

# Assessment of the Effect of Monetization of Fringe Benefits Policy on the Nigeria Federal Civil Service: A Case of the Federal Ministry of Education, Abuja

1Ekwochi, Eucharia Adaeze, PhD, IPMA, IRDI, IMPD, 2Agbaji, Benjamin Chuwuma, PhD, 3Anzor, Edith Chima, M.Sc. B.Sc.

1Department of Business Administration, Faculty of Management Sciences, Enugu State University of Science and Technology, Enugu State, Nigeria

E-Mail: [eucharia.ekwochi@esut.edu.ng](mailto:eucharia.ekwochi@esut.edu.ng) and [ukalexgideon1@yahoo.com](mailto:ukalexgideon1@yahoo.com)

Tel: +234(0)07033486833

2Department of Insurance and Risk Management, Faculty of Management Sciences, Enugu State University of Science and Technology, Enugu State, Nigeria

E-mail: [agbajiben@gmail.com](mailto:agbajiben@gmail.com)

Tel: 08067816247

3Department of Business Administration, Faculty of Management Sciences, Enugu State University of Science and Technology, Enugu State, Nigeria

E-mail: [anzoredith1@gmail.com](mailto:anzoredith1@gmail.com)

Tel: 08038739582

**Abstract:** *The study assesses the effect of monetization of fringe benefits policy on the Nigeria federal civil service; using the federal ministry of education, Abuja as study area. It seeks to find out if the monetization of fringe benefits has met the socio-economic needs of the Nigerian Civil Servants; examine the impact of monetization of fringe benefits on the job performance of the Nigerian Civil Servants. The primary source of data collection was based on the distribution of questionnaires to the 366 sample size utilized. These respondents were randomly selected amongst the staff of the Federal Ministry of Education, Abuja, using the Yamene 5% method. Data for this study were presented in quantitative and tabular format showing frequency and percentages of responses and chi-square ( $X^2$ ) test was utilized for the analysis of data generated from the questionnaire to draw inferences. Based on the assumptions (hypotheses), several findings were made, such as that the Nigerian Civil Service is still inefficient in spite of the reform, and that the continued inefficiency is linked to the fact that the policy impacted negatively on the socio-economic needs of the Civil service; On the basis of the above findings, recommendations were made such as that the government should ensure that the interest of the civil servants are protected in the policy implementation of the policy as was adumbrated in the policy objectives to ensure that the benefits of the policy really gets to those targeted unless of course the policy is for the elite by making, by balancing the desire to sell off the government quarters at a high rate and making it affordable to the civil servants whom the policy encourages to own their own houses.*

**Keywords:** Monetization, Fringe Benefits, Policy

## Background to the Study

Much as it is obvious that incentive structures propel enhanced improvements in management and performance of the public sector, monetization of fringe benefits in the nation's public sector became a necessity due to the rising cost of governance and pressure on national resources arising mostly from the benefits-in-kind that the various tiers of government have to provide to the civil servants. This policy seeks to replace fringe benefits that were previously provided in kind with monetary allowances, and the consequent withdrawal of government from the maintenance cost obligation that attended these benefits in line with current global trend in private and public sectors of the modern government (Okwuosa, 2004).

Historically, these fringe benefits were carryover from the colonial era, when the colonial government provided the colonial administrators residential accommodation, transportation facilities, gardeners, medical services, etc, which they did not have to pay for because they were entitled to hazard allowances by their home government, but then, they were fewer in number such that their total package was negligible when compared to the income which they extracted in favour of their home government (Aluko, 2005).

However, after the independence in 1960, the indigenous high cadre public servants who took over the reins of office from them also inherited these fringe benefits, but as time went on, coupled with the astronomical increase in the number of public sector employees due to Nigerianisation policy, the cost of providing these fringe benefits became unbearable to the government; as little was left for funding capital projects by the government. But, the problem assumed higher level of complexity when it became obvious that these benefits were not provided prudently, as it was largely abused by the public servants and their wards. For instance, instead of having one official car, some public servants had up to three official cars attached to them whose drivers are paid by the

government and whose fuelling and maintenance costs are taken care of by the government. Again, officers on transfer, say, from Lagos to Abuja still kept their official quarters in Lagos. More so, telephones that were maintained by government were abused by the wards of these officials (Okoye, et al, 2012).

Thus, the provisions of fringe benefits to civil servants continued to consume enormous resource from the public purse and as such impacted negatively on the national economy (Izueke, 2008:3). What is more worrisome is the fact that although the civil servants constitute about 20% of the population of Nigeria, it takes up to 60-70% of the annual national budget expenditure to maintain them (Aluko, 2005:2). The burden having exacerbated until 2002, the then president, Olusegun Obasanjo, in his 2003 inaugural address stated “the cost of running government at all levels currently gulps a disproportionate amount of our revenue”. And in reaction to the identified wastage made manifest in high cost of administration and in search of efficiency, the government opted for monetisation of those fringe benefits hitherto enjoyed by public sector employees at various strata because the monetization policy was intended to minimize waste, misuse and abuse of public facilities, and achieve efficiency of government. The monetization policy was given legal backing by the political, public and judicial office holders Salaries and Allowances Act of 2002, which was extended to the civil servants, from 1st July, 2003. A decade after the inauguration of such lofty government policy by the Obasanjo-led government, the need arises to critically assess the effect such policy has had on the economy and the civil servants, especially those in the ministry of education whose pattern of office-related benefits were replaced with monetary stipends, especially on their job performance and enrichment as well as on their socio-economic needs as social and economic beings. This need could be looked at from the standpoint of the perennial face-off between the government and the academic unions in the country such as the Academic Staff Union of Nigerian Universities (ASUU), Non Academic staff of Nigerian Universities (NASU), Senior Staff Association of Nigerian Universities (SSANU), and Academic staff Union of Nigerian Polytechnics (ASUP) etc.

### **Statement of the Problem**

On the basis of trimming down the cost of governance and reducing unnecessary pressure on national resources, as well as giving the government the ample opportunity to attend, maximally, to capital projects, the monetization of fringe benefits policy becomes plausible, hence evidences have shown that a large quantum of resources have been lost to wastages, misuse and abuse of public facilities in the country, arising mostly from providing such basic amenities free of charge such as residential accommodation, transport facilities, medical services, electricity and telephone, among others, as the cost of maintaining these facilities has grown astronomically over the years to the extent that they have outweighed the amount going into salaries and wages. Because of these dangling views, this study seeks answers to the following questions.

### **Research Questions**

1. Does the monetization of fringe benefits meet the socio-economic needs of the Nigerian Civil Servants?
2. How has the monetization of fringe benefits impacted on the job performance of the Nigerian Civil Servants?

### **Objectives of the Study**

The general objective of this study is to critically assess the effects of monetization of fringe benefits of the Nigerian public servants on the Nigerian economy, vis-à-vis their input in their works and on their socio-economic needs.

To achieve this lofty objective, the following specific objectives become imperative:

1. To find out if the monetization of fringe benefits has met the socio-economic needs of the Nigerian Civil Servants
2. To examine the impact of monetization of fringe benefits on the job performance of the Nigerian Civil Servants

### **Research Hypotheses**

1. There is a relationship between the continued inefficiency of the Nigerian Civil Service with the monetization of the fringe benefits of the Nigerian Civil Servants
2. There is a significant relationship between monetization of fringe benefits of Nigerian Civil Servants and their Socio-Economic Needs

### **Conceptual Framework**

#### **The Meaning of Monetization of Fringe Benefits**

Authors like Amuwo (1991), Mimiko (2003), Mobolaji (2003), Okwuosa (2004), and Fayomi (2013) have made some clarification on the definitions and concept of Monetization. According to Amuwo (1991), ‘monetization is the conversion of benefits previously available in kinds to public officers into cash payment’. These benefits hitherto made available by government to public officers include the provision of free accommodation and its maintenance, furniture, transportation and chauffeur driven vehicles for top public office holders. Whereas Mimiko (2003) sees monetization of fringe benefits as “a precipitate” of government concern with the continued escalation of cost of running the machinery of government as a result of the huge bureaucracy with which the economy is delivered”. In supporting the views of Amuwo (1991) and Mimiko (2003), Mobolaji, (2003) defines Monetization policy as government initiatives that involve systematic cash payment for benefits previously available in kinds to public officers. In a more

elaborate language; McConnell (1992) defines Monetization as the rewards other than wages that employee receive from employers in monetary value, which includes: pensions, medical and dental insurance, vacations and sick leaves.

According to Fayomi (2013), like any other concepts, there is no one single universal definition of monetization, however, the Office of the Secretary to the Government of the Federation, (OSGF, 2006) in its May 2006 Vol.1, No.3 defines monetization “as the quantification in money terms of those fringe benefits which Government used to provide for its workers as part of their conditions of service”. Such benefits include residential accommodation, chauffeur-driven cars, residential furniture, utility services, etc. Adekeye, (2003) sees it as a “withdrawal of direct funding of the basic amenities of the public servants by the government”. In providing further explanation to the definition, Okwuosa (2004), noted that monetization of fringe benefits of public servants is a government policy, which aims at empowering the public servants financially so that they would henceforth take personal care of those things (benefits) that were hitherto taken care of by the government. Thus, Bakare (2012), asserts that it is clear from the various definitions and explanations that the concept of monetization is an extreme broad one that encapsulate virtually every payment other than the basic pay, basic wage, or basic salary of an employee and could therefore vary in nature form one country to the other; and Okwuosa (2004) concluded that in Nigeria, the Obasanjo-led administration introduced the policy in 2003, against the backdrop of rising cost of achieving the government business. The Revenue Mobilization Allocation and Fiscal Commission recommended the policy, when it observed that the nation devotes over 60% of its revenue to sustain recurrent expenditure. This development gave rise to a soul-searching moment for solution to the economic down-turn, hence monetization provides the needed answer and the policy makers believed that the scheme will encourage private initiatives and facilitate creativity and motivation and most importantly, improve the service of quality delivery, promote patriotism and efficiency among civil servants.

### **The Provisions of the Monetization Policy**

According to Okoye et al (2012), the main components of the monetization of fringe benefits policy are:

#### **(1) Residential accommodation:**

- a. 100% of annual basic salary to be paid en bloc annually as residential allocation, to enable the officers rent houses of their choice.
- b. Government residential quarters across the country to be sold off by auction.
- c. The present occupiers of residential quarters would be given the first option to purchase the houses, but at price of the highest bidder.
- d. Government to provide site and service scheme in satellite towns nationwide in order to assist public servants, who would prefer to build their own houses acquire land.

#### **(2) Furniture Allocation:**

- a. 300 percent of annual basic salary will be paid in every four years in accordance with the provisions of the political, public and judicial office holders (Salary and Allowance) Act. 2002.
- b. This allowance would be paid annually at the rate of 75%, which amounts to 300% in four years.

#### **(3) Motor vehicle loan and transport:**

- a. The government will no longer provide chauffeurs for public officers.
- b. 350 percent of annual basic salary will be granted as motor vehicle loan.
- c. Loan will be recovered within 6 years at 4 percent interest.

#### **(4) Use of government vehicle**

- a. No new vehicle will be purchased by any ministry, extra ministerial department, and federal Agency or Parastatals.
- b. A specific number of utility vehicles will be allowed each ministry or department. No ministry will exceed the number without prior approval of Mr. President.
- c. Officers currently entitled to government vehicles would return them to Presidency for disposal or pooling in the Conference Vehicle Unit (CVU) as may be appropriate.
- d. A committee will be set up to handle the issue of disposal of vehicles.
- e. If there is a need to purchase a new vehicle by any ministry, extra-ministerial Department of Agency, a request shall be made to Mr. President for approval.
- f. Provision of drivers to entitled officers would be monetized as follows:
  - (i) S.G.F/Minister/HOS-2 drivers= N239, 172 (two hundred and thirty nine thousand, one hundred and seventy-two Naira) per annum.
  - (ii) Perm. Sec. – 1 driver = N119,586 (One hundred and nineteen thousand, five hundred and eighty-six naira) per annum,

- (iii) Director – I driver N119.586 (One hundred and nineteen thousand, five hundred and eighty-six naira) per annum. The allowance will be the same with the current provision for domestic servants, i.e, total enrollment of an officer on grade level 03 step 8.
- g. Service-wide staff buses will pool under the management of the office of the Head of the civil service of the federation. Any member of staff who utilizes the facility shall be made to pay at a rate equivalent to their transport allowance and funds so generated would be used for the maintenance and fuelling of the vehicle. This facility will be gradually withdrawn when the public transport service improves. On the fate of excess drivers in the system as a result of the new policy, the following steps were recommended.
- h. Those with relevant and adequate qualifications would be retained and redeployed appropriately.
- (i) Depending on the need, others will be deployed to drive staff buses under the officer of Head of the Civil Service of Federation.
- (ii) Those that will not be deployable will be rationalized but to be assisted by the National Poverty Eradication Program under KEKE NAPEP Program.
- (iii) Medical allowance: Government has proposed the payment of 10% of an officer's annual basic salary as medical allowance.
- (iv) Other Allowance: Leave grant, meal subsidy and entertainment allowances shall be paid to workers as earlier stated (Izueke, 2008).

### **The Implementation of the Monetization of Fringe Benefits Policy**

Ogugua (2009) argued that the main challenge of monetization policy is how well the policy could be implemented. He suggested that sizable resources required to fulfill monetization policy should be mobilized for it to be effective. In addition to this, he advised that the government should create positive atmosphere that will allow public servants, whose involvement were not always market driven, the opportunity to successfully bid for and own the government asset to be traded in monetization policy. In line with the above view, Fayomi (2013) advanced that even though the Monetization Policy has come to stay, a lot of questions, misconceptions, doubts, criticisms and cynicism have trailed its implementation. Being a public servant she noted the general feelings of bitterness and grieves. The public servants optimism had been replaced with frustration as the implementation process unfolds, which was not in line with their conceived expectations and hope. In other words, the expectation of higher take home pay en-bloc has been substantially raised as it obtained in the private sector, or in some classified public institutions such as the Central Bank of Nigeria (CBN), Power Holding Company of Nigeria (PHCN), the Securities and Exchange Commission (SEC) etc, but became a contrary. Arising from the above, it has become increasingly difficult for the policy to secure maximum affection from the target population (Public Servants).

### **Effects of the Monetization of Fringe Benefits Policy on the Civil Servants**

According to Adeleke (2010), the monetization policy, which was formally introduced into the Nigerian Public Service in 2005 led to monetization of those physical benefits, which were added to the basic salary of workers. Despite the implementation of monetization policy in Nigeria, little has been done to clearly show the effect of the policy on the level of the performance of workers. However, their purchasing power is hardly enhanced due to the biting effects of inflation and high cost of living in the country. There is the need to know whether the addition to salary through the monetization of benefits and prompt payment of these benefits will have any effect on the workers with their disposition to their workplace. He furthered that government employees and their immediate families have always enjoyed these benefits at her expense. Though the running cost may not cater for all the expenditure, but the expenses incurred in the course of service are refunded, most workers get their expended money back when these funds are released for offices. Now, it is not clear whether workers would want to spend their money to buy all these physical needs under monetization regime since it is now consolidated to the salary to almost become the basic salary. It is not also clear how monetization policy will lead to improved welfare condition of the workers through the provision of all the monetized needs from their new salary scale, judging from the impact of Structural Adjustment Programme (SAP) on workers.

He concluded therefore, that given the level of economic crisis in the country, it is pertinent to seek an understanding of how the introduction and implementation of monetization policy has influenced the performance of public employees and the recruitment policy into public service. Government or management of organizations does sometimes wrongly assume that their reward pattern is the best for their workers and this often has adverse consequences since the workers are never consulted. In essence, workers commitment to their jobs and their efforts are often not addressed properly, creating room for false claims, agitations and labour conflicts. The study, therefore, focuses on the impact of monetization of fringe benefits on workers and how the exercise has increased the morale of workers in their workplaces, as this will help the university in achieving the best from them.

According to Nnebe, (2007), in almost every paid job situation, employees are rewarded by payment of wages and salaries. Salaries are a form of periodic payment from an employer to an employee usually specified in an employment contract while wages are payment for each job, hourly or unit rather than a periodic basis. Fringe benefits were introduced as additional perquisites after the Second World War as earlier stated because it holds some advantages for the employees and the employers alike. Among others, fringe benefits help attract and retain better, qualified employees; provide high-risk coverage at low costs easing the employer's

financial burden; improve efficiency and productivity as employees are assured of security for themselves and their families. And this guarantees peace of mind for the employees leading to boost of staff morale. This point made Onyeonoru, (2005) to argue that while it is a truism that money motivates people, it is important to note that different people are motivated by money to varying degrees, depending on their socio-economic background and the context in which it is given. For example, individuals who come from wealthy backgrounds are likely to be less motivated by money alone than individuals from poor backgrounds. In the same way, an individual who has all his basic needs satisfied may not be motivated by financial incentives alone. There are many other factors that need to be considered when determining the most effective method to motivate employees.

**Challenges and Prospects of the Monetization Policy**

According to Olaitan (1995) the body that was set up to actualize the policy appeared to be self-seeking. For example, at the time the issue was debated at the National Assembly, large gaps between members of the National Assembly and the masses on the implementation of the policy were agitated. Recent experience has shown that once elected, the Nigerian legislators usually deploy their mandate to self-seeking. Olukoshi (1995), in his own contributions went beyond the advertised objectives of self-seeking to the issue of sustainability. He raised serious doubts about the avowed resilience of the Obasanjo’s administration to nurture the policy to an irreversible stage. It has been said that just as Obasanjo is the only one in the Presidency who believes in the anti-corruption campaign so also is he the only one who saw the need why monetization programme must succeed.

Fasoranti (2008) viewed monetization policy in Nigeria as a socially worthwhile initiative. He opined that the cash payment of benefits might act as an incentive to the employee to work harder. For example, the provision of a personal car for a civil servant has implications on his social status that can motivate him to work harder since there will be no need for him to look for loans to acquire this asset. Okwuosa (2004), noted that monetization of fringe benefits of public servants is a government policy, which aims at empowering the public servants financially so that they would henceforth take personal care of those things (benefits) that were hitherto taken care of by the government. In Nigeria, the Obasanjo-led administration introduced the policy in 2003, against the backdrop of rising cost of achieving the government business. The Revenue Mobilization Allocation and Fiscal Commission recommended the policy, when it observed that the nation devotes over 60% of its revenue to sustain recurrent expenditure. This development gave rise to a soul-searching moment for solution to the economic downturn. Hence monetization provides the needed answer. But Ogugua (2009) argued that the challenges of monetization policy are how well the policy could be implemented. He suggested that sizable resources required to fulfill monetization policy should be mobilized for it to be effective. In addition to this, he advised that the government should create positive atmosphere that will allow public servants, whose evolvment were not always market driven, the opportunity to successfully bid for and own the government asset to be traded in monetization policy.

**Methodology**

Survey on the randomly picked members of the Ministry of Education Abuja was used base on their perception on the effects of the monetization of the civil servants fringe benefits policy on the needs of the workers of the ministry of education. Population of the study was 6,923. Sample Size was 377 using Taro Yamene formula.

**Test of Hypothesis One**

H1 There is a relationship between the continued inefficiency of the Nigerian civil service with the monetization of the fringe benefits of the Nigerian civil servants

H0: There is no relationship between the continued inefficiency of the Nigerian civil service with the monetization of the fringe benefits of the Nigerian Civil servants

**Test**

Level of freedom adopted or chosen = 0.05

Degree of freedom = (R-1) (C-1)

= (5 -1) (5 -1)

= 4 x 4 =16 (26.2962)

**Calculation of X<sup>2</sup> test on data of table 4.6, which states that there is a relationship between the continued inefficiency of the Nigerian civil service with the monetization of the fringe benefits of the Nigerian Civil servants**

Fo	Fe	fo-fe	(fo-fe) <sup>2</sup>	$\left(\frac{fo - fe}{fe}\right)^2$
50	83.4	-33.4	1115.56	13.38
70	83.4	-13.4	179.56	2.15
10	83.4	-73.4	5387.56	64.59
136	83.4	52.6	2766.76	33.17
100	83.4	16.6	275.56	3.30

40	96.2	-56.2	3158.44	32.83
75	96.2	-21.2	449.44	4.67
15	96.2	-81.2	6593.44	68.54
120	96.2	23.8	566.44	5.88
108	96.2	11.8	139.24	1.45
118	16.4	101.6	10322.56	629.42
105	16.4	88.8	7885.44	480.82
21	16.4	4.6	21.16	1.29
52	16.4	35.6	1267.36	77.28
70	16.4	53.6	2872.96	175.18
102	89.2	12.8	163.84	1.84
120	89.2	30.8	948.64	10.63
16	89.2	-73.2	5358.24	60.07
60	89.2	-29.2	852.64	9.56
68	89.2	-21.2	449.44	5.04
107	80.8	26.2	686.44	8.49
111	80.8	30.2	912.04	11.28
20	80.8	-60.8	3698.64	45.75
70	80.8	-10.8	116.64	1.44
58	80.8	-22.8	519.84	6.43
<b>Grand Total</b>				<b>1,761.41</b>

Source: field survey (2021)

From chi-square distribution table, we have  $(0.05, 16) = 26.2962$

#### Execution/Decision Guide Rule

Reject  $H_0$  (null) hypothesis if calculated  $X^2$  value is greater than tabulated value; and accept  $H_1$  (alternative) hypothesis.

#### Decision

Since the calculated  $X^2$  value (1,761.41) is greater than the critical  $X^2$  tabulated value (26.2962), we reject  $H_0$  (null) hypothesis and accept  $H_1$  (alternative) hypothesis.

#### Conclusion:

Since the  $X^2_{cal} > X^2_{tab}$ , we reject  $H_0$  and accept the alternative ( $H_i$ ). Therefore, we conclude that there is a relationship between the continued inefficiency of the Nigerian civil service with the monetization of the fringe benefits of the Civil servants

#### The Distribution of Respondents on Whether there is a significant relationship between monetization of fringe benefits of Nigerian public servants and the socio-economic needs

Item	Questions	Strongly Agree.	Agree	Undecided	Strongly Disagree	Disagree	Total
1	Monetization of the fringe benefits is what the Nigerian Civil servants really need	50 (46.2) 19%	76 (54.4) 21%	20 (15.2) 5%	120 (125) 33%	100 (125.5) 27%	366 100%
2	Monetization policy is in tune with the socio-economic needs of the Nigerian Civil servants	51 (46.2) 14%	55 (54.4) 15%	15 (15.2) 4%	125 (125) 34%	120 (125.5) 33%	366 100%
3	Monetization of civil servants' fringe benefits met their socio-economic needs	40 (46.2) 11%	26 (54.4) 7%	25 (15.2) 7%	125 (125) 34%	150 (125.5) 46%	366 100%
4	As a result of the monetization policy, Nigerian civil servants have their own houses and cars; and have duly prepared to embrace retirement as proposed by the policy	20 (46.2) 5%	25 (54.4) 7%	6 (15.2) 2%	145 (125) 40%	170 (125.5) 46%	366 100%
5	There was really need to monetize those benefits	70 (46.2) 19%	90 (54.4) 25%	10 (15.2) 3%	110 (125) 30%	86 (125.5) 23%	366 100%
	<b>Total</b>	<b>231</b>	<b>272</b>	<b>76</b>	<b>625</b>	<b>626</b>	<b>1830</b>

Source: *Field Study*, (2021)

Concerning the postulation that there is a significant relationship between the monetization of the fringe benefits of the Nigerian Civil servants and their socio-economic needs, the above table (4.8) shows that with a percentage of 19, 50 respondents strongly agreed with the fact that Monetization of the fringe benefits is what the Nigerian Civil servants really need, and 76 respondents representing 21 percent agreed with the view, while 30 respondents equaling 5 percent stood undecided leaving the remaining 120 respondents representing 35 percent who strongly disagreed with the notion and 100 respondents with a percentage of 27 who disagreed. Of the total of 366 respondents, 51 respondents representing 14 percent, strongly agreed with the claim that Monetization policy is in tune with the socio-economic needs of the Nigerian Civil servants, and another 55 respondents equaling 15 percent also agreed with the view, while, 15 respondents representing 4 percent stood undecided, leaving the remaining 105 respondents representing 34 percent disagreeing strongly with the view, and 33 percent representing 120 respondents disagreeing that monetization of the fringe benefits is for the benefit of the Nigerian civil Servants. Furthermore, the table reveals that 40 respondents equaling 11 percent strongly agreed that monetization of civil servants' fringe benefits met their socio-economic needs, and 26 respondents with a percentage of 7 also agreed with the claim while 25 respondents who represent 7 percent of the entire sample stood undecided. The remaining 125 respondents representing 34 percent strongly disagreeing and 150 respondents representing 41 percent disagreed.

That as a result of the monetization policy, Nigerian civil servants have their own houses and cars; and have duly prepared to embrace retirement as proposed by the policy, 20 respondents equaling 5 percent strongly agreed with such a notion, and 25 respondents representing 7 also agreed, while 6 responds who represents 2 percent stood undecided and the remaining 145 respondents representing 40 percent strongly disagreed with the assertion, and 170 respondents representing 46 percent disagreed with the view that as a result of the monetization policy, Nigerian civil servants have their own houses and cars; and have duly prepared to embrace retirement as proposed by the policy

Finally, out of the total of 366 respondents, 70 respondents representing 19 percent strongly agree that there was really need for the monetization of those benefits and 90 respondents with a percentage of 25 agreed with the notion, while 10 respondents, that represent 3 percent stood undecided leaving the remaining 110 and 86 respondents representing 30 and 23 percent strongly disagreeing and disagreeing respectively that there was really need to monetize those benefits.

#### Test of Hypothesis Two

H<sub>1</sub>: There is a significant relationship between monetization of fringe benefits of Nigerian Civil servants and their socio-economic needs.

H<sub>0</sub>: There is no significant relationship between monetization of fringe benefits of Nigerian Civil servants and their socio-economic needs.

#### Discussion of Findings

From the presentation and analysis of data, several findings were made. Such findings include:

- i. The Nigerian Civil Service is still inefficient in spite the reform, and that the continued inefficiency is linked to the fact that the policy impacted negatively on the socio-economic needs of the Civil service.
- ii. The cost of governance in Nigeria has not reduced in spite the policy

Considering the application of chi-square in the test of hypothesis 1, it was found out that the calculated X<sup>2</sup> value (1,761.41) is greater than the critical X<sup>2</sup> value (26.2962), thus, leading to the rejection of H<sub>0</sub> (null) hypothesis and the acceptance of H<sub>1</sub> (alternate) hypothesis. Consequently, the test of hypothesis proved that the Nigerian Civil Service is still inefficient in spite the reform, and that the continued inefficiency is linked to the fact that the policy impacted negatively on the socio-economic needs of the Civil service hence table 4.6<sup>(5)</sup> showcased some 218 respondents representing 59% strongly agreeing that Nigerian civil service has continued to be inefficient in spite of the monetization policy. Again, table 4.6<sup>(4)</sup> revealed that 222 respondents representing 61% who believe that monetization policy has affected the work attitude of Nigerian civil servants negatively.

Even when there are exerts that monetization of Civil Servants fringe benefits will encourage making responsible decision and the understanding that it is no longer business as usual (Journal of Needs Vol.6 p92), Adeyemi (2004) lamented that the policy will create big gap between the junior cadres and the senior cadres as the junior ones were denied of the furniture allowances and that the policy seeks to lay off many workers and turn them into the unemployed market are discouraging already. Again, Ariole (2003) lamented that the policy will impose heavy tax on the civil servants and breed inequality in the civil service work space in the federal, state and local government civil service. Thus, the result of the test of hypothesis recons that these listed implication of the policy

on the workers has impacted on the work attitude of the Nigerian civil servants with its penultimate and concomitant negative effect on the efficiency of the service, which the policy intends to achieve.

### Summary of findings

As a major instrument of policy implementation used by the government, the civil service has to be regularly serviced towards meeting the challenges of a growing economy and evolving society like Nigeria. In lieu of the above, the monetization policy was introduced as a part of the reform agenda of the Federal Government of Nigeria to put Nigeria at par with other developed nations of the world. As against the backdrop of excessive expenditure by the government in running the policy implementation apparatus, it became compulsorily necessary to tame the service of its excessiveness. Thus, the benefits the civil servants enjoy such as official residential house fully furnished, official cars, etc was converted into monetary benefits. Methodologically, those benefits were quantified in, monetary terms and such monies added to their monthly salaries. At first, the workers were happy as they were told that they will be given monies to buy their own houses, cars etc (monetization), but such never came en bloc but intallmentally. Unfortunately, those living in government quarters were ejected and thus forced to relocate. These have affected their morale and impacted on their work attitudes.

### Conclusions

Responses to the suggestions that the system of public administration and management in the African Continent needs reformation, has taken the form of reforms and innovation as essential ingredients for effective service delivery. Recalling that the traditional role of the Civil Service was the maintenance of law and order as well as ensuring the effective implementation of government policies in the interest of all in society, efforts are on top gear to ensure that today's civil service keep to this tradition by ensuring the maintenance of law and order. By implication, ensuring that under no condition must civil servants be found to be directly or indirectly involved in precipitating any form of discord, instability or disorder in the system, because it behooves on the civil service to create a conducive environment to grow the economy, encourage private initiative, and facilitate creativity and innovation.

### Recommendations

Based on our findings, the following recommendations are made:

- (1) That the government should ensure that the interest of the civil servants are protected in the policy implementation of the policy as was adumbrated in the policy objectives to ensure that the benefits of the policy really gets to those targeted unless the policy for the elite by making, by balancing the desire to sell off the government quarters at a high rate and making it affordable to the civil servants whom the policy encourages to own their own houses.
- (2) That there should be commitment to the implementation of the policy by the top political leaders, by ensuring that the interval payment to the civil servants should be enough to buy them a modest house and cars which should serve their natural causes of necessity.
- (3) That the government should revoked those houses, estates etc sold at ridicules prices to legislators, permanent secretaries, Inspector General of Polices (IGs) and Director-Generals (DGs) and reschedule sales at fair and competitive prices, in keeping with the policy thrust of the exercise.
- (4) That the monies realized from the sales of those erstwhile government houses and cars should be publicly published so that the civil servants will know that the government is sincere in their pursuit of efficiency and effectiveness of the civil and silence critics who think that the policy was a conduit pipe for public fund embezzlement and an avenue for self-enrichment by few in the corridor of power.

### References

- Adeleke, O. A. (2010) "Exploration of the Implications of Monetization of Workers' Fringe Benefits in a Nigerian Higher Institution". *Research Journal of Social Sciences*, 5(1): 35-51.
- Fayomi, I. O. (2013) "Monetization Policy in Nigerian Public Service: The Perspective and Challenges." *International Journal of Educational Research and Development* Vol. 2(5), pp. 105-113, <http://www.academersearchjournals.org/journal/ijerd>
- Francis O (2004) "Monetization of Fringe Benefits in the public service. Issue of policy implementation, monitoring and strategy, the Nigerian Accountant" *The official J. instu. chartered Acc. Nigeria. January / March, 2004 edition*, 37(1).
- Nwachukwu, C. (2005): "Monetization and Crisis of Salary Differential". *Workers' Power-Rattawu*, vol. 1, no. 4 Sept., p:5
- Okoye, J.C, Anazodo, R.O, Izueke, E.M &Eze, S.C (2012) "Monetization of Workers Fringe Benefits: The Journey so far in Nigeria Federal Civil Service". *Public Administration Research; vol. 1, no. 1; 2012.pp50-60* [www.ccsenet.org/par](http://www.ccsenet.org/par)
- Sinclair, R.R, J.S. Tucker, J.C. Cullen, & C. Wright, (2005) "Performance Differences Among Four Organizational Commitment Profiles". *Journal of Applied psychology* 90 (6):1280-1287.
- SakaAbdulrasaki (2011) "The long run effects of monetization on the Nigerian economy" *Journal of Economics and International Finance* Vol. 3(5), pp. 269-278, May 2011 Available online at <http://www.academicjournals.org/JEIF>
- Williamson, Oliver E. (1981). "The Economics of Organization: The Transaction Cost Approach". *American Journal of Sociology* 87 (3): 548-577 (press +).
-



- Atiku S. Sarki (JUNE, 19 2009). "Nigerian civil service will be best in Africa". *Daily Triumph*.
- Daily Trust* (2009) "New Policy in The Civil Service".. 2 September 2009.
- Daniel Idonor& Emma Ovuakporie (2010). "Jonathan appoints Afolabi Head of Service as Oronsaye retires". *Vanguard (Nigeria)*.
- Habeeb I. Pindiga (2009). "New Service Tenure - Oronsaye, FCSC Boss Clash Over Exams". *Daily Trust*.
- Mrenyi, D. (2012) F.G should revise monetization policy- Al Gazali. *Sun news, Monday, January 30<sup>th</sup> 2012*.[www.archive2.sunnewsonline.com/webpages...](http://www.archive2.sunnewsonline.com/webpages...)
- News Agency of Nigeria* (2009) "FG to train 4600 civil servants -- HOSF".. Dec 9, 2009. Retrieved 2009-12-
- Nigerian Tribune* (2009) "Ripples of tenure system in the civil service".. 18 Sep 2009. Retrieved 2009-12-20.
- The Punch* (2003) "Lawmakers Pleads Fairness to Work in Monetization Implementation". Thursday December 11.
- ThisDay* (2005) Monetization: Workers may shut down 33 Federal Parastatals. Wednesday, February 2, 2005. Vol.11, No.3571, p21
- Ramachandran M (2003). Monetization as a preferred option.The Hindu on line Edition of India's *National Newspaper*, Monday, August 11.
- Iji A (2003). Monetization.*The punch*. Thursday, December 11.
- Ekaette U (2003) "Walking Down the Monetized Rope" *Newswatch*, Monday, Dec. 08,
- Internet Materials**
- ASCSN (2013) Pay Civil Servants Rent Allowance Enbloc, Association Tells Federal Government. [http://www.bureaucrathouse.com/pub\\_dt.php?id=37](http://www.bureaucrathouse.com/pub_dt.php?id=37)
- Femi Kayode& Ayo Odusola (nd) Government Reforms and Their Implementation.[www.cibng.org/RegDocuments/105665.doc](http://www.cibng.org/RegDocuments/105665.doc)
- Iyayi, F, I., O.R &Enete, C.A (nd) Employee Support for Monetization of Benefits in Nigeria's Banking Sector. [www.adedayo.com/downloads/8MONETIZA..](http://www.adedayo.com/downloads/8MONETIZA..)
- Mobolaji E. Aluko (2003) That Monetization of Fringe Benefits in the Nigerian Public Service.[www.dawodu.com/aluko61.htm](http://www.dawodu.com/aluko61.htm)
- Musa Ilallah (2006) Will Nigeria's Civil Service Reforms Work? <http://www.ngex.com/news/public/article.php?ArticleID=103>
- Mustapha, Muktar (2011) Monetization of fringe benefits in Nigerian Public Sector: Which Way? [www.mustaphamutkar.blogspot.com/2011/01...](http://www.mustaphamutkar.blogspot.com/2011/01...)
- Nasir Ahmad El-Rufai (2011) Reforming our Dysfunctional Public Service. <http://www.facebook.com/notes/nasir-el-rufai/reforming-our-dysfunctional-public-service-nasir-ahmad-el-rufai/230086113713187>
- Pere, Ayapere (2010) The Effect of Monetization on Federal Civil Servants in Nigeria. A Public Personnel Management paper. [www.ayaperescholar.blogspot.com/2013..](http://www.ayaperescholar.blogspot.com/2013..)
- TunjiOlaopa (nd) Civil Service Reform Trajectory for Nigeria: From Conception to Action. Retrieved 3/3/2014. <http://www.thisdaylive.com/articles/civil-service-reform-trajectory-for-nigeria-from-conception-to-action/136175/>