

Management IN NIGERIA

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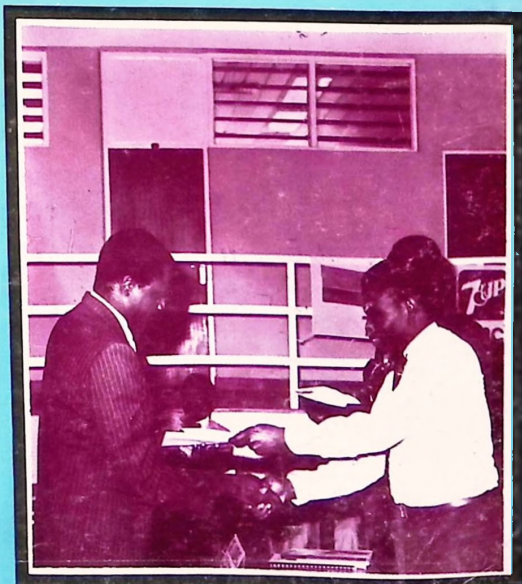
COST REDUCTION, PRODUCTIVITY AND PERFORMANCE IMPROVEMENT: Methods & Prospects

Management Practices and Problems in Nigerian Universities

Statement on the 1988 Fiscal Budget.

Saving a Collapsed Man

Special Announcement:
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COST REDUCTION, PRODUCTIVITY AND PERFORMANCE IMPROVEMENT: Methods & Prospects by A. KALU.

Ever wondered what will happen if your establishment produced at maximum cost? There is bound to be losses in all spheres of the company's business. This inherent problem and its attendant backlash effects is what every establishment tries to avert. What with the structural Adjustment Programme here, there is no better time to think in terms of Cost Reduction. In this direction we bring you an award winning paper that borders strictly on how to reduce costs. (page 7)

MANAGEMENT PRACTICES AND PROBLEMS IN NIGERIAN UNIVERSITIES By Titus Oshagbemi

There are no conscious training programmes or development courses offered to assist academic leaders in the performance of their duties. This observation is true for both newly appointed academic leaders as well as for the older ones. Yet, in order to know the type of assistance they need and provide just that, an understanding of what they do and how they perceive their role is desirable. (page 15)

STATEMENT ON THE FISCAL BUDGET By Dr. Chu S. P. Okongwu

Talking Economics may be the exclusive preserve of economists but when the Nation's Budget is concerned it becomes imperative that texts be broken down into terms that will be accepted by the populace.

We publish statement on the Fiscal Budget—Being text of Minister of Finance explanation on the 1988 National Budget. (page 27)

SAVING A COLLAPSED MAN

By Dr. Sylvia G. Akpan.

Sometimes you are at a loss on what to do, your boss just collapsed in the office and having received no formal training to contain such emergency situation you let him slip into the great beyond.

A professional drops a hint on some steps to take in saving a collapsed man. (page 45)

LEADERSHIP By Abubakar A. Dalil

Decisive factor in organisational services. (page 47)

Others

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THE REALITIES OF 1988 BUDGET

WHEN we all heard and read the President's budget speech in January, 1988, and we heard it christened thousands of names, including "Rellationary", the expectation of the ordinary worker was that life would be easier in 1988, than hitherto and that our over-stretched belts would be loosened. The expectation of the average honest Nigerian worker is that goods (including food) and services would be cheaper than in 1987. For example, we thought that prices of vehicles, building materials and food items will be cheaper and affordable

The Minister of Finance's statement has not helped us better to configure the realities of the 1988 National Budget. In short, our own hope as workers is that the bare essentials of life, the infrastructure and the services required for production will be cheaper so that the average honest Nigerian worker can at least exist and be hopeful for a better tomorrow.

Recent news items seem to have dashed our expectations. For example, prices of cars, whether manufactured in Nigeria or imported, have gone up by more than 25%. Prices of food items have shot up by more than 50%. Spare parts of vehicles are too expensive and many vehicles have gone off the road. Rents have gone up by about 30%. It is not surprising that many workers now reside under the Lagos bridge as some squatt in their unorthodox churches.

It is not surprising that a worker who closes at work at 5.00 p.m., is still struggling to get transport to go home at 8.00 p.m. The same worker has to wake up at 4.00 a.m. again and be at the bus stop, at 5.00 a.m., to be able to resume work at 8.00 a.m. In further implementing the budget, Government has published 1988 Income Guidelines. Remunerations of workers in the public sector have been elongated to the disadvantage of those in the private sector. And as soon as the market woman read this, she increased her prices by more than 100%. Yet the private sector worker goes to the same market with the public sector worker. Employers of labour in the private sector have declared that they have no capability to pay the new rates in the face of rising production costs, under-utilization of machinery



Dele Osundahunsi

and labour, plus unstable rate of foreign exchange. Yet the population of private sector workers is greater than those in the public sector. What level of productivity are we expecting from the unmotivated majority? Will this not adversely affect the GDP?

Some State Governments have publicly announced that they cannot pay the elongated salaries. If those who live on the national cake cannot pay, how do we expect the private sector that lives most of the time on the sweat of its labour to be able to pay the elongated rates? The impression that one gets, is that there is a division within the ranks and files of the policy-makers. This is just not good enough.

This raises certain fundamental questions. One of them is that what hope has the average honest Nigerian worker for survival both now and in the future? What hope has he of being able to feed at all or of being able to buy or build a dwelling of his own? Have the children of the average honest Nigerian worker any hope for survival either now that school-fees have increased more than double. Worst still, discriminatory school-fees are the order of the day in military, unity and international schools. Books are neither available nor affordable. Have we as workers any future at all?

It is on this note that *Management In Nigeria* will like to call on architects of the budget to take into consideration the plight of the **average honest Nigerian worker** in formulating policies. It also calls for a synchronisation of policies so that any policy proposed can be seen to be workable across the two boards of both the public and private sectors. Policies should not be seen to be discriminatory and they should be feasible.

Is there any hope that a smiling face will ever beam again on the average honest Nigerian worker's face?

COST REDUCTION, PRODUCTIVITY AND PERFORMANCE

(Improvement and Methods) —by A. Kalu

This paper won the first prize in the 1987 Young Managers' Competition, which was held recently at the Management House, Victoria Island, Lagos.

1. INTRODUCTION

In today's economies, businesses have to be efficient to survive. At a time when costs are more critical than ever before, management should intensify its effort in reducing these costs. Those organisations that do not have cost reduction programmes do not meet the competition and hence do not survive.

It is unfortunate that ten years after the oil boom, we are still suffering from the hangover of the spending spree. There was so much money then that all our efforts were geared towards spending with little or no thought of prudently managing the funds (with regards to reducing unnecessary costs). As a result of this, we are now plagued with unemployment, inflation, low productivity and so on. The standard of living has fallen and not so much is being done in the right direction to bring it up again. The reason we have not achieved much here is probably because our managers are too afraid to depart from their traditional methods of management and venture into modern management techniques.

This paper does not aim at analysing the whys and wherefores of our economic failures, but is directed towards the means and ways of managing our businesses out of economic decline in today's depressed economy into competitive positions by cost reduction techniques.

1.1 Definition

Cost reduction is best described

as a technique aimed at improving the overall effectiveness of labour, equipment, materials and production facilities utilization. It means the production of goods and services to consumers at a minimum cost to the producer.

Productivity improvement means getting more units of output from a unit of input. That is to say that if we take a base period, then for subsequent periods, improving productivity will mean a higher value for the output-input ratio. Invariably, reducing costs leads to higher productivity.

Since productivity is a component of performance, any improvement in the former will lead to an improvement in the latter.

Thus cost reduction leads to productivity improvement which in turn leads to overall performance improvement.

1.2 Necessity

We need to reduce costs and improve productivity, as by so doing, we increase our profits — in the short term, and our return on investment — in the long run (see 5.1). This will mean more money to provide for more amenities, pay dividends, bonuses, go into R & D, wage increases and reinvestments. When we improve productivity by reducing cost, everybody gains. Inflationary forces are blunted as pressure is reduced for wage increases (to catch up with spiralling prices). Prices are lowered or more or less remain stable, with jobs being created as the economy improves

and more units of products sold. Standard of living, therefore, improves (see 5.2 and 5.3).

Because we can only have what we produce, it would be sheer shortsightedness on our part to think that by doing nothing and just redistributing and spreading what we have everybody will have more. Cost reduction then becomes necessary in today's economy when we need to produce more with the same resources, in order to improve our lot.

1.3 Efforts

Not much effort has been made in cost reduction applications, especially from those who need to reduce costs most. However, it will be unfair not to mention the noteworthy efforts of the government and some organisations in the private sector.

1.3.1 Public Sector

Sometime ago, the Federal Government as well as some State Governments restricted the use of official vehicles to working hours only, in addition to assigning cars to officers of the rank of permanent secretaries and above only. Further, the vehicles considered to be in excess of the requirements were sold to members of the public. The writer considers this the most commendable effort by the government aimed at reducing operational costs.

The establishment of industries like the automobile assemblies, steel rolling plants, the newsprint plant, to mention but a few, was supposed to

be cost saving measures by the government. Apart from cutting the main costs of importing the finished products, employment opportunities were created as well as the conservation of our much needed foreign exchange, in addition to increased technological development.

The construction of Snake Island Dockyard is another example of cost reduction. The dockyard, apart from servicing government agencies' ships like the NPA, NNSL and the Navy, it also caters for foreign as well as indigenous vessel owners. If we recall that the cost of repairs and services to this country on these vessels stood at ₦18 million pre-SFEM, and compare it with the turnover of ₦5.5 million realised in the dockyard's one year of operation, we have to admit that the cost saved is enormous. Space will not permit further listing of governmental efforts at cost reduction, but let us not forget that it is the same idea that ushered in SFEM and privatisation.

1.3.2 Private Sector

A cash strapped manufacturing company in 1985, sold some of its assets to a merchant bank at nearly ₦12 million and then leased back the assets from the merchant bank. The advantages of this move were provision of more money to the manufacturing firm and a reduction in cost of overheads like depreciation, repairs and renewals, on those assets.

A state-owned bank had too many people at the top due to promotions into non-existent positions. In a bid to reduce cost, the management committee was reduced from 21 to 6, and a number of the staffers retrenched or redeployed.

The sales drive embarked upon by a well known retail chain ought to be seen as a cost reduction bid aimed at cutting operational expenses on non-moving lines and reduction of stockholding costs.

An automobile component manufacturing company saved quite a fortune when it introduced a "suggestion scheme", whereby costs to

external consultants were drastically reduced as productivity was improved by own personnel. This cost reduction measure had a double effect: the company gained from the scheme in that the cost on productivity improvement reduced while the workers benefitted from the sharing of the gains resulting from their suggestions and improved productivity.

2. COST REDUCTION METHODS

In order to reduce cost and therefore, improve productivity management must identify key areas that move the business. The best way to achieve this is by control information which unlocks the door to all our productivity problems. Pieces of information obtained from ongoing operations provide the basis for

- understanding the current operations
- understanding and evaluating current productivity
- initiating future designs, and
- formulating timely and meaningful arguments for operational changes that can lead to productivity improvement.

In the broadest sense of cost reduction, management, (after identifying those areas that move the business) should start by setting corporate objectives along those lines. The goal setting must be translated into plans that must identify key indicators of business and then implemented. The implementation involves the development and measurement of these key indicators, by way of tracking them to establish standards and attain goals. This will finally be followed up with review meetings to complete the cost reduction process. Actually, there are no rigid methods for reducing cost. It is the opinion of the writer, that cost reduction can be achieved by LOGICAL REASONING, effective management of control information and good human relations. However, this chapter tries to introduce some means, processes and arguments that can aid management in achieving cost reduction and productivity improve-

ment; and it essentially considers 5 of these as being necessary and adequate. The cost effectiveness of these methods makes them ideal as they require little or no capital outlay to implement.

2.1 Methods Design

The essence of cost reduction is the accomplishment of necessary functions, purposes or goals, with a minimum use of resources. One way this is done is called METHOD. Since much of what we get out of life depends on how well our methods utilize our limited resources such as time, money, energy and materials, we shall pay a great attention to the issue of methods.

Time is the most crucial of resources, since each person has exactly the same amount of time daily (and this cannot be altered). Since time is the essence of life, the methods used in our daily activities determine how much we get out of life. The method design that can reduce the wastages or consumption of materials/resources, also reduces the cost of the product. For example, if through better sawing and planning methods, the cost of wood employed in cabinet making is reduced by 8%, then the cost of the cabinet is equally reduced.

To improve productivity, we must reduce cost. With improved productivity, there will be more social amenities. It goes then to show that we cannot provide social benefits such as water, shelter and transportation without maximising the output from our limited resources through cost reduction, by improved methods design. Because of the role, methods play in reducing the cost of time, labour and materials, we shall devote some time to the designing of methods.

In reducing cost by methods design, the major idea is to see which activities can be eliminated, combined or reduced in duration. By eliminating whole activities, cost is saved substantially. By combining 2 activities into one, cost is saved again. By reducing activities durations, we still save cost.

Methods design, which is usually provoked by the need to reduce cost, is usually advised for the following types of situations:

- where there's the need to introduce a new equipment or product
- an area with large production and/or labour force
- bottlenecks and layout problems
- work areas with high manual labour content
- requirement of excessive overtime
- hazardous/high fatigue level jobs
- high labour turnover, and
- high scrap or defect level.

The above situations involve costs of various kinds and only when the use of the appropriate method is implemented will there be effective savings.

In designing a method, the principle of problem specification or problem definition must be followed. Inexperienced managers do not always appreciate this and tend to form conclusions before the problem has been specified. This invariably proves very costly and is wasteful of human effort. The procedure for designing methods starts with the definition of aims, purposes and usefulness of the activity. The definition should be a single concise statement containing factual and precise replies to the following 3 questions:

- what is done?
- why is it done?
- what does it achieve?

In answering the above questions in one sentence, it must be free from any reference to the method or process, should start with an action verb and must be specific but non-limiting. It should not be a goal-like statement like "To produce 30 cars per shift". If we take a vehicle assembly firm, the answers to the above questions would be:

- the assembly of motor vehicles with CKD parts
- for reduction of costs of imported completely finished vehicles
- making employment available as well as the affordability of the

vehicles by the average Nigerian.

So, in defining the aim of this activity, we can combine all three statements into one as "To provide motor vehicles at a cheaper price for the average Nigerian as well as creating employment".

When this has been done, data gathering and the analysis will then follow. This analysis is in 3 parts — the material flow, the manual method of work and the machine cycle analysis (where machines are involved). The purpose of the analysis is in general to

- cover all aspects of the accomplishments of the activity in order to achieve a total knowledge of the job
- to create a basis for subsequent critical examination
- to define a basis for comparison which is necessary when deciding between several methods under comparison
- to establish a good work method and a basis for job evaluation

For the improvement of a work area, the analysis of the product flow is necessary for the following reasons.

- machine location or relocation
- elimination of obstacles
- avoidance of crossing of delivery ways; and
- supply and evacuation requirements.

The analysis of the manual method of work is compulsory in the examination of activities, even if there's no analysis of the product flow or machine cycle. It amounts to the methodical breakdown of the method of work into as many parts as may be necessary for the successful completion of the analysis in order to achieve the economy of motion and reduction of fatigue, which may lead to absenteeism and consequent loss of manhours.

Machine cycle analysis is necessary for providing

- the most economic work cycle
- good operator occupation
- high machine utilization, and
- machine balancing.

Since the scope of this paper will not permit the method of performing

the analysis, we can only refer to 5.4 and 5.5 to see the benefit of an analysis. After the analysis will come the critique.

The critique is the methodical, systematic and complete use of the data collected from the analysis. It is essential that all the information is understood and fully documented in a way that enables critical examination to be carried out. The critique and construction of the new method demand objectiveness, judgement and imagination. Several years of industrial experience will enhance the ability of the criticism. Each aspect of a work area is criticised using a questioning technique as a base to formulate ideas, which may give improvements leading to:

- elimination (of useless activities)
- combination (essential activities)
- reducing (determinant times)

The questioning technique involves asking primary questions like what, where, who, when and why? Secondary questions like what else, who else, where else, *et cetera*, and tertiary questions as what should, where should, why should, *et cetera*.

The questions, after being answered, will then lead to the application of the principles of motion economy, layout of the work area and an improvement of the ergonomics of the place.

After the critique will then come the construction of the most economic method. For a work area, the new method will in most cases be limited by the quality, safety and mechanical constraints of the area. The new method must be presented in a form of report, which should include tables of comparison between the old and new methods. (See 5.6)

With the new method drawn up, what is required will be its acceptance; then its implementation and stabilization. Stabilization is a follow up to ensure that all the recommendations and conditions stated in the new method are being adhered to (see 5.7).

(Continued on page 11)



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2.2 Work Measurement

Work measurement is the application of techniques designed to establish the time for a qualified worker to carry out a specific task at a defined level of performance. It is a basic tool for satisfying management's objectives in its various functions and capacities. The fundamental tasks involved in work measurement are:

- observation/analysis of the job to identify necessary physical and mental work
- actual measurement of the work using stop watch in the tasks enumerated
- determination of operation time
- application of allowances to provide a work standard
- documentation of the methods of operations and relevant information
- maintenance and updating of the information.

The importance of work measurement cannot be overlooked as the result thus obtained may be used in:

- manpower and machine planning
- production planning and scheduling
- costing and budgetary control
- variance analysis
- determination of delivery times
- management control systems
- capacity planning and management
- basis for purchasing new equipment
- job evaluation and
- payment systems design.

In the final analysis of work measurement, it provides basic information for the organisation and control of industry which will lead to cost reduction and consequently to productivity improvement. If management decisions to be taken are to be correct, then the information must be accurate. A number of different methods may be used to measure work, depending on the nature of the work, the circumstances and the accuracy required.

The scope and terms of reference of this paper will not permit it to go beyond 2 ways of measuring work. These are work sampling and time study. (See 5.8)

2.2.1 Work Sampling

This is one of the simplest work measurement techniques available today, and yet it can be adapted to analyse sophisticated models of work pattern variation. The manager who comes into his office ten times a day and finds his secretary idle 4 times will conclude that his secretary is engaged only 60% of the working day. The manager knows his secretary is not idle exactly 40% of the time, but it is the best estimate available, and if quick action is necessary it will be probably taken, based on this estimate.

Work sampling is particularly useful in the analysis of non-repetitive or irregularly occurring activities where no complete method of frequency descriptions are available. Due to the fact that work sampling studies extend over a long period, occasional irregularities do not overly affect results.

Because work sampling is a flexible tool adaptable to both very simple and very complex studies; it is impossible to create a single step-by-step procedure for designing and conducting a study that will fit all purposes of work sampling. Hence, the following list provides a guide to the procedure in work sampling studies.

- define objective of the study
- determine who will collect data
- obtain approval of all concerned and then announce the study
- determine the general method of recording data
- classify activities into categories
- prepare for the physical aspect of data collection
- decide on the number of observations needed
- select necessary random times
- set up necessary procedures to process result
- take a short pilot study
- collect actual data; and

— write up and file report

Work sampling studies help solve cost reduction problems regarding work load determination, actual manpower requirement and production planning/output. It is a method that costs little or nothing to carry out but with very high benefits. (5.9)

2.2.2. Time Study

This study is a technique for establishing an allowed time standard for performing a given task based upon measurement of the work content of the prescribed method with due allowance for fatigue and for personal and unavoidable delays. The objective of time study is to determine reliable standards for all work being undertaken by a business for the efficient and effective management of the operations. It is a follow up of the method design. Time study, as opposed to work sampling, is a more complex procedure for measuring work. Its requirements are more intricate and should be done by a qualified Industrial Engineer. Various equipment can be used in this respect but for the scope of this paper, it will be accepted that a simple stop watch will suffice.

A time study is usually carried out by breaking down the work into various small units to enable effective timing; determine the number of observations to be timed; apply the rating factor during the timing proper; and determine the standard time.

A job can be broken down into its basic movements such as REACH, GRASP, MOVE, RELEASE, *et cetera*. These minute sub-divisions are too short in duration to be timed with a stop watch. Therefore, a number of them must be grouped together into elements of sufficient lengths to be accurately and conveniently timed. And element is thus, a sequence of basic motions forming a distinct part of a specified task, selected for convenience of observation, measurement and

analysis. Element types are 3—manual, technological and technomanual, varying in frequency from the regular through the occasional to the irregular. These elements are fraught with anomalies, some avoidable and some unavoidable. Several factors contribute to variations in the duration of elements. In timing the elements, therefore, their durations are influenced by the Industrial Engineer, the timing equipment, the use of suitable breakpoints and the natural flow of the work. Long elements should be avoided in time studies for some good reasons. Repeated measurement of the same element performed by the same operator will show slight differences in the duration time value. This spread is caused by:

- variations in operator's method of work.
- variations in the exact positioning of equipment and tools.

— variation in product characteristics, and

— variation in reacting to breakpoints.

Since time study is sampling procedure, it is therefore, important that an adequate-sized sample of data be collected so that the resulting standard is reasonably accurate. Experience has led to 3 principles:

- (i) Whenever possible, each element should be measured at least 30 times with the same operator.
- (ii) If the dispersion of times is high, increase the number of measurements, and
- (iii) If several operators work on the same post, time as many of them as possible.

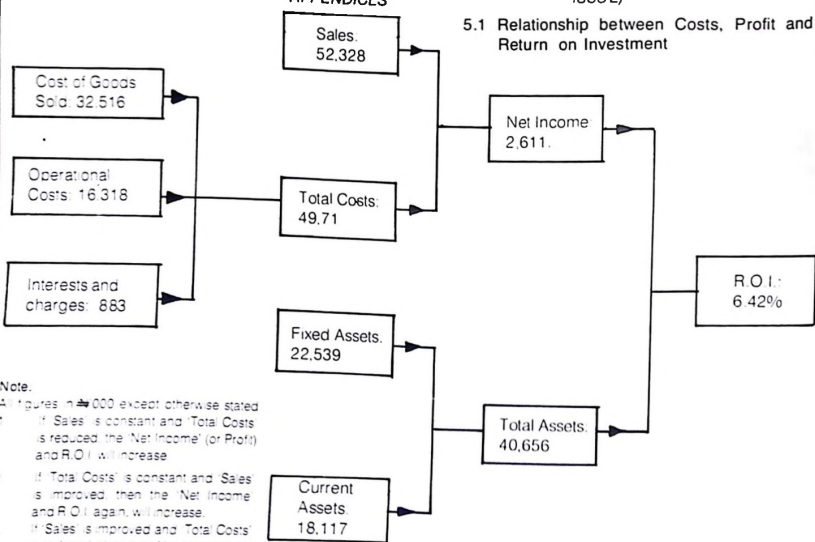
As a result of the variations attributable to the operator's performance, a compensating factor known as RATING is required. RATING is the process whereby a

trained Industrial Engineer judges the rate of performance of an operator compared with the Industrial Engineer's own concept of '100 RATING' for that particular activity. 100 Rating is the rate at which a qualified operator will achieve normally without over-exertion throughout the working period, provided the operator takes the appropriate relaxation allowance, adheres to specified methods and is motivated to employ himself to his work. Rating should solely involve manual elements as opposed to the rating of all technological elements, technomanual elements when the machine determines the duration and any manual element containing avoidable anomalies.

The conclusion of the time study will be the determination of the standard times by making due allowance for start up, personal allowance, fatigue and shut down. **(TO BE CONCLUDED IN THE NEXT ISSUE)**

APPENDICES

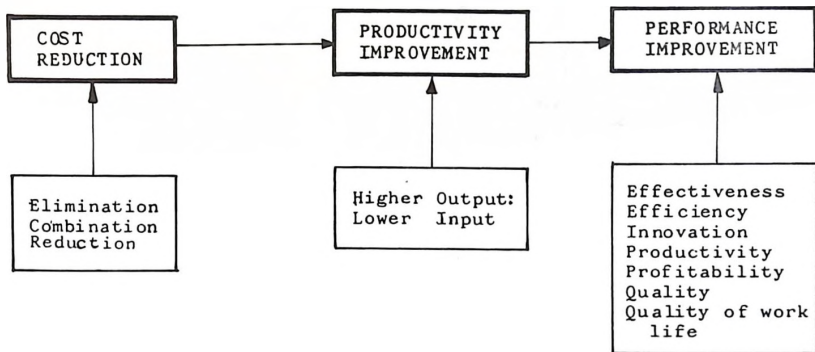
5.1 Relationship between Costs, Profit and Return on Investment



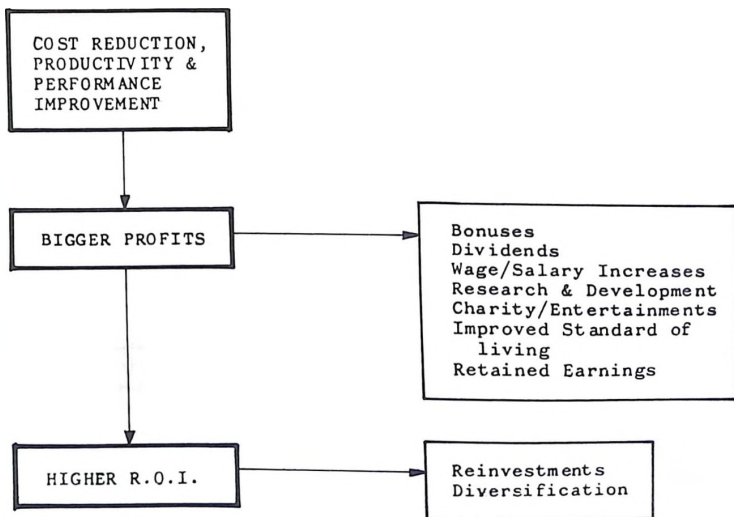
Note.

1. All figures in ₦ 000 except otherwise stated.
2. If Sales is constant and Total Costs is reduced, the 'Net Income' (or Profit) and R.O.I. will increase.
3. If Total Costs is constant and Sales is improved, then the 'Net Income' and R.O.I. again, will increase.
4. If Sales is improved and Total Costs is reduced, then the 'Net Income' will increase, substantially, and lead to a higher R.O.I.

5.2 Relationship between Cost Reduction, Productivity and Performance



5.3 The Need to Reduce Cost



(Continued on page 37)



BOOKSELLER

REVIEWS

Title: Business Management: Principles and Practice
Author: Dr. Jonathan A. O. Ihechukwu
Publisher: Goldland Business Co. Ltd. & Landmark Pub. C.
Pages: 286 Pages
Reviewer: Dele Osundahunsi

THE book is designed to fill part of the gap created by foreign authored books in Nigeria. Consequently, the author has tried to use local examples. The 21-chapter book tries to look at the principles, functions, facets and coverage of Business Management. It is, therefore, not surprising to discover that it treats aspects of business ownership, (including documentation) marketing, production, finance/accounts and personnel. In a few places, it has related psychology to business decision-making, banking to business finance and has dealt with the relationship between Government and the business community.

Chapter 20 deals with transport and communication as essential factors for a successful business venture; and a boisterous and efficient business community. It has also managed to touch on the functions and functionalities of ECOWAS, Economic Commission for Africa (ECA) Economic Community of East African States (EAC) and the African Development Bank (ADB) in Chapter 19.

The world of international business is visited in Chapter 19 focussing on imports and exports, balance of payment, monetary exchange rates and of course, the risks of international business.

The book seems to have been patterned on the GCE syllabus for Business Management as Ayodele Ashaolu has done in his two volumes. Therefore, the envisaged audience are the students preparing for the GCE Examination in Business Management.

The neatness of this work again confirms that the Nigerian printing business has graduated from infancy on its way to maturity. Although the cover design is simple, the two-tone cover is aesthetically appealing.

Book Review

Title: Self-Employment for Unemployed Nigerians
Author: Okeke O Okeke
Publisher: Inter-Regional Publishers Limited
Pages: 120 Pages
Price: ₦15.00
Reviewer: Dr. Rex Ugorji

THIS book is a pioneering one in the field of Industrial Relations and therefore, has to be original. Its publication is timely because of the present wave of unemployment. It is therefore, a response to a social problem by looking at the role of self employment in the Nigerian context.

Its objective is to encourage creative and determined Nigerians to gravitate towards self-employment and to be less dependent on Government for making a living. It therefore, suggests many survival strategies for this. In doing this, it has called on Government to create the enabling atmosphere for self-employment.

The author's scholarship shows thorough mastery of the subject matter because he not only provides a sound analysis of the many causes of unemployment in Nigeria as historical, structural, sociological and psychological, but takes the bold step of proffering concrete suggestions on how the problem of massive unemployment could be ameliorated through self-employment.

The work will definitely appeal to policy-makers, academics, and unemployed Nigerians and trade unionist.

The author has a B.Sc in Business Administration and an M.Sc in Industrial Relations, in addition to being an award winner of the John F. Kennedy Memorial Award (1976) and the Lagos zonal winner of NIM's Young Managers' Competition for 1985.

Book Review

Title: Starting a Business of Your Own
Author: Standard Data Resources Limited
Publisher: Standard Data Resources Limited
Reviewer: Dele Osundahunsi
Price: ₦8.00

THIS is one of the monograph series in the Standard Small Business Reports compiled by the Standard Data Resource Limited. In a form, it is a miniature form

of the popular Jordan's *Company Secretarial Practice*.

The 36-page monograph outlines various topics including the personal qualities required of a would-be small business entrepreneur, capital requirements, sources of capital, bankers' requirements, types of businesses, memorandum and articles of association, location of business, publicity, marketing, staff recruitment, book-keeping, fraud prevention, banking and further sources of information.

MANAGEMENT PRACTICES AND PROBLEMS IN NIGERIAN UNIVERSITIES

BY TITUS OSHAGBEMI

Introduction

The history of the Nigerian University System began in 1948 when the then University College, Ibadan (now University of Ibadan) was established as an affiliate of the University of London.¹ Following the Ashby Committee Report of October, 1960, four new universities were established in 1962.² The University of Lagos was established by the Federal Government while the three Regional Governments each established a university. These were the Universities of Ife, Nigeria, and Ahmadu Bello.

In 1972, the then Mid-Western State (now Bendel State) established the University of Benin. This brought the number of universities in Nigeria to six. In 1975, the Federal Military Government took over the responsibility of the regional universities and established seven new universities. In 1979, the Military Government created another seven new universities of technology on its way out of office.³ This brought the number of universities in Nigeria to twenty. However, in 1984, the number of the Federal Universities of Technology was reduced by the new Military Government from seven to three.⁴

Between 1979 and 1983, when there was a civilian administration in the country, some states passed laws establishing state universities. This was in conformity with the 1979 Nigerian Federal Constitution which classified university establishment within the jurisdiction of states. The period 1979 to 1983 thus witnessed a boom in university establishment and eight state universities were created.⁵ Since 1984, however, when the military regained control of the government, and as a result of

the downturn in her economic position, a temporary stop has been placed on university establishment. In fact; the Open University, one of the universities started by the preceding government, was halted because of lack of, or inadequate facilities.

Nonetheless, it can be seen that from independence in 1960 to 1984, the number of universities in Nigeria grew from only one to twenty-four, the correct figure as at the beginning of the 1984—1985 academic session.⁶ In the 1980—81 academic session, the 13 Federal Universities (excluding the then 7 new Federal Universities of Technology) recorded an enrolment of over 77,000 students and employed more than 52,000 persons.⁷ In the 1982—1983 academic year, the total enrolment in the Nigerian Federal Universities stood at exactly 92,116.⁸ This figure excluded the enrolment figure in the State Universities. During the 1981 fiscal year, the Nigerian universities attracted government subvention of about three hundred and fifty million naira for their recurrent operating needs alone. This was in addition to about thirty million Naira which was estimated that the universities generated internally.⁹ These statistics easily point to the importance accorded to university education in Nigeria.

The remaining part of this paper is broadly divided into two. The first portion deals with the structure of and the management in Nigerian universities while the second part attempts a diagnosis of the problems and challenges facing the institutions.

Structure and Management

The structure and the organiza-

tion of Nigerian universities are very similar to one another and are patterned along the British lines. As corporate entities, universities in Nigeria were brought into existence either by means of military decrees or by acts of parliament. The statute of incorporation defines the constitution of each university. It normally provides for a governing body or a council which controls the university's property and finances. The Council interferes very little in academic matters, a function left to the Senate. The Chairman of the Council is the Pro-Chancellor while the Chancellor, an elder statesman or an eminent public figure, is the titular or the ceremonial head of the university. The constitutions of Nigerian universities also provide for the role of the Visitor (who is the Head of State or the President of the Country) who has the visitatorial powers of State as proprietor and provider of funds to order visitation.

However, these powers are normally exercised only as a last resort either when there is a fundamental problem or to adjudicate in the event of dispute between the Council and the Senate. The exercise of such powers by the visitor in the University of Benin crisis in 1987 is a case in point. In addition, there is a body known as the Congregation, consisting of all graduates of the University which may make recommendations to Council or to Senate on any issues of general interest.

Thus, the traditional hierarchy of the university structure is the Chancellor, Pro-Chancellor, Vice-Chancellor (who is the chief executive of the institution), Directors (if any), Deans (heads of faculties, schools or colleges), and

heads of Departments. Structurally, the constituent bodies are in order of superior authority: Council, Senate, Faculties and Departments.

Management System

Committee System

The primary vehicle of administration in the universities is the Committee system. The management system is used for administering the university, or particular colleges, in a hierarchical way. The use of committees is used for achieving objectives and for ensuring order and discipline. The number of committees vary from one university to the other. Generally, on size and complexity of the university, the number of committees to be set up are commensurate with the size of the university.

Under the committee system, the matters of internal management are ultimately referred to the Council whose powers are subordinate to the Visitor. The Registrar and the department are responsible for the day-to-day administration of the university. A recent development is the suggestion for the abolition of the departmental system of the university and to substitute it with a cabinet of deputy vice-chancellors each to be in charge of broad divisions of management. Presently, some universities have two deputy vice-chancellors one for academic and the other for administrative matters. The suggested increase in number of deputy vice-chancellors is necessary and could be for financial and administrative success. It is suggested that the number of deputy vice-chancellors be increased to three or four to reduce the workload and to improve the administrative activities of the university. The use of modern management techniques such as Management by Objectives (MBO) and Management by Results (MBR) could be used to improve the performance of the university.

time relevance to the university setting or more likely because, as Adesimokun suggested, universities have conservative tradition on matters of the practice of administration.

Selection and Development of Academic Leaders

"Academic Leaders" are, for the purpose of this presentation, defined as academics occupying formal administrative positions within the university organizational setting. This group includes the vice-chancellor, director, dean, head of department and their deputies, or incumbents of equivalent positions.

The process of the selection of vice-chancellors requires the Senate to recommend three names to the Council from the existing full professors of the university. Recommendations are to be made in order of merit. The Council, in turn, recommends three names in order of merit to the visitor whose prerogative it is to select the Vice-Chancellor from his list. In selecting the Vice-Chancellor, the Visitor is free to appoint the third candidate in the list of names submitted to him, just as the Council may forward Senate's recommendation in the rearranged order of its own. A vice-chancellor is appointed for a term of four years. This can be renewed for another period of three years only.

Deputy vice-chancellors and directors are nominated by the vice-chancellors and these are normally ratified by the Senate and the Council. If rejected, the vice-chancellor has to suggest alternative names. Deans are elected by the academic members of a faculty. They run a term of two years which is renewable for a further two years. Although details vary, to qualify as a dean, a candidate must usually be a full professor or be the head of a department and not below the rank of a Senior Lecturer.

A head of department is chosen by the vice-chancellor or who has the prerogative to choose anybody. However, the most senior academic

member usually not below the rank of a senior lecturer is commonly appointed. In some universities, e.g., University of Jos, the most senior academic member is normally chosen irrespective of nationality. In some other universities, such as Ahmadu Bello, consideration is often given to Nigerian academic staff members in addition to seniority. Therefore, a Nigerian senior lecturer may for instance be the head of a department where there is say, an Asian professor.

There are no conscious training programmes or development courses offered to assist academic leaders in the performance of their duties. This observation is true for both newly appointed academic leaders as well as for the older ones. It is hoped that a director, for instance, would have been previously a head of department and a dean before being appointed. Since this assumption may not always be true, perhaps some form of assistance should be given to academic leaders. This may help them to perceive their roles properly and to perform their managerial duties more effectively.

What Academic Leaders do

The writer is unaware of any documentation of the activities and the job characteristics of Nigerian academic leaders. Yet, in order to know the type of assistance they need and provide just that, an understanding of what they do and how they perceive their role is desirable. However, very little is in fact known about the nature of the academic leaders' jobs in other countries as well.

Problems and Challenges

There are big challenges currently facing Nigerian universities. These problems are dynamic, complex and interrelated. The emphasis in this section is on the diagnosis of the identification of these challenges. We shall discuss the problems of the relevance of activities, the proliferation of institutions, government interference, and the challenges of

effective management and academic leadership.

Relevance

One of the major difficulties confronting these institutions of higher learning is that of relevance, i.e. the problem of identifying more closely with their environment.

Historically, the people of Nigeria, the various governments as well as the university people themselves seem to have believed that carbon copies of Oxford, Harvard, Cambridge and Moscow universities in Nigeria would effectively serve their needs of transforming the economy and that of improving the lot of their people.¹² Thus, some buildings of foreign architectural designs were put up and foreign courses such as English legal system, American geography, British history and industrial relations are included in their curricula. The universities, in their bid to be "international" in outlook, also encourage foreign values, taste and culture. It borrows personnel, equipment, ideas and practices generously from the East and the West believing that a university is an international organization and therefore, knows no national boundary. Nigerian academics, indeed African academics, therefore have tended to conform to Lord Macaulay's ideal of a well-educated Indian of the 19th Century. "A person, Indian in blood but English in thought, language, religion, and culture."¹³

In the perception of its role, Nigerian universities face the challenge of relevance. As Fafunwa explained, a university in an affluent and technologically advanced society has a different role to play vis-a-vis a similar institution in a developing country. What is universal in universities is the quest for knowledge and truth, not necessarily curricula and organization and certainly not structures.¹⁴ Given the current modus operandi of Nigerian universities, in a developing country like Nigeria, it is doubtful whether their operations can contribute

meaningfully to the development of their environments, immediate and remote, albeit the nation. Relevance means in its twin functions of teaching and research, that Nigerian universities must emphasize indigeneness. Peculiar economic, socio-cultural and political problems facing the country should be the prime concern of Nigerian academics and this should be reflected in the type of researches they pursue and the publications they make.

Societies often make demands on higher education and on the intelligentsia. When the United States (U.S.) was facing the oil crises of 1974-1975, the U.S. Government turned to their academics for advice and for strategies that reversed the oil situation and subsequently forced serious concessions on otherwise unwilling OPEC members. Similarly, after the Second World War, there was pressure on the American Universities to expand enrolment; increase faculty staff and so on. These challenges were, by and large, met successfully.

The challenge facing Nigerian universities is to identify with the needs and aspirations of their people. This challenge of identification should be pursued in the universities' major functions: the propagation, the dissemination, and the application of knowledge. This is to justify their existence and their funding. They should develop the right mix needed for a relatively poor nation. Some of the graduates being produced by the Nigerian universities have no special skills to contribute to the development of the nation, having been trained in subjects which could not be of much use to the graduate or to his country.¹⁵

Government Interference

Another major problem confronting Nigerian universities at the moment is that of excessive government interference. It is unfortunate that Nigerian universities are far

from being autonomous. In August, 1972, the then Federal Government (military) announced that all the universities would be federalized and that higher education would be the sole responsibility of the Federal Government. In a decree promulgated in 1974, the responsibility for university education was removed from the federal cabinet and placed under the Federal Minister for Education. Consequently, the National Universities Commission (N.U.C.) was to be responsible to the Federal Minister for Education in all matters relating to university governance.

What currently happens in Nigerian universities is excessive control and regulation. If a department is to be established, for example, or another cancelled, or if a professor is to be appointed or a member of staff is to be sent on a foreign training, the N.U.C. and consequently the Minister for Education and the Federal Government must be in the know, and their approval sought. Also in the appointment, renewal or removal of the Vice-Chancellors of all federal universities (these are in the majority and they include all the older universities), the various councils of respective universities only make recommendations to the Visitor.

On the one hand, this situation could have arisen because the universities were no longer conducting their affairs in a respectable manner. Petty jealousies and revivals tend to erode the confidence that people place on them. The government justifies her position on the grounds that the occasions for the appointment of Vice-Chancellors in Nigerian universities had been periods of great tensions. That in at least one particular instance, "the issue degenerated into the most acrimonious debate between two rival ethnic groups."¹⁶

On the other hand, the bureaucrats in government could have been too anxious to wield enormous

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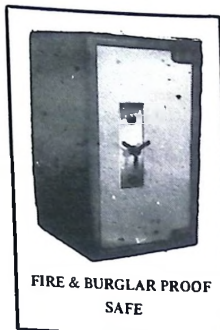
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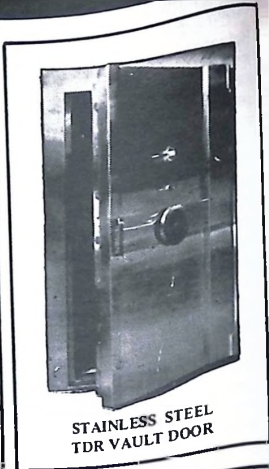
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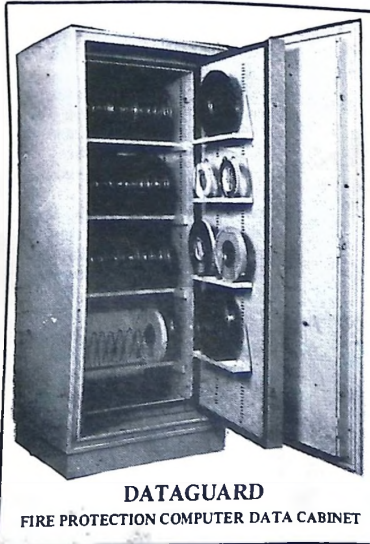
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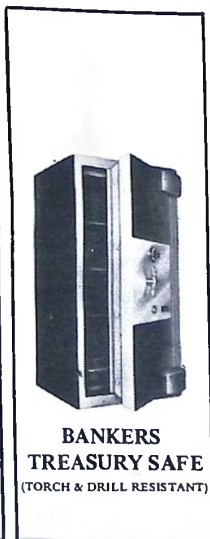
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power. It is perhaps illuminating to note that since October, 1977, when the Federal Government abolished tuition fees in the Nigerian universities and considering the fact that these institutions were totally funded by the same government, it can be assumed that the new government policy is in keeping with the dictum that "he who pays the piper dictates the tune". Otherwise, as Adamolekun remarked,

calling for a list of candidates 'in order of preference' of the University Council and then approving the list, for example, in the reverse order is hardly a method likely to reduce 'ethnic antagonism' from 'flames' to 'smouldering embers'.¹⁷

Additionally, the theme of ethnic balancing which is understood in the peculiar situations of Nigeria is in fact incompatible with the goal of merit which universities pursue.¹⁸

Unfortunately therefore, in a number of cases, universities feel that unwanted personnel were imposed on them. Of course, the government does not have to justify his selection to anybody. At any rate, government can always plead "political expediency" and not merit. The implication of this is that some Vice-Chancellors find it difficult to secure the cooperation and the dedication of the academic Communities which they govern. The government has therefore, perhaps, unwillingly introduced or heightened campus politics and politicking. It is an unfortunate situation to now see senior academics jostling for power from bureaucrats in government. Another serious implication of this process of selecting Vice-Chancellors is that once made a V.C., an incumbent does not owe allegiance or loyalty to his colleagues—but to the President. And it is the President alone who on the recommendation of the University Council can remove a V.C. Some V.C.s therefore

tend to be too arrogant and powerful without any appropriate university organs or processes to curb their individual excesses or to remove them.

Lamenting the sorry situation, Professor Fafunwa said:

"The government interference in university administration and policy has now reached an alarming proportion and both the N.U.C. and the University Councils and Senates are fast becoming mere appendages. The permanent secretaries in the federal ministries of education, establishment, finance and in the federal cabinet office have tremendous influence over university governance. They wield enormous power and when they sneeze, the universities jump."¹⁹

It is a great challenge to Nigerian university community to show that over-regulation and excessive interference lessen institutional flexibility essential to improve efficiency and productivity. Concomitantly, it must demonstrate that it has or it can develop satisfactory techniques for achieving self-imposed institutional accountability as well as acceptable self-administering procedures.

Proliferation

One feature of higher education in Nigeria, in the very recent past is the proliferation of universities and the unprecedented growth in enrolment figures.

Universities

The introduction to this paper detailed how the number of Federal Universities grew from only one at independence in 1960, to 6 in 1972; 13 in 1975, and 20 in 1979. Including the State Universities, there are now twenty-four Nigerian Universities. This number would have been higher had the Federal Military Government not merged some Federal Universities of Technology with some older conventional ones in the country

Enrolment

As with the growth in universities, the enrolment figures in Nigerian universities continue to sky-rocket. In 1948, the enrolment figure was about 210, and in 1953, it rose to about 400. In 1966, it went to about 8,700 while in the 1971—1972 session, the figure jumped to over 17,000. In the 1977—1978 academic year, the estimate was 47,000 while in 1982, enrolment figures totaled more than 80,000.²⁰ Thus, the pressure on expansion poses another challenge to Nigerian universities. This is especially serious, in the prevailing period of diminishing university funding and the general scarcity of financial resources.

Of interest is the rate of growth and the structure of that growth. Structurally, it appears that universities are merely duplicating each other and only providing avenues for graduating students. A recent innovation here is the Federal Government policy of making the bulk of the newer institutions, universities of technology. But these are very much at their infancy stages. Besides, as we noted earlier, their number has now been reduced from seven to three. Therefore, one cannot for now evaluate their contribution properly. The experience from similar British institutions in this regard was not encouraging. The institutions suffered from a status of inferiority as compared to the conventional universities. But perhaps this was largely because they did not label their own institutions as universities.

On the structure of growth, it is not certain whether the Nigerian society needs as many as twenty universities to cater for only 80,000—100,000 students. Although the number of students in British Universities tends to be relatively small,²¹ in America, for instance, four or five big universities can have a student population of about 80,000. Considering the phenomenal cost of establishing universities, existing universities should, perhaps, merely

expand their admission by opening more campuses or by expanding their present facilities accordingly. In this way, overhead cost is minimized to provide for substantial savings in overhead cost.

However, on the rate of growth of the universities themselves and of their enrolment figures, "political expediency" should not be allowed to override economic and educational rationality. The mushrooming of universities poses problems as there are no simultaneous growth in resources—human, material, and financial—to cope with this growth.

In conclusion, it is important to observe, however, that as from 1984, the previous phenomenal growth and expansion of Nigerian universities seem to have stopped. Indeed, as we noted earlier, some universities have now been merged and others totally scrapped. This situation conforms to the international scene of stagnation and recession which universities currently seem to be experiencing.

Implications

Nonetheless, one of the implications of the previous high growth rate in the Nigerian Universities is that there are congestions in lecture halls, laboratories, libraries, residential halls, *et cetera*. Murtala Opoola in an investigative report of the situation at the University of Ibadan, the premier university in Nigeria, said, "lecture halls are usually jam-packed with students so much so that some peep through spaces between louvers and use walls for tables"²² The residential halls too, according to Mr Opoola, are so full that in some of them like Zik and Idia, the common rooms have been turned into "sleeping places". At the University of Ibadan, utilities in every hall are said to have broken down. "In Mellanby—the oldest hall, toilets without seats and covers overflow with human faeces, burst pipes ooze out human defecation and bathrooms have become slippery because of the growth of moors on the walls and on

the floors".²³

Because there is shortage of finance to maintain and expand resources, there is the challenge of maintaining and protecting institutional quality—equipping laboratories, accumulating library collections, constructing new buildings and maintaining old ones, hiring academic members and so on. Presently, some new universities are described by critics as "glorified secondary schools". Buildings are dilapidated and practicals are held less frequently because there are no laboratory materials to conduct experiments. Commenting on the deplorable situation at Ibadan, a third year student of history was reported to have said: "U.I. is in an advanced stage of decay..."²⁴ Unfortunately, what happens at Ibadan is not an isolated case.

The staffing problems in Nigerian universities deserve particular attention. In one of the universities, it is alleged that as high as 80 per cent of the senior academics are Asians. Some of this group of lecturers in Nigeria have difficulties in the medium of instruction — English language. One naturally expects that as a result of this, the standard of teaching and that of learning would both fall. There is an important challenge on the part of Nigerian universities to train and indigenize its teaching staff. A situation where the number of the non-Nigerian academic staff is actually more than the number of the Nigerian lecturers should simply be unacceptable. Yet, unfortunately, as of the 1981—1982 academic session, that was the reality in at least one Nigerian University.²⁵ This is not to say that universities should not harbour international figures who are eminent scholars. However, no nation develops meaningfully by relying largely on foreign personnel. True development must be indigenous.

One consequence of the hitherto growing number of universities is that some academic members were hired and promoted to ranks in

numbers and proportions previously unknown. In all these, there is the challenge to ensure that quality is not compromised.

Another consequence of the proliferating universities is that available faculty members are often stretched to the full with teaching, the quality of which invariably falls. Lecturers are also not afforded opportunities or allowed time for research. The result is that the great majority of the books, journals and teaching materials in use were produced by foreign academics writing for their own students, especially in the behavioural sciences, the use of case studies and in the teaching of courses such as industrial relations, personnel management and interpersonal behaviour. Besides, there is a symbiotic relationship between teaching and research. There is a challenge on the part of Nigerian Universities to produce indigenous teaching materials and references. As argued elsewhere, "...as long as the textbooks and teaching materials used in a country are foreign, the educational system is also foreign even if the teachers are indigenous".²⁶

Management

One major challenge confronting the Nigerian universities is that of poor management. Critics of the Nigerian universities allege that the culture and the operation of the institutions are not different from that which obtains in the larger society. It is stated that inefficiency, red-tapism, and corruption exist in the universities as it is outside the system. Furthermore, the disposition to work, the attitude to time, and the consumption habits are characteristics that do not distinguish the universities from the larger society.

In as much as the university is a microcosm of the society of which it is a part, wonders can hardly justifiably be expected from the universities. Moreover, the object of the university is intellectual, not moral. The university is an integral part of the society, in fact it can be

(Continued on page 50)

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NIM INAUGURATES DISTINGUISHED MANAGEMENT LECTURE SERIES

THE 1st in the series of NIM's Distinguished Management Lectures took place on Wednesday the 9th of December, 1987, in the courtyard of Management House. The Distinguished Lecturer is Professor Sam Aluko, a retired Professor of Economics, now a practising consultant at Akure. He had lectured for more than two decades at both the University of Nigeria, Nsukka and University of Ife, (now called Obafemi Awolowo University).

The guest lecturer delivered a paper on "The Changing Value of the Naira".

The lecture which kicked off by 4.00 p.m. had Engineer Teju Oyeleye, the first Vice-President of NIM Council as Chairman. Other eminent dignitaries at the occasion included Chief (Mrs) Uyi E. Taylor and Professor J. O. Ogunlade, the Director-General.

Speaking on the occasion, the Guest Lecturer, Professor Sam Aluko called for a more meaningful approach to the implementation of the SAP. He further recommended a change in name for the Naira.

NIM DIRECTORS LEAVE

THREE Directors of NIM have left the services of the institute with effect from 14th December 1987. They are Mr. Fidelis Ikpong, Mr. Kayode Ajasin and Dr. Rex U. Ugorji, who until their leaving were Directors of Training, Research/Consultancy and Membership Services respectively.

Mr. Ikpong joined the services of the Institute in 1973 as a Consultant

Stories by Chris E. Amah

According to him, the new money may be known as "Nigeriana" and will exchange for ₦2.00 to 1 "Nigeriana."

According to Professor J. O. Ogunlade, the lecture will come in series and will be held thrice in a year. The second in the series will be delivered by Chief Chris Ogunbanjo, Chairman of Union Securities Limited early in May 1988.

The lecture came out tops as it was well attended by top executives from both the public and private sectors of the economy. Expressing his pleasure over the success of the lecture, the Co-ordinator of the Distinguished Management Lecture Series, Mr. Dele Osundahunsi who is also the Head of Printing and Publications at NIM, said that the lecture was not only successful but it was a break-through in the attempt to fulfill one of the objectives of NIM to create a forum for dissemination of ideas in the broad area of socio-economic affairs.

The Chairman of the occasion, Engineer Teju Oyeleye appealed to corporate members and other companies alike to come forward and sponsor these lecture series. It is calculated that each lecture will cost about ₦10,000.00 to take care of administrative expenses, publicity, reproduction, and entertainment.

and rose to the rank of a Director.

Mr. Ajasin, an accountant by profession has been in the service of the Institute for 15 years—having joined the Institute in 1972.

Dr. Ugorji, a psychologist, joined the services of NIM in 1984. He holds a doctorate degree from Yale University in USA.

They are all full members of NIM.



Professor S. A. Aluko

NIM GOES TO BAUCHI

An idea has been mooted for the establishment of the Bauchi branch of NIM. In this direction, a Pre-Launching/Lecture was organised in Bauchi on August 29 1987.

The Bauchi State Governor, Col. Chris Abutu Garuba, speaking through his Commissioner for Information and Culture asked NIM to operate as a vehicle to bring about meaningful economic and social development resulting from specific managerial skills. He enjoined managers both in public and private sectors to form a class that can wield major influence over the course of development of the economic and social life of this nation. According to him, Management is the mover; and development is the consequence. The Protem Chairman of the Bauchi branch, Mr. Adeniyi Shafe, enjoined both old and new members to pull resources together to make the new branch a virile one.

One of the highlights of the occasion was the paper presented by Mr. Sola Alonge of the Membership Services Department of NIM. The paper titled "Management Education and Training in Nigeria: The Role of NIM" traced the early efforts in management development and went further to point out the many areas where NIM excelled.

NIM (East) holds third Quarterly Lecture/Dinner

NIM (East) held its third quarterly lecture/dinner at the Crystal Park Hotel, Aba, on October 29, 1987.

The theme of the lecture was "Critical Issues Facing Family Business in Nigeria Today". The idea of this theme was muted

bearing the present economic realities in mind.

The paper presented by Dr. Rex U. Ugorji formerly of the Membership Services Department of NIM addressed major issues facing family business in the country. He went further to outline

some measures which if taken will ensure that these businesses break even at least.

He concluded that a family business owner must put his business in order remembering that he must at some time be replaced.

Agwu Kalu emerges NIM's 1987 Young Managers' Competition Winner

AT the end of the 14th Young Managers' Competition held at NIM's Management House, 22, Idowu Taylor Street, Victoria Island, Lagos, on Saturday 21st November, 1987, Mr. Agwu Kalu emerged the 1987 winner.

Mr. Agwu Kalu is an employee of the Leventis Group of Companies where he is a Consultant/Analyst. His paper titled "Cost Reduction, Productivity and Performance Improvement. Methods and Prospects" won the first prize of ₦1,000 for him. The paper is the lead article in this edition of Management In Nigeria. In addition, he has won a Nigeria Airways ticket to visit an African Country. He is 32 years of age.

Mr. Clement I. Anegebe won the second place with his essay titled "Effective Management Development Strategy: An Individualized Approach" while Mr. Adebayo K. Jimoh won the third prize with his essay on "Pay and Motivation: A Look at the Cafeteria Style Incentive Plan for Rewarding Performance." The 2nd and 3rd Prize winners will receive ₦750.00 and ₦500.00 respectively.

The competition was chaired by Professor Kwaku B. Adadevoh, (FNIM) who is also the Chairman of the Education, Training and Programmes Committee (ET & PC) of NIM. He was eminently

supported by

Mr. M. O. Ogunkoya, Personnel Director, John Holt Ltd. Dr. Tim Obiaga, Director, Industrial Sciences & Energy Research, Federal Ministry of Science and Technology; Chief (Mrs) G. ogunnusi, Managing Director, Brewtech Nigeria Limited; and

Dr. Simeon O Okpechi, Education/Technical Director, Institute of Chartered Accountant.

This year's competition is sponsored by

Afromedia Nigeria Limited; Cadbury (Nig.) Ltd Seven-Up Bottling Company Limited; Lever Brothers Nigeria Limited; Nigeria Airways Limited; John Holt Limited, and

Kano branch of NIM.

One of the highlights was the presence of three previous winners Messrs Festus B. O. Odimegwu of Nigerian Breweries Limited, Iganmu, Lagos (1986); A. O. Odusote of Tower Aluminium Nigeria Limited, Lagos (1985); and H S Awakessien of Nigerian National Petroleum Corporation, (1984) Earlier on, the zonal competitions had featured in Lagos. Kano, Owerri and Ibadan from where the six final contestants emerged. The Guest of Honour was Dr. Christopher Kolade, President and Chairman of Council who presented the prizes. The competition started in 1974.

A total of 34 papers were presented during the 1987 Young Managers' Competition. Mr. Agwu Kalu will be formally presented to the Annual National Management Conference in April, 1988.



Dr. Christopher Kolade addressing participants while the DG. Prof. Ogunkoya and Prof. Adadevoh look on.

CALENDAR OF SCHEDULED EVENTS — 1988

COUNCIL MEETINGS

18th February, 1988.
16th June, 1988.
22nd September, 1988.
8th December, 1988.

MEMBERSHIP COMMITTEE MEETINGS

25th February, 1988.
26th May, 1988.
24th August, 1988.
24th November, 1988.

EDUCATION, TRAINING & PROGRAMMES COMMITTEE MEETINGS

24th January, 1988.
31st March, 1988.
23rd June, 1988.
26th July, 1988.

EDITORIAL BOARD MEETINGS

28th March, 1988.
27th June, 1988.
26th September, 1988.
12th December, 1988.

EXCO MEETINGS

21st January, 1988.
17th March, 1988.
12th May, 1988.
21st July, 1988.
10th November, 1988.

ANNUAL GENERAL MEETING

25th August, 1988.

ANNUAL NATIONAL MANAGEMENT CONFERENCE

14th/15th April, 1988
at Ogun State Hotel, Abeokuta.

1988 YOUNG MANAGERS COMPETITION

Lagos Zone — 15th October, 1988.
Northern Zone — October, 22nd, 1988.

Western Zone — October, 29th, 1988.

Eastern Zone — November, 5th, 1988.

National Zone — November, 26th, 1988.

ALLIED BANK MANAGING DIRECTOR BAGS FELLOWSHIP

THE Managing Director of Allied Bank, Mallam Muhtar Bello, has been conferred with the fellowship of the Nigerian Institute of Bankers (FIB)—The Institute's highest honour.

A Chartered Accountant, Mallam Bello had his early education in the famous Barewa College, Zaria where he finished and led his class in 1958.

He was also at College of Administration Achimota, Ghana, Balham and Tooling College in the U.K. and completed his studies in the U.K. at the Institute of Taxation in 1965.

His chequered work experience began with the International firm of Chartered Accountants of Peak, Marwick, Cassleton, Elliot. Later in 1966; he joined the New Nigerian Development Corporation as an accountant. He was later appointed

Financial Controller of the Nigerian Livestock and meat Authority, a post he occupied till 1977. He became the first General Manager of the Nigerian Grains Board, later.

According to the citation on him read at the ceremony, Mallam Bello started a beautiful banking career when Savannah Bank employed him and after a brief spell confirmed him as Financial Controller.

From Savannah Bank, Mallam Bello moved to the Bank of India (Nigeria) Limited, now known as Allied Bank as Managing Director and Chief Executive. The appointment was a testimony of brilliance, resilience and unqualified attribute to hardwork on his part.

Under his leadership, Allied Bank has known considerable growth and national expansion, becoming one of the leading commercial banks in

Letter to the Editor

Dear Sir,
The May/June and July/August, 1987, editions of "Management In Nigeria" struck me as the dawn of a new era of creativity and expertise in Management/Financial Journalism. The cover stories were quite relevant and provoking. So were the choice articles. The packages were tastefully embellished in an elegant setting. They were definitely "collector items".

By their fruits we shall know them. Like editor like his work.

Your very sincerely,
A. O. AINA, AMNIM, Lagos

EDITOR'S NOTE

Thanks for the compliments Mr. Aina. We are in NIM to serve members. This we have tried to achieve even through our journal the *Management In Nigeria*. We are still striving to improve more on the quality of our content.

We also welcome constructive criticisms.

—Editor.

Nigeria.

It was said that Allied Bank was one of the very few banks that fulfilled the Central Bank directive on the Rural Branches quota allocation thus absolving it from blame.

Presenting him for the award Mallam Bello was described as a "man whose contributions to the profession of Banking are more spectacular than the achievements of many of his peers; a man who is a pride to the profession, a man whom we can justifiably call a leader, a humble devoted moslem whose hobby centres around updating his professional knowledge".

Mallam Muhtar Bello



Bankole confirmed Managing Director of UNILAG Press

Mr S B Bankole has now been appointed the substantive Managing Director of the Lagos University Press. He has acted in the post for a number of years.

Mr Bankole holds a BA degree (English & History), MSc (Political Science), LLB and Diploma in Education of the University of Lagos, plus a Diploma in International Affairs of the University of Ife, in addition to having been called to the bar. He also received Advanced Radio Production Course of the British Broadcasting Corporation (BBC), in 1972.

Mr Bankole's romance with the media dates back to 1964, and since then he has worked in various capacities, as a reporter, editor and producer. He was Head of Information at the University of Lagos before moving over to the Unilag Press, which he was commissioned to set up in October, 1983. He is currently the Editor of *The University Administrator*, a journal of all the Nigerian universities.

Mr Bankole is a full member of the Nigerian Institute of Management which he joined in 1977, as an Associate. He is also a member of



Mr S B Bankole.

the Nigerian Institute of Journalism, the Nigerian Publishers Association and the International Association of Scholarly Publishers.

In a congratulatory letter to the new Managing Director, the Editor of *Management In Nigeria*, wished him good luck and sound health in the onerous task ahead.

National Bank Honours Long Serving Staff

132 staffers of National Bank (Nig.) Ltd., who had served for between ten and thirty years were recently honoured in Lagos at the Bank's End-of-year-Party.

One of the recipients of the long service award Mr. A. A. Adebayo (Assistant Manager, Davies Street Branch, Lagos), is seen in this picture receiving his certificate for fifteen years service from Mr. A. O. Ibaru, a Director of the Bank.

In another development, the Bank honoured the opening of its 101st branch at Abuja on Monday, 11th January, 1988. A release signed by the Press Relations Manager, Mr. L. C. Akinwalere, quoted the Senior Manager (Public Relations) Mr. A. O. Onafeko, as saying that the commissioning ceremony will be

low-keyed in keeping with the mood of the time.

Management In Nigeria joins

other Nigerians in wishing the National Bank many more years of prosperous banking in Nigeria.



(Mr. A. A. Adebayo Receiving his certificate from Mr. A. O. Ibaru

Olashore is Banker of the Year

First Bank's former Managing Director, Mr. Oladele Olashore, has been voted Banker of the Year in a poll conducted among fellows of the Nigerian Institute of Bankers, Permanent Secretaries in State Ministries of Finance and Economic Planning, Federal Permanent Secre-

taries in Economic Ministries and departments including finance and National Planning Chief Executives of Banks and Financial journalists.

The investiture of Mr. Olashore as Banker of the Year 1987, took place on Wednesday, December 16, at the Nigerian Institute of International

Affairs, Kofu Abayomi Street, Victoria Island.

Mr. Olashore is a Fellow of NIM. A full report of his achievements was published in *Management In Nigeria*, Vol. 23, Nos 7 & 8, of July/August, 1987.

Management In Nigeria says more grease to your elbow and more feathers to your cap, Banker of the Year.

PROHIBITED IMPORTS FOR YOUR ATTENTION

It seems that a lot of Nigerians transacting international business do not know what items could nickname them smugglers. We are publishing a list of prohibited items below for your information so that our readers do not run into customs trouble

(Excerpts from the Gazette)

1. Cigarettes
2. Live or dead poultry (except foundation/grant parent stock for research and multiplication purposes)
3. Vegetables (including tomato puree, roots and tubers, fresh

- and dried whole or sliced, cut or powdered).
4. Wood in the rough, rough-squared or half squared, but not further manufactured, all types of furniture products.
5. Eggs
6. Fruits, fresh and preserved, soft drink and beverages.
7. Textile fabrics of all types, imitation leather excluding:
 - (a) Trimmings and linings
 - (b) Tracing cloth
 - (c) Industrial gloves
8. Domestic articles, and ware

- made of plastic materials excluding babies' feeding bottles
9. Evian and similar waters, beer and stout.
10. Articles of jewellery and precious metals.
11. Rice and rice products, other worked rice grains.
12. Maize and maize products.
13. Wheat and wheat products.
14. All sparkling wines including champagne.
15. Gaming machines
16. Vegetable oils.

Finance and Investment Co-Operative Society Ltd. Born

In a bid to generate profitable investments through pooling together ideas, time, experience, finance, connections, managerial expertise and a strong heart to bear risks, a cooperative, the Professional Group Finance and Investment Co-op Limited, was on the 18th December, 1987, at the Airport Hotel, Ikeja, launched.

The idea of the professional Group was muted to enable professionals, managers, directors, investors and well educated Nigerians to cooperate in finance and investments for mutual progress and prosperity.

The co-operative which is set up for both small scale and big-time investment and finance ventures generated from members, ideas provides saving and loans services to members, makes goods and services available to them at cheaper cost by running credit shops, provides information services on investments and finance, acts as a catalyst for development and provides a forum for tackling our technology bankruptcy in realistic manner.

The cooperative which has S. A. Omoniyi as President and D. B. Awokoya as Secretary has ₦50 as its registration fee. Annual subscrip-

tion fee is ₦100 and minimum share capital of ₦1,000 is payable over five months.

Other officers of the cooperative include Dr. B. O. Makajuola, Vice President; F. Y. Saibu, Treasurer; B. A. Owotoori, Assistant Secretary; S.

O. Amusan, Auditor and A. O. Omole as the Publicity Secretary.

The cooperative plans to establish many branches, run a Stock Brokerage firm and establish its own bank during the year.

Unemployment went up in 1987

Information released by the Federal Office of Statistics, showed that unemployment rate in the urban areas of the Federation rose from 10 per cent in 1986 to 12.2 per cent last year.

The unemployment situation in the country for the month of September last year rose when compared to the corresponding month in 1986.

A similar increase was also recorded in the rural areas, showing a rise from 4.1 per cent in September 1986, to 6.2 per cent the following

year.

The figures indicated that last year, ten states had unemployment rates in the urban areas exceeding 10 per cent, while rural areas of Rivers, Imo and Plateau states also showed rates above 10 per cent.

The figures showed that the bulk of the unemployed were secondary school leavers, accounting for 77.7 per cent of the total unemployed persons in the urban areas and 60.7 per cent in the rural areas in September last year.

National Unemployment Data June 1985 — Sept. 1987

Surveys	Composite Rate (National)	Urban Rate	Rural Rate
June 1985	4.3	8.7	3.0
Sept 1985	NA	NA	NA
Dec 1985	6.1	9.8	5.2
March 1986	6.3	9.1	5.6
June 1986	6.1	11.0	4.9
Sept 1986	5.3	10.0	4.1
Dec 1986	5.3	9.1	4.6
March 1987	4.5	8.7	3.5
June 1987	6.0	10.6	4.8
Sept 1987	7.4	12.2	6.2

NA = Not Available

Source: Federal Office of Statistics

STATEMENT ON THE FISCAL BUDGET

being text of Minister of Finance explanation
on the 1988 National Budget.

BY DR. CHUS. P. OKONGWU

THE President, General Ibrahim Babangida's broadcast contained our achievements so far as the Structural Adjustment Programme (SAP) as well as the policy measures which Government proposes to take in 1988, to reflate the economy, provide for economic growth, generate employment and improve the general well-being of Nigerians.

To put these measures into proper perspective, perhaps I should begin by reviewing where we are coming from, where we are now and where we are going.

Although the fundamental problems that faced the country and which led to the adoption of the SAP are by now well-known, we need, I believe, to remind ourselves of the following:

- (i) the country was on the edge of a socio-economic precipice just before the advent of the SAP, and economic collapse would surely have occurred if, after missing one opportunity after the other, we failed to embark on rational economic policy reform;
- (ii) credit lines were blocked to the extent that beneficiaries of import licences could not utilize them;
- (iii) retrenchment in the public and private sectors was becoming rampant;
- (iv) public service workers were owed salaries for many months, in some cases, for up to 18 months;
- (v) education was a special culprit as schools in some States were closed for several months because of lack of

funds;

- (vi) long queues for so-called "essential commodities" were familiar sights all over the country, the perennial demand for import licences also generated its unsightly queues. Perhaps, in this connection, I should remind you of the degradations to which decent men and

women were subjected in begging, with their money in hand, for so-called essential commodities—with the preponderant majority of our population, unprivileged as they were, then paying effectively what we have come to call "second-tier" prices. At the same time, the preponderant majority of industrialists

Approved 1987 And 1988 Recurrent Expenditures

Note: The details of the 1988 Recurrent Budget allocations, compared with those of 1987, are as follows:

Ministry/Department	Allocation 1987	Allocation 1988
	₦	₦
Cabinet Office	106,009,110	368,659,590
General Staff Headquarters	34,466,490	123,958,970
Office of Head of Service	19,973,070	35,992,730
Police	175,608,080	521,035,930
Police Affairs Department	6,023,070	9,030,940
Ministry of Agriculture, Water Resources and Rural Development	29,159,070	54,324,600
Federal Audit Department	5,244,160	4,235,910
Judiciary	14,829,270	24,031,320
National Industrial Court	351,050	813,230
Ministry of Communications	48,078,230	80,837,590
Ministry of Defence	717,650,060	830,000,900
National Planning	27,680,760	60,417,390
Ministry of Education	198,313,300	302,330,070
Federal Capital Territory	13,983,430	15,933,650
Ministry of External Affairs	79,652,960	440,618,560
Ministry of Finance	364,348,660	877,758,370
Ministry of Health	166,895,780	259,938,460
Ministry of Industries	9,328,850	38,761,280
Ministry of Information and Culture	110,963,230	146,408,060
Ministry of Internal Affairs	220,313,520	262,533,760
Advisory Judicial Committee	76,410	160,100
Ministry of Justice	6,707,240	15,315,350
Ministry of Employment, Labour and Productivity	113,925,630	134,669,600
Ministry of Mines, Power and Steel	12,217,170	14,202,290
Ministry of Science and Technology	54,344,690	102,326,780
Ministry of Social Development, Youth and Sports	96,678,520	162,784,940
Public Complaints Commission	4,006,460	9,347,550
Civil Service Commission	3,096,430	4,238,180
Ministry of Trade	11,130,830	31,224,870
Ministry of Transport and Aviation	46,118,300	61,006,650
Ministry of Petroleum Resources	3,869,050	58,304,480
Ministry of Works and Housing	259,109,510	432,906,750
Contingencies	80,000,000	180,000,000
National Universities Commission	316,047,550	506,000,000
National Electoral Commission	—	40,000,000
SUB-TOTAL	3,577,265,890	6,087,338,050
Consolidated Revenue Fund	1,197,918,720	7,579,338,960
Charges	10,775,184,010	13,706,660,018
TOTAL		

and merchants—indeed, of all foreign exchange users—were effectively paying “second-tier” rates for foreign exchange from the parallel market and through compensation dealings. Where this was not feasible, companies began to retrench workers and operated at very low capacities and in some cases closed down. Or else, investment plans stalled. Obversely, a few middlemen and women made huge “profits” for NO work—pure economic rents. That was only yesterday. Human memory is indeed short! But, in a sense, it is good that humankind forgets so easily;

(vii) agricultural sector output declined, as able-bodied workers abandoned the farms for the cities in response to the distortions in prices resulting from the overvalued exchange rate.

(viii) the economy’s structural imbalance persisted, and investment, both in the public and private sectors, declined, and

(ix) severely compressed external resources, a debt overhang from the past, inflation and increasing unemployment compounded our economic problems

It was against this background that the country embarked on the Structural Adjustment Programme (SAP).

Performance Of The Economy In 1987

2. In the decade preceding the assumption of office of this Administration, macroeconomic management in Nigeria failed to deal effectively with the fundamental economic problems facing the country as it relied on policies and measures which were essentially politically expedient. It is to the credit of this Administra-

tion that it adopted the courageous, comprehensive and correct economic reform measures now being executed under the SAP.

Expectedly, the performance of the economy in 1987—the first full year of operation of the SAP—was mixed. Too often, it is a matter for regret that even some of the beneficiaries under the new economic order fail to acknowledge the significantly positive results which have been achieved.

3. Let me now highlight some of the notable achievements of the economy in 1987:

(a) The Gross Domestic Product (GDP) at 1977/78 factor cost increased by 1.2 per cent in 1987 as against a decline of 3.3 per cent recorded in 1986. The improvement in real output largely reflected increases in the mining, distributive trade and the manufacturing sectors. In turn, the increment in manufacturing sector output reflected improved capacity utilization especially in industries that were less dependent on imported inputs.

(b) There has been a boost in non-oil exports as a result of the alteration of relative prices via exchange rate adjustment. Agricultural export crops, especially cocoa, cotton, rubber, groundnuts, *et cetera*, were stimulated and actively traded as a result of the sharp increases in the farmgate prices of these cash crops following the depreciation of the naira exchange rate.

(c) Government revenue from crude petroleum has been enhanced and this has made possible the settlement of naira debts and clearance of salary arrears. Non-payment of salaries by Federal, State and Local Governments is now a thing of the past. Every tier of

government in the Federation, I am glad to say, is now current in salary payments. Access to foreign exchange by the productive sectors of the economy has become easier. This is reflected in increased turnover, and, in some cases, profit margins of a good number of companies during 1987 vis-a-vis the achievements of these companies during the preceding year.

(e) There is now a more efficient utilization of foreign exchange and other scarce resources, as evidenced by the drastic reduction in wasteful, frivolous and fraudulent transactions

(f) We have made great progress in the revamping and reintegration of the rural economy, especially through institutionalized arrangements such as the Directorate of Food, Roads and Rural Infrastructure and the Directorate of Employment.

(g) There has been steady progress in the cultivation of an appropriate work ethic and the emergence of a maintenance culture.

(h) The ugly spectacles of queues for so-called “essential commodities,” import licences and foreign exchange have been eliminated. Now the private sector is in a better position to plan in operations and the consumer is getting better value for his money.

(i) The overvaluation of the naira exchange rate has been eliminated. The wide margins between the parallel market and the official exchange rates narrowed down, as evidenced by the decline in the parallel market premium from 238 per cent in end-September 1986 to some 5 per cent in December 1987, reflecting the success of policies of exchange control

(Continued on page 33)

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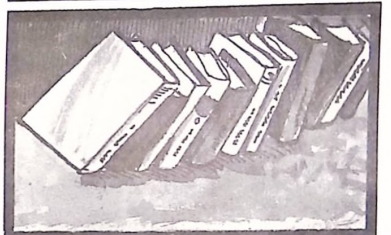
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(Continued from page 28)

deregulation. The pre-eminent position of the parallel market in our society has thus been substantially eroded.

- (j) Capital flight has not only been stemmed but reversed.
- (k) There has been substantial restoration of confidence in our international credit worthiness, as reflected in our ability to settle current transactions and the willingness of our creditors to negotiate the rescheduling of our external obligations.

On September 23, 1987, I gave a more comprehensive report on the Structural Adjustment Programme and I highly commend it to you. Copies of this report are available from either the press officer in my Ministry or the Federal Government Printer.

In spite of these gains achieved by the economy under the SAP, some problems, naturally, are still outstanding while others have emerged. These include unemployment, reduced real incomes in workers, low aggregate demand, increased inventory of finished goods and raw materials, the much talked about non-liquidity and the continued gross inadequacy of foreign exchange earnings when compared with the needs of the economy. Thus, although progress has been made in keeping the economy on the path of economic recovery, self reliance and growth, there is still considerable scope for improvement.

Thrust Of The 1988 Budget

- 4. The main policy elements in the 1988 Budget are as follows:
 - (i) the increasing uncertainty regarding world oil prices, economic growth and climate in the advanced countries, which have direct and indirect consequences for Nigeria, underscores the need for caution in our projections for

1988 as well as for contingency planning.

- (ii) the SAP is being given a growth orientation in order to promote output, enhance capacity utilization, mitigate the unemployment situation and bring about an improvement in the general standard of living. In this connection, as is well known, small—and medium-scale activities provide potent policy instruments for growth. The absence of a viable small—and medium-scale activities sub-sector in our economy represents a patent lacuna in public policy over the past quarter of a century. This Administration is resolved to redress this situation. Fiscal, monetary and credit policies will address this issue of growth and facilitate its achievement.
- (iii) emphasis is being placed on the restoration, rehabilitation and development of social and economic infrastructure as co-operant factors in the effort to achieve growth of the economy in 1988.
- (iv) efforts will be made to continually fine-tune the various policies and ensure more effective implementation, and
- (v) a resolute attack is being made on the vexing problem of unemployment through a multi-component policy.

Fiscal Measures

- 5. It will be recalled that the Customs and Excise Tariff Decree No 32 of 1986 was promulgated when the Second Tier Foreign Exchange Market (SFEM) was introduced and without any prior study to determine the effective and nominal rates of protection for domestic activities under the SAP. This was why Government decided to carry out a comprehensive study of the Customs and Excise Tariff

The study has confirmed that the Internal Effective Rates of Protection (IERP) for other consumer and intermediate goods industries have been substantially eroded. The new tariff has therefore been designed to provide appropriate levels of protection to domestic industries. The new tariff structure is expected to last for a period of seven years. A Tariff Review Board which will be responsible for considering complaints on the tariff will be set up. Representatives of the private sector will serve on this board. The Board will make proposals to the President for adjustments in Tariff as and when necessary.

Highlights of The New Tariff Structure

- 6. In the new tariff structure, provision has been made for import duty on smuggled goods seized by the Customs and Excise Department. Items under import prohibition seized by the Department of Customs and Excise will henceforth be disposed of at a price over and above the value of the appropriate tariff.
- 7. The rate of duty on spare parts and CKD components has been harmonized for the same category of vehicles. For cars, import duties on CKD components, which hitherto ranged from 10 to 185 per cent for different engine capacities, have been harmonized to attract a uniform duty of 25%. Spare parts on cars will also attract the same duty of 25%. Similarly, the duty on CKD components as well as spare parts for buses and vehicles for transport of goods is fixed at 5 per cent. Import duties on completely built-up vehicles have also been simplified and harmonized. Whereas import duties on cars ranged from 30 per cent, for cars below 1500cc, to 200 per cent, for

cars over 2000cc. they now range from 35 to 100 per cent. The duty on buses and commercial vehicles remains at 15 per cent

The discounts previously enjoyed on second-hand vehicles are hereby abolished. Henceforth the values on which import duties are assessed on second-hand vehicles shall be the same as for new ones

The differential rates on duty on CKD vehicle components imported by assembly plants in different locations have been removed and the rates stated above are applicable to all assembly plants throughout the country. My Ministry in close collaboration with the Ministry of Industries, will work out suitable incentives for vehicles assembly plants located outside Lagos

In order to remove the disadvantage imposed by excise duty on locally produced goods Government has decided that all imported commodities which have local substitutes will now attract extra landing charges equivalent to the excise duty on such local substitutes. Moreover, the number of excisable products has been reduced substantially from 412 to 182 items most of which are final and luxury products. All intermediate products have been removed from the excise list. Government has decided that the importation of aluminium sulphate (alum), malt and barley, used and retreaded tyres are to be prohibited with immediate effect. However, in order to conserve wood in our forests, logs have been removed from the import prohibition list

Government has also decided that, effect from January 1, 1988, fish caught in both outside territorial and distant

CAPITAL EXPENDITURE

31. The total Capital Expenditure Estimate of the Federal Military Government for 1988 is N8.08 billion which, when compared with N6.758 billion for 1987 financial year, reflects an increase of about 20 per cent.

32. The increase in the 1988 Capital Expenditure is attributable to the deliberate policy of the present administration to consolidate and build upon the gains of the Structural Adjustment Programme. This objective will be achieved through the implementation of policy measures to further stimulate productivity gains all round, and measures targeted towards improvement in agriculture, improved job creation, completion of priority ongoing projects with special emphasis on basic infrastructure and the pursuit of social justice. A detailed breakdown of the sectoral allocation is as follows:

MINISTRIES AND DEPARTMENTS	ALLOCATION	ALLOCATION
	1987	1988
	N	N
Rural Development	70,499,930	98,288,000
Agriculture (Crops)	170,068,000	213,192,000
Livestock	1,269,900	35,514,192
Forestry	491,900	15,785,485
Fisheries	4,419,000	13,944,000
Agriculture Co-operative	2,595,000	6,900,000
Water Resources	99,913,000	213,032,400
Communications	52,158,990	156,088,680
Industries (Manufacturing and Craft)	1v1,249,630	260,286,000
Commerce and Finance	1,998,856	223,900,000
Information and Culture	2,607,950	80,061,320
Social Development, Youth & Sports	3,303,402	46,544,000
Health	69,545,320	183,234,000
Mining and Quarrying	52,158,990	107,590,000
Power (NEPA and Rural Electrification)	34,772,660	54,500,879
Steel	104,317,980	224,490,000
Petroleum and Energy	104,317,980	402,000,000
Land Transport System	275,791,200	420,120,000
Water Transport	16,052,000	63,106,140
Air Transport	21,110,740	64,436,420
Education (Including N.U.C.)	139,090,640	281,800,000
Defence	92,147,549	440,000,000
Science and Technology	6,954,532	32,245,000
Environment (including civil Engineering)	918,475	37,500,000
Housing (including Public Building, Electrical/Mechanical Engineering)	63,576,837	84,400,000
Surveying and Mapping, Urban and Regional Planning, Lands Employment, Labour and Productivity	3,757,892	118,953,600
Prisons	3,651,129	35,873,000
Police	5,000,000	11,000,000
F.C.T.	13,461,263	260,260,000
General Administration	34,772,660	155,000,000
Directorate of Food and Rural Dev.	157,672,015	479,177,222
Special Projects	400,000,000	500,000,000
Capital Repayment (Public Debt Charge)	730,000,000	2,500,000,000
Other Financial Obligations	938,250,000	522,850,000
Outstanding Liabilities	174,000,000	241,000,000
External Loans (Expected Drawdowns)	174,000,000	241,000,000
TOTAL	1,998,000,000	1,506,400,000
	6,741,895,420	10,658,572,318

waters aboard vessels owned by Nigerian citizens or companies and landed by Nigerian flag vessels will be allowed in duty-free. This measure is aimed at encouraging Nigerians to invest in fishing activities. All other fish imports will attract appropriate import duties

Dumping is the trading practice whereby an exporter sells a product in a foreign market at

a price lower than the exporter would sell the same (or similar) product in his home market. Claims of dumping by Nigerian manufacturers have been carefully considered and only claims in respect of five products were substantiated. Appropriate dumping margins have therefore been applied to protect the local industries involved. The items concerned are the following:

- (i) Corrugated iron/steel roofing sheets.
- (ii) Tomato paste and puree
- (iii) Aluminium coils
- (iv) Batteries especially the R.20 type
- (v) Alkyd resins

Government has also decided to set up a permanent machinery for dealing with legitimate cases of dumping based on a revised version of the Dumped and Subsidized Goods Act of 1958.

11. With effect from January 1988, all countries will adopt the Harmonized Commodity and Coding System (H.S.) which has changed the tariff numbers and provided for a more detailed tariff description. The new tariff structure has, therefore, been prepared on the basis of the Harmonized Commodity and Coding System.
12. In addition, Government has approved the computerization of the Nigerian Customs Procedures and Trade Statistics. To this end, Nigeria will adopt the Automatic System for Customs Data Entry and Control (ASYCUDA) with effect from January 1988. Apart from minimizing malpractices, this system will significantly improve the revenue yield from this source through reduction of errors and inefficiency.

Tax Policy Review and Amendments To Tax Laws

13. In order to stimulate investments and growth in the economy, Government had hitherto introduced a number of tax incentives. Specifically, lower personal and corporate tax rates were introduced in 1987. These incentives will be retained in 1988 and Government expects that enterprises will continue to take advantage of them.
14. Government will continue to intensify efforts to minimize tax

evasion by revamping the collection machinery and applying appropriate sanctions on defaulters. The operation of tax deduction at source will also be vigorously monitored to ensure that deductions made are paid over to the relevant tax authority and appropriately documented.

The following new provisions have been approved.

Investment Income

15. As from the 1988 year of assessment, investment incomes, namely dividends, interests, royalties and rents, will no longer be taxed over and above the present 15% withholding tax. Such income will, however, be aggregated with the income of the recipient only for the purpose of arriving at the appropriate rate of tax applicable to the recipient. This is intended to reduce the incidence of tax on such income and to encourage further investments.
16. However, any organization, corporation or corporation sole (whether such organizations are themselves exempt from tax) which carries on business activities through investment will henceforth pay the withholding tax without exception. Nonetheless, investment income, such as those mentioned above, derived from outside Nigeria, will now be exempted from Nigerian tax PROVIDED such income is brought into Nigeria through Government approved channels.
17. Henceforth, tax exemption clauses shall no longer be provided in any agreement by any Government Agency unless it has been approved by Government. Whenever such exemption is proposed for the approval of Government, such proposal must be cleared with the Federal Minis-

try of finance and Economic Development.

Small Business Relief

18. Small-and medium-size companies, with turnover of ₦500,000 and below in the year of assessment, which are engaged either in manufacturing, agricultural production or mining of solid minerals, shall be charged a lower rate of tax of 20% for 3 years from the commencement of the business. Existing companies in the same category will enjoy the same concession with effect from January 1, 1988.

Capital Allowance

19. In furtherance of Government's effort to assist industries in certain preferred sectors, an additional 5 per cent initial capital allowance is to be granted in respect of new qualifying expenditure on plant and machinery used in manufacturing, construction and agricultural production, including qualified ratching and plantation expenditure. The same facility shall be extended to companies or businesses engaged in public transportation with a fleet of not less than 3 buses.

Stamp Duties

20. In line with the 1979 Constitution which placed Stamp Duty matters under the Exclusive Legislative List of the Federal Government, the Federal Military Government has approved that States shall henceforth continue to stamp document pertaining to transactions between individuals while the Federal Government will continue to stamp those of corporate bodies. A Decree to this effect will soon be promulgated. A comprehensive review of the Stamp Duties Act of 1958 will be conducted by the Joint Tax Board.

Tax Exemption of Dividends

21. For the avoidance of doubt,

Government will continue to exempt from tax dividends on foreign currency equity participation in Nigerian Companies, as effected from January 1, 1987.

Tax relief for owner occupiers

22. Government is looking into ways of making more funds available for increasing the stock of owner-occupier buildings. In the meantime, to provide relief to owner-occupiers so as to encourage house ownership, Government has decided to grant tax rebate on the interest paid on mortgage loans used to finance owner-occupier houses. The tax deductible shall be the interest paid in the immediate preceding financial year and only one mortgage loan per individual would be eligible at a time.

Revenue estimates for 1988

23. Against the general background of improved oil earnings resulting from the stability in the international crude oil market in 1987, federally collected revenue showed satisfactory performance in the last financial year.
24. As at the end of the third quarter of 1987, a total sum of ₦18.447 billion was collected from oil and non-oil sources. Out of this amount, oil earnings accounted for ₦15.339 billion while the balance of ₦3.108 billion accrued from non-oil sources.
25. Customs and Excise contribution to non-oil revenue during the period was ₦2,231,740 million as against a corresponding projection of ₦1,723,730 million which reflects an increase of ₦508.6 million (or 29.5%). Similarly, Company Income Tax showed an achievement rate of 169% as ₦336.212 million was collected over and above the estimated sum of ₦487.500 million.

26. The total sum of ₦27.102 billion is estimated to accrue as federally collectable revenue in 1988. It is projected that revenue from oil sources will amount to ₦21.094 billion, representing 77.8% of total revenue while non-oil sources are expected to yield ₦6.008 billion for 22.2% of estimated revenue.

27. From the total federally collectable revenue of ₦27.102 billion, it is projected that the sum of ₦1.785 billion will constitute revenue derivable from the Federal Government's own independent sources and will be retained by it. An estimated balance of ₦25.317 billion will constitute the Federal Account in accordance with Section 149(i) of the Amended 1979 Constitution.

In accordance with the existing Revenue Allocation Formula, the Federal Government's share of the Federation Account (55%) in the 1988 fiscal year is estimated to amount to ₦13,924.145 million while the remaining sum of ₦11,392.482 million will be shared by the State and Local Governments (42.5%), and the Funds specially designed for the Amelioration of Ecological Problems (1%) and the Development of Mineral Producing Areas (1.5%). The total Federal Government Revenue estimate for 1988 is ₦15.709 billion.

28. In the current fiscal year, my Ministry will place more emphasis on revenue generation and collection. Concerted efforts will be made to ensure that every revenue generating Ministry/Department attains its revenue estimates. In this connection, the Revenue Monitoring Unit of my Ministry will be further strengthened to enable it perform more effectively.

Recurrent Expenditure

29. The Recurrent Expenditure Estimate for the 1988 fiscal year is ₦13.707 billion made up of personnel and overhead costs of ₦6.127 billion and Consolidated revenue fund charges of ₦7.579 billion. Out of the consolidated revenue fund charges, the sum of ₦13.915 billion is allocated for the payment of interest charges on external loans, while ₦3 billion for the payment of interest on domestic loans. Emphasis will continue to be on the maintenance of existing assets. To this end, the sum of ₦218.042 highways, and ₦25.452 million for the maintenance of public buildings.

State Finances

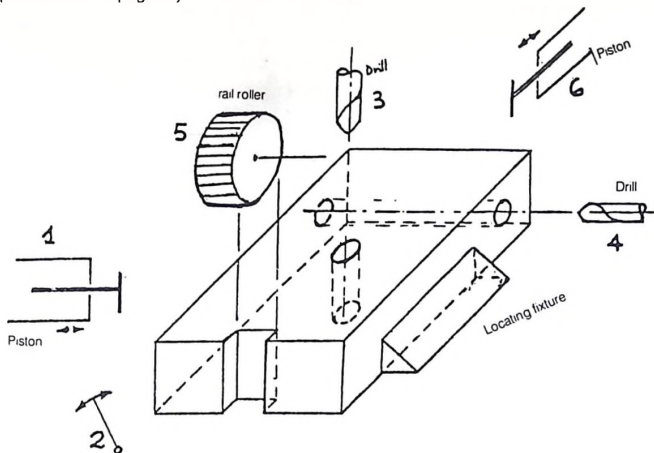
33. As noted earlier, an amount of ₦25,316.627 million has been projected to be credited to the Federal Account for the 1988 fiscal year. In accordance with the revenue allocation formula the States and Local Governments shares are ₦8,227.90 million and ₦2,531.663 million, respectively.

The special funds of 1.5 and 1 per cent for Mineral Producing areas and Ecological problems will have ₦316.437 million and ₦253.166 million, respectively. A balance of ₦63.312 million is projected to be carried forward for the whole year in line with Section 3(5) of Amendment Decree No. 36 of 1984.

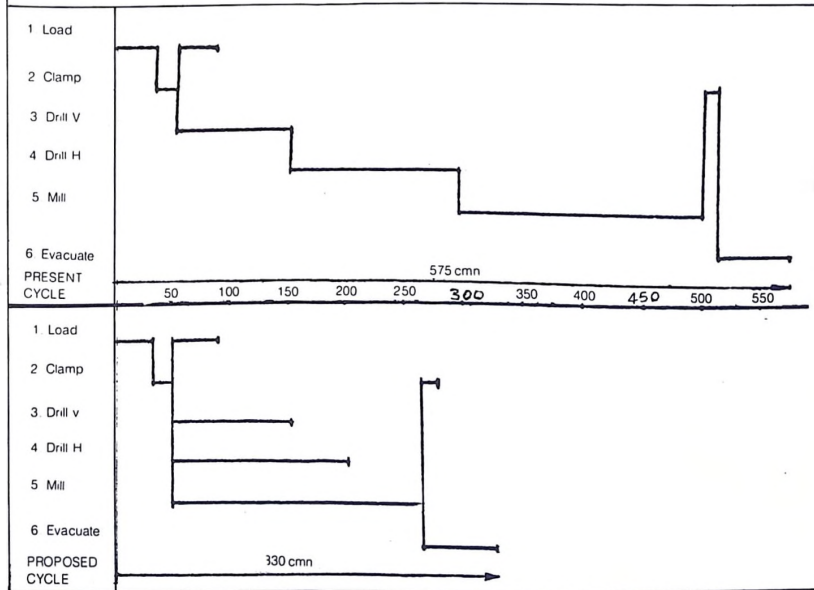
34. In recognition of the fact that local governments constitute a distinct third tier of government as well as the bedrock for development, allocations due to local government councils from the Federation Account will be paid DIRECTLY into their respective accounts from January, 1988.

(To be continued)

5.4. (Continued from page 13)



GANNT CHART MACHINE CYCLE ANALYSIS



5.5 Analysis of manual work in methods design

Subject Analysed: MESSENGER
 Activity Studied: MAIL DESPATCH/COLLECTION
 Department: STAFF CENTRE

By A L A h
 By A L A h
 Date 22 02 87

Description of Activity	Dist (m)	Time (min)	ACTIVITY					Remark
			○	D	⇨	□	▽	
1 Walk to any office	12	0 85						5 offices
2 Ask for any Hq mails		0 80						5 times
3 Collect mail and put in the bag		2 00						5 times
4 Walk back to General Office	12	0 85						Once
5 Register mails and put in HQ bag		3 80						
6 Walk down to HQ	652	10 45						5 times daily
7 Distribute mails according to departments (in HQ) and collect mails for staff centre. walk back to staff centre. Distribute mails within the centre and repeat cycle every 1 hour								
Present Method Total per day	7.584	324 80	120	48	132	0	8	
(a) Collect mails from General Office								} 2 times daily
(b) Put mails in HQ bag								
(c) Walk down to HQ								
(d) Put mails in HQ mail receptacle								
(e) Collect Staff centre mails								
(f) Walk back to staff centre								
(g) Put staff centre mails in general office								
Proposed Method Total Per Day	1438	75 20	12	0	8	0	8	

SUMMARY				
Symbol	Description	Present	Proposed	Savings
○	Operation	120	12	108
D	Delay	48	0	48
⇨	Transport	132	8	124
□	Insp/Verification	0	0	0
▽	Storage	8	8	0
Total distance travelled (m)		7,584	1438	6146
Total Time taken (m-Hr)		5 42	1 26	4 16
Cost-Labour per annum		₦6,910 50	₦1,606 50	₦5,304 00
Cost-Material per annum		₦50 00	—	₦50 00
Total Cost		₦6,960 50	₦1,606 50	₦5,354 00

5.6 Report Presentation Format

Copies to
 General Manager
 Head of Department
 Department Manager
 Sectional Head
 File

METHOD STUDY SUMMARY FOR _____

1. Purpose of the Study
2. Present Situation
 - Layouts and Plans
 - Equipment, machines, tools, etc
 - Supply, Storage and Evacuation
 - Brief Description of what is done currently
 - Time utilization/Production output

(note: Include whatever information that applies to the study)
3. Recommendations

Observations (Present Method)	Recommendations (Proposed Method)	Modification Costs. ₦	Savings ₦	Payback (weeks)	Remarks

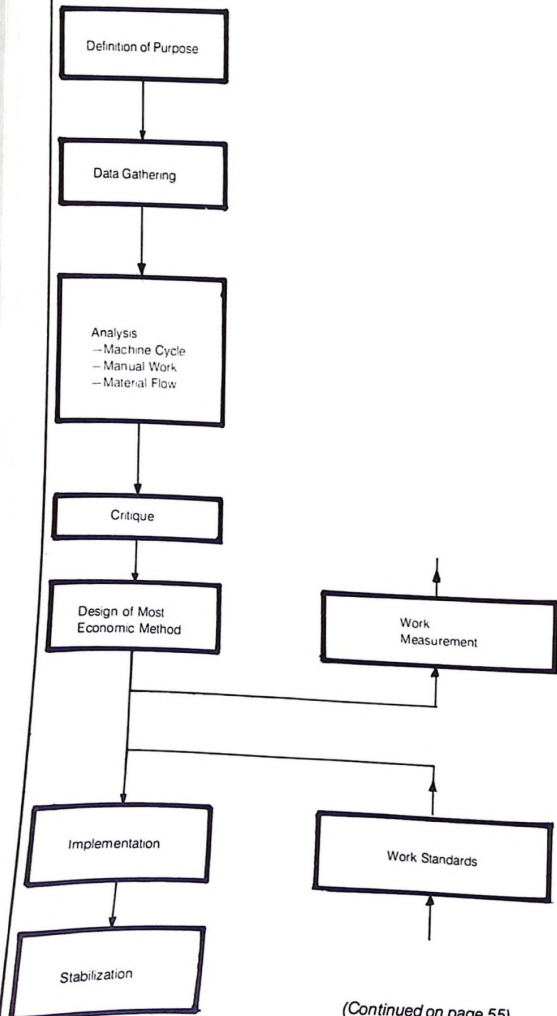
4. Conclusion

Total cost of modifications to implement proposed method
 Total savings/gain from use of the proposed method
 Payback period of modification costs

= ₦
 = ₦
 = wks

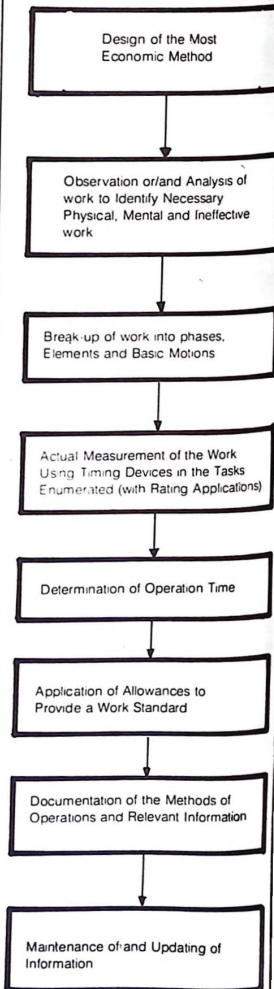
Note: Attach charts, samples, test results, etc, to enhance clarification.

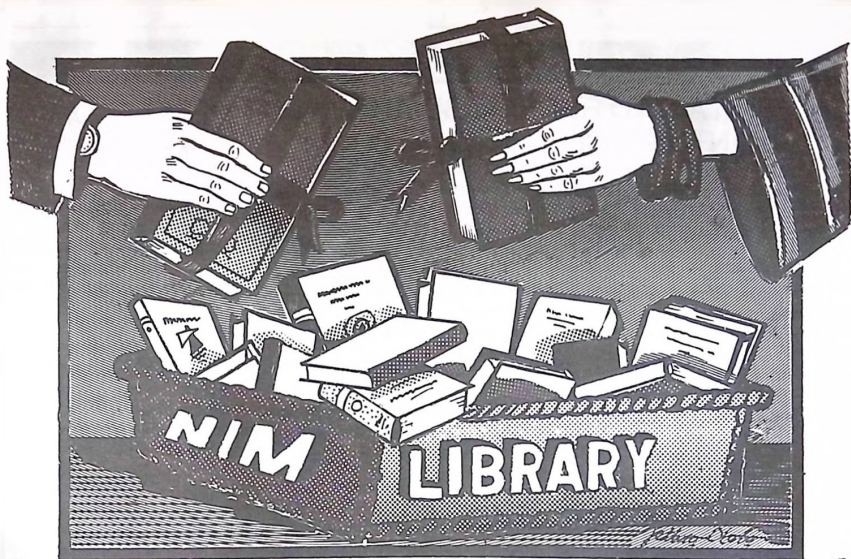
5.7. Method Design Process



(Continued on page 55)

5.8 Work Measurement Process





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BRITAIN TO RECRUIT BLACKS INTO ITS CIVIL SERVICE

An idea has been mooted for the recruitment of blacks and Asians into the British civil service — especially at higher levels.

Making this revelation was the British Civil Service Minister, Richard Luce, while introducing reports of the employment of ethnic minorities in the service. According to Luce, this move is geared towards making sure there were equal opportunities to reach high grades.

The Civil Service Commission will launch a press advertising campaign and young civil servants are to lecture in schools about the

opportunities for men and women of all racial groups. The Minister said these were two of the positive steps being taken to inform Black and Asian people about careers in Central Government and encourage them to apply for posts.

Arrangements have been completed to hold talks with government departments and the civil service unions on this matter, the Minister informed. Talks will cover the monitoring of career and promotion rates and the measures that might be taken to boost both ethnic recruitment and promotion chances.

BCAL sold

The British Caledonian Airways has been sold to the British Airways. This was done through purchasing the entire share capital of the company by the British Airways.

The management and staff of British Caledonian Airways in Nigeria welcomed the merger of the two bodies and looked forward to continuing to do their best in serving the

interests of the travelling, trading and exporting public in Nigeria. They were of the opinion that better services will be guaranteed now that the combined BA/BCAL worldwide networks will be used.

A release signed by T. J. Bellers assured all customers that business continues as usual.

CAR PRICES STILL GOING UP

Peugeot Automobiles Nigeria (PAN) based in Kaduna has raised by nine per cent the price of all models of its vehicles.

According to Business Concord report of February 2, sources in the firm disclosed that the adoption of the new prices is meant to cushion the adverse effects of the 1988

budget on their production costs.

With the new uniform import duty rate of 25 per cent on all completely knocked down (CKD) parts, the previous duty rate of 15 per cent on 504 models was lifted to 25 per cent while the rate on the 505 models was raised from 20 to 25 per cent.

CAR PRICES

MODEL	FORMER	CURRENT
504 GR	38 500 00	41 990 00
GRAC	44 200 00	48 550 00
SRAC	47 360 00	51 990 00
SW/ORD	44 200 00	49 400 00
Delivery Van	41 500 00	43 490 00
SWAC	53 000 00	59 500 00
Ambulance	57 200 00	64 300 00
505	47 900 00	54 500 00
GLAC/ORD	50 900 00	57 990 00
GLAC/OPT	52 500 00	59 850 00
GLS	61 300 00	65 490 00
2.0	67 950 00	71 990 00
SPS 2.0		

HELP FROM ABOVE

A British Aerospace (BAE) 748 turboprop airline has been converted for fire-fighting operations, an innovation the authorities claim could lead to the development of a new fleet of fire-fighting aircraft.

According to the London Press Service the 748 has been equipped with a 7500 litre panner tank fitted beneath the fuselage, allowing the plane to be switched to its new role in less than an hour.

Design, manufacture, installation and certification for the conversion were undertaken for the United States concern, Macavia International, by Cranfield Institute of Technology, north of London, under British Civil Aviation Authority design and quality assurance approvals. Technical support was provided by British Aerospace.

The conversion involved stripping out the passenger and galley fittings, strengthening the fuselage frame and installing additional reinforcing structures and points, including mounting points for the tank.

The huge water tank is linked by pipework to a small tank fitted into the rear of the fuselage and filled with a foaming agent which can be added to the water if the nature of the fire demands. Two lessons ought to be derived. The first is that the advancement and development of technology in developing countries like other parts of the world depend on active collaboration between the commercial concerns and the technological institutions. Secondly, our current inadequate fire-fighting devices can benefit a lot from this innovation because if the service is introduced into Nigeria, a lot of our tall buildings will be saved from fire destruction.

NIGERIAN INSTITUTE OF MANAGEMENT ANNOUNCES THE 26TH ANNUAL NATIONAL MANAGEMENT CONFERENCE

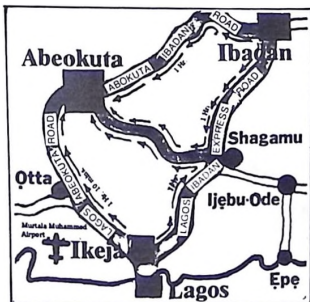
- Date:** 14th and 15th of April, 1988
- Venue:** Ogun State Hotel, Abeokuta, Ogun State
- Main Theme:** "Managing the Economy Out of Recession" by *Chief S. B. Falegan*
- Sub-Theme 1:** "Monetary and Fiscal Policy to Boost Nigeria's Economic Recovery" by *Alhaji M. S. Umore*
- Sub-Theme 11:** "Role of Public and Private Sectors in Achieving a Buoyant Economy" by *Dr. C. P. Ezeife*
- For Whom:** All Senior Managers in Industry and Commerce, Top Functionaries in Government and Trade Unions, Academicians, Members of Professional Institutions and Senior Employees in the Parastatals.
- Fees:** Member ₦300.00, Non-member ₦350.00
Fee covers conference materials, two buffet luncheons, cocktail, snacks and other refreshments at periods to be stated.

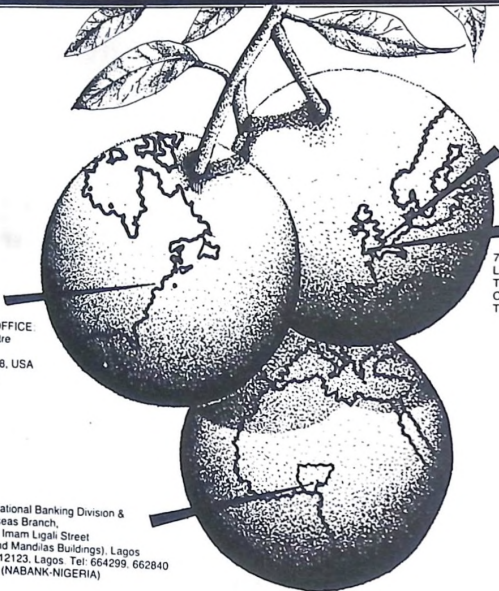
Accommodation:

	<i>Tariff</i>	<i>Deposit</i>
Junior Suite	₦100 per day	₦180 per day
Double Room with A/C and TV	₦50 per day	₦120 per day
Double Room with A/C without TV	₦37.50 per day	₦100 per day
Breakfast	₦10.00 per day	
Dinner	₦20.00	
Plus 10% service charge and 5% OGSG Tax		

NIM will make available a bus at the Local Airport to transport participants from Lagos to Abeokuta. Take off time is 12 noon on Wednesday, 13th April, 1988.

TO ABEOKUTA FROM LAGOS, BENIN AND IBADAN.





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LEADERSHIP—DECISIVE FACTOR IN ORGANISATIONAL SERVICES

By Abubakar A. Daili

THIS essay intends to examine the rapid economic growth between the 1970s and the early 1980s which had the effect of putting considerable strain on the then already over-stretched managerial capacity of executives in this country, and the subsequent recession in the last five years which was equally taxing on our capabilities to survive, with increasingly high demand for specialised management skills to cope with the inherent pressure normally associated with a rapidly expanding economy. One of the most significant aspects is the art of managing people—the most important part of which is the ability to lead and motivate staff under the two abnormal conditions earlier on stated. The manner in which we handle various human situations that confront us daily in our work, to a large extent, determines our success, regardless of how high or low we may be in the hierarchy of our organisations, whether we manage a hospital, a bank or a sales unit. In all these circumstances, we still have to manage people by persuading them to work while co-ordinating and controlling their functions.

One may be charged with the responsibilities of implementing the organisation's policy, promoting its growth and efficiency, or determining the welfare of staff, including working conditions, training and development. The success in carrying out these responsibilities comes through getting things done by people not necessarily by oneself. To effectively do this, one should aim at and be seen to have

certain basic qualities which should include, inter alia.

- Fairness and justice in disciplinary matters even if that would make one unpopular.
- Ability to exercise self-discipline and control others.
- Dignity and respect in carrying out one's duties as well as a favourable attitude towards the organisation.
- Appreciation of the organisation's policy and objective a good knowledge of the job.
- Understanding of superordinates, colleagues and subordinates.
- Determination and moral courage to succeed, responsibility for one's decisions and actions as well as for those of our work group.
- Ability to communicate in all directions—laterally, vertically and diagonally.
- Above all, honesty of purpose.

All these qualities point to one direction and could all be rolled into one thing i.e., the ability to lead. This was well summarised by R. L. Harper (FCIB) at one of his lectures at the Chartered Institute of Bankers seminar in the '70s when he said— "If we were looking for one-word definition of Enlightened management, that word could be 'Leadership'."

The Udofi Report on public service review in the mid-seventies attempted to throw some light on "Leadership" in the governance of our public service. Even though our public service aspects of the some important aspects of the report on areas of delegation, participation, open reporting system,

effective communication, *et cetera*. In other words, enlightened management philosophy were overshadowed by the salaries and wages awards.

Delegation for instance, is a sign of sound and effective leadership. If we look around and talk to mid-executives in industry, commerce and government departments, one finds that it is common that very little delegated authority is conferred on them by their superiors. Delegation requires courage to delegate, skill in choosing what to give out and to whom, and patience to get results. When one delegates part of one's work, one must make sure that the objectives, policies and the limits of the authority are clearly spelled out and that one can reconcile the level of authority with the responsibility involved along with the skill of the subordinate to whom certain things are being delegated.

Similarly, subordinates should be given the opportunity to participate through consultation in other decision making processes. As for the staff concerned, this will give them the feeling that they do matter, and will, among other things, motivate them, to get results based on their involvement in decisions and actions.

It is also one of the ways of training the staff and one will be amazed by the amount of satisfaction and pride that one gets in watching the staff develop and to see their achievements.

In general terms, staff motivation depends on many things and it is not easy to place the priority order that each individual will give to the various factors. The priorities will indeed change as the employee progresses in his career. Considerable amount of research work has been carried out in this vast areas of human behaviour, particularly on why we work at all, and how we can be induced to work better. This problem has been as complicated as the general behaviour of the individual or group of working population across the globe on whom the

various studies were carried out. One of the most important and far reaching of such studies was the one carried out by Abraham Maslow after the second world war. He started his theory by identifying the basic needs of man which have to be satisfied to attain growth and development. These needs, which can be broadly classified as physical, emotional and intellectual, set up a feeling of tension which prompts us to act and in that way; we satisfy the need or relieve the tension. Maslow indicated that the physical, emotional and intellectual needs form a hierarchy with the most pressing or urgent ones at the base requiring satisfaction first, before the needs higher in the scale could emerge. Accordingly, the physical needs for food, shelter and other necessities come first. They are closely followed by safety and security needs while social needs for sense of belonging and personal needs for self-confidence and self-respect follow in that order. Lastly, at the top of the hierarchy, is the need for self-actualisation. These are summarised as the hierarchy of needs concept.

A development on Maslow's theory is that of Douglas McGregor in the "X" and "Y" theory. According to McGregor, there are two theories about man. The first one is that man hate work and has to be forced to do it. He called it theory "X". The second is that man really wants to work if he uses his skills and talents, and he has the opportunity to find self-fulfilment in what he does; that is theory "Y". Different interpretations are given to the two theories and it is felt in some schools of thought that McGregor is advocating "Y" as a better management style. What the theory means is that there are circumstances and types of job in which a tightly controlled system of authority and discipline could work but not as much as the one giving more scope for individual responsibility. The converse is also equally true; people at the very low levels of our organi-

sations have to be subjected to closer supervision and control to get the desired results than those at the top. We also find that if people are committed to a definite objective, they will work well and with less or no supervision to achieve the objective. This is what happens in voluntary activities such as self-help project works, clubs and other voluntary organisations.

But one will have to be cautious in interpreting and applying these theories to practical situations because Maslow himself wrote in subsequent literature to criticise his theories and the theories of those who based their studies on them; he insisted that some of his experiments were inadequate and poor and that they needed to be repeated, checked and worked over in other societies.

Frederick Herzberg also continued on Maslow's theory and in his study, he asked a group of accountants and lawyers to describe their feelings on their jobs. He found that when those groups said they felt good about their work, the main motivating factors were feelings of accomplishment and of becoming more competent. The factors which made them feel bad were low pay, poor conditions, lack of security or lack of good supervision which he called "Hygiene Factors". He concluded that if these factors fall below a certain level, people feel unhappy. According to him, the feelings of accomplishment and doing meaningful work were motivators.

Later studies that were carried out by Wall and Stephenson, based on Herzberg's indicate that the hygiene factors, were in fact more important and should be satisfied first. Anyone whose job is threatened, for instance, would normally struggle to maintain that first, before considering other things. The hygiene factors, therefore, become paramount.

As for the leadership style that could be adopted, there was the classic study carried out in Boy's

Club by Lewin, Lipitt and White which is worthy of note. The club leaders exercised various forms of control which were called "Autocratic", "Democratic" and "Laissez-Faire". The result was that the democratic system proved to be the best; but the least successful was the laissez-faire. The theory "Y" which was based on the democratic system was later advocated as the style for successful leadership. The basic fact, however, remains that the system was successful largely because it was what people were made to expect.

Similarly on the question of the application of Herzberg's theory on self-fulfilment, job-satisfaction, challenging work, *et cetera*, one finds that these motivating concepts have only been gaining popularity of recent, even amongst executives, due largely to the publicity given to the theory. But the reason(s) advanced, if any, as to why executives are motivated by these

From the various research work that has so far been done in the field however, it is clear that employees at the lower levels, technically called the "Shop Floor", are more concerned with their pay, job security and good working conditions while the middle class and top management, having satisfied these basic needs, are more interested in self-advancement and job-satisfaction, that is job enrichment. The success of a leadership style (democratic or autocratic) will depend very much on training, the rewards available to motivate him and his subordinates, the circumstances of each case, and the ability to consider as far as possible all factors in applying not one or two but perhaps a whole range of approaches to assist him in effectively handling human problems and providing the desired leadership. In 1982, at the height of the Japanese assault on the American Domestic Market, Thomas J. Peters and Robert H. Waterman Jnr—set out to identify the best run American organisa-

tions, and what factors made them succeed. Their findings were published as a book with the title, "In Search of Excellence", which has since sold about five million copies in fifteen languages. Two years later, Thomas J. Peters paired with Nancy Austin, to write an equally successful sequel aptly titled, "Passion for Excellence". Both studies held that the successful enterprises had one thing in common—inspired management, otherwise called 'Leadership'. The star organisations were run by men that possessed a high level of leadership traits. The difference between progressive organisations and dormant ones lies in the leadership styles inherent in each of the cases. The two studies were said to have given birth to a Management revolution in the United States of America. Managers are fast changing from "Managing" their organisations, into "Leading" them. Warren Bennis (Co-Author of Quick, go out and get Leaders), observed that "American Organisations have been over-managed and under-led".

Katz and Kahn, two social psychologists, see leadership as 'The Influential Increment over and above Mechanical Compliance with the Routine Directives of the Organisation'. They contended that even though there is the organisational set-up, there must be a leader to supplement such a set-up with the information people need to perform their roles. The leader must be able to clarify such roles in the light of changing environment and the peculiar nature of diverse human behaviour. In his own short definition, Louis B. Lundborg, former chairman of the Board of Bank of America, saw a leader as one whom others follow willingly and voluntarily. He ruled out tyrants, bullies, autocrats, and all those who use coercive power to impose their will on others. Some people have tried to look at leadership from the point of view of traits. These are the people who believe that there are

palpable components of leadership which are present in all the varied circumstances in which the concept may make itself present. Proponents of the trait theory identified some of those components of leadership as intelligence, style, self-confidence, initiative, ability to inspire others, general or technical knowledge, energy, personality and so on.

However, developments in the field of social psychology have introduced more embracing ways of viewing leadership, even though they have not completely rendered the trait approach irrelevant. To attempt to much more than those, the leader is an amalgam of traits, situations, positions, endowments, and so on.

Leadership does not come as of right, it is earned and assumed. It has no official procedure by which it is meant to operate or execute action. Regrettably though, leadership is one of the rarest things to be found in most societies.

Good leadership motivates the followers into result-oriented action as indicated earlier. It draws from people the kind of commitment and zeal which otherwise they would not pour into an endeavour. The leader works on the morale of the people. He serves as an invigorating tonic that spurs them to action. He leaves his men with a burning desire to act towards the realisation of a certain goal. According to field marshal Bernard Montgomery, a leader and hero in the second world war, "The Leader must have infectious optimism. The final test of a leader is the feeling you have when you leave his presence, i.e. after a conference. Have you a feeling of upliftment and confidence?"

As I mentioned elsewhere, leadership supplements the mechanics of organisational set-up. It provides the veritable software for pulling the entire establishment along. It is the lubricant for purposeful and dynamic governance.

In concluding this speech, my cursory observation shows that we need to do more in order to

engender the right kind of society that produces and sustains leaders.

We have unwittingly created a situation in which the spirit of free competition is at times frowned at and at times, well accepted. It is said that a society can achieve anything if her citizens do not care who gets the credit among them. Even in structured organisations, over-management has led to bureaucracy and its mechanics have resulted in little emphasis on initiative.

We need to encourage those who are in our work groups and indeed, show interest in what they are doing for our organisations. The (potential) champions in our midst should be nurtured and brought to the limelight. Our corporate heroes must be discovered, wherever they may be, and be given their due rewards. We need to step out once in a while to 'wander' around our organisations, not only to have a first hand knowledge of what is happening to customers and subordinates, but also to elicit greater positive response from the subordinates in their duties.

Whatever style of leadership we adopt, we must not lose sight of these basic factors as we are all coaches for our respective corporate teams. We should play that role and act as catalysts, builders and leaders but not drivers in the achievement of our corporate goals. The demand on those at the helm of various establishments to create a culture that will produce leaders could not have been higher than what it is today.

In the same vein, I firmly believe that despite the very stringent condition facing our health care system today, a turnaround is possible. It requires leadership to achieve this goal.

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regarded as a mere mirror of the society. Nonetheless, either rightly or wrongly, the society places a high premium on the ability of universities to tackle the problems affecting the society and deal with these effectively. We observed earlier that societies do make demands on higher education. Nigeria should not be an exception. The point is that if the universities themselves are no better than the larger society, it cannot morally justify assisting the latter. There are three areas in the management consideration that pose serious challenges to Nigerian universities—finance, general administration and human problems.

Finance

Education generally, and university education in particular are very expensive ventures. In Nigeria, education has enjoyed a high priority in national development planning and in the annual budgets. In the 1962–1968 National Development Plan, education ranked fifth judged by the magnitude of financial resources allocation.²⁷ In the Second National Development Plan (1970–1974), the priority rating of this sector was second only to transport. Out of the gross public sector investment of about 2,000 billion naira, education took a share of 77.8 million naira. The actual capital expenditure for all the universities in the 1979–1980 session was more than 30 million naira. This represents about one-third of the total education capital expenditure for that year. In the two years 1979 and 1980 when total appropriations for education were 531 million naira and 690 million naira respectively, N.U.C.'s share amounted to about 30 per cent in each year.²⁸ Abdul Salami reveals that Federal Government's direct subvention to the universities is as high as 95 per cent in respect of new universities and never less than 70 per cent in respect of older ones. University education has therefore, remained high in the national priority. In

Britain, Mr. Salami states that government direct and indirect grants to universities range annually between 80 per cent and 90 per cent of total university revenue.²⁹ From the figures above, two points stand out:

- (a) Universities are expensive ventures.
- (b) Various governments invariably shoulder the bulk of the funding

Unfortunately in recent years, following the downturn of its economy, the finances of the Nigerian universities have been in a crisis of scarcity. Subventions now decrease in real money terms from one year to the other. The financial crisis has perhaps become directly or indirectly the most important single cause of uncertainty, stresses and anxiety. However, the experience of Nigerian universities is not an isolated one in this regard. British universities, for example, experience similar financial stringencies, and some British academics now face the threat of redundancies.

It is a challenge for academics to demonstrate the short-sightedness of cutting public funding for the universities. The point made by Bowen should be reiterated: "That in terms of slow economic growth, the best investment that society can make is in educating its most important resource — (human beings) — and in encouraging research that will enhance growth, increase productivity and improve the quality of life."³⁰

After all, "human resources, not capital, not material resources, is the ultimate bases of the wealth of nations".³¹

It is also a challenge to universities to manage their available financial resources judiciously. In the past, emphasis seem to have been focused on the accountability function. In the future, greater attention should be placed on the generation of funds and on the utilization of available funds. Finance and investment managers, and not just accountants (as the traditional emphasis has been)

would be needed as emphasis should not just be on allocating and recording the flow of money. Needless to say, in order to generate confidence in the system, Nigerian universities must design accounting and financial regulations that would minimize embezzlements and other financial misdemeanors obtaining in some of the present systems.

In addition to financial resources, physical resources must also be managed efficiently; buildings, machinery of all sorts, vehicles and laboratory hardware and software.

GENERAL ADMINISTRATION

The second problem in the management area concerns general administration and the effectiveness of the supportive services necessary to carry out the universities main functions. The bursary, registry, health, maintenance and other units are administrative organs existing to work in collaboration with the academic departments for greater and better organizational output. In Nigeria, unfortunately, the supportive offices frequently act as drawbacks in effectively implementing policy decisions. For example, because of slow administrative machinery, it takes a long time to appoint new faculty members, pay for external consultants or to appoint an external examiner. Besides, the elements of public relations, the attitude to work or to time seem to be hopelessly beyond reach of effectiveness. Obviously, the effectiveness of faculty members are adversely affected by their time consuming involvement in university administration such as personnel administration — leave arrangements, sick-offs, student record keeping, admissions, discipline, research grant administration, answering telephones, filing, photocopying and so on. We note that effectiveness in teaching and in research can be improved if administrative effectiveness is higher.

HUMAN PROBLEMS

The other general management concern is related to the problem of student unrest, interpersonal beha-

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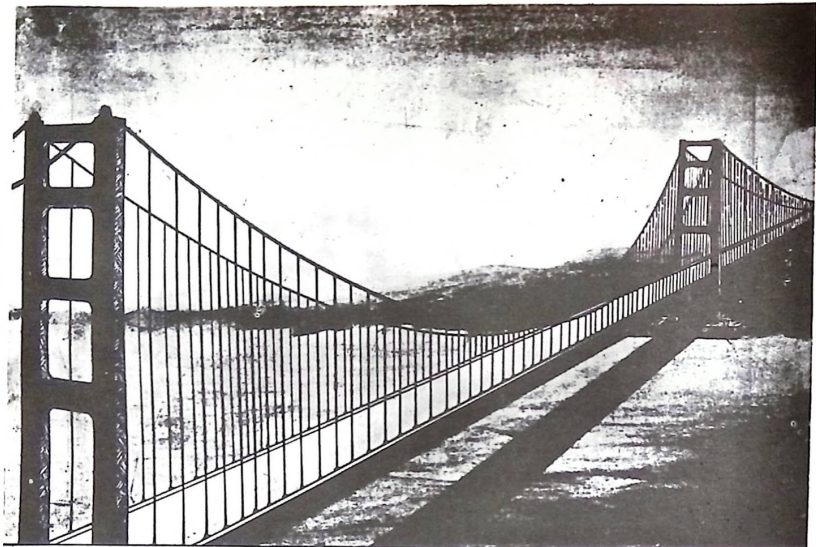
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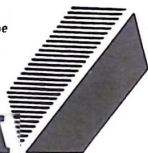
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become worse than an imbecile! If you must help, be quick, fast and effective.

Recognition of the victim in need of heart-lung-resuscitation

Confronted with a victim who has collapsed, the rescuer will first need to establish that there is a *sudden loss of consciousness, absence breathing and absence heart beat.*

These three signs are the cardinal signs of death—apparent or real.

1. *To Establish unconsciousness:* Shake the victim and call out "Are you alright"? If there is no response, the victim is unconscious
2. *To establish cessation breathing:* Watch for breathing by looking at the chest or belly or feel for warm air escaping from nose and mouth.
3. *To establish cessation of heart action:* When the heart is pumping a pulsation can be felt at the neck by the side of the "adam's apple" or voice box.

The three condition necessary for basic life support are:

- (a) An open Airway
- (b) Artificial Breathing (Rescue breathing)
- (c) Circulation by external heart compression.

An Open Airway

The unconscious victim lying on his back cannot hold his tongue which relaxes and falls onto the back of the throat blocking the air passage. A hand placed on the victim's forehead and the head tilted as far back as possible will bring the tongue forward and the air-passage will be opened.

If the heart had not stopped beating, this manoeuvre alone can establish breathing almost immediately with no loss of life or function.

Rescue Breathing also known as the "Kiss of life". Breathing-in is an active process but breathing out is passive. Therefore air can move out

of the lungs on its own if the passage is open but must be forced into the lungs. Rescue breathing is performed through the nose or the mouth. To prevent leakage when using mouth to nose, the victim's mouth should be closed and when using the mouth to mouth, the victim's nose is closed by pinching it (see pix)

The technique is as follows

- (i) place one hand on the victim's forehead and tilt the head backwards. Remove dentures if any,
 - (ii) pinch the nose with two fingers of the hand on the forehead,
 - (iii) take a deep breath in,
 - (iv) seal your mouth completely over the victim's mouth and blow into him,
 - (v) remove your mouth from that of the victim so that air can come out
- (iv) repeat the process i—v

External Heart Compression

The heart lies inside a bony cage with the breastbone (sternum) in front and the spine behind. If the breastbone is pushed forcefully backwards, it will compress the heart against the spine and this will force blood out of the chambers of the heart. When the pressure is released blood will enter the chambers and a repeat compression will send the blood out around the body organs.

To perform external heart compressions effectively the victim is placed flat on a hard surface the floor, face up. The rescuer kneels besides the victim, places the heel of one hand on the lower end of the breastbone and the heel of the second hand over the first. For mechanical efficiency, the fingers should be interlocked or not allowed to rest on the chest. The breastbone is depressed forcefully, rapidly and repeatedly.

Because of the inter-relationship between breathing and circulation heart compressions are interrupted to provide artificial breathing. Circulation without oxygen is useless. 15 heart compressions are followed by 2 quick lung inflations. This process is continued till the victim starts struggling or until help arrives or until the rescuer becomes exhausted and cannot continue!

The apparently dead can resume useful life provided help is given quickly and correctly. Preventable death before old age (3 score and ten years) in the executive is often due to asymptomatic heart disease and hypertension. This group of people tend to be negligent in matters concerning health as long as the illness is not incapacitating. It is advisable that regular yearly medical check ups should be made, a condition for continuous employment and renewal of life insurance policies.

HARD DEALERS IN IMB REWARDED

Messrs Disun Holloway and Tony Nnachetta both of the Foreign Exchange department of IMB have been promoted for the ingenuity and resourcefulness they always exhibited in attaining the set goals of the bank.

Holloway and Nnachetta, the bank's Foreign Exchange Chief Dealer and his assistant, respectively were at the staff party called out by the Managing Director Alhaji M. A. Kollere, and openly acknowledged for what he described as their brilliant performances within the

year 1987.

Alhaji Kollere noted that thrice, he had cause to review their targets which they met all times. Given their expertise, he said, IMB is now being looked upon as a model by other banks at the Foreign Exchange Market.

In appreciation of their contributions therefore, the MD announced at the party the promotion of the two gentlemen. Disun Holloway now becomes a Manager while Tony Nnachetta is now an Assistant Manager.

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vior and industrial relations. As a result of complex factors, the incidence of student unrests is high. There is also the difficulty of creating a good social image for the university as well as motivating members of the academic staff beyond pecuniary considerations. The turnover rates in Nigerian universities, especially in marketable disciplines such as accounting and business administration are high. It remains a challenge to attract and retain eminent scholars. Many people tend to use the universities as spring-boards to other professions. Also because of the higher salary levels in the business world, professions which are related to business pursuits, experience the problem of keeping staff. The universities must not be allowed to be institutions where people who do not have any other choice of work or profession stay.

LEADERSHIP

The greatest challenge facing Nigerian universities, however, is that of effective leadership. This is because the right leadership is crucial to the solution of the hitherto enumerated problems. Leadership is the element that makes the difference between an organization "muddling through" or merely surviving and another that is really making enviable progress. There is immense stock of latent energies in any organization. Effective leadership makes use of these latent energies for increased output. The importance of leadership in Nigerian universities cannot be over-emphasised. To a large extent, it affects motivation and job satisfaction, productivity and organization success, however defined.

Leadership can be looked upon as a subset of the management function. However, it seems to occupy a central and an important position in the diagnosis of the problems of Nigerian universities to justify a separate treatment.

Rather ironically, universities seem to have shun the idea of the need for organized management training especially for the academic

leaders. Instead of encouraging the cultivation of administrative and leadership skills for its managers, universities traditionally emphasize technical and academic proficiencies. The result is that some academics assuming important administrative positions rarely have leadership training or administrative work experience. The assumption is that a professor would make a good dean, director, or a good vice-chancellor. Little accepted is the notion that academic competence may not necessarily confer leadership and administrative capability. The culture of universities the world over, seems to exaggerate the importance of the accumulation of knowledge and research skills per se over leadership or management abilities. Specialism is often pursued at the expense of broad mindedness and realism. Surely, if there were any relationship between theory and practice (and the universities exist to show that there is) then some measure of management and leadership training must be advantageous for potential and practising academic leaders in assisting them to perform their duties more effectively. This is especially true as universities now seem to face an unprecedented environmental hostility and economic-financial recession.

The leadership challenge facing Nigerian academics is that of effectiveness. Nigeria is in need of men who will spearhead researches and move to liberate the African from all that hampers his well-being physically, mentally and materially.

It is believed that with better leadership skills and behaviour on the part of its academics, Nigerian universities can be the principal sites at which substantial social, political, economic and cultural issues could be examined for appropriate remedies. This is because universities harbour a concentration (not a monopoly) of the best brains in a country. However, the academics must develop their leadership skills and behaviour if they are to bring

about the much needed university effectiveness which is a catalyst in societal advancement.

CONCLUSION

It is believed that in order to improve management practices and enhance organizational effectiveness in Nigerian universities, attention must focus on training and on encouraging academic leaders to improve their policy, management and leadership skills.

Notes and References

1. *Bulletin of the National Universities Commission*, Lagos, Nigeria. Various Dates.
2. In May, 1959, a commission headed by sir Eric Ashby of Cambridge University was appointed to "conduct an investigation into the Nigerian needs in the field of post-secondary school certificate and higher education over the next 20 years, 1960 — 1980". The team included Professor Frederick Harbison, a noted American Economist who was asked to estimate Nigeria's need for higher-level manpower between 1960 and 1970, and their educational implication for the future in terms of training.
3. These are the Universities of Calabar, Jos, Maiduguri, Sokoto, Kano, Ilorin, and Port Harcourt.
4. Chizea, C. A., (ed.), *Bulletin of the National Universities Commission*, Lagos, Nigeria, December, 1984, pp 2 — 3. The four former Federal Universities of Technology now run as campuses of some older universities in the country as follows: The Federal Universities of Technology, Abeokuta, Bauchi, Markurdi, and Yela were merged with the Universities of Lagos, Ahmadu Bello, Jos and Maiduguri, respectively. The remaining three Federal Universities of Technology, i.e., those located at Owerri, Akure and Minna, continue to function as autonomous full fledged.

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5.9 Work Sampling Analysis (of a Typing Pool)

Activities

Code	Description	Employee Codes	
1	Typing	A	E
2	Photocopying	B	F
3	Order Taking	C	G
4	Not Working (idle)	D	H
5	Out of the Pool	(Total of 8 Employee)	
Data	(Study Worksheet)		

A	B	C	D	E	F	G	H	Date	Time
2	3	1	1	3	2	1	4	16/08/82	07:31
1	1	4	5	1	2	1	1	"	10:25
1	1	4	1	1	2	1	5	"	13:18
3	1	1	3	1	2	2	1	"	16:10
1	2	1	4	3	1	2	5	17/08/82	09:22
3	5	2	1	2	3	2	1	"	12:20
1	2	1	2	3	2	4	1	"	15:00
2	1	4	1	2	5	1	2	"	15:10
2	4	1	5	2	3	1	1	18/06/82	11:45
1	2	5	3	1	2	1	4	"	12:25
4	3	1	1	1	2	3	1	"	13:16
1	5	4	2	3	1	2	1	"	16:12
1	1	1	3	1	5	4	2	19/08/82	17:43
1	3	5	1	4	2	1	3	"	08:25
2	4	1	3	2	1	1	2	"	16:00
1	4	1	1	2	5	3	4	"	16:05

Analysis

Activity	Frequency	% Age	Theoretical Manning	Actual Manning
1	54	42.2	3.4 persons	4 persons
2	30	23.4	1.9 persons	2 persons
3	18	14.1	1.1 persons	1 person
4	15	11.7	0.9 person	0 "
5	11	8.6	0.7 "	0 "
Total	128	100.0	8.0 persons	7 persons

Observation	Recommendation	Savings	Remarks
6 Typewriters Avail	Withdraw 2	₦8000.00	
4 Photocopiers "	Withdraw 2	₦37000.00	
8 Staff Available	Withdraw 1	₦90000.00	
Furniture Excess	Remove Excess	₦2700.00	

* New Method of Work and Labour disposition attached (not included here)

Summary

Cost of Modification and IE labour	=	₦800.00
Total Savings	=	₦56,700.00
Payback Period	=	3.5 days

ed institutions.

5 Ibid., pp 4 — 5. These are Imo, Lagos, Bendel, Anambra, Rivers, Cross Rivers, Ondo and Ogun State Universities.

6 Ibid., p. 4. Sixteen of these are federally owned and eight state owned. The Bulletin referenced revealed that: "Five of the Federal Universities have campuses in towns other than where the main campuses are located. Three of the federally owned universities are Universities of Technology while the other thirteen are conventional ones. Only two of the state universities are not conventional universities. These are the Rivers State University of Science and Technology at Port Harcourt and Anambra State University of Technology, Enugu".

7 Report of the Presidential Commission on salary and conditions of service of university staff, 1981

8 Chizea, C. A., (ed). *20 Years of University Education in Nigeria*, a National Universities Commission's Publication, Lagos, Nigeria, pp 86 — 87

9 Report of the Presidential Commission on salary and conditions of service of university staff, 1981

10 Public Service Review Commission, (Lagos, Federal Ministry of Information, 1974). Main Report Paragraph 637

11 Adamolekun, N. K., "Universities and Polytechnics" in Adamolekun and Gboyega, (eds.), *Leading Issues in Nigerian Public Service, Proceedings of a National Symposium*, April 1975. University of Ife Press, Ile-Ife, Nigeria, 1979, p 114

12. Fafunwa, B. "Nigerian Varsity Problems and Challenges". *National Concord*. 12, January, 1983

13 Ibid

14 Ibid

15 Ibid

16 Government views on The Report of the Public Service Review Commission, December, 1974 Paragraph 69 of the White Paper

17 Adamolekun, op. cit., p.99

18 Ibid., p.98

19. Fafunwa, B., loc. cit.

20. *Bulletin of the National Universities Commission*, Lagos, Nigeria, Various Dates. In the 1982—1983, academic session, the total enrolment in the Nigerian Federal Universities stood at exactly 92,116 See reference (8) above.

21 The Association of Commonwealth Universities, *Commonwealth Universities Yearbook*, 1982, Vol. 1 A — B pp 206 — 833 Excluding the Open University, only 6 of U.K.'s 47 universities have total student enrolment figure greater than 10,000 as of the 1978 — 1979 session The six universities in order of size of enrolment are, London, Wales, Manchester, Oxford, Cambridge, and Leeds.

22. Popoola, M., "Ageing U. I.: Coping with the problems of university education". *New Nigerian*, May 24, 1983.

23. Ibid.

24 Ibid.

25 Chizea, C. A., (ed.), *20 Years of University Education in Nigeria*, op. cit. The Table on "Academic Staff By Nationality, Institution and Academic Year, 1973 — 1974 to 1981 — 1982, no page, reveals that as of the 1981 — 1982 session, there were 99 non-Nigerian lecturers as against 94 Nigerian academic staff members at Sokoto University See also, "Aliens and Our Universities", *Daily Times* Editorial, February, 28, 1985, p 3

26. Oshagbemi, T. A., *Nigerian Business Policy and Strategy*. Mimeograph.

27 Salami, A., "Universities: Alternative Sources of Finance to Government Funding", *Sunday Standard*, October 31, 1982

28 Ibid

29. Ibid

30 McCorkle, C. O., and Archibald S. O., *Management and Leadership in Higher Education*, Jossey-Bass Publishers, San Francisco, 1982, p. 8.

31 Harbison, F. H., *Human Resources as the Wealth of Nations* Oxford University Press, New York, 1973, p. 3.

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