Human Resource Management for Effective Revenue Generation in Nigeria's Public Sector

Dialoke, I.
Department of Human Resource Management
College of Management Sciences
Michael Okpara University of Agriculture, Umudike, Abia State
E-mail: drikechukwudialoke@yahoo.com

ABSTRACT

The management of people in Nigeria's public sector for effective performance, particularly in the area of revenue generation is an enormous task. However, the concepts, classifications and types of revenue, as well as divergent forms of public sector enterprises are examined. Thus, this study examines the central thesis through discussing human resource management for effective revenue generation in Nigeria's public sector. The aim is to to give detailed analogies as it pertains to basic types of organizational structure. This work reveals that people's resource management otherwise known as human resource management is among the principal ingredients for effective revenue generation in Nigeria's Public sector. It further shows that the truly great tragedy is the destruction of our human resources by our failure to fully utilize our abilities, which means that most men and women go to their graves with their music still in them. How effective or ineffective incomes are generated for primary or prime development of a State (nation) is dependent on how the organization managed her human resources. Conclusively, people resource oriented management, perhaps could serve as a framework for effective revenue generation in the Nigeria's public sector.

Keywords: *Human Resource Management, Effective Revenue Generation, Public Sector*

INTRODUCTION

The global economy and socio-political environment are predominantly dominated with vibrant activities that are supposedly manned by human beings (human resource). These people who are performing their duties in various ministries, parastatal and extra-ministerial organizations are drawn from different professions. Such activities extant in the world also span to African continent through colonialism, which Nigeria is inclusive. Thus, before the coming of the Europeans, traditional administrative activities were under the confines of traditional elutes. However the demise of this traditional administrative frontiers and subsequent emergence of these Europeans through the African sea brought what we see today as governmental administration in Nigerian public sector service. These governmental administrative offices are expected to be managed by people from different works of life with assigned roles to perform including generating revenue for optimal growth. Therefore, to achieve the optimal result (goals) in this direction (revenue generation), Human Resource Management (HRM) has become a very strong component in management research as well as the strategic and coherent approach to the management of an organizations most valued assets which is the people working there, who individually and collectively contribute to the achievement of the set objectives in the organization (public sector). Consequently, every organizations desire is to have skilled and competent people to make their organization more effective than their competitors. Hence, humans are very important assets for the organization rather than land and buildings. Without employees (humans) no activity in the organization can be done even in this era of modern technology since the machines meant to produce more quality goods and render services are likely to be operated by human beings only. It is human that issues the command and the machines obey or perform.

Nevertheless, people otherwise known as the staff are being used to generate revenues (such as licensing, property rate, tenement rate etc.) using various agencies such as Federal Inland Revenue (FIR) Service for the Federal government and Board of Internal Revenue for State government and task force for local government as the case may be. In most cases, these revenues generated do not go into the coffers of government. But this can be attributed to level of the organizations management of human resource among other detrimental factors (corruption inclusive). However these sordid activities gave birth hitherto to the principles of "down-sizing" and right-sizing in public sector service in Nigeria. To this extent therefore, it is our desire to peruse human resource management for effective revenue generation in Nigeria's public sector. Human resource management has become a major component of business school and is quickly becoming dominant focus of management research (Marciano quoting Kaufman, 1993, Lewin, 1991 and Storey, 1992).

It has almost universally displaced personnel, and in many schools is threatening to supplant industrial relations and organizational behaviour. Of late therefore, articles according to Marciano in British and Canadian journals are beginning to question what human resource management is and what impact its normative prescriptions will have on unions, workers and employment relationships (Barkin, 1989, Blyton and Turnbull, 1992, Guest, 1987, Godard, 1991, Ichniowski, Delaney and Lewin, 1989). However, these articles according to Marciano frequently noted few attempts to resolve the definitional fog that surrounds the term "human resource management". Sadly, efforts at defining human resource management (HRM) are grounded on current descriptions of HRM and do not attempt to resolve the issue by tracing the terms history.

Furthermore, there has been little success in clarifying the definition of HRM, in identifying its boundaries, or in distinguishing it from related disciplines. The histories of these related disciplines have been occasionally discussed including Baron, Dobbin and Jennings (1989), Ling (1965) for personnel management; Jacoby, 1985 and Wien (1987) for American management theory; Kaufman (1993) for industrial relations. However, the history of Human Resource Management (HRM) has not. Also Beer (1984) defines human resource management as the synthesis of perspectives from organizational behaviour/development, labour relations and personnel administration. As a field of study according to Beer (1984), HRM was viewed as the study of all management decisions and actions which affect the nature of the relationship between the organization and employees. However their application of the definition is broader, as they also discuss work system design as an important function in HRM. Okpata (2004) quoting Decenzo and Robbins (2000) asserts that human resource management is concerned with people dimension in management. They went further by stating that since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization is essential to achieve organizational objectives. This is true regardless of the type of organization- government, business, education, health or social action.

Nonetheless, three families of the concept human resource management emerged. The first family laid out by Drucker (1954), Bakke (1958) and reiterated by Beer (1984) and Lewin (1991) held that HRM is a broad general managers functions which deal with the proper management, understanding, maintenance, development, utilization and integration of individuals in the work place. Second family of the definitions include Henneman (1980), Robbins (1978), Strauss and Sayles (1980), Werther (1990) held that HRM is a new synonym for personnel management, the management of employees by specialist staff. It assumes the existence of a set of best or acceptable practices for making effective use of workers and attempts to detail these. The third family of definitions results from the managerialist/unitarist resurgence in Britain during the Thatcher years. Many scholars with worker's/pluralist orientations held that HRM is essentially a sophisticated form of union avoidance, and a camouflaged method of managerial control. They focus not on the tools or levers which HRM encourages or uses but rather on the different way that HRM conveys managerial legitimacy. This perhaps why there is every need for effective utilization of the intrinsic qualities of humans for solving the prevailing issues in society today. In essence, Oliver Wendell Holmes submits that "the greatest tragedy in America is not the destruction of our natural resources, though that tragedy is great. The truly great tragedy is the destruction of our human resources by our failure to fully utilize our abilities, which means that most men and women go to their graves with their music still in them" This buttresses John F. Kennedy's position that the human mind is our fundamental resource.

Revenue generation: This is a process by which a company markets and sells a product or service to produce income (http://www.medwelljournals.com/fulltext/?doi=ibm.2009.54.60) website of revenue generation.

Public Sector: The public sector is a part of the state that deals with the delivery of goods and services by and for the government, whether national, regional or local/ municipal. However an example of public sector activity ranges from delivering social security, administering urban planning and organizing national defenses (Feignbaum). Also public sector is usually composed of organizations that are owned and operated by the government. This includes Federal, provincial, state or municipal governments, depending on where you live (http://www.privacysense.ntet/differencebetween -private public-sector/). This study therefore aligned to address the issues of human resource management as a means of enhancing effective revenue generation in Nigeria's public sector. The primary aim is to give a detailed analysis as it pertains to basic types of organizational structures.

Classification of Revenues

It is very germane to look at both the classification and types of revenues in the context of this discourse. Revenues can be classified as operating revenue and non-operating revenue. The operating revenues are those that originate from main business operations. For examples, sales etc. while the non-operating revenues are earned from some side activity. For example, interest revenue, rent revenue (except in case where the business main industry is renting industry) (http://www.a-systems.net/qna/question.htm?id=27).

Types of Revenue

The types of revenues can be stated briefly as:

(a) **Sales revenue:** Making money from selling goods or services.

(b) **Tax revenue:** Making money from taxpayers.

(c) **Interest revenue:** Making money from an investment, usually from a bank account.

(d) **Dividend revenue:** Making money from investment in stock.

(e) **Lease revenue:** Making money from renting property such as car rental, office rental etc.

(f) **Royalty revenue:** Revenue made when other people use your asset (intellectual property). In the music industry for example, record companies can charge a royalty to internet radio stations that play their songs (http://www.a-systems.net/qna/question.htm?id=27).

Forms of Public Sector Enterprises

The organization provides the framework, which substantially shapes interrelationships amongst the public enterprises as well as the government. However, the major organizational forms of the public enterprises are:

Public Corporation: It is an autonomous form of organization "clothed with the power of the government, but possessed with the flexibility and initiative of private enterprise. Also, public corporations may be understood in general terms as an autonomous commercial organization established at governments' insistence outside the framework of government department and company legislation.

Government Company: The joint stock company is another organizational form of public enterprises. The company form which may also be called a government company is described in many countries as an enterprise registered under the Companies Act of the land in which the government and/or public enterprises hold at least fifty one percent of equity capital.

Joint Enterprises: State participation in an economic activity along with the private sector has led to the creation of a specific type of organizational form, which is known as joint enterprise.

Development Corporation: It is difficult to exactly define Development Corporation. On the basis of empirical evidence world over, especially in the developing countries (Nigeria inclusive), it may signify an autonomous agency in the public sector, primarily to promote, rather than to operate economic activities through a system of subsidizing. Despite, the promotional activity of a development corporation may include; to promote an activity which otherwise might not come into existence, it accelerates an activity which otherwise would materialize at a slow pace in small outputs and in a sectorally unbalanced manner and finally, it promotes a desired pattern of economic activity, meaning thereby the expansion of desired sector of activity, promotion of units of desired sizes, attainment of desired balance of payments, development of certain economic activity in the desired region etc (Dnyanesh, 2011) (http://www.preservearticles.com/2011092714116/what-are-thedifferent-forms-of-public-sectorenterprises.html).

Basic Types of Organizational Structures

There are three basic types of organizational structures that can be seen and practiced in public sectors. Such basic types are: vertical, horizontal and divisional structures.

Vertical structures: Most government organizations are classic examples of vertical structures. Vertical organizational structures are characterized by few people at the top and increasing numbers of people in middle management and lower level positions. In other words, a few people make policy and decisions, and many people carry them out. Thus governments often lean toward them because they create various defined job scopes and powers. Each person has a clear role to play. Vertical structure is the classic bureaucracy and is epitomized and originated in one of the oldest government functions.

Horizontal structures: Horizontal organization charts are characterized by a few positions at top and then many positions on the next row down. In other words, there are very few supervisors and many peers or equals. While this structure is most common in professional organizations such as law and architecture firms or medical practices, a few types of government use this structure. For instance, in very small programmes- especially after budget cutbacks- certain city and county social services such as drug prevention or domestic violence education programmers may find themselves with only a few staff members. In order to deliver services or because they do job sharing, staff may work together cooperatively rather than in hierarchical order.

Divisional structures: Divisional structures divide functions and responsibilities based on specialty or geography such as a market territory. In the case of public sector, a few organizations such as courts use this system. For example, Federal courts are divided into regional circuits and even most countries have multiple court houses which hear cases from their defined territories within the country. These courts run parallel and are not affected by one another. Similarly, police and fire departments usually have precincts and battalions with specific jurisdictions for better functionality.

From the basic point of discussion, it is very imperative to delve into the aspect of human resource management for effective revenue generation in the public sector service in Nigeria.

Human Resource Management for Effective Revenue Generation

The use of people as well as management of human beings for achievement of goals in an organization is a very vital one, particularly in public sector. One significant thing to note is that when people are rightly employed and rightly matched to their responsibilities, they are expected to be productive. Moreso, when the facilities required in performing the role activities are made available. Therefore effective utilization of human resource to generate revenues in public sector service both in the federal, state and local or municipal government will go a long way in assisting government for goods and service delivery. Thus for any organization to function effectively, it must have resource of men (human resource), money, materials and machinery to achieve set goals of the organization.

However, the resources by themselves cannot fulfill the objectives of an organization, but they need to be collected, coordinated and utilized through human resources, hence the effective management of human resources is vital for effective revenue generation in public sector (the bureaucracy). As a result, human resource management has emerged as a major function in this regard (revenue generation). Subsequently, the ten "Cs" of human resources management- cost effectiveness, competitive, coherence, credibility, communication, creativity, competitive advantage, competence, change and commitment as advocated by Alan (nd), in his book entitled: Human Resource Management in a Business Context, provides a framework of consensus that human resource and human resource management are fundamental for income generation in businesses. For instance, in the Nigerian local governments, the staff or employees in accounts or treasury department are employed to discharge some functions (including generating revenues such as tenement rates, licenses of all kinds etc) to enhance service delivery of the councils.

Unfortunately, these revenues are not generated, even when generated are not paid into the coffers of government. Because of corruption, its converse accountability, ineffective management of human resource among other factors (Dialoke, 1996). In governing human resources for effective revenue generation, three major trends such as demographics (that is, the characteristics of a population/

workforce, for example, age, gender or social class), diversity, skills and qualifications are typically considered (Elwood and James, 1996). From broad theoretical underpinning of this research, it is obvious that effective revenue generation in Public sector is dependent on available human resources, hence organizations engage in a wide range of human resource management practices in order to achieve desired goals.

CONCLUDING REMARKS

It is pertinent to note here that human resource management is a key element to successful goals achievement in any organization, be it public or private. This is so, especially in the public sector, where *modus operandi* of functional activities lies on the people. Such activities must be performed in line with guiding "principles" within the bureaucracy. Therefore, how effective or ineffective incomes are generated for primary or prime development of a State (nation) is dependent on how the organization managed her human resources. Conclusively, people resource oriented management, perhaps could serve as a framework for effective revenue generation in the Nigeria's public sector.

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