

# Public Service, Pay and Productivity in Nigeria

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## Abstract

The paper looked at the public service and the approached to pay which operated since the 1970's as not valid these days when enterprises are key to success. It sees reward management as concerned with the design, implementation and maintenance of a remuneration system, which helps an organization achieve its objectives, provides for competitive levels of remuneration and ensures that it is linked explicitly to contribution, performance and productivity. The paper also looked at relationship between pay and productivity as key organizational variables that close attention should be given to in the public services and Compare measurement of productivity in the private sector visa- vis public services as un-priced institutions with full range of outputs delivered by public sector organizations usually valued by society. The paper adopts content analysis and relies on secondary data for the paper.

**Keywords:** Public service; pay and productivity.

## 1. Introduction

Employees globally occupy a strategic position in any organization. They are responsible essentially for converting inputs into productive outputs and therefore ought to be effectively and adequately compensated for their labour. The use of pay as incentives dates to the era of scientific management movement, championed by Frederick Taylor in the early 20th century to resolve the problem of personnel at work. Since then, both the public and private sector have continued to employ performance incentives with a view to raising the productivity of workers. While employee productivity has been a prominent area of interest in human resource management; it has been largely ignored by public sector scholars [1,2].

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This may have been occasioned by the fact that the goal of the public sector is different from those of the private sector; and contemporary scholars of public administration believe that while private sector employees are motivated to maximize their own utilities, public sector employees seek to maximize the social welfare of the people in society [3].

In understanding the dynamics of the public service, the issue of pay and productivity plays a complementary role in determining the success or otherwise of the organisation. They twin are premised on the belief that the state from both social and ethical standpoint is charged not only with the responsibility of providing for the common welfare but the establishment and maintenance of desirable social conditions.

Today, there is no single factor in the whole field of labour relations that does more to break down morale, create individual dissatisfaction, encourage absenteeism, increase labour turnover, and hamper production than obviously unjust Pay and inequalities in the wage rates paid to different individuals with the same educational qualification within the same public service. Pay therefore is regarded by the employees as a mark of social status, and if they do not correspond to the relative significance of jobs, as employees view them, the employees' sense of justice is outraged, which constitutes the theme of the Paper. The paper, therefore, examines the invest relationship between" Pay and productivity" and how each complement one another towards increase productivity in organisation. Materials for the paper were drawn largely from content analysis using secondary data.

## **2. Conceptual Definitions**

### **2.1 Public Service**

The word Public Service as used here, refers to the following : the civil service, often referred to as the core service, consisting of line ministries and extra ministerial agencies; the public bureaucracy, or enlarged public service made up of the services of the state and national assemblies, the Judiciary , the armed Forces, the police and other security agencies , the paramilitary services; which include the immigration and customs prisons, etc., Parastatals and agencies- including social services, commercially oriented agencies, research educational institutions, etc. These bodies are expected to be professionally competent, loyal and efficient in carrying out policies and programs of government [4].

The public service involves procedures whereby human resources are organize and directed towards achievements of organizational, individual and social objectives.

### **2.2 Pay**

Hartman, [5] states that incentive is one technique by which employees" carry out their end of the employment contract, that is, compensating employees for their efforts. In general, an incentive scheme (payment or program) is any compensation that has been designed to recognize some specific accomplishment on the part of an employee. It is expected that the prospect of the incentive payment will „trigger" the desired performance behavior by the employee. Incentive schemes as defined by [6] are special pay programmes designed to

motivate high performance. Incentive schemes attempt to link at least a portion of pay to job performance to encourage higher productivity. Incentives, as often called, should be aligned with the behaviors that help achieve organizational goals or performance.

### **2.3 Productivity**

Productivity as used here measures the efficiency with which an organisation manufactures products or delivers services by measuring the relationship between an organization's output and the input used to produce them. Productivity can be made across different individual service providers and overtime and can be used to help understand why some providers are more productive than others, or what happens to productivity.

Productivity measures how much income is generated (for workers, business owners, landlords, and everyone else together) in an average hour of work in the economy. As productivity grows and each hour of work generates more and more income on average overtime, it creates the potential for improving living standards for everyone.

In other words, it's how much workers are producing per hour worked compared to how much they earn for those hours. Ideally, when productivity grows, wages should grow simultaneously. There isn't a single definitive answer to why the wages-productivity gap occurs, especially if we want to speak about society. Therefore, here are some of the reasons behind the productivity-pay gap.

### **2.4 Review of Relevant Literature**

In reviewing literature on public administration, it is apparent that many scholars believe that individuals who work in the public service are different in their motivations for work in comparison to individuals who work in private sector. Work motivation in the public sector is premised on the idea that individuals who choose to work in the public sector have an ethic that is oriented toward public service and a sense of duty [7]. [8], used the phrase "public service motivation" to describe work motivation in the public sector. According to them, public service motivation can be defined as an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions. [9] see Public Service Motivation as the force that induces individuals to perform meaningfully. It has also been defined as the "beliefs, the values and the attitudes that go beyond self-interest or organizational interest, that concern the interest of a larger political entity, induced through public interaction, motivation for targeted action" [10]

Public service motivation could also be seen as an individual's psychological propensity to be induced to respond to the changing needs of people in society, via government institutions with expected economic rewards immaterial [11]. To shed more light on the concept of public service motivation, [12], see public service as a shared definition of the common good. According to them those who seek to manage the affairs of government have a primary interest in helping to realize this common good. Such people are likely to be motivated by fulfilling obligations, maintaining trust and obeying rules.

It then means that managing the affairs of a government must be completely different from managing the affairs

of a business organization. For instance, [8] argued that people with high public service motivation are more likely than others to choose government jobs, to perform better on the job and to respond more to non-utilitarian incentives once in government. The public service sector is charged with the responsibility of promoting general social welfare, as well as the protection of the society and every individual in it; the composition of the public workforce generally expected to reflect the nature of work in the public sector, by attracting employees who desire greater opportunities to fulfill their altruistic motives. Hence public administration scholars have tended to view employee motives as inputs brought to the work situation that represent the raw materials in the public sector motivational processes [13;14].

### ***2.5 Pay and Productivity***

Generally, Pay is regarded as variable payment made to employees or a group of employees based on the amount of output or results achieved. Alternatively, payments could be made with the aim of pushing employees' performance towards higher targets [15]. Incentives could also be defined as compensation other than basic wages or salaries that fluctuate according to employees' attainment of some standard, such as pre-established formula, individual or group goals, or organizational earnings [16].

Effective incentive pay systems are based on three assumptions: individual employees and work teams differ in how much it contributes to the organization, not only in what they do but also in how well they do it. The organization's overall performance depends to a large degree on the productivity of individuals and groups within the organization; to attract, retain, and motivate highly productive workers. To be fair to all employees, an organization needs to reward employees based on their relative productivity [16].

### ***2.6 Pay as an Incentive for Reward***

Essentially salary administration has developed into a dynamic approach of reward management. Indeed, many of the conventional approaches to salary administration operated since the 1970's are no longer valid these days when enterprises are the key to success.

Reward management is concerned with the design, implementation and maintenance of remuneration system, which helps an organization achieve its objectives. Reward management provides for competitive levels of remuneration and ensures that it is linked explicitly to contribution, performance and productivity.

Incentive falls into two main categories. These are financial incentives and non- financial incentives. The non-financial incentives include feedback, setting time limits, subordinates' participation in goal setting and praise. Productivity comprises of two key sub-variables. These are: (I) efficiency and (ii) effectiveness of the worker. The calculated value for the level of dissatisfaction experienced by workers with respect to any of the incentive factors.

### ***2.6 Measuring Productivity in the Public Sector***

Both public and private sector organisations produce multiple, heterogeneous outputs. To measure the output of

a private sector organisation the type of information that is typically available to researchers is a measure of the aggregate value of goods or services sold or service, and hence the relative valuations of different products. To ensure whether these targets are met requires objective measures of productivity, cost-effectiveness, improvements and design policy, understanding what underlies differences in productivity across providers and what drives productivity growth is crucial. It is worth noting that while the productivity of the public sector services is one factor in determining how effectively public money is being spent, it is not the sole consideration. Measuring productivity differs from a cost-benefit analysis, which might be used to assess the 'value for money' of a new government program. While measuring the productivity of public services is certainly of interest, society may prefer the public sector to deliver more services or improvements in the quality of service even at the expense of a decrease in productivity. Measuring productivity amounts to relating a volume measure of the output of an organisation or sector of the economy to a volume measure of the input used to deliver them. Much of the discussion around the measurement of productivity in public services focuses on the accurate measurement of output. In deciding what it is desirable to capture in measuring the output of a public service a starting point is to consider the full range of outputs that society values and those services to deliver.

### ***2.7 Techniques for Measuring Productivity***

An organization's productivity is typically measured relative to some benchmark, compared to the previous month or year, or compared to another similar organisation. Similarly, productivity comparisons are made at the sector and country level. Productivity measures include single factor productivity which considers inputs, such as labour productivity, and multifactor productivity which might relate the volume of output to the volume of labour inputs, intermediate inputs and capital used in the production of that output.

To measure the output of a private sector organisation the type of information that is typically available to researchers is a measure of the aggregate value of goods or services sold, often measured by gross output, sales or value-added. This aggregation across goods and services to the value of output at the organizational level implicitly involves using information on the relative prices of goods and services such as weights. In well-functioning competitive markets, these prices provide information on the marginal benefit to consumers and the marginal cost of producers associated with a unit of each good or service, and hence the relative valuations of different products.

To ensure whether these targets are met requires objective measures of productivity and cost-effectiveness, improvements and design policy, understanding what underlies differences in productivity across providers and what drives productivity growth is crucial.

While measuring the productivity of public services is certainly of interest, society may prefer the public sector to deliver more services or improvements in the quality of service even at the expense of a decrease in productivity. Equally, an increase in productivity may not be welcome if it comes at the expense of a decrease in the output of public services. However, falling productivity unaccompanied by any increase in output might raise concerns, as might be significant discrepancies in productivity across providers in the same sector.

## **2.8 Manpower Utilization as it Relate to Pay and Productivity**

Not only do all countries concern themselves with the problems of pay and productivity but also with manpower utilization. The problem of manpower utilization can constitute problem while deciding personnel incentives. In Nigeria, for example, the problem is not just that of manpower development or availability but largely that of uniform pay.

Reference [17] enumerated factors which affect the public service, pay and productivity and grouped them under Economic, Social and Political sub-systems. The economic system does not provide incentives to effective manpower utilization in the country. The Nigerian economy operates within the framework of capitalism in an underdeveloped economy which cannot provide the incentive and motivation necessary for effective manpower utilization that could lead to higher productivity. The reactions by various workers' associations to the Various Salaries Review Commissions show how poorly workers are compensated. Apart from the poor salaries and conditions of services, other welfare services such as good pension schemes, redundancy and social security are not just available. A medical doctor, engineer, architect, mathematician, physicist or any specialist in rare skills, may observe for example, that he will be placed at an economically disadvantaged position by the existing economic system, especially if he considers the system whereby unskilled, primary or secondary dropouts becoming millionaires overnight through contracts and/or partisan politics. It is not surprising, therefore, that many professionals find their ways into politics and administrations and thereby distorting national manpower planning, statistics in general, and manpower development and utilization in particular. The social sub-system is closely tied to the economic sub-system. Many families and their youths see education as family investments. First, and foremost, the educated youth want to secure a job after their long training. Secondly, the job secured must be lucrative with good prospects for training and advancement to enable him to meet the aspiration of both his family and those of the extended families as may be dictated by the cultural heritage. The result of this, plus that of inadequate financial resources, is characterized by inadequate educational institutions-cum-personnel and implements for effective production of the desired quality of personnel for the future effective manpower utilization.

To understand the effect of political sub-system on pay and productivity would require an understanding of a country's political system itself. This is necessary because the political sub-system seems to be the most crucial and the most controversial issue in manpower development and utilization policies.

## **2.9 Challenges**

Several factors affect public service pay and productivity in Nigeria which includes the following.

### **1. Inadequate Compensation and Lack of Motivation:**

Low Salaries:

Public servants often face low salaries, making it difficult to maintain a decent standard of living and impacting on their motivation to perform their duties effectively.

The absence of performance-based incentives or rewards further undermines motivation which leads to apathy.

Inadequate resources, outdated equipment, and generally unfavorable work environment as well exacerbate the problem of low productivity.

## **2. Corruption and Political Interference**

Corruption within the public service, including embezzlement and bribery, can lead to a misallocation of resources and further erode public trust

Political interference in personnel decisions, such as appointments and promotions based on favoritism rather than merit, create a dysfunctional system.

## **3. Staff Indiscipline and Lack of Professionalism/ Absenteeism and Lateness:**

Indiscipline, such as absenteeism and lateness, can disrupt workflow and reduce overall productivity.

Poor Work Ethic: A lack of professionalism and a disregard for work ethics can further contribute to low productivity

Insufficient training and development opportunities are major factors that hinder the ability of public servants to perform their duties effectively and efficiently.

4. Lack of Clear Job Descriptions: Unclear job descriptions and inadequate job assignments can lead to confusion and inefficient work processes.

Lack of Innovation: A lack of innovation and a reluctance to embrace new technologies can further limit the potential for improved productivity.

Security Concerns: Insecurity in certain parts of the country can also negatively impact on the productivity of public servants, as they may be hesitant to work in areas where their safety is threatened.

Addressing these challenges requires a multifaceted approach, including increasing salaries and incentives, promoting transparency and accountability, strengthening merit-based recruitment and promotion systems, and investing in training and development to enhance the skills and knowledge of public servants

## **3. Conclusion/Recommendation**

The paper examined the relationship between the public service, pay and productivity. It investigated how employee performance contributes to organizational productivity and observed that the economic pressure over the years has pushed the issue of pay to a major priority for employer, making it a significant and crucial factor when making key decision about organizations. The paper argued that pay has a significant effect on the overall employee performance and productivity. This is because the more an employee enjoys a high reward in terms of

compensation the more likely for him to effectively perform his task leading to overall organizational productivity. It is thus recommended that for organization to deliver on their core mandate and objectives, government must put in place a strong legislation and robust policy measures on uniform personnel emolument whether in public or private entities.

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