
RESOURCE MANAGEMENT AND UTILIZATION: AN OVERVIEW OF THE STRATEGIES FOR ENHANCING FINANCIAL ADMINISTRATION IN HIGHER INSTITUTIONS OF LEARNING IN NIGERIA

By

PROF. ADAGBA OKPAGA
*Department of Political Science,
Benue State University,
Makurdi.*

Abstract

Funding of higher education in Nigeria eventhough, budgetary allocation to it ranks next to defence, is till very much low. Thus, in contemporary times the Nigerian education system is facing enormous challenges as to how to meet the demands of national development. These challenges are compounded in terms of admission to higher institutions of learning, the shortage of faculty, infrastructural facilities for learning and the burden faced by the government in terms of budget deficit, inflation, exchange rate, high debt burden and the diversion of funds to feed the other sectors of socio-economic polity. It is on record that until in the 1980s the government was the sole financier of higher institutions in Nigeria particularly, the universities. But from the same period to date, the various governments – both federal and states, that now own public universities – have tried to compel the universities to seek for more innovative ways to meet their demands. For this, many universities have risen to the challenge of how to generate resources to complement government efforts since the funds are merger and obviously cannot meet their development needs. It is therefore, imperative for these higher institutions to design well articulated strategies for enhancing effective financial administration so that their resources could be well managed and utilized. How this should be done is what this paper intends to examine.

In contemporary Nigeria, particularly in the new democratic experiment, one would have thought that the experiment would have fostered the rapid development of higher education. But what one is witnessing now is the opposite, as the government has not shown the much needed commitment to this important sector of the national policy. From government perspective, there is this often held notion that the resources, particularly the capital resources, given to the higher institutions, have not been used

properly taking into cognizance the dwindling resources of the government. In the other words, the higher institutions, particularly the universities, have felt that the funds allocated to them are so meager compared to the expanding roles of the universities. The inadequate funding of higher institutions coupled with the ineffective or improper utilization of the resources have led to the crises that have rocked the foundations of the educational system in the country. The latest strike of the Academic Staff Union of Universities is the reaction to the gradual decay of the educational system particularly as it affects the higher institutions. Several years of military rule had shifted progress and growth in the educational system. But one had thought that the democratic system would have remedied the situation. The thrust of this paper is not to argue for and against the ability or inability of the government to properly fund education at its higher level, but to suggest strategies through which whatever resources are received or acquired in the higher education system can be well managed and properly utilized for efficient financial management or administration. In this view therefore, the paper shall take a theoretical execution into the concepts of management, resource utilization and financial administration or management, a brief history of the foundations of higher education in Nigeria particularly the university system and finally proffer the strategies for enhancing effective financial management.

Theoretical Perspectives

The field of management is very broad. It encompasses all enterprises including business, government, school, public utilities and social organization. Management has a universal presence and its influence on humanity is tremendous. Without any dispute management is very vital for the success of any enterprise. It determines success or failure of any enterprise. Thus, the importance of management in human endeavors is succinctly put by Turban and Meredith (1994:2) when they opine that:

Management is a process used to achieve certain goals through the utilization of resources (people, money, materials, space, time). The resources are considered the inputs, and the attainment of the goals the outputs of the process.

Management can be defined as the act that has to do with handling, economizing, guiding and directing. It also entails or involves people coming together, making decisions, about who will do what, when and what money and other resources will be used so as to work together to achieve a desired goal. Management is the resources of business that performs the function of planning, organizing, directing and controlling.

The objective of management centers on the realization of desired goals set up by any enterprise or organization. The goals that would be set vary from organization to

Resource Management and Utilization: An Overview of the Strategies for Enhancing Financial Administration in Higher Institutions of Learning in Nigeria- Prof. Adagba Okpaga

organization, but the fact remains that the desired goals must give room for effectiveness and progress in any enterprise.

It must be noted that objectives can only be achieved through action. The determining, initiating and carrying out of definite and purposeful actions to achieve predetermined objectives is the content of management. The content is made up of a process involving fundamental functions as planning, organizing, activating, directing and controlling.

But management cannot sufficiently achieve its aims without the mobilization of resources. Thus, resource generation and proper utilization is an important aspect of management. These resources include those of human, capital or generally socio-economic. The ability to manage these resources effectively therefore, depends on their availability. Implicitly, if there are no sufficient resources, of all kinds, the process of management would be difficult to undertake. If the resources are therefore available, management strategies must be designed for their effective utilization. In this respect, the onus lies on both the human resource and financial management experts to undertake this process.

In terms of financial management or administration, it is a process by which a government or a business concert obtains money and the method employed to effectively control how this money is expended in accomplishing public or business ends. Thus, the major components of financial management are taxation (revenue raising or generation), budgeting, treasury management, purchasing and auditing. The revenues and other financial resources must be collected economically as possible and spent in such a way that they meet the demands of the competing claimants and get maximized for public interest. Programs must be executed in an efficient and cost-effective manner and safeguards be provided to ensure that the resources are carefully used to accomplish public ends.

According to Olashore (1988:166) the central function of financial management whether in business, government or even at the individual level, is the raising of funds economically and ensure that the funds so mobilized, acquired or generated are allocated in the most efficient and effective manner thus, the need for financial management and administration rises from the fact that resources-either public or private ends are in short supply. Hence, efforts have to be made to ensure their optimum use.

In broad terms, financial management administration consists of three main concerns which include

- a) determining fiscal policies, a process in which general programs are identified and appropriation authorized.
- b) Ensuring accountability, so that public funds are spent honestly and wisely for the purpose duly authorized by the public at large
- c) Providing the required organization structures and controls to effectively carry out the fiscal duties and responsibilities.

Thus, the traditional responsibilities of financial management has been the control and how organizations can most effectively and honestly conduct their internal administration. As previously observed, this pre-occupation is hinged on the financial management roles of planning, programming, financing, budgeting controlling and evaluation. To what extent have these been carried out with reference to higher institutions in Nigeria?

Foundations of Higher Education in Nigeria

The history of the development of higher education in Nigeria and indeed Africa, is relatively a long one. Generally in Africa, the first universities that were established were those in Timbuktu, Goa and Ethiopia. But in contemporary times, the oldest is the Al-Azar University. In West Africa, the oldest of them is the Faurah Bay University in Sierra Leone, which was established in the 18th century. The aim of this university and the rest that followed later, were established by colonialism, to play the role of training a few Africans who were to advance the imperial mission of their colonizers. In fact, the graduates of these universities were to form the bedrock of the emerging colonial civil service. Indeed, as rightly pointed out by Salim (in Britain, 1994:21), “colonial education which was limited to training very few low functionaries did not prepare the Africans for eventual assumption of leadership and management of the affairs of modern states”.

These universities like Ibadan in 1948, University of Ghana (1948), Makerere (Uganda, 1949) and those that followed in the Francophone countries were to produce Africans who served the colonial system. These universities eventhough, established during colonialism and by colonial administrators, were well maintained particularly in terms of funding, provision of infrastructural and research facilities. Thus, the education provided, eventhough western type, enabled Africans to be well equipped in terms of the needed knowledge. No wonder then that the first benefactors of these universities in the likes of Chinua Achebe, Ade-Ajayi, Ayandele, Soyinka and a host of others, became scholars that have surpassed their contemporaries. But the situation in the immediate post-colonial period slightly changed and in fact, became worsened during the long period of military rule as there was excessive control of the education system by the military.

Resource Management and Utilization: An Overview of the Strategies for Enhancing Financial Administration in Higher Institutions of Learning in Nigeria- Prof. Adagba Okpaga

Needless to over-emphasize the development of higher institutions in the post-colonial era, the first set of these institutions established between 1960 – 1965, were established to promote education as they were seen to be part of the solution to the problem of underdevelopment. Both the federal and regional universities at Ibadan, Lagos, Ife, Nsukka and Zaria were well funded with emphasis on quality rather than quantity. In fact, from inception, the universities encouraged research, teaching and high standards. Faculty members were committed to excellent teaching and research productivity in the quest for knowledge, scholarship and recognition.

But as we are all aware, the destruction of the university system and indeed higher education in Nigeria, began with the advent of the military. In fact, between 1966 and 1979, 1984 and 1998 the various military regimes gave education at the higher level a hand knock reversing the earlier foundations that were laid by the democratic regime of the First Republic. The civil war destabilized the University of Nigeria, Nsukka. Gowon and Murtala regimes of 1970 – 1979 were too harsh to the university system. In fact, Obasanjo was hard-hit on the universities in 1978, a period that led to the beginning of anti-intellectualism (Eribo, 1996).

The period between 1984 and 1998 witnessed the outright disregard for the university system on the part of the military regimes of Babangida and Abacha intimidating university professors and scholars. In fact, as noted by Eribo (1996) human right abuses by Abacha regime included the violation of academic freedom, the stifling of universities of funds and excessive control.

The implication of all these have been enormous for the development of higher education in Nigeria. For one, the anti-intellectualism of the military led to the exodus of Nigerian intellectuals in the 1980s and 1990s. Secondly, the era of military rule led to a drastic decline in educational standards, less research funding, poor infrastructural facilities, poor library facilities, poor laboratories and office accommodation. Because of this, there have been little resources for the universities or higher institutions generally to manage and utilize for effective running of these institutions.

Ordinarily, the role of higher institutions and in particular, the university is to act as centers of development of talents and high level manpower. In this way, they perform such functions as teaching, research and human resource development. But for sometimes now, it has not been possible for them to carry out these their main functions. This is because they have been starved with funds for meaningful research and teaching, a situation which has led to considerable frustration. These obstacles have to be removed to pave the way for a proper framework in which academic activities can be meaningfully initiated and sustained. For the meager resources that go to the universities or higher institutions therefore, there is the need to design effective

strategies for generating funds, so that efficiency in management and utilization of the resources acquired could be properly situated.

Strategies for Enhancing Resource Management and Utilization in Effective Financial Management

From the history of the evolution of higher Educational system in Nigeria, it is obvious that higher institutions particularly the universities have had enough of problems in terms of resource generation and utilization. As it was noted, higher institutions that were established during the colonial period received adequate attention in terms of funding and the provision of other resources for their academic enterprise. Eventhough the resources that were used for running these higher institutions were generated locally, they were well managed and utilized for the purpose for which they were meant for. The post- colonial leaders of the immediate post-independence era, were even more concerned with the establishment of higher institutions and so established and funded them. There was even competitive tendencies among the regional universities to prove their worth within their areas of existence. But the military were hard hit on higher education stifling them of funds. This was even worse during the regime of Obasanjo in the late 1970s in which his austerity measures were even directed more to higher institutions particularly the universities. His objective of under-funding the universities was to reduce corruption. Probably, that is why he fought the university system during his second coming to power between 1999 – 2007.

The present situation is compounded by the number of universities and increase in admissions without corresponding infrastructural development. The universities have therefore, witnessed decades of decay, brain drain and production of inferior graduates. All these resulted from the fact that both the military and the politicians have brazenly taken a stand to neglect the educational sector which ordinarily is supposed to be the bedrock of all forms of national development. For this quagmire what then is to be done to return Nigerian university system to its former glory?

One would have proffered better solutions to the problem of resource management and financial administration in higher institutions, if these resources are available. But unfortunately, the universities and their other counterparts do not have these resources. Irrespective of these problems the following strategies are tentatively proffered for enhancing efficiency in management, resource utilization and financial management in higher institutions of learning.

In the first place, managers of higher institutions in Nigeria should know that the government is no longer the sole financier of these institutions. The government of today is more concerned about how to mobilize human resources for its own political ends, not for the training of its citizens. If the managers of these institutions feel that they have as their major responsibility to develop the educational sector as their

Resource Management and Utilization: An Overview of the Strategies for Enhancing Financial Administration in Higher Institutions of Learning in Nigeria- Prof. Adagba Okpaga

contribution to national development, they must therefore adopt a more radical and pragmatic approach to management. That is to say that university administrators, both academic and non-academic, must adapt to change in the society. Because of the failure of the government to encourage meaningful development of their institutions, they should find a way of motivating their staff to reason along the objectives of their institutional establishment. Adequate incentives should be provided through whatever funds that are generated.

It is worth noting that most of the university administrators today are selected in proxy by the visitor via purported senate elections, and so are likely to dance to the tune of their sponsors. In this respect, most of them become despotic and authoritarian. But since they are supposed to work within a free and liberal academic environment, they must be willing to drop unacceptable leadership style and change to the democratic leadership style which is the pragmatic approach. Creating a conducive atmosphere and a free environment will therefore motivate staff to work to achieve the objectives of these institutions.

Accountability is highly necessary in any management enterprise. While the universities can source for funds, they must be able to account for what they spend, how they spend and the result of the spending. The process of accountability and management should be open to allow for constructive criticisms and encourage others to contribute their quotas.

In another vein, human resource development should be placed high on the strategic agenda for all the higher institutions – these include the training of qualified academicians; spending for this purpose must be increased as a major effort to increase or improve quality.

There should therefore be support for recurrent costs of wages, salaries and instructional materials which should be seen as a higher priority. Universities should adopt the principle of entrepreneurialship for management as a means of generating the needed financial funds and autonomy. This means that, they should undertake profitable business and commercial ventures including real estate development. Commercialization may be negative if high fees are charged because only rich parents can pay fees.

These institutions should also establish aggressive but professional consultancy services units. Many universities already have these, for instance, Benue State University, Makurdi, Ahmadu Bello University, Ibadan, Benin, Nsukka, etc. have consultancy service. Specialized universities like those of Agriculture, Science and Technology should establish farms and skill acquisition centers to boost their resource base. All these will involve taking steps to ensure cost effectiveness and probity and thus, enhance resource utilization and financial management in these institutions.

In all, the nature, structure, success or failures of university governance have very much to do with the personal attributes, leadership qualities and management styles of the chief executives of these institutions. Since governance entails intricate and complex forms of relations between and among the various organs in the system, there is the need for all these organs to work together so that the objectives set for these institutions can be achieved.

Conclusion

In the final analysis, higher institutions must stand up to themselves. Since successive governments have not taken the question of funding universities adequately, they must be able to find ways in which they can bring themselves back to their erstwhile glory. They should resist control from the government that established them and find a way of improving their own finances so that they can lay a solid foundation for their future.

Already many universities have set up institutions and commercial enterprises which they now use to supplement the little funds that are coming from the government. Such ones include programs like the open and distance learning, the virtual library project, publishing companies, Bookshop, Real Estate, Hotel and Conference Centers and transport business among others. These organizations should be managed and operated by skilled personnel as they understand the dynamics and techniques of their operations and management. In fact, universities should not only be the citatals of knowledge but also establish small-scale industries or enterprises for themselves so that they can lessen their dependence on the unwilling government. In this way, they will be achieving their objective of acquiring, developing and inculcating of the proper value orientation for the survival of the society, the development of intellectual capacities of individuals to understand and appreciate the environments and the acquisition of both physical and intellectual skills that will enable individuals to develop into useful members of the community.

Reference

- Eribo, F. (1996) "Higher Education in Nigeria: Decades of Development and Decline", in Hawks, B. G. (ed.) *Issue: A Journal of Opinion*, Vol. XXIV//winter/spring.
- Olashore, O. (1988) *Perspectives on Finance Banking and Economic Policy in Nigeria*. Ibadan: Heinemann Educational Books (Nig) Ltd.
- Salim of Britain, V. (1994) "*Africa, the Lost Continent*" in *New Statesman and Society*, London: April 8.
- Turban, E. & Meredith J. R. (1994) *Fundamentals of Management Science Sixth Edition*. Burr Ridge, III: Richard D. Irwin Inc.