiff competition offered by the Road Transport and the declining capacity of the Nigerian Railways. These factors are also in addition to the ones discussed earlier.

TABLE 5.4: **Agricultural Export Produce Evacuated by Rail for Selected Years from 1958 – 1978.**

YEAR	TONNAGE OF PRODUCE CARRIED BY RAIL
1958/59	849,000
1959/60	706400
1960/61	706400
1961/62	773300
1962/63	690100
1963/64	880900
1964/65	773700
1965/66	694400
1966/67	586500
1969/70	350000
1971/72	300000
1972/73	280000
1974/75	250000
1975/76	180000
1976/77	140000
1977/78	100000

Source: Nigerian Railway corporation Annual Reports, 1958 – 1978.

Another important factor which can be used to assess the performance of the NRC, which unfortunately, is rarely considered is the corporation's contribution to the Gross Domestic Product (GDP) yet, this is a factor which leads or contributes directly to improvements in the standard of living of the people through the provision of goods and services. Although the performance of the NRC may not be very significant when compared to total transport sector contribution, yet this humble contribution should be acknowledged, especially when due consideration is given to the NCR's problems. Closely related to this is the Railway's contribution to the reduction of unemployment profile. Although this has turned out to be a serious burden to the Corporation. Yet, the fact is that the NRC has performed relatively well in terms of offering employment to many Nigerians. The point being made here is that it is probably not totally correct to write off the NRC as a failure. It may have failed in certain aspects, but certainly it has

succeeded to some extent in some others. In Table 5.5 the NCR's employment profile and contribution to GDP are presented.

TABLE 5.5: NCR's Employment Profile and Contribution to GDP

YEAR	NO OF PERSONS EMPLOYED	CONTRIBUTION TO GDP (N MILLION)
1970	29102	16.6
1971	31282	18.63
1972	32781	21.81
1973	30888	24.64
1974	31054	24.64
1975	30065	11.21
1976	36375	16.23
1977	31697	12.75
1978	35477	15.58
1979	33017	19.82
1980	35594	20.54
1981	36050	23.39

Source: Nigerian Railway Corporation, Abstracts of Statistics, 1970 – 1981.

The over-all performance or efficiency of the Nigerian Railways can also be evaluated using indices, which depict the system's operating efficiency. Such indices, which are highlighted in Table 5.5, present a more realistic basis for assessing the performance of the Railway system. For instance, the wagon turn-around time shows how long it takes to move wagons on trains to where they are needed, while the average speed of goods trains gives an indication of the nature of goods that can be moved from one point to another. This indicator is very helpful to commuters whose businesses involve haulage of perishable goods. Thus, each of the indices in table 5.5 is of critical importance to the performance of the Railway system, and any meaningful assessment should take cognizance of their operating efficiency.

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i. There has been a general but systematic decline in rail infrastructure and consequently, the performance of the Railway System since independence has been systematically impeded.

ii. The Nigerian Railway System has been grossly under-funded since independence, although this may not be deliberate but it is real.

iii. The road transport has offered a very stiff competition to the Railways and the system has virtually lost out to the road transport, even on its traditional traffics – the haulage of import – export goods; and

iv. The Nigerian Railways have been denied adequate government patronage since independence, and the situation has meant a great loss in revenue for the Corporation. This is contrary to what was obtained before independence.

In the analyses that follow some of the issues pertinent to the performance of the Nigerian Railways were put to the respondents. Our analyses and interpretations are based largely within the context of the trend we have noticed in the preceding sections of this chapter.

As a government transport parastatal, the issue of patronage by both Government and its agencies is very central to the financial performance of the Railway System. In the colonial days, the Railway system had a complete monopoly of the import-export haulage business. However, this situation was quickly reversed shortly after independence, following government" huge investments in road construction and development throughout the country.

Therefore, as one of the means of boosting the revenue base of the Railway system, the issue of whether there should be a mandatory patronage by governments and their agencies was raised with the respondents. The results in Table 5.7 show that 168 (78.8%) were in favor that the Federal Government should compel states and other agencies to patronize the services of the Nigerian Railways, especially for the haulage of commodities such as fertilizer and petroleum products. It was argued that the revenue to be generated through that would go a long way to help in the rehabilitation of rail infrastructural facilities, which had collapsed almost totally. The additional revenue will also make the corporation less dependent upon government subvention, which has become very erratic and unpredictable over the years.

TABLE 5.7: Need for Mandatory Patronage of Train Services by Governments and their Agencies.

	OBSERVED FREQUENCIES			*EXPECTED FREQUENCIES*		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
YES	103	65	168	106.48	61.52	168.00
NO	32	13	45	28.52	16.48	45.00
TOTAL	135	78	213	135.00	78.00	213.00

Source: Field work data (No.34).

The differences in the distributions between observed and expected frequencies are not significant statistically at 0.1 level. A very important point must be raised here as far as government patronage is desired. Will governments pay promptly? Governments have been known to be bad debtors in Nigeria; and this will be very bad for a parastatal like the NRC that lacks the political clout that will force the government to pay for the services it has rendered to it. Therefore, the ultimate success of this proposal, as laudable as it is, will depend on the payment to the NRC as and when due for services it offers.

This point has been raised (Ohaeri, 1981) [1] when it was noted that as at 1981, the Federal Government alone was owing the NRC over N92 million for services it rendered to the government.

Given the high employment profile of the NRC as we observed in Table 5.6, the issue of what percentage of available funds should be spent on personal emolument was raised in the questionnaire. This is important in view of the rising cost of rail imports and operations and low level of investment since independence. Within this context, it is surprising to note that a majority of 61 (28.68) of the respondents had responded that they would prefer a situation whereby not more than 50 percent of available funds are committed to personal emolument. This situation of course, might be regarded as the respondents' ideal, because the situation on the ground contrasted sharply with that. As has been noted (Jakpa, 1978) [2] the NRC since independence has been expending nearly 80 percent of available funds on personal emolument, leaving little or nothing for development and other operating costs, which had to be met through external borrowing at high interest rates. In table 5.8,Responses to suggested percentage of Funds for personal emolument are presented.

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TABLE 5.8: **Suggested Percentage of Funds for Personal Emolument**

RANGES OF %	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGNT	MGNT	TOTAL	N/MGNT	MGNT	TOTAL
41 – 45	27	15	42	26.62	15.33	42.00
46 – 50	48	13	61	38.66	22.34	61.00
51 – 55	36	17	53	33.59	19.41	53.00
56 – 60	24	33	57	36.13	20.87	57.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi-square = 17.761; DF3, Prob. 4.922.

Source: Fieldwork Data (No.31)

Although previous studies on the NRC have identified what they called "major" problem (Ezeife and Bolade, 1984)[3] such problems, more often than not, were identified and analyzed without any input from the operators of the Railway System. This trend has been reversed in this study. Respondents were given an opportunity to identify what they considered were the four most important problems faced by the NRC. They were required to score them. The problem with the least score was regarded as the most serious problem, while the problem with the highest score was regarded as the least serious.

The data provided in table 5.9 reveals what the respondents regarded as the four most serious problems. This, in most cases, have been over looked by most writers on the NRC (Okoro, 1986)[4] and the (World Bank, 1983)[5]. The responses on the table show that competition by the road was rated as a more serious problem than shortage of funds, and corruption or mismanagement was rated as more serious than poor maintenance. As limited as this problem may be, the fact is that there is need, to involve the operators of

the NRC in the search for solutions to the corporation's problems. This is the most significant contribution of the data on this table to this study.

TABLE 5.9: NRC's Suggested Problems

TYPE OF PROBLEM	TOTAL SCORED BY RESPONDENTS	PERCENTAGE SCORE (%)	RANKING
Competition by Road Transport	195	22.8	1
Shortage of Funds	218	25.6	2
Corruption /Mismanagement	219	25.7	3
Poor Maintenance	221	25.9	4

Source: Fieldwork Data (No.24).

During an interview with a sample of the respondents, they were very categorical on why many solutions proffered to solve NCR's problems have not worked – The operators of the system were never consulted. This point could be observed from previous government reports (Federal Government of Nigeria, 1981) [6], where the supposed problems of the NRC were highlighted by the so-called experts from outside the Corporation, who produced reports that had no bearing with the realities on the ground.

The issue of efficient and effective management of an important transport parastatal like the NRC cannot be overstated. Inefficient and ineffective management of men and other resources has been a common phenomenon in the NRC, especially since independence. This has been blamed, on several occasions, on the inability of the indigenous managers to run the affairs of the NRC as to justify the amount of resources the corporation receives from the government. (Ohaeri, 1984)[7] and (Shettima, 1987) [8]. This fact not withstanding, it must be emphasized that given the deplorable situation of rail facilities and infrastructure, the declining performance should have been taken more

seriously. It is a signal that all was not well with Railway system, not just the performance.

Given the above scenario, an opportunity was given to the respondents to assess the issue of who should bear ultimate responsibility for the NCR's declining performance since independence. Out of the four agencies suggested as can be seen in table 5.9, it is very revealing that the respondents were quite categorical that in spire of what role the government might have played in the down-ward trend in the operational and financial performance of the NRC, the management was rated as having the greatest responsibility. A total of 121(56.80) of the respondents held this view whereas only 7(38) of the respondents thought government should bear responsibility. Details of the results are presented in table 5.10 below.

TABLE 5.10: Ultimate Responsibility for NRC's Poor Performance

AGENCY	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
NRC Mgmt	81	40	121	76.69	44.31	121.00
Fed. Govt.	2	5	7	4.44	2.56	7.00
NRC Staff	49	25	74	46.90	27.10	74.00
All Collectively	3	8	11	6.97	4.03	11.00
TOTAL	135	78	213	135.00	78.00	213

Ch-Square 0 10.752, DF - 3, Prob. 0131.

Source: Fieldwork Data (No.19)

The differences between the observed frequencies and the expected frequencies in table 5.10 are significant statistically at 0.01 level of significance. The responses in the table show the important responsibility of the management even as perceived by the

respondents. The fact is that even if an organization had all the resources it required but lacking good management, much of the resources will likely be wasted or mismanaged.

The distinction made between management and staff as separate entities is also note-worthy. The role perception of the respondents of each category of agency is also significant. This type of simple but objective assessment by the respondents points to the fact that no one category can be exclusively held responsible for the misfortune of the NRC. The responsibilities of each of the agencies as revealed here are quite clear. The NRC management as far as the respondents were concerned should be held responsible.

Since the NRC spends a sizeable percentage of its revenues on personal emolument, 70 – 80% (Jakpa, 1978)[9], the issue of whether or not the corporation is over-staffed has been a common argument. The government position is clear and unambiguous – that the NRC is over-staffed, hence government directive for periodic retrenchment of workers by the management.

The issue was put to the Respondents, and as expected, there was an over-whelming response that the NRC was not over-staffed. The responses tabulated in table 5.11 are very clear to that effect. The apparent over-staffing was blamed on several factors, such as, low capacity utilization of trains, non-extension of rail routes, improper or low utilization of the human resources and the labor-intensive nature of the Railway System, which means low capital investment in the railway system. It was argued reasonably that staff reduction without a corresponding capital investment into the Railway would not solve the problem of high wage bills or increase its efficiency and effectiveness. The implication of this is that it is not enough to argue that the NRC is over-staffed and staff should be reduced. If there is over-staffing, it may have derived

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largely from the labor-intensive nature of the Railway System. The trend in railway system is that railways have become capital rather than labor intensive worldwide.

TABLE 5.11: **OVER-STAFFING IN THE NRC**

OBSERVED FREQUECIES				EXPECTED FREQUENCIES		
RESPONSE	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Yes	22	28	50	31.69	18.31	50.00
NO	113	50	163	103.31	59.69	163.00
TOTAL	135	78	213	135.00	78.69	213.00

Chi-square = 9.510; DF = 1, Prob. = 2.043.

Source: Fieldwork Data (No.23).

Another important factor that can influence the level of performance in any given organization is the type of – working relationship that exists between the employees and their management. Is the relationship cordial, hostile or healthy and conducive for increased productivity by workers? Since the respondents agreed that management is a very crucial factor in the performance of the NRC, it is only logical that we asked them to rate the relationship that existed between Management and Workers prior to the arrival of RITES.

The results in table 5.12 show that there was a healthy working relationship between management and workers during the period under review. Thus, the NRC could be described as having satisfied one of the pre-requisites postulated by management experts (Likert, 1961) [10] and (Argyris, 1957) [11] for improved productivity and efficiency. Unfortunately, and in spite of the results in table 5.12, the performance of the NRC during this period was systematically on the decline. The implication of this is that factors other than the working relationship between workers and the management should

be responsible for the poor performance of the Nigerian Railways during the period under consideration.

TABLE 5.12: **The Working Relationship between Management and Workers**

ASSESSMENT OF RELATIONSHIP	OBSERVED N/MGMT	FREQUEN-CIES MGMT	TOTAL	EXPECTED N/MGMT	FREQUEN-CIES MGMT	TOTAL
Very Cordial	59	25	84	53.24	30.76	84.00
Cordial	59	39	98	62.89	35.89	98.00
Hostile	0	0	0	0.00	0.00	31.00
No. Response	17	4	21	18.87	1.35	31.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi - Square = 3.103; DF = □; Prob. = .2120.

Source: Fieldwork Data (No.21).

The differences between the observed and the expected frequencies in the above table are not significant statistically at 0.01 level of significance.

The issue of autonomy of the management of the NRC has always been debatable. Those who argue for greater autonomy have argued that it is necessary if management must be held accountable for the utilization of the human and material resources committed to the Railway System. The opponents of greater autonomy for the management have argued that since government pays the piper, it must dictate the tune. However, a situation in which the management could not hire and fire staff or fix rates for its services without authorization from the government, certainly, impinges on the ability of management to carry out its responsibilities efficiently and effectively (Federal Government of Nigeria, 1981)[12].

Thus, in this study, an opportunity was given to the respondents to assess the extent to which they perceived government's interference with management autonomy. The responses in table 5.13 show that there is an over-whelming view held by the respondents that government was in deed interfering with the management of the NRC, especially in the day-to-day affairs of the Corporation. Table 5.13 shows that 154 (or 72.3%) of the respondents agreed to the question that there was too much interference in the affairs of the NRC by the government as against 59 (or 27.6%) who felt otherwise.

TABLE 5.13: Government Interference with Management Autonomy

MUCH INTERFE-RENCE WITH MGMT AUTONOMY	OBSERVED FREQUENCIES N/MGMT	MGMT	TOTAL	EXPECTED FREQUENCIES N/MGMT	MGMT	TOTAL
Yes	103	53	154	97.61	56.39	154.00
No	34	25	59	37.39	21.61	59.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi – Square = 846; DF = 1`, Prob. .3576.

Source: Fieldwork Data (No.20).

Economic and administrative co-ordination is another crucial factor that should be investigated in assessing the performance of an important transport parastatal like the NRC. Previous studies have indicated that there is lack of Economic Co-ordination in the entire transport sector of the Nigerian economy (Robbinson, et al 1961) [13] and this has posed very serious problems for all the sub-sectors of the Transport Sector.

Since internal Co-ordination of operations and services would be more obvious to the respondents, they were asked to assess the extent to which they felt the NRC was well co-ordinate. The importance of proper coordination in a complex and big organization like the NRC in enhancing productivity and efficiency has been under-scored (Katz and Kahn, 1978) [14]. The extent to which the poor performances of the NRC could be blamed

on poor or weak co-ordination of internal activities and services would be inferred from the results shown in table 5.14 below.

TABLE 5,14: **Co-ordination of NRC's Operations**

RESPONSE		OBSERVED FREQUENCIES		EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Well Coordinated	48	33	81	51.34	29.66	81.00
Fairly Well Coordinated	87	41	128	81.13	46.87	128.00
Poorly Coordinated	0	4	4	2.51	1.46	4.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi – Square = 8.677; DF = 2; Prob. .0131.

Source: **Fieldwork Data (No.4).**

The implication of the responses from table 5.14 above is that as far as the Respondents were concerned, internal co-ordination could not be held responsible for the NCR's poor performance. The over-all picture is that it was not a problem at all as only 4 (or 1.8%) held the view that the NRC was poorly co-ordinate internally.

The differences between the observed and expected frequencies are significant statistically at 0.01 level of significance.

5.4 The NRC's Condition And Performance Under RITES Management

An Evaluation of the NRC's condition of Rolling Stock and other equipment is a necessary exercise before one can really determine the crisis in the management and the performance or non-performance of the NRC as a Corporation as well as a transport parastatal.

Some of the variables used in this exercise include the traffics hauled – goods and passengers carried within a given period of time, the number of rolling stock available –

locomotive engines, coaches and wagons, number and type of rolling stock rehabilitated and put into service, utilization of rolling stock, spare parts procurement – local and overseas. Financial performances: profit or loss record, contribution to Gross Domestic product (GDP) and Employment Profile or Pattern of the NRC.

As a transport parastatal, the importance attached to NCR's volume of traffic haulage should be put in proper context, apart from annual subventions, the Corporation's most important source of income is through the operation of its train services – goods and passenger services. Apart from attempting to make profits, the revenues generated through train services were expected to cover the Corporation's operating costs and overhead charges.

In Table 5.15 below, data relating to the traffics hauled – passenger and goods, are presented to illustrate the NCR's performance from 1979 – 1982. Using this variable, a comparison can be made between the pre-RITES up to the time RITES Team left the NRC in 1982.

Although a slight improvement could be seen on both passenger and goods traffic haulage between 1979 and 1982, the issue, however, is whether such an improvement was significant enough in the light of the pre-1979 figures, and given the level of financial commitments made into the NRC by the government during the period. This issue has been hotly contested by the staff of the NRC and other close watchers of the situation of the NRC during RITES.

TABLE 5.15: NRC's Passenger and Goods Traffics – 1974 – 1982

YEAR	PASSENGER CARRIED (MILLION)	TONNAGE GOODS CARRIED (METRIC TONS)
1974/75	4.342	1.146
1975/76	6.775	1.737
1976/77	6.485	1.170
1978/79	8.455	0.995
1979/80	9.473	1.296
1981	8.236	1.309
1982	9.72	2.142

Source: World Bank (1983) Rail Sector Report,p.80.

One variable that is very central to the performance of the NRC is the Stock of available and serviceable rolling stock – locomotives, and wagons. This stock must also be in the right proportion in order to meet the available traffic offering at any given time. To a large extent, the performance of the NRC, using any other variables must be viewed within the context of this variable.

The ability of the Railway system to respond positively to traffic demands and compete favourably with other transport modes can be enhanced or hampered by this variable.

From Table 5.16 below, it can be seen that there were some improvements in the number and type of rolling stock available for traffics. It can also be observed that the number was constant and there was a high rate of rolling stock utilisation. especially during the period 1979 – 1982. This development has been attributed to RITES efforts in rehabilitating "dead" locomotives and coaches, in order to keep more rolling stock in service.

Table 5.16: Rolling Stock Availability and Utilization 1972 - 1982

YEAR	LOCOMOTIVES	UTILISATION	COACHES			WAGOS		
	NO AVAILABLE FOR OPERATIONS	UTILISATION %	NO. AVAILABLE FOR OPERATIONS	BOOK STOCK	UTILI-SATION %	NO. AVAILABLE FOR OPERATIONS	BOOK STOCK	UTILISA-TION %
1972	84	57.6	202	257	78.5	5959	6330	94.1
1973	132	91.0	221	245	90.2	5936	6314	94.0
1974	138	103.8	201	247	81.4	5828	6336	92.0
1975	138	95.2	147	201	73.1	5836	6332	92.0
1976	158	109.2	228	284	80.3	5845	6337	92.2
1977	189	130.3	515	520	99.0	7731	7760	99.6
1978	189	100.0	1679	682	99.6	7605	7615	99.9
1979	189	100.0	1679	682	99.6	7605	7615	99.9
1980	189	100.0	716	727	98.4	7919	7925	99.9
1981	189	100.0	768	780	98.5	7968	8015	99.4
1982	189	100.0	768	780	98.5	7968	8015	99.4

Source: *Ohaeri. G. (1984) Appraising The Performance of the NRC, p.67.*

Since shortage of rolling stock has been one of the key problems militating against the financial and operational efficiency of the NRC, one way of looking at the performance of the NRC under RITES should be the number of rolling stock re-conditioned or refurbished between 1979 and 1982. As has been cautioned (Olarewaju. 1976)[15] and (Bafyau. 1987)[16] only spirited efforts to solve this problem could put the NRC in a position to compete favourably with the other modes of transport. Rolling stock availability is central to the operation of any Railway system. Shortage or inappropriate rolling stock is a serious hindrance.

In Table 5.17 below, the number and types of rolling stock refurbished by RITES between 1979 and 1982 are given. The success of RITES as the data here show, has been attributed to more funds that were made available to RITES, which were used to re-condition old locomotives, coaches and wagons, instead of purchasing new ones. Unfortunately no reasons were given by RITES for the approach they adopted, even when government made enough funds available for that purpose.

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TABLE 5.17: Rolling Stock Re-conditioned by RITES from 1979 – 1982

TYPES OF ROLLING STOCK	1978 – 1979	1979 – 1980	1981 – 1982
Locomotive Engines	18	24	33
Passenger/Coaches	59	173	217
Goods Wagons & Coaches	334	657	787
Brake Blocks Manufactured	14,447	20,071	58,366

Source: World Bank (1983) Rail Sector Report p.38.

The level of funds available for the operations of the NRC is another important factor in assessing the performance of the Corporation. Funds must be available to defray expenses incurred locally or from overseas. Of keen interest in this case was the improved funding available to the NRC during the period under RITES (1979-82) while this high level of funding could be appreciated, it must be noted that by applying such huge sums to importation rather than fabricating or manufacturing of such parts, seemed to be short sighted. Thus, the opportunity to lay a solid foundation for the development of the Nigerian Railway technology or industry was lost with the attendant high cost of maintenance of such configuration of spare parts which were procured from all parts of the world. Sadly enough, railway workshops during this period only served as assembly centres, where imported Rail Technologies were assembled.

In Table 5.18 below, data showing the funds allocated for procurement of spare parts locally and overseas are presented. The table shows that more funds were available to the NRC during the period of RITES (1979 – 1982).

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TABLE 5.18: Funds Allocated for Procurement of Spare Parts by the NRC, 1975 – 1985

YEAR	LOCAL PURCHASES (N MILLIONS)	OVERSEAS PURCHASES (N MILLIONS)	TOTAL (N MILLIONS)
1975/76	13.5	5.8	19.3
1976/77	7.7	2.5	10.2
1977/78	5.9	0.2	6.1
1978/79	6.8	0.5	7.3
1979/80 (Dec.)	24.5	11.6	36.1
1980 (April-Dec.)	12.4	24.4	36.8
1981	20.9	24.4	47.1
1982	26.8	3.4	30.2

Source: World Bank (1983) Rail Sector Report. P.82.

The sorry state of NRC infrastructural facilities did not reflect the level of funding available to the NRC as can be seen in table 5:19. Suggestions had been made (Shettima, 1987)[17] that the NRC might have been used during RITES to divert public funds or siphoned them to private pockets.

Another important variable that can be used to assess the success or failure of the NRC during the period under review is its financial performance. In Table 5.19 data relating to the financial performance of the NRC from 1972 – 1982 are presented. Through this data, a close study of the financial performance of the NRC for the pre-RITES and the RITES era can be made. In sheer figures, it is clear from Table 5.19 that the NRC generated more funds through its operations during the period 1979-1982. Unfortunately however, whatever gains the Corporation made during the period were swallowed up by high operating expenses. The high working ratio recorded during the period compared to the pre-1979 figures also showed evidence of high operating costs of Rolling – locomotive engines/wagons and coaches.

The high deficits recorded between 1979 and 1982 were out of proportion with those of the pre-RITES era.

TABLE 5.19: The NRC's Financial Performance from 1972 – 1982

YEAR	TOTAL EARNINGS (N MILLION)	TOTAL WORKING EXPENSES (N MILLION)	TOTAL WORKING RESULTS PROFITS OR LOSS (N MILLION)	% LOSS	WORKING RATIO %
1972/73	25.97	37.145	-11.7	30.0	143.0
1973/74	25.533	33.400	-7.9	23.7	130.8
1974/75	19.233	48.780	-29.5	60.4	253.6
1975/76	27.209	61.690	-34.5	55.9	226.7
1976/77	28.296	65.201	-36.9	56.6	230.4
1977/78	30.217	68.166	-38.0	55.7	255.6
1978/79	33.372	78.638	-45.3	57.6	235.6
1979/80	45.870	92.024	-46.2	50.2	200.6
1981	45.630	90.778	-45.1	49.7	198.9
1982	81.114	154.607	-73.5	47.5	190.6

Source: NRC's Annual Reports, 1972 – 1982

The high deficits recorded particularly during RITES, 1979 – 1982 had been attributed to three main factors:-

1. High cost of re-conditioning some rolling stock due mainly to high cost of importing spare parts.
2. High personnel costs arising from up-ward review of salaries and allowances between 1979 and 1982; and
3. The high cost of maintaining the RITES Officials which was borne totally from the funds allocated to the NRC by the government.

Given these factors it could be argued that while the Corporation's financial performance in the pre-RITES period could be attributed to poor management and other related factors, the situation under RITES arose mainly in an attempt to repair the accumulated damage that had been inflicted on the Railway System over the years.

The NCR's contribution to the Gross Domestic product (GDP) is another important factor that can be used to gauge the relevance of the Railway System in a

developing economy like Nigeria. Unfortunately, this factor has always been completely ignored by previous studies. However, the contribution recorded by the NRC between 1979 and 1982, although modest, should be acknowledged, given the circumstances in which the NRC operated – acute shortage of rolling stock, stiff competition by the road transport and over-aged facilities, tracks and equipment.

In Table 5.20 below, the NRC's contribution to GDP along side the transport sector contribution is presented for the period 1974 – 1982. The Table shows a progressive improvement in the NRC's contribution to the GDP from the pre-RITES to the RITES period.

TABLE 5.20: The NRC's Contribution to GDP, 1974 – 1982.

YEAR	TOTAL TRANSPORT SECTOR CONTRIBUTION (N MILLION)	TOTAL NRC CONTRIBUTION (N MILLION)	PERCENTAGES OF CONTRIBUTION (%)
1974/75	891.31	11.24	1.3
1975/76	920.30	16.23	1.8
1976/77	955.32	12.75	1.3
1977/78	987.13	13.81	1.4
1978/79	1,946.96	15.58	1.5
1979/80	1,122.71	19.82	1.8
1981	1247.04	20.54	1.6
1982	1,390.87	23.39	1.7

Source: Ohaeri, G. (1984) Appraising NRC's Performance, p.139.

The NRC's contribution to the reduction of unemployment in the country through its high employment profile another important factor that should be taken into consideration when assessing the performance of the corporation. Failure to recognise this amounts to denying the social responsibility of the Nigerian Railways to the Nigerian State.

As it has been pointed out, elsewhere, the NRC is one of the largest parastatals in terms of Nigerians in its employment (Federal Government of Nigeria, 1981)[19]. Some of the factors that account for the corporation's high employment profile include: the labour intensive nature of the corporation and the spread of rail operations services across the country and the absence of modern technology.

As can be seen in Table 5.21, the employment profile of the NRC did not only reach its peak during the period of RITES, it remained quite very stable and compares favorably with the pre-RITES figures. What this points out is the fact that the charge of over-staffing can not be with respect to the pre-RITES period alone: it runs through the history of the corporation.

Perhaps, the only meaningful way of reducing the labour intensive nature of the NRC is to automate some of its operations and services or processes, which are currently being done manually. The present situation reveals the low level of technology advancement of the Nigerian Railway industry which is also at the center of the management and performance crisis that the corporation is faced with.

TABLE 5.21: The NRC's Employment Profile

YEAR	NUMBER OF EMPLOYEES	GROWTH RATE	PERCENTAGE OF GROWTH RATE
1974/75	30065	-	-
1975/76	36375	+ 6310	17.3
1976/77	31697	- 4678	- 14.8
1977/78	35477	- 3780	- 10.6
1978/79	33097	- 2380	- 7.1
1979/80	35594	+ 2497	7.0
1980/81	36050	- 456	1.3
1982	36050	- 456	1.3

Source: NRC's Abstracts of Statistics, 1975 – 1982.

In the light of the data presented and analyzed above, it must be noted that the transfer of the NRC management to RITES in 1979 might have been justified on grounds

other than profitability criterion. The analysis also shows that although good management is central to efficient and effective performance of any human organization, yet it cannot be the panacea for a corporation like the NRC, whose problems are multi-dimensional and structural, with their social, economic and political ramifications.

The situation was also worsened, inadvertently, by total dependence on foreign technology that was neither harmonized nor co-ordinate for the purpose of indigenising such technology in the interest of the nation. In fact the period of RITES only witnessed importation of Rail technology from India and other European countries.

5.5 Analysis of Responses to the Questionnaire

In the subsequent sections to this chapter, the responses of the respondents to questionnaire items relating to the period under review are analyzed and discussed to complement our analysis in the previous sections of the chapter.

The transfer of the NRC management to RITES is not only central to this study, but represents a significant departure in the management of Public Enterprises in Nigeria. As it involved the bringing of the so-called foreign experts, it has been argued by the government that the transfer, was intended to transfer rail technology to Nigerians. The extent to which some of the objectives of this experiment have been realised from the perception of the NRC staff forms the main focus of our analysis in the rest of the chapter.

Some of the issues raised in this section include: the reasons for the transfer of the NRC management to RITES, achievements of RITES, the goals and objectives of the NRC under RITES, Technology transfer, working relationship between workers and

RITES management team, the transfer of the NRC Management versus RITES in terms of performance and NRC's over-all performance under RITES management.

The importance of this section to this study lies mainly in the fact that it provides the researcher the opportunity to look at the problem and proffer solutions from the perception of the respondents, instead of relying largely on documentary data, usually put forward by the corporation or the Government. Previous studies have tended to ignore this angle as problems were identified and solutions proffered totally devoid of input from the NRC staff, management and non-management. This dimension has not only proved very helpful, it was found to be very realistic in finding solutions to the problem we have identified.

For instance a basic issue such as whether the staff (respondents) were aware of the reasons why government took the fundamental decision of inviting RITES to take over the management of the NRC cannot be ignored because their responses to this issue would have implications to the way they would respond to other issues that are raised in this chapter.

In Table 5.22 this issue was raised with the respondents and the responses showed overwhelmingly that they were aware of the circumstances that led to the situation even though they might not like it.

Unfortunately, this was not the case with members of the public and many commentators on the Nigerian Railways, some of which included petty traders, students and civil servants who constitute a significant group of users of train services. In an interview with a sample of these groups, it was clear that they were not aware of the reasons of government's decision to invite RITES to the NRC or the circumstances that

influenced the decision. As a result, many of them would not be convinced that the decision was taken in the best interest of the NRC and those who patronize railway services.

TABLE 5.22: **Reasons for NRC's Transfer to RITTES**

RESPONSE	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
YES	112	72	184	116.62	67.62	184.00
NO	23	6	29	18.38	10.62	29.00
TOTAL	135	78	213	135.00	78.00	213.00

chi-square – 2.919, DF = 1, Probe = .0875.

The differences in the distribution between observed and expected frequencies as shown in Table 5.22 above are not significant statistically at 0.05 level of significance.

Another issue which the respondents were asked to react to in retrospect was the extent they thought the objectives for which RITES came to the NRC were achieved.

In Table 5.23, the perception of the respondents was that the objectives were achieved, albeit, on the short term. The table showed that 130(61%) of the respondents were of this view. This perception was based on the success of RITES in the rehabilitation of rolling stock and revenue generation. Many others also held the view that train services during the period were more efficient and effective because train services kept to departure and arrival schedules published by RITES.

TABLE 5.23: Were the NRC's Objectives under RITES Achieved?

RESPONSE	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
YES	66	64	130	82.39	47.61	130.00
NO	69	14	83	52.61	30.39	83.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi-square = .487; DF = 1, Prob. = 1.742.
Source: Fieldwork Data (No. 45)

Clarity of goals is another variable that can facilitate or militate against the achievement of set tasks in an organization. The argument here is that the goals or

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objectives of an organization must be known or well understood by those who have to implement or achieve such goals. Such goals must be well defined and articulated at all levels of the organisation. Without this, there would be crisis and lack of understanding between policy makers and policy implementators.

In government parastatals, this is not an easy task, as those organizations are required to perform social and economic services. It has been well argued (Ekong, 1980)[20] that it is even wrong to pass judgement on the performance of an organization without first of all knowing the goals and objectives of which the organization has been set up and what may be regarded as acceptable measures. This is a difficult task for parastatals with multiple objectives some of that are social, economic, political, cultural, etc.

To put this issue in full perspective, the respondents were asked if they knew the goals and objectives of the NRC, especially during the tenure of RITES. As can be seen in Table 5.24, 191(89.6%) of the respondents responded that the clarity of goals and objectives contributed to some extent to whatever achievements that were recorded under RITES. This, they argued, helped to channel the resources of the NRC towards meeting the set – targets during the period under review.

TABLE 5.24 The Clarity of NRC Goals and Objectives Under RITES

RESPONSE		OBSERVED FREQUENCIES		EXPECTED FREQUENCIES		
CLEAR GOALS & OBJECTIVES	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Yes	116	75	191	121.06	69.94	191.00
No	19	3	22	13.94	8.06	22.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi-square = 4.534, DF = 1, Prob. = 0332.

The differences between the observed and expected frequencies are significant statistically at 0.05 level of significance. The implication of this is that there is a relationship between the worker's understanding of the goals of their organization and the Performance of the employees in an organization.

The issue of Technology transfer is yet another variable that can be used in assessing RITES performance between 1979 and 1982 from the perception of the respondents. This variable is important in that one of the objectives of the government in inviting RITES to the NRC was that they would transfer their techno-managerial know-how to Nigerians. Thus, the opinion of the respondents on the issue was not only important but also crucial to this study in many respects. The responses in Table 5.25 reveal the extent to which the respondents disagreed with government, that the main problem with the NRC was lack of techno-managerial know-how. The responses in table 5.25 are presented below.

TABLE 5.25: Technology Transfer by TITES to Nigerians

RESPONSE	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
TO TECHNOLOGY TRANSFER	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
YES	41	41	82	51.97	30.03	82.00
NO	94	37	131	83.03	47.97	131.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi-square = 9.369; DF = 1, Prob. = 2.207

Source: Fieldwork data (No 49).

Some reasons were offered to justify the responses given in Table 5.25 above. They include:

1 The RITES team ran the affairs of the NRC in a secrete manner. The Nigerian Managers did not participate in policy formulation. This was done exclusively by RITES management team.

2 RITES team was more pre-occupied with the attainment of set-performance targets so much that they had little or no time to transfer their techno-managerial know-how to Nigerians.

3 The take-over of the NRC management by RITES meant that – Nigerians during this period were not given top positions. They only watched the RITES team from a distance; and

4. The average Railway manager and worker did not believe that the RITES team – managers and technicians were better than their Nigerian counterparts. As a result, their minds were not positively disposed to the issue of technology transfer by the Indians.

5. RITES did not make technology transfer as one of their goals.

Therefore, the majority of 131(67.5%) who responded that there was no technology transfer should be seen in the context of the reasons they offered. Perhaps, it could also be argued that RITES' schedule was too tight to permit reasonable transfer of technology, especially at the top and operative levels of the rail operations or activities.

As we have found out in the literature review, technology transfer, as far as the Railways are concerned, could be better achieved through Research and Development of

the human resources as a matter of deliberate policy by the state. It also requires that the right atmosphere is created, using appropriate state organs.

In the development of their Railways, Britain, USA, Japan, the former USSR, Germany, India, etc have spent more funds on Research and Staff Training locally and abroad in order to acquire and develop their Railway technologies. The handing over of a nation's railway system to a consortium, historically, has never been a workable approach to technology transfer because of its socio-economic, political and cultural implications and consequences on the recipient nation.

One crucial variable that could also influence the kind of performance recorded by the NRC under RITES tenure is the prevailing working relationship that existed between workers and management. This variable has been known to have positively or negatively influenced workers' productivity and organizational performance (Nzimero, 1980)[21].

When this issue was raised with the respondents as can be seen in Table 5.26, it was interesting to note that an overwhelming majority of 201 (94%) held the view that RITES tenure witnessed an era of peaceful and cordial industrial relations between management and the workers.

Some of the reasons given for this include:-

1. That during RITES there was a general upward review of salaries and allowances of all staff-management and non-management.
2. RITES created new positions in order to remove the stagnation that had existed before they came – thereby removing some of the frustrations faced by workers.

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3. RITES organized short term refresher courses both at home and overseas which sought to boost the morale of staff; and

4. RITES encouraged and promoted the spirit of dialogue between management and workers on labour issues – this helped to reduce labour frictions to the barest minimum.

The responses to question 5.26 are presented below:-

TABLE 5.26: Working Relationship between RITES Management and Workers

RESPONSE	OBSERVED FREQUENCIES				EXPECTED FREQUENCIES			
TYPE OF RELATIONSHIP	N/MGMT	MGMT	TOTAL	%	N/MGMT	MGMT	TOTAL	%
Very cordial	81	70	151	70	95.70	55.30	151	
Cordial	44	6	50	23	31.69	18.41	50	
Not Cordial	10	2	12	6	7.61	4.39	12	
TOTAL	135	78	213		135.00	98.00	213.00	

Chi-square = 21.285, DF = 2, Prob. = 2.287.

Source: Fieldwork data No. 54.

The perception of the respondents on the transfer of the NRC Management to RITES is also crucial to this study especially the issues of whether it was based on correct information or otherwise. In a fairly consistent manner, 113(53%) of the respondents were of the view that the transfer was not based on correct information of what the NRC needed.

Details of responses to this issue are tabulated in Table 5.27 below.

TABLE 5.27: The Decision to Transfer NRC Management to RITES

RESPONSE TO TRANSFER	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MTMT	TOTAL
Good	51	47	98	62.11	35.89	98.00
Based on In Correct Information	83	30	113	71.62	41.38	113.00
Bad decision	1	1	2	1.27	.73	2.00
Total	135	78	213	135.00	78.00	213.00

The responses given in Table 5.27 above according to the respondents, were influenced by certain factors, which can be summarized as follows:

1. Government was aware that at the center of the NCR's problem was lack of funds; which has been lacking or inadequate over the years.
2. Government was aware of the weak position of the NRC in combating the stiff competition by the road transport.
3. Government was aware that the NRC management lacked autonomy to run the affairs of the corporation as a commercial venture; and
4. Government was aware of the deplorable conditions of service in the NRC, which had reduced the corporation to being used only as a `stepping stone' to other appointments.

In the context of the above reasons, many of the respondents were of the opinion that the transfer of the NRC management to RITES was not the best option available to government as at the time.

Another issue raised with the respondents was the question of whether Nigerians could have performed the `feat' that RITES was credited with during their tenure, given the level of support and resources made available during the period, 1979 – 1982 to RITES.

Surprisingly enough, a majority of them 120(56.3%) responded negatively as against 93(43.5%) who felt that Nigerians had the capacity to perform. Some of the reasons given by the majority for their view were:

1. Nigerian Managers were more prone to internal wrangling – fighting for positions.
2. Nigerian managers have been frequently accused of corruption, nepotism and mismanagement of resources.
3. Government had always shown that it had no confidence and trusts in the ability of Nigerians, hence the constant interference in the day-to-day affairs of the NRC.

Details of the responses to Table 5.28 are presented below:

TABLE 5.28: Could Nigerians have performed as much as RITES?

RESPONSE	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
YES	72	21	93	58.94	34.06	93.00
NO	63	57	120	76.06	43.94	120.00
TOTAL	135	78	213	135.00	78.00	213.00

Chi-square = 12.9668; DF 1; Prob. = 3.174

Source: Fieldwork data (No 56).

One observation that can be made from the data presented so far in this chapter is that it is clear the NRC under RITES between 1979 and 1982 did perform fairly well in certain aspects but not in all aspects. Therefore, the need for the respondents to give an over-all picture of NCR's performance during this period, taking the above observation into consideration was apparent.

The responses tabulated in Table 5.29 show that there was a widely held view by the respondents that NRC's overall performance during RITES was high. Of the 213 respondents, 211(99%) rated the performance between "good" and "very good" against only 2(1%) who rated the performance "poor".

The significance of the responses in this table is that it cuts across all levels of the NRC staff in different locations and it takes into consideration internal and external

factors that could enhance or militate against NCR's performance under the period in review.

TABLE 5.29: NRC's Over-All Performance under RITES Management

RESPONSE	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
RATING	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Very Good	65	39	104	65.92	38.08	104.00
Good	69	38	107	67.82	39.18	107.00
Poor	1	1	2	1.27	.72	2.00
Total	135	78	213	135.00	78.00	213.00

Chi-square = .745; DF = 2; Prob. = .8845

Source: Fieldwork data. (No 58).

Some of the reasons given by the respondents for the favourable rating given in Table 5.29 on the NCR's over-all performance under RITES administration can be summarised as follows:

1. That the intervention of RITES in the NRC actually saved the corporation from total collapse.
2. That the RITES era in the NRC represented the 'golden' period in terms of government support, attention and funding in the annals of the Nigerian Railways;
3. That the period of RITES represented a period when government matched its words with concrete actions through prompt and adequate release of approved funds; and
4. The performance or achievement of the NRC, under RITES was a demonstration of the potentials of the Nigerian. Railways, given the financial and other resources required.

5.6 The Performance of the NRC, 1982 – 1985

In assessing the performance of the NRC for the period 1982 – 1985 certain variables, which we consider very relevant have been employed. They include:

i. Traffic haulage (goods and passengers) and the revenues derived from such operations.

ii. The working results – profit and loss for the entire period of 1975 – 1985.

iii. Calculated mean scores of performance from 1975 – 1985.

iv. Computed Average of Working Results, 1975 – 1985.

v. Net Operating Revenue and Deficits, 1975 – 1985.

vi. Performance on fund allocation and disbursement, 1982 – 1985.

Although, this chapter, essentially, is on the post RITES period – 1982 – 85, data provided using the above variables covered the three distinct periods into which this study is subdivided in order to make for easy comparison. The approach also provides for a rational and objective analysis of performance under each period.

The importance attached to traffic haulage by the NRC cannot be over emphasized because apart from government subvention, the Corporation was expected to derive the bulk of its funds from its haulage activities/operations.

Improved haulage operations is important because it can be attributed to such factors as good management, good funding and may also lead to better financial performance.

Hence, it can be seen from Table 5.30, what the performance of the NRC was between 1975 and 1985, and for each of the period under review:

TABLE 5.30: TRAFFIC HAULAGE AND REVENUE EARNED, 1975 – 85

YEAR	NO. OF PASSENGERS HAULED (IN MILLION)	NO. OF GOODS (IN MILLION) (METRIC TONS)	REVENUE EARNED (IN MILLION)
1975/76	6.755	1.737	27.200
1976/77	7.404	1.689	28.296
1977/78	6.485	1.170	30.217
1978/79	8.456	0.995	33.372
1979/80	9.475	1.296	45.630
1980/81	9.722	2.142	81.114
1982	12.710	2.165	86.180
1983	12.333	2.960	106.181
1984	14.500	2.700	84.650
1985	15.600	2.800	85.650

Source: NRC'S Annual Reports, 1975 – 1985.

From Table 5.30 above, it is clear that there was some improvement in the passengers and goods haulage from 1979 – 1985 when compared to the period 1975 – 1978. Similarly, there was some improvement in the revenues earned through the operations. Surprisingly, however, the improvements were higher in the post RITES period, 1982 – 85 in spite of the great deterioration in rolling stock, tracks and other facilities and equipment, which took place after the departure of RITES in 1982. As was observed earlier, this performance could be attributed mainly to sheer determination on the part of the staff and the role of the Sole Administrator to make the best out of a very bad situation. Another reason could be reduction in personnel costs after the departure of RITESS.

Another very important variable that could be used in assessing the efficiency of an organization is its working Results over a period of time. Therefore, the NCR's balance sheet, which Table 5.31 provides for the period 1975 – 1985 should provide us a sound basis for assessing the financial performance of the Corporation for the period, although it may not tell the whole story of economic viability or otherwise, yet it is an

important indicator for evaluating the performance of an organization, more so a public utility enterprise.

The picture that becomes clear from Table 5.31 is that all through the period 1975– 85, the NRC operated on deficit financing – it never broke-even or made profits in any year, which is a very serious matter. The period under RITES was no exception, as the Corporation was faced with rising working expenses, which were higher than the figures recorded for the period 1975 – 1978.

The Working results also showed rising working deficits from the period 1979 – 1985. The deficit deteriorated systematically and significantly from N34.481 million in 1975/76 to N122.200 million in 1985. The argument here is whether RITES' intervention in the NRC between 1979 and 82 was a solution or it compounded the inefficiency of the Corporation, as it was worse than the pre-RITES and post RITES periods.

TABLE 5.31: **THE NRC'S WORKING RESULTS, 1975 – 1985**

YEAR	TOTAL WORKING RECEIPTS (IN MILLION)	TOTAL WORKING EXPENSES (IN MILLION)	WORKING RESULTS (IN DEFICITS
1975/76	27.209	61.690	34.481
1976/77	28.296	65.201	36.905
1977/78	30.216	68.165	38.000
1978/79	37.214	79.530	42.316
1979/80	88.170	182.212	94.042
1981	81.456	170.409	88.953
1982	86.180	164.070	77.890
1983	104.181	188.216	84.035
1984	84.650	196.580	111.930
1985	82.450	204.650	122.200

Source: NRC' Abstracts of Statistics, 1975 – 1985

The Table above shows that if the NRC were to be judged or assessed purely on its financial performance between the period 1975 and 1985, the Corporation has no basis for its continued existence. This, perhaps, is an indication that financial performance

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alone, was not an adequate criterion for assessing the viability or otherwise of the Corporation as a public utility enterprise that performs economic and non-economic services/functions.

Mean scores calculated from the NCR's performance over the period 1975 – 1985 is another variable that can be used to assess the over-all performance of the Corporation under the three periods of 1975 – 1978; 1979 – 1982 and 1982 – 85. The mean scores bring out quite clearly, the performance for each period as indicated by the respondents.

The data from Table 5.32 show that there is a lower mean score for the period of RITES 1979 – 1982, when compared to the pre-RITES and post-RITES periods.

TABLE 5.32: **NRC'S CALCULATED MEAN SCORES OF PERFORMANCE**

PERIOD	MANAGEMENT	NON-MANAGEMENT	TOTAL SCORE	MEAN SCORE
Pre-RITES 1975 – 78	126	74	200	100.00
RITES 1979 – 82	77	61	138	69.00
Post-RITES 1982 – 82	125	75	200	100.00
TOTAL	328	210	538	89.00

Source: Fieldwork Research (56).

The performance of the NRC can also be assessed using the computed Average of working Results for the period 1975 – 1985 as can be seen in Table 5.33. The increasing Operating Expenses and Working deficits were due in the main, to high operating costs, arising from over-aged rolling stock, tracks and other operating facilities and equipment.

TABLE 5.33: NRC's Computed Average of Working Results, 1975 – 1985.

PERIOD	AVERAGE OF WORKING RECEIPTS (IN MILLION)	AVERAGE OF WORKING EXPENSES (IN MILLION)	AVERAGE OF WORKING DEFICITS (IN MILLION)	PERCEN-TAGE OF DEFICITS %
Pre-RITES 1975 – 1978	28.57	65.01	-36.44	127.5
RITES 1979 – 1982	40.75	65.83	-25.08	61.5
Post-RITES 1982 – 1985	92.33	182.95	-90.62	98.1

Source: Computed from Table 5.33 above.

A comparison of the average performance using the working results produced in Table 5.33 shows that the period of RITES (1979 – 1982) was a little more tolerable, having recorded the lowest working deficits.

Another variable that can be used to evaluate the performance of the NRC between the period 1975 and 1985 are the figures for Net Average Revenues and Deficits under the period under consideration as can be seen in Table 5.34 below.

TABLE 5.34: NRC's Net Average Revenue and Deficits, 1975 – 1985.

PERIOD	NET REVENUE (IN MILLION)	NET DEFICITS (IN MILLION)	PERCENTAGE OF DEFICITS (%)
Pre-RITES 1975 – 1978	125.885	165.254	31.2
RITES 1979 – 1982	235.489	290.803	23.4
Post-RITES 1982 – 1985	307.731	381.791	24.0

Source: Calculated from NCR's Annual Reports, 1975 – 1985.

A close study of the data in Table 5.34 above shows that the period of RITES 1979 – 1982 recorded a slightly better performance when compared to the pre-RITES and post RITES periods. This is also consistent with the data provided in Table 5.34. The performance of the NRC can also be evaluated against the background of government's

investment in the Railway System through all the four National Development Plans from 1962 – 1985.

Table 5.35 below shows figures of funds allocated to the NRC during each of the plan periods, against actual disbursement, which represented government's actual investment in the Railway system all through the period. The wide gap between the fund allocated and the funds actually released could help to explain why the NRC incured huge financial deficits all through the period under review.

TABLE 5.35: NRC's Performance on Funds Allocation and Disbursement

PERIOD	PLAN ALLOCATION (IN MILLION)	ACTUAL DISBURSEMENT (IN MILLION)	PERCENTAGE OF FUNDS DISBURSED (%)
1962 – 1968	81.0	18.0	22.2
1970 – 1974	80.76	28.6	35
1975 – 1980	986.10	37.9	3 .8
1981 – 1985	1630.00	318.31	20.0

Source: FGN (1980) Progress Report, 3rd. National Development Plan, 1975 – 1980, p.312.

From whatever angle one looks at the data in Table 5.35 above, it is clear that we cannot isolate the factor of inadequate funding from the problems/crises in the NRC. It is real and cannot be explained away by such arguments as corruption or mismanagement. The percentage of funds released gives the picture of government's investment in the Railway system as against what was approved in the estimates.

5.7 Factors Affecting the Performance of the NRC, 1975 – 1985

From the analysis of the NCR's performance made in the foregoing section, it is clear that there are certain inhibiting factors, which needed to be clearly identified and addressed so that they would not continue to militate against the efficiency and effectiveness of the Corporation.

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From our analysis, it is also clear that such factors are multi-dimensional. Therefore, it will be wrong or inappropriate to suggest that one factor is responsible for NCR's failure or inability to perform. Yet one of the important factors that have affected the performance of the NRC over the years is the lack of a clear perception of what the main goal of the Corporation is, from the perception of the entire management and non-management staff. While many believe that the goal of the Corporation is profitability, many others were of the view that the main concern of the Corporation should be social service.

In Table 5.36, which is in response to whether the NCR's main goal is profitability or social service, the respondents responded with 207 `yes' to profitability and 219 `yes' to social services.

As can be seen in the table below, while this lack of a clear-cut perception could be a problem to the management, it is even more problematic when the perception of the management and non-management staff are sharply articulated as is the case in the `yes' and 'No' groups in Table 5.36.

Given this scenario, if great care is not taken, the Corporation would be run at cross-purposes. The need for a clear-cut perception of an organization's goal has been well articulated (Carroll, 1976) [22] and (Stuart and Eastlick 1981) [23]. It has been argued that contradictory and irreconcilable perceptions, especially when they cut across all levels of staff, could pose a serious danger to the management and the over-all performance of an organization.

Unfortunately, this warning does not seem to have been heeded by the management of the NRC, whose business is to harmonize the perceptions of workers in the Corporation for the common goal of the Railway System.

TABLE 5.36: Perception of NRC's Goal by Respondents - 'Yes Group'

MAIN GOAL	MANAGEMENT	N/MGMT	TOTAL	PERCENTAGES
Profitability	17	142(124)	141	64.00
Social Service	8	70	78	36.00
Total	25	212(194)	219	100.00

'NO GROUP'

Profitability	118	11	129	62.00
Social Services	70	8	78	38.00
TOTAL	188	19	207	100.00

Source: Fieldwork Data (No.12).

Another critical factor that has a very serious impact on the performance of the NRC is the mode of funding (budgetary allocations), which are most unpredictable, and ineffective. This was made clear in Table 5.37. A situation, for instance, where out of an allocation of N1.6 billion only N318.31 million (or 20%) was released, by all means, is most unsatisfactory to put it middle.

This factor had made planning impossible and plan implementation is thrown into chaos. Funding is so central that the absence of it or inadequacy of it could render the most promising organization not only useless but also infective and inefficient. This has been the case with the NRC all through the period under review (1975 – 1985).

The Organizational structure of the NRC is another factor that has militated against the efficiency and effectiveness of the Corporation through over centralization of power and decision-making. This situation has reduced the functions of Divisional Managers to routine matters of day-to-day affairs of their divisions; as approval has to be

sought and obtained from National Headquarters in Lagos on seemingly simple matters. As a result of this, decision-making in the NRC is not only slow but worrisome. The ability of divisional managers to respond quickly to local situation is seriously impaired. This situation would not have been acceptable if the NRC were to be a thoroughgoing financial venture like its counterparts in the private sector.

The present narrow gauge Railway System with its over-aged tracks, rolling stock and other facilities is another factor that has serious impact on the ability of the Railway System to compete favourably with the other modes of transport, especially the Road Transport. The Railway's high maintenance costs have been responsible, partially for the corporation's high operating costs. The fact that the entire Railway System is obsolete has made spare parts procurement difficult, costly and unpredictable. All this has made the Railway System a costly operation and too depended on all kinds of foreign technology and expertise.

The issue of NRC's over-dependence on foreign technology is a serious one, and it got to the peak in 1979 when the management of the corporation was handed over to RITES with the power to hire and fire and to overhaul and re-organize the Railway System as they deemed fit.

The procurement of spare parts from India and other countries during the period of RITES (1979 - 82) has worsened the problem of standardization of the Nigerian Railway System. The configuration was such that the issue of standardization was not one of the main concerns to RITES.

Government's interference in the day-to-day affairs of the NRC poses one of the greatest problems to the stability of the Corporation. This interference was most visible in

the way government sacked the Boards and Management of the Corporation at will, and in the appointment of Board members and top management staff. The inability of the Corporation to fix rates and charges on its services, except with government's approval has made it difficult for the NRC to respond to the forces of demand and supply – market forces to which it is subjected when it comes to the purchase of spare parts and the maintenance of the Railway System.

The failure of government to compensate the NRC for its social services which are supposed to be in the national interest, is another factor that is easily over-looked when analyzing the financial performance of the NRC. This, even, becomes a dilemma when government fails to disburse approved funds to the corporation. This has been at the heart of the Corporation's huge deficit from year to year.

The issue of large-scale fraud, corruption and mismanagement of financial and material resources of the NRC is also a fundamental one. This factor has been so difficult to deal with, because there has been proven cases of aiding and abetting by top government officials in the Ministry as reports of previous Commissions of enquiry have shown. The point must be made that prudent management of resources will go along way in reducing the debt burden the NRC places on the Federal Government as a Federal Government parastatal.

Competition by the Road Transport, is another factor that is always underplayed or ignored when assessing the operational and financial performances of the NRC. Given the poor infrastructural base of the NRC and Government's increasing investment in the Road Transport at all levels – Federal, State and Local, it is clear that the NRC is

seriously disadvantaged in its ability to compete fairly with the Road Transport in an open and market oriented economic system.

The issue of foreign experts and their role in the development efforts of developing nations should also be considered a factor in the NRC. To what extent is it expedient politically, economically and socially to contract out a national and strategic parastatal like the NRC to a foreign management team. Can such a step be the best in the circumstance for technology transfer?

The experience of the developed nations showed that technology transfer is not as simple as that. What many nations had done in the past was to send their nationals out to acquire such technologies or bring in some of the experts as consultants to train their nationals at home. The near collapse of the NRC in the post-RITES era showed that very little might have been achieved in the area of techno-managerial know-how transfer from RITES to Nigeria on their departure in 1982.

The point we are trying to make from all these factors is that there is no way an objective, fair and just assessment of the operational and financial performance of the NRC can be made without due cognizance being taken of these seemingly behind-the-scene, but potent factors. Their impact on the entire operations of the Nigerian Railway System is such that there is no way it can be ignored. To ignore them is to pretend they do not exist, which is neither true nor realistic. The problems need to be acknowledged and addressed with realistic solutions based on in-depth studies as we have done here.

5.8 Testing Of Hypotheses/Propositions

As stated in chapter one to this study, four hypotheses were put forward to guide data collection and analysis. In this section of the chapter, an attempt is made to test the validity of the hypotheses, using some of the data collected.

The first hypothesis that faulty or incorrect Assessment of an organization's problems can lead to ineffective polices can be tested using the data collected in the table below:

HYPOTHESIS 1: **That Faulty or Incorrect Assessment of an Organization's Problems can lead to ineffective Policies.**

SOLUTION	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Full Commercialization	121	70	191	121.06	69.94	191
Privatization	14	8	22	13.94	8.06	22
Invite Foreign Experts	-	-	-	-	-	-
TOTAL	135	78	213	135.00	78.00	213

Chi-square 0 .043, Prob. 0 .9357; DF = 2.

From the data in the above table it can be seen that the differences between observed and expected frequencies are not significant statistically at 0.05 level of significance. According to the respondents commercialisation is most favoured because the NRC has potentials for it in its Training Schools, Workshops, Estate and property development Unit, Medical and Train Services.

Privatisation was considered unfavourable, at least, in the NRC context, where indigenous investors are not interested in capital intensive ventures and long term projects. Also, there is the doubt that investors might not be interested in a parastatal with the type of performance profile the NRC has. Since the NRC has not made profits since independence in 1960, this kind of profile is likely to scare away would be investors (Gilpin, 1992)[24].

The total rejection by Nigerians of inviting another foreign Management consortium to the NRC is significant. This is against the background of whatever claims that have been made for and against RITES (1979 – 1982). The fact that the government is currently pursuing privatization of the NRC as a solution is another issue, as this cannot be reconciled with the overwhelming support of respondents for commercialization. This is a faulty or incorrect assessment of NCR's problems, which has led to ineffective policy of privatization and contemplation of further handing the NCR's management to other foreigners. Therefore, on the basis of data provided under hypothesis one above, the hypothesis that faulty or incorrect assessment of NCR's problems has led to ineffective policy – policy that failed to achieve its goals. After the failure of RITES intervention the Chinese were invited in 1995 which also failed.

HYPOTHESIS 2 **That Government's Poor Policies have led to NRC's Poor Performance/Inefficiency and Mismanagement.**

This hypothesis can be tested using data provided in Table 5.36, which is reproduced below. The table shows that there is no clear perception on the part of the Respondents on the main goal of the NRC. The table shows that while 219 respondents responded 'YES' to profitability as the main goal in the same breadth, 207 responded 'NO' to profitability indirectly preferring social services as the main goal. This situation must have contributed greatly to NCR's inefficiency.

The implication of this is that since the responses cut across all levels of personnel (management and non-management) it will be difficult for both the government and management to move the Corporation to either of the goals without sacrificing the other. If emphasis is placed on profitability, it will necessarily have to be at the expense of social services and vice-versa.

Given the type of scenario we have, it is clear that an assessment of the NRC using profitability criterion is not only unrealistic, but assumes that the Corporation is generally perceived as a profit making parastatal, which is not true or valid. Therefore, the hypothesis that government's poor policies have led to the NRC's poor performance/inefficiency and mismanagement is accepted as valid.

HYPOTHESIS 2: **That Government's Poor Policies have led to NRC's Poor Performance/Inefficiency and Mismanagement**

MAIN GOAL	MGMT		N/MGMT		TOTAL		PERCENTAGE	
PERCEIVED MAIN GOAL	YES	NO	YES	NO	YES	NO	YES %	NO %
Profitability	17	118	142	11	141	129	64	62
Social Services	8	70	70	8	78	78	36	38
TOTAL	25	188	212	19	219	207	100.00	100

Computed from Table 5.36

Hypothesis 3, which is that the socio-economic and political environment of an organization affect its performance'efficiency, can be tested using Table 5.36 in which the respondents identified, scored and ranked four major problems, which they considered most serious.

In responding to the question, it was pointed out to the respondents that the problem with the least score would be regarded as the most serious, followed by the others in a descending order. The problems identified and the scores are presented in the Table below.

HYPOTHESIS 3: **That the Socio-Economic and Political Environment of an organization affect its Performance/Efficiency**

TYPE OF PROBLEM	TOTAL SCORE	PERCENTAGE OR SCORE (%}	RANKING ACCORDING TO ORDER OF MAGNITUDE
Competition by Road Transport	195	22.8	1
Shortage of funds	218	25.6	2
Corruption/Mismanagement	219	25.7	3
Poor Maintenance	221	25.9	4

Computed from Table 5.9.

Going by the data provided in the above table, our hypothesis 3, is valid. Competition by the roads is part of the environmental factor that has been responsible for NCR's inefficiency. The corporation has lost virtually its pre-eminence in the transport sector since independence. In the colonial era, Roads were developed as feeders to the railways.

As we have shown elsewhere in this study, the situation now is that the NRC takes less than 2% of the transport business (passenger and goods) in Nigeria whereas, the Road Transport takes 70 – 80% of the haulage activities, especially bulky commodities such as cement, petroleum products and fertilizers across the country.

Against this background, we can see government's failure to look at the environment in which the NRC operates. The invitation of RITES to the NRC was a wrong step to solve a poorly perceived problem. This hypothesis on the basis of data provided in table 3 above is validated.

Hypothesis 4, which is that, factors other than management determined the performance of RITES in the NRC. This hypothesis can be tested using the computed average of working results of the NRC from 1975 – 1985 as contained in Table 5.31

Hypothesis 4: That, Factors other than Management determined the Performance of RITES in the NRC

PERIOD	AVERAGE OF WORKING RECEIPTS (N MILLION)	AVERAGE OF WORKING EXPENSES (N MILLION)	AVERAGE OF WORKING DEFICITS (N MILLION)	AVERAGE OF WORKING RATIO %
Pre-RITES (1975 – 78)	28.57	65.01	- 38.51	135.00
RITES (1979 – 82)	40.75	65.83	- 61.52	151.00
POST RITES (1982 – 85)	92.33	182.95	- 90.51	98.00

Computed from 5.31

The averages shown in the above table for each of the three periods show that the period of recorded the lowest average working deficit and working ratio. Although the rise from ₦28.57 million average working receipts from the pre-RITES (1975 – 1988) to ₦40.75 million in RITES era (1979 – 82) is an improvement, it is not significant statistically given the average working receipts of ₦92.33 million recorded in the post-RITES (1982 – 1985) period.

The higher operating receipts recorded in the post RITES shows that, perse, the problem of the NRC was not management alone. If it were so, this result would not have been possible.

Therefore, on the basis of the data on this table which is Hypothesis 4, it is valid that the RITES performance in the NRC were determined by other factors apart from management – some of these factors have been stated elsewhere in this study. They included clarity of goals, release of funds, non-interference by government in the day to day operations of the NRC. This hypothesis is therefore accepted as valid. The analysis above shows that all of the four hypotheses were confirmed.

The significance of the analysis here lies in the fact that the problems of the NRC are multi-dimensional. Some misconceptions about the affairs of the Nigerian Railways held by the government have made the evolution of workable, lasting and realistic solutions elusive to the Corporation. Because government policy responses have been faulty. The analysis also provides a basis for us to search for the real problems of the NRC and make appropriate recommendations in the light of our findings.

5.9 Statistical Treatment

In this chapter, the performance of the NRC under three periods: pre-RITES, under RITES and Post-RITES are compared and measured statistically. The statistical methods employed here include chi-square, Analysis of variance and Randonised Blocks and ANOVA. These statistical methods show very clearly what the performance of the NRC was. Contrary to what the government and the public may believe, the performance of the NRC under RITES was lower consistently when compared to the pre- and post RITES periods. This is a fact that cannot be disputed statistically.

TABLE 5.37: The Performance of the NRC, 1975 – 1985

	OBSERVED FREQUENCIES			EXPECTED FREQUENCIES		
PERIOD	N/MGMT	MGMT	TOTAL	N/MGMT	MGMT	TOTAL
Pre-RITES	126	74	200	121.93	79.07	200.00
Under-RITES	77	61	138	84.13	53.87	138.00
Post-RITES	125	75	200	121.93	78.07	200.00
TOTAL	328	210	538	328.00	210.00	538.00

Chi-square = 2.095, DF = 2, Prob. = .350

PERIOD	MGMT	N/MGMT	TOTAL
Pre-RITES	126.00	74.00	200.00
Under RITES	77.00	61.00	138.00
Post-RITES	125.00	75.00	200.00

Number of Cases = 3, Number of Variables = 2.

5.38 RANDOMNISED BLOCK AND ANOVA

i. PERFORMANCE COMPARISON TREATMENT

ANALYSIS OF VARIANCE	MEAN (AVERAGE)	N
Management	109.333	3
Non-Management	70.000	3

ii.

BLOCK	MEAN	N
Pre-WRITES	100.000	2
Under RITES	69.000	2
Post RITES	100.000	2
Grand Mean	89.667	6

iii. **SUM OF SQUARES AND MEAN SQUARES**

SOURCE	SUM OF SQUARES	DF	MEAN SQUARE	F. RATIO	PROB.
Treatment	2320.667	1	2320.667	11.339	.0780
Block	1281.333	2	640.667	3.130	.2421
Error	409.333	2	204.667		

5.10 Conclusion

The chapter presents data collected from primary and secondary sources including the questionnaire, which are analyzed and interpreted. The period covered spanned from pre-independence up to 1985.

The four Hypotheses were also tested. Data treatment using randomized Block and Analysis of variance (ANOVA) are also presented in the chapter. The major findings of this study are derived mainly from the data presented and analyzed in this chapter.

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CHAPTER SIX

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

6.1 Introduction

This chapter presents in a summary form the findings made during the course of carrying out this research. The recommendations are borne out of the researcher's experience and in the light of the findings of the research.

The recommendations if backed up with good will are capable of restoring NCR's efficiency and effectiveness. The recommendations, if fully implemented could restore public confidence in the Nigerian Railways once more and the Railways' comparative advantage within the transport sector can be restored.

The conclusions drawn here are based on our total experience in the course of carrying out this research. They apply to the NRC specifically, and in general, to other public enterprises in Nigeria.

6.2 Major Findings

In this section attention is given to the major findings based on this research. Other less important findings are reported, by implication, in the appropriate chapters. The findings discussed here provide a good summary of the findings of the research. Thus, the underlisted are what we consider as major findings:

6.2.1 The Performance/Efficiency of the NRC in the pre-independence era. It was discovered that the NRC was able to meet its operating and overhead costs during the colonial era because it was not involved in offering social services. All its social services were fully paid for by the government. Because of this the NRC was about to meet all its operating costs from the revenues generated.

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6.2.2 The Role of the Nigerian Railways in the colonial era. We found that the railway was the most important all-the-year round mode of transportation. It was also the carrier for the import – export commodities from the ports to the hunter-land and for carrying export commodities from the hunter-lands to the ports of Lagos and Port-Harcout, where they were exported. But this role was reversed in the post independence era and transferred to the roads.

6.2.3 The performance of the NRC in the post independence era. We found that the performance of the NRC deteriorated systematically from the mid-1960s and through the 1980s. All efforts by the government to revert the situation had not succeeded, including the intervention of RITES from 1979 – 1982.

6.2.4 **Government's Assessment of the NRC's Problem**:

It was discovered that government's assessment of the NRC's problem was faulty and all its policy responses were ineffective; hence the intervention not RITES from 1979 – 182 could not succeed in turning the fortunes of the NRC around.

6.2.5 **Intervention of RITES in the NRC**

It was discovered that as a policy measure, it failed to restore efficiency and effectiveness to the NRC. It was only a stop-gap measure, it did not provide a lasting policy response to NRC's inefficiency and ineffectiveness. Whatever little improvements were made could not be sustained after RITES – the Chinese were also invited to the NRC in 1995. They also failed to restore efficiency to the corporation.

6.2.6 **Factors Apart from Management**

This study found out that government was wrong in concluding that the NRC's problem or inefficiency was due to poor management and lack of techno-managerial

how. We discovered that apart from management such problems as inadequate funding, competition by roads, total dependence on foreign technology, lack of modernisation of the rail system, lack of expansion of the rail system, etc. were all serious problems that government failed to address.

6.2.7 **Lack of a National Transport Policy**:

This we found has been responsible for the uneven development of transport facilities in Nigeria. Transport modes were not developed based on their comparative advantage, hence, the unnecessary competition among the different modes were not developed to complement each other. A National Transport Policy and Rail policy would have provided adequate direction in the provision of transport facilities.

6.2.8 **Abandonment of Agriculture and Introduction of Oil Pipelines**:

This we discovered had contributed to NRC's loss of traffics. Pipelines were now used to transport petroleum products and trucks also came to take over the internal distribution of petroleum products from the railways. The abandonment of agriculture means that the rail had nothing to haul to the ports for export while at the same time it has lost its share of import commodities from the seaports to the hinterland. The road transport had taken-over almost completely.

6.2.9 **Privatization or Commercialization**:

As a result of faulty assessment, government policy of trying to privatise the Nigerian Railways was also a wrong policy. From the study, the majority of the management and non-management staff of the NRC expressed the view that privatisation was wrong. Instead, they chose commercialisation whose potentials already exist in the

NRC's Training schools, Workshops, Hospitals, Printing, Advertising and Property development.

6.2.10 **The Socio-Economic and Political Environment of the NRC**

This study found that the external environment affects and to a large extent determined the performance of the Nigerian Railways. The instability in the political plain, unstable socio-economic policies are militating factors against the efficiency and effectiveness of the Nigerian railways. As an open-social system, the NRC cannot be treated in isolation of its environment. The competitive nature of the transport sector poses a great limitation to the performance of the NRC.

6.2.11 **Allocation and Disbursement of Funds**:

In the study we found that apart from inadequate allocation of funds, the little that is allocated is not disbursed or released. The NRC rarely received more than 20% of its yearly financial allocations.

6.3 RECOMMENDATIONS

The following recommendations are made in the light of the findings of this research. The recommendations seek to address the major problems we have identified in this study. They are also designed to restore the NCR's efficiency and effectiveness. The recommendations include:

6.3.1 **A Clear Definition of NRC's Main Goal – Efficiency or Efficiency**:

This will provide the much needed focus and direction for formulating and implementing rail policies. When this is done, it will become mandatory on the government to pay fully for all the social political services rendered to the nation by the NRC. The failure of governments to pay for NRC services has contributed to the

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corporation's poor performance. The efficiency of the NRC during the colonial was attributed to its being run as a through – going financial venture.

6.3.2 Expansion of Rail Lines and Services Nation-Wide:

The need to expand the rail lines from being only North – South to South – South North – North and West – West; and to reach out to all commercial and industrial towns and locations in Nigeria is long overdue. This will ensure that the NRC is relevant to the economic activities of the nation; and that it benefits maximally in such activities thereby enhancing its financial performance.

6.3.3 Developing and Taking a Perspective of the NRC

Government policy response has been very narrow hitherto hence, such a response has been inadequate and ineffective in addressing the problems. Government needs to take a holistic view of the problems in order to get to the root of the problems and thereby come up with policies that will address such areas as funding, expansion, dependence on foreign technology, socio-economic and political environment of the rail system – these apart from management constitute the problems of the NRC.

6.3.4 Restoring Efficiency and Effectiveness to the NRC

For this to be achieved the rail infrastructure, especially the tracks, rolling stock, coaching and wagons need to be completely overhauled. The standard gauge should be introduced either to replace the existing narrow gauge system or to run side by side with the existing lines. Thereby giving customers a choice of service. Vigorous training programme should also be formulated and implemented. The Nigerian railways must be technology driven - This is the trend worldwide.

6.3.5 National Railway Policy

The need to formulate and implement this is urgent. This will provide strong focus and direction for railway plans and programmes nation-wide and ensure that this is done within the framework of a National Transport Policy which will ensure even development and orderly investment in the transport sector. This will ensure that transport modes are developed to complement one another, not necessarily to compete with each other. It will also ensure that the comparative advantage of each transport mode is considered.

6.3.6 Restoration of Traditional NRC Traffics

This includes the haulage of petroleum products for which the NRC has a comparative advantage. Restoration of the right to haul bulky commodities such as fertilizers, heavy duty industrial imports haulage of cement and other products which will enhance the efficiency of the corporation and reduce its dependence on government for yearly financial grants.

6.3.7 Commercialization of NRC facilities

This should be the beginning of privatization. NRC has facilities and services, which it can extend to the public and private sectors of the economy for a fee. The training schools, workshops, printing presses, hospital services and facilities have potentials for efficient commercialization if this is implemented as a phase I, privatization can come as phase II by the time which the efficiency would have been restored to the NRC.

6.3.8 Disbursement of Approved Funds

The non-release of approved funds for whatever reason has done a lot of damage to planning and plan implementation in the NRC. Release of funds as and when due when ensures that project can be implemented as planned. This will help to improve the fortunes of the corporation. This is one major way of tackling inefficiency in rail operations and services.

6.4 CONCLUSIONS

This study, in a way, provides an eye opener into the problems of public enterprises in Nigeria, using the Nigerian Railways as a case study. The study reveals the dilemma faced by such public enterprises in the era of high public and government expectations even when government has defaulted in playing its own roles.

This study has filled a wide gap in our knowledge of the problems facing public enterprises like the Nigerian Railway. A close study of the mass media – Newspapers, Newsmagazines, Radio and Television shows that most people who write for the public media know very little about the causes of the inefficiency of the NRC; and to that extent their recommendations are wrong.

Finally, while it may be argued that theoretical frameworks may not provide a panacea for the inefficiency of the NRC, as it is in this case, the system theory we have used shows that as long as organizations' imputs are higher than their outputs such organizations remain inefficient, and ways and means must be found to make outputs higher than inputs. This study has shown how the performance of the NRC can be raised to the level that its efficiency and effectiveness can be restored. This study can be

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replicated with some minor modifications to many of Nigeria's public Enterprises as virtually all of them suffer from inefficiency and ineffectiveness.

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QUESTIONNAIRE

Questionnaire on the Assessment of the Performance and Management of the NRC from Pre-Post RITES, 1975-85.

SECTION I: PERSONNAL DATA

Please complete the following questions as best as you can. Your name is not required and all information supplied will be held in confidence.

1. Your Department:.....

2. Your Division.....

3. Your Section.....

4. Nationality.....

   i. ( ) Nigerian
   ii. ( ) Non-Nigerian

5. Sex:
   i. ( ) Male
   ii. ( ) Female

6. Age:
   i. ( ) Under 30 Years
   ii. ( ) 31 – 35 Years
   iii. ( ) 36 – 40 Years
   iv. ( ) 41 – 45 Years
   v. ( ) Over 45 Years

7. Status:
   i. ( ) Top Management (GL 16 – 17)
   ii. ( ) Senior Management (GL 14 – 15)
   iii. ( ) Nuddke Nabagenebt (GL 12 – 13)
   iv. ( ) First Level Management (GL 08 – 11)
   v. ( ) Non-Management (GL 04 – 07)

8. Administrative Responsibility:
   i. ( ) Head of Department
   ii. ( ) Head of Division
   iii. ( ) Chief of Department/Unit/Section
   iv. ( ) Head of Unit/Section

9. Highest Schooling Attained:
   i. ( ) Secondary/Technical College
   ii. ( ) Polytechnic/College of Technology
   iii. ( ) Membership of Professional Bodies/Societies
   iv. ( ) University
   v. ( ) Others (Please. Specify): .....

10. Working Experience:
   i. ( ) Less than 10 years
   ii. ( ) 6 – 10 years
   iii. ( ) 11 – 15 years
   iv. ( ) 16 – 20 years
   v. ( ) Over 20 years

SECTION II: General Environment of the NRC

This section is designed to assess the general condition in which the NRC operates, including the general management practices.

11. Do you think the goals of the NRC are clearly understood by staff?
   i. ( ) Yes
   ii. ( ) No

12. Which is the primary goal of the NRC?
   i. ( ) To make profits
   ii. ( ) To render services

13. How would you describe the organisational structure of the NRC?
   i. ( ) Highly centralised (most of the decisions are made at the Headquarters).
   ii. ( ) Fairly decentralized (some of the decisions are made at divisional and departmental levels.
   iii. ( ) Decision making is very slow.

14. To what extent are the activities of the NRC co-ordinated?
   i. ( ) Well Co-ordinated
   ii. ( ) Fairly well co-ordinated
   iii. ( ) Not well co-ordinated

15. How many people does a manager supervise in the NRC?
   i. ( ) 1 – 5 People
   ii. ( ) 6 – 10 People
   iii. ( ) 11 – 15 People

iv. ( ) Over 15 People

16. How does information travel in the Corporation? (You may choose more than one)
    i. ( ) Vertically (i.e. from the management down the line)
    ii. ( ) Horizontally (Between and within Departments)
    iii. ( ) Vertically and Horizontally (Upwards and Downwards)
    iv. ( ) Through the grave-vine (i.e. rumours, hear-say, gossip, etc).

17. Does the NRC have a feed-back system (i.e. a system of knowing the felling of staff and customers)
    i. ( ) YES
    ii. ( ) NO

18. What does the NRC do with a negative feedback?
    i. ( ) Take immediate action
    ii. ( ) Take action slowly
    iii. ( ) Take no action

19. Who do you think should take ultimate responsibility for the performance of the NRC?
    i. ( ) The management (for poor management)
    ii. ( ) The Government (for low funding)
    iii. ( ) The workers (for low productivity)
    iv. ( ) All of the above.

20. Do you think there is too much interference by government in the day-to-day management of the NRC?
    i. ( ) YES
    ii., ( ) NO

21. What is the relationship between the management and the workers like?
    i. ( ) Very cordial
    ii. ( ) Cordial
    iii. ( ) Confrontational

22. How would you describe employee turn-over in the NRC (i.e. the rate at which highly qualified personnel leave the Corporation.
    i. ( ) Very high
    ii. ( ) High
    iii. ( ) Normal

23. Do you agree that the NRC is over-staffed?
    i. YES
    ii. NO

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24. How serious are the following as problems to the NRC please put 1, 2, 3, 4, in the boxes (One being the most serious problem)?

i. ( ) Shortage of funds
ii. ( ) Maintenance and replacement of over-age facilities
iii. ( ) Corruption and mismanagement of resources.
iv. ( ) Competition by the Road Transport.

25. Do you agree that the NRC as it is presently organised and funded cannot break even or make profits.

i. ( ) YES
ii. ( ) NO

26. Do you think the NRC can reduce its operating deficit if it gives up the running of uneconomic lines/routes and stations?

i. ( ) YES
ii. ( ) NO

27. Which objectives do you think the NRC should pursue?

i. ( ) Profitability
ii. ( ) Social services

28. Do you agree that the NRC can perform better if its limited funds are better managed.

i. ( ) YES
ii. ( ) NO

29. What percentage of its funds do you think the NRC should use for personal emolument allowances?

i. ( ) 31 – 35%
ii. ( ) 36 – 40%
iii. ( ) 41 – 45%
iv. ( ) Over 50%

30. Do you think the NRC is spending the right percentage on personal emolument and allowances.

i. ( ) YES
ii. ( ) NO

31. What percentage of available funds do you think should be spent for the provision of rail services?

i. ( ) 41 – 45
ii. ( ) 46 – 55
iii. ( ) 51 – 55

iv. ( ) 56 – 60

32. Do you think the NRC is spending the right percentage of its funds for providing rail services?
i. ( ) YES
ii. ( ) NO

33. Do you think the NRC Management needs more autonomy in the day to day running of the Corporation?
i. ( ) YES
ii. ( ) NO

34. Do you think the financial performance of the NRC will improve if it is mandatory on all government departments to patronize the services of the Corporation?
i. ( ) YES
ii. ( ) NO

35. Does the NRC have performance targets, which units, departments and divisions have to meet periodically?
i. ( ) YESS
ii. ( ) NO

36. Do you agree that without setting targets it is difficult to measure performance in a big corporation like the NRC?
i. ( ) YES
ii. ( ) NO

37. Do you agree that since the NRC performs economic and non-economic (social) services it is not fair to measure its performance only in terms of financial performance?
i. ( ) YES
ii. ( ) NO

38. Do you agree that trains will perform better if communication and signaling are mechanized or automated?
i. ( ) YES
ii. ( ) NO

39. Do you agree that inter modal allocation of funds within the transport sector does not reflect the comparative advantage the rail has over the other modes?
i. ( ) YES
ii. ( ) NO

40. Do you agree that the train offers the cheapest means of transport in Nigeria?
i. ( ) YES

ii. ( ) NO

41. Does the NCR have a staff development scheme?
    i. ( ) YES
    ii. ( ) NO

42. What determines who needs further training (you may choose more than one).
    i. ( ) Nature of work to be done
    ii. ( ) Employee's Educational Background
    iii. ( ) The future needs of the corporation.

43. How many times have you received further training since you joined the NRC?
    i. ( ) Only once
    ii. ( ) 2 – 4 times
    iii. ( ) Over 4 times

SECTION III: The NRC Under RITES

This section is designed to assess the impact of RITES on the Management and performance of the NRC between 1979 and 1982. Please answer the questions as best as you can.

44. Do you know why the NCR management was transferred to RITES in 1979?

    i. ( ) YES
    ii. ( ) NO

45. Do you think the objectives of the transfer were realised?
    i. ( ) YES
    ii. ( ) NO

46. If the objectives of the transfer were to revamp and revitalise rail services do you think these objectives were achieved?
    i. ( ) YES
    ii. ( ) NO

47. If train services improved during RITES to what factor would you attribute this? (You may choose more than one).
    i. ( ) Adequate funding
    ii. ( ) Freedom of action
    iii. ( ) Good management
    iv. ( ) Stable socio-political environment
    v. ( ) RITES had targets to meet.

48. Do you agree that the clear definition of goals and objectives during RITEs contributed to the improved train services?
    i. ( ) YES
    ii. ( ) NO

49. Do you think the performance of the NRC under RITES justified the money invested?
    i. ( ) YES
    ii. ( ) NO

50. Do you think there was transfer of technology from RITES to Nigerians?
    i. ( ) YES
    ii. ( ) NO

51. Do you agree that the complete take-over of the NRC management by RITES frustrated and demoralised their Nigerian counter-parts?
    i. ( ) YES
    ii. ( ) NO

52. Do you agree that RITES spent a higher percentage of available funds on re-conditioning, rehabilitation and replacement of infrastructural facilities?
    i. ( ) YES
    ii. ( ) NO

53. Do you think that RITES were able to boost their revenue by cutting down on social and uneconomic services offered by the NRC?
    i. ( ) YES
    ii. ( ) NO

54. How was the relationship between management and the union of railway men during RITES?
    i. ( ) Very cordial
    ii. ( ) Cordial
    iii. ( ) Not cordial.

55. Do you agree that the improved conditions of services helped to raise morale and productivity of staff during RITES?
    i. ( ) YES
    ii. ( ) NO

56. How would you describe the transfer of the NRC to RITES?
    i. ( ) It was a good decision
    ii. ( ) It was not based on correct information
    iii. ( ) It was a bad decision.

57. Do you agree that if Nigerians have been trusted with so much money and responsibility, they would have performed better?
    i. ( ) YES
    ii. ( ) NO

58. On the whole, how would you assess the performance of the NRC under RITES?
    i. ( ) Very good
    ii. ( ) Good
    iii. ( ) Poor

SECTION IV: The NRC Post-RITES

This section is designed to assess the general condition of the NRC after the RITES departure in 1982. Please answer the questions as best as you can.

59. Do you agree that the performance of the NRC deteriorated after RITES left in 1982?
    i. ( ) YES
    ii. ( ) NO

60. Which of these factors are responsible for the present condition of the NRC (you may choose more than one).
    i. ( ) Inadequate
    ii ( ) Poor management
    iii. ( ) Lack of freedom of action by management
    iv. ( ) Low morale of personnel.

61. How would you describe maintenance of infrastructural facilities after RITES.
    i. ( ) Good
    ii. ( ) Bad
    iii. ( ) Neglected.

62. Do you agree that non-mandatory patronage of the NRC by government departments since the departure of RITES has worsened the condition of the NRC?
    i. ( ) YES
    ii. ( ) NO

63. Do you think management has contributed largely to the poor performance of the NRC?
    i. ( ) YES
    ii. ( ) NO

64. Which of these methods has the NRC used to reduce over-staffing after RITES?
    i. ( ) Retrenchment of Workers

ii. ( ) By not filling vacant positions
iii. ( ) By stopping all kinds of recruitment
iv. ( ) By training existing staff.

65. Do you agree that staff morale and productivity have fallen since the RITES left?
i. ( ) YES
ii. ( ) NO

66. Do you agree that lack of effective co-ordination of the transport sector has contributed to the NRC's poor financial performance?
i. ( ) YES
ii. ( ) NO

67. Do you agree that the inability of the NRC to sustain its performance after RITES showed that the transfer has not quite succeeded?
i. ( ) YES
ii. ( ) NO

68. Do you agree that the NRC's problems are insurmountable?
i. ( ) YES
ii. ( ) NO

69. Which of the steps below do you think would solve the problems of the NRC?
i. ( ) Complete Commercialization
ii. ( ) Complete Privatization
iii. ( ) Invite foreign major team.

70. Do you agree that the financial performance of the NRC is now worse than pre-RITES situation?
i. ( ) YES
ii. ( ) NO