



## Research Article

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## Dissecting The Monetization of Benefits Policy and Workers Productivity in Nigeria public Sector: 2004-2020

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**Abstract:** Monetization policy is one of the reforms agenda of former President Olusegun Obasanjo administration geared towards minimizing cost of governance as well as a motivation tool on the part of public servants. Monetization no doubt is an economic monetary reform programme, which allows its beneficiary more physical cash in the pocket in lieu of some benefits as condition of services. The main thrust of this study is to examine the nexus between monetization policy and workers productivity in Nigeria public-sector. The study adopted Two-Factor theory propounded by Fredrick Herzberg in the late 1950s and 1960s in explaining the linkage between monetization policy and workers productivity. The study made use of qualitative descriptive method of data analysis while relying on the secondary source of data collection such as internet sources, government documents, journals, conference papers, gazette, text books. The study made its findings and agrees that monetization policy implemented by Obasanjo's administration enhances workers productivity in Nigeria public sector. Finally, the study recommended some policy measures which if adhered to, will go a long way in ensuring smooth running of public services.

**Keywords:** Monetization, Productivity, Fringe Benefits, Motivation, Incentive.

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## INTRODUCTION

The operation of any modern state requires an institutional structure that is effective and efficient. The civil service has been the corner stone and engine for public sector administration. Monetization of fringe benefits in the public service is a subject of current interest, not only to public servants who are directly affected by the policy pronouncements of the Federal Government, but to the generality of the Nigerian people who in one way or the other will be affected by the policy.

Monetization is a form of monetary policy which means benefits being enjoyed by public servants would be paid in enbloc (monetized). Monetization policy could be referred to as "monetization of fringe benefits". Some of these fringe benefits include; leave grant, meal subsidy, entertainment, duty tour allowance and domestic servants allowance (The Guardian, 2005). However, the items listed for monetization include residential accommodation, provision of vehicle (including fueling and maintenance), provision of medical treatment, utilities (electricity, water, telephone and personal aids), and housing and transportation allowances.

The monetization policy gives 100% of annual basic salary for residential accommodation, 300% of the

same as furniture allowance. This policy as part of the monetary policy strategy has been used to solve a number of economic problems as well as improve on the productivity of workers. Ramachandran (2004) is of the view that one of the best policy options to attain fiscal prudence consistent with growth and stability is to monetize some portion of government policy. Monetization as one of the reforms that took place in the public service was a harbinger to systematically reduce government financial waste, abuse of public property by public servants and enhancing workers productivity.

However, Saka (2005) enunciated the reasons behind monetization policy as far as Nigeria is concerned. These reasons include:

- To reduce the high cost of governance in view of the fact that past and present regimes are riddled with corruption which makes the cost of administration of government affair to be expensive;
- To make the public servants adopt a better production approach to public property;
- To ensure that the prevalent mismanagement of public property by public servants would be over as such persons would be offered money to acquire such property elsewhere;

Implicit from the above, is that the objectives of the monetization policy are to encourage public servants

to own personal houses, and to enable them plan for a more comfortable post-service life. Equally, the policy is to minimize waste, misuse and abuse of public facilities in view of reducing capital cost maintenance and running cost. Also the monetization policy is intended to reduce the rent burden on government as public servants make up over 80 per cent of the tenants, especially in state capitals. In addition, the savings from monetization will enable government to execute more capital projects, the essence of this study is to establish the nexus between monetization policy and workers productivity in Nigeria public sector.

The place of the civil service in the strategic and sustainable development of any country is not in doubt. For instance, the crystallization, formulation and implementation of governmental policies and programmes aimed at the transformation of any country rest on the existence of a virile administrative mechanism in the form of civil service or public service. In the case of Nigeria, the story is different. The Nigeria public sector has continued to plummet from an apogee of grace to borrow Kirt-Green's expression (Kirk- Greene, 1976). Put differently, the civil service has performed abysmally poor in the political and socio-economic transformation of the country. This according to Okoli and Onah (2002) made the Nigeria civil service to acquire the image of sick-bay of the various governments and the nation at large. Its maladies, inter alia, range from gross ineffectiveness to bribery and corruption.

The above development informed and has led to the setting up of not less than seven public service review commissions by the past successive governments. Sad enough, these commissions and their corresponding prescriptions have not ended the search for a more effective and efficient public service that is result oriented and responsive in meeting the needs and aspirations of Nigerians.

This research focuses on monetization policy and workers productivity in Nigeria public sector. The monetization policy was a component of the reform agenda of the Obasanjo's administration (1999- 2007) aimed at bailing the Nigerian civil service from what Professor C.O Bassey (1997) calls "a state of suspended paralysis.

However, the study examines the nexus between monetization policy and workers productivity in Nigeria public sectors, hence the following research questions are posed: To what extent has the implementation of fringe benefits increased workers morale needed to enhance their performance? Does the implementation of benefits policy engender job satisfaction among public servants in Nigeria?

### **Theoretical Framework**

There is hardly any research work that fails to appreciate and employ a theoretical framework. The field

of organization research is somewhat diverse and may become easily confining. It helps to equip one with tools that can be used to curve up the field into meaningful chunks. Plausible explanation of relationship between two variables has always emerged through the synthesis of two or more theories. Therefore, in order to capture the complexity that characterizes the interrelationship between monetization policy and workers' productivity, the application of appropriate motivation theory for the examination of the problem of study becomes necessary. It makes clarification on why people exhibit certain peculiar behavior as it concerns performance and directions they choose to take. It outlines the steps organization can take to move employees to make contributions in order to achieve organization's goal as well as satisfy their individual needs.

The study is anchored on the tenets of the Two-Factor Theory propounded by Fredrick Herzberg in the late 1950s and early 1960s. Herzberg conducted a study on 200 accountants and engineers in Pittsburgh by interviewing them to ascertain factors that encourage workers satisfaction (motivation) and those factors which bring about dissatisfaction. In other words, his interest was to find out those elements within and around the work (job) that could either trigger satisfaction (motivation) among the workforce or make workers dissatisfied (de-motivate) in their jobs. Thus, the response from interview sessions were collated and subjected to content analysis. The results revealed that job satisfaction was associated with achievement, recognition, characteristics of the work, responsibility advancement and growth whereas job dissatisfaction was often associated with working conditions, pay and security, company policies, supervision and interpersonal relationship (Onah, 2008). The above results gave rise to Herzberg's Two-Factor Theory. From the two factors, we could see that workers' satisfaction emanate from motivating factors (achievement, recognition, responsibility, advancement, and growth) while work dissatisfaction is a function of hygiene factors (pay and security, working conditions, interpersonal relationships, company policy, supervision).

It is imperative to note that motivating factors are related to the actual job content (intrinsic) while hygiene factors are (extrinsic). More so, the hygiene factors are the lower level needs of the workforce while the motivating factors are high-level needs of workers which in the main corresponded with Maslow's lower-level needs and high-level needs of workers in his Hierarchy of Needs Theory. Herzberg argued that elimination of factors that encourage dissatisfaction can only succeed in removing the cause of dissatisfaction but could not lead to motivation (neutral). To Ugoo, Anazodo and Okoye (2004), the removal of hygiene factors could only placate the workforce but not necessarily motivation. For instance, a hygiene factor could be a temperature in a factory that is not air-

conditioned. Installing functional air-conditioners will certainly remove job dissatisfaction but cannot spur factory workers motivation nor make them greatly satisfied with their work (Onah, 2008). However, job satisfaction/ motivation could be achieved among the workforce through job enrichment and enlargement. In other words, workers must be given more control over their work. Also, instead of repeating a single task over and over, a worker might join with other workers in a team where there is ample opportunity for individual workers to perform several tasks.

Motivation is generally perceived as conditions that boost performance and directs behavior towards accomplishing some defined targets. Motivation is the best strategy for stimulating the interest of employees to do their best, perform most challenging jobs at acceptable level and to attain them in the organization. Fredrick Herzberg Hygiene Motivation Theory when applied to the study sees motivation as a strong determinant of satisfaction which include five major factors; achievement, recognition, the attraction of itself, responsibility and advancement. The implementation of monetization policy will undoubtedly spur motivation from workers which will in turn enhance performance as well as increase productivity. A worker who is motivated works hard, sustains a pace of hard work, and has itself directed behavior towards important goal (Ude and Coker, 2012). The bottom line of motivation is that it propels individuals to achieve organizational goals in order to satisfy some personal needs. Achievement of both organizational and personal goals of objectives give the employees a sense of accomplishment or satisfaction (fulfillment) which stimulates performance and higher productivity. It is important to note from the foregoing that motivation starts with the concept of need deficiency and directed behavior. It is in line with this that Onah (2008) opined that motivational processes begin with need. He went further to define "need" as anything that an individual requires or wants.

### **Monetization Policy in Nigeria Public Sector**

Since the Nigerianization of the civil service in 1960, a number of efforts have been made to reform and revitalize the Nigeria public services as a whole. The reforms have been mainly managerial; they have sought to improve the performance of the civil service through managerial and structural reforms. Monetization according to Amuwo (1991), is the conversion of benefits previously available in kind to public officers into cash payments, a view supported by Mobolaji (2003) who views the policy as government initiative involving systematic cash payments for benefits previously available in kind to public officers. These benefits hitherto made available by government to public officers include the provision of free accommodation and maintenance, furniture, transportation and chauffeur driven vehicles for top public office holders. Monetization of fringe benefits entails in the words of Chukwu (2006), the use of cash to settle non-cash

benefits i.e. the conversion of hitherto non-cash into cash and consequently, they cease to appear in the overhead cost of government. Eke (2007) provides a more academic and illuminating definition by stating that in the sincere sense, monetization is the actual quantification and payments for welfare packages in monetary equivalents.

The improvement of governance has been at best a subsidiary consideration in most of these efforts. A brief review of overall public service reforms and of its main components in the last two and a half decades in Nigeria is the Public Service Reform of 1974-1975, the reform of local government in 1976 and the reform of Parastatals of 1986-1993. Saka (2011), describes monetization as a monetary policy which means that benefits being enjoyed by public servants would be paid enbloc just as Bakare (2011), opines that monetization is an approach to the remuneration of public officers in Nigeria so that benefits which were formerly paid in kind be converted to cash by the salary and wages commission. It- was in this regard that Mimiko (2003) submitted that the monetization policy was precipitated by government concern with the continued escalation of the cost of running the machinery of government as a result of the huge bureaucracy with which the economy is delivered. The monetization policy though of recent origin in Nigeria has attracted a lot of accolades as well as condemnations from writers and commentators. Ekaette. (2003), Chukwu, (2006), Eke, (2007), Bakare, (2011) and a host of others agree that the monetization policy sought to minimize waste, misuse and abuse of public facilities as well as other associated costs of running government, exacerbated by submissions of spurious bills and enhance workers morale needed for high quality job performance.

For Chijioke (2007), an apologist of the monetization policy, one major aspect of the policy, which has excited public servants, is the opportunity it has provided for them to buy off from government, the houses they currently occupy. Speaking further, he avers that the monetization policy was given effect through the passage of an Act: the certain political, public and judicial office holders (salaries and allowances, etc) Act 2003, by the National Assembly. Drawing from the Act, the National Salaries, Incomes and Wages Commission issued a circular spelling out the provisions, as they affect federal civil servants, with effect from 1<sup>st</sup> October, 2003. Under the policy, services now monetized include residential accommodation, furniture allowance, leave grant, meal subsidy, duty tour allowances, motor vehicle loan, fueling/ maintenance of official vehicles and transport allowance. Arising from the monetization of fringe benefits, total of 7,487 government official vehicles are being disposed of through outright sale to civil servants. However, none of all these reforms have been as comprehensive as the Obasanjo reform exercise. Nigeria has drawn her reform idea both from within and outside the country.

Olukoshi (1995) is of the view that the body set up to actualize the policy appeared to be self seeking. 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. Had the policy terminated with his tenure, its aftermath would have serious budgetary implications.

Fasoranti (2008) viewed monetization policy in Nigeria as a socially worthwhile initiative. He opined that the cash payment of benefits may 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. 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 monetized for it to be effective. In addition to this, he advised that evolvment were not always market driven, the opportunity to successfully bid for and own the government asset to be traded in monetized policy. The pressure for reform, internal and external, are examined in the context of the world shift from strategies of state-led economic development towards models relying more on private sector led and outward looking growth. The argument is that the third world nations remained underdeveloped due to weaknesses in their economic organization and short comings in the operation of the state institutions. In sum, civil as well as public service reform in Nigeria has sought to improve the performance of the Nigeria administrative system through managerial reforms.

A study by Ude and Coker (2012) on employee motivation and productivity in organizations in Nigeria: Analytical linkages examined the impact of incentive scheme on employee motivation and productivity. The results showed that incentives schemes have high significant linkages with employee motivation and productivity in the public sector organization in Nigeria. Nwokwu (2015) conducted an empirical study on the Role of Motivation in Enhancing Productivity in Nigeria civil service. Specifically, the study sought to measure the extent to which pay package, regular pay package and capacity building enhance productivity in the public sector. The study conducted made their findings and recommended that government should institute capacity building programmes to empower the workers skill-wise as well as pay adequate attention on the welfare of the workforce to boost their performance at the workplace.

In November 11, 2002, the President Olusegun Obasanjo set up a committee on the monetization of fringe benefits in the Public Service of the Federation under the auspices of the chairman, the secretary to the government on reformation agenda chief J. Ekaette. The establishment of the committee became necessary because over the years, the cost of governance has continued to escalate, mainly from the burden of providing basic amenities to public servants by the government leaving very little for capital development. Government signed into law the "Certain Political, Public and Judicial office Holders (salaries and allowances) Act, 2002" and it was substantially adopted in making recommendations on the monetization of the fringe benefits of civil and other public servants not covered under the Act. The law came into effect from 1st July, 2003 for the designated political, public and judicial office holders contained therein, while it was extended to, with some modified rate of benefits, to federal servants with effect from 1 October, 2003.

### **Implementation of Fringe Benefits and Workers Performance**

The whole essence of the monetization policy is to cut cost, reduce for government, the burden of providing amenities to public servants and motivate workers morale through the implementation of the policy in order to spur them into efficient, effective and productive work.

Notwithstanding the complexity of measuring productivity of workers, most especially in the public sectors, scholars have attempted to examine the impact of the monetization policy on productivity of civil servants. Alkali, Sambo. Musa. (2005) noted that the policy will enhance effective productivity among civil servants as income will increase, thereby reducing the tendency of being corrupt. Agba (2006) contends that it is doubtful whether increase in salaries as a result of monetization will serve as a motivator affecting work attitude and perception for better performance. With the prices of goods and services on the increase, salaries are hardly sufficient to meet the basic needs of workers like foods, clothing, shelter, school fees of children etc. The problem is compounded by the non-extension of the scheme to state and local government. Even with the partial implementation of the policy, government has designed subtle means of taking back the increment on salaries of federal workers.

Productivity which deals with effective and efficient attainment of set goals- and objectives of an organization can hardly take place when the salaries of workers do not meet their physiological needs as identified above. According to Lawler (1964) employees attach greater importance to pay and feel that good job performance would lead to a higher pay. All that is given by a worker is his productivity which is determined by his skills, attitudes, education, the equipment use, age, years of experience on the job and sex (Iheanacho,2005).

Enhancing productivity is not just a matter of each worker working harder, a number of variables such as; managerial leadership, innovation, technology, motivation, etc.

For instance, on each pay slip of some federal institutions like Federal Polytechnic Idah, this slogan is usually written, "Work Harder to Make Federal Polytechnic, Idah Greater". It is very imperative to remind workers or staff to work harder, but in addition, the conditions that make for higher productivity must be put in place by the management. This shows that the responsibility of enhancing productivity rests squarely on management (Okoh, 2003). Korolo (1991) believes that to enhance productivity, there must be cooperation of management, employees and the public on the basis of the values of each as a participant in the policy making process. In other words, management, employees and the public must be partners in progress.

The Nigerian worker seeks jobs that attract higher pay (Imafidon, 2003). Money acts as a powerful motivator not only because of its ability to satisfy physiological needs, but also because of its ability to satisfy higher level needs such as the need for status, power, recognition, achievement, etc. (Yalokwu, 2003). Ubeku (1975) supports this view when he wrote that:

While one is aware of the social science findings in Europe and America which tends to play down the importance of wages and salaries as a motivating factor, there is no doubt that in the Nigerian context, it has large motivating elements in it.

Thus, if a manager, coordinators, directors wants to maintain the best relationship with his employees, he must be prepared to acknowledge the existence of human needs (Atiomo, 2002) and should treat the issue of financial rewards with great care (Obembe, 2005). The efforts towards monetization by previous governments have been a partial exercise of a few fringe benefits in such areas as; leave grants, meal subsidy, domestic servants allowance, duty tour allowance, entertainment allowance. But under Obasanjo, it was a full-length implementation.

### **An Overview of Monetization of Fringe Benefits**

The idea of monetization policy is intended to cut costs and reduce instance of corruption in public sectors. This is because over the years capital projects have not been implemented due to high cost of running political, public and judicial office holders, according to Ekaette (2003). The Federal Government circular titled monetization of fringe benefits in the Federal Public Service, cited in the Punch (2003), states that over the years, the cost of governance has continued to escalate. The burden of providing basic amenities for public officers has contributed significantly to the continuous increase in government recurrent expenditure, leaving very little for capital development. For more efficient

allocation of resources and equity in the provision of amenities for public officers (Nyong, 1998), government has approved the monetization of fringe benefits to public and judicial office holders.<sup>1</sup> The fringe benefits include: furniture, residential accommodation, utility, domestic servants, motor vehicle, fueling/maintenance of transport facilities, medical treatment, leave grant, meal subsidy and entertainment which were hitherto provided for entitle officers at huge cost to Government (Economic Update, 2004).

### **Furniture Allowance**

A furniture allowance of 300% of annual basic salary will be paid to political, public and judicial office holders once in every four years. This allowance will be paid annually at the rate of 75% of annual basic salary.

### **Utility Allowance**

The allowance had already been monetized and shall continue to apply as follows:

G.L (Grade level)	01-06	-	N3, 600 per annum
G.L (Grade level)	07-10	-	N6,000 per annum
G.L (Grade level)	11-14	-	N7, 800 per annum
G.L (Grade level)	15-17	-	N9,600 per annum

Permanent secretary & Head of the civil service of the federation - N 16, 800 per annum. Political, public and judicial office holders 20% of annul basic salary.

### **Domestic Servant Allowance**

The domestic servant allowance has already been monetized for public servants and the rates still apply as follows:

G.L 15	-	N119, 586 per annum
G.L 16	-	N239, 172 per annum
G.L 17	-	N358, 544 per annum

Permanent secretary and Head of Service have four domestic servants – N478, 344 per annum. Political, public and judicial office holders 75% of annual basic salary.

### **Motor Vehicle Loan and Transport**

The provision of motor vehicles to public officers is not monetized. Officers will be granted motor vehicle loan at the rate of 350% of their annual salary. The loan will be recovered within six years at 4% rate of interest as contained in extant regulation on motor vehicle advance. As regards the use of Government vehicles, government has directed as follows:

- No new vehicle would be purchased by any ministry. Extra Ministerial Department, Federal Government Agency or Parastatals;
- Each Ministry/Agency will be allowed a specific number of utility vehicles, including buses, for essential services;

- c) Where there is the need to purchase (a) new vehicle(s) in any ministry, Extra Ministerial Department, Agency or Parastatals a request shall be made to Mr. President for approval;
- d) A committee has been set up to work out details of the disposal of the vehicles;
- e) Service wide staff buses will be pooled under the management of the, office of the head of the civil service of the federation to convey staff to and from office at an approved rate.

#### **Fueling/Maintenance and Transport Allowance**

An allowance of 10% of annual salary will be paid to public servants and 30% of annual basic salary will be paid to political, public and judicial office holders as contained in the Act.

#### **Meal Subsidy**

The allowance has already been monetized as contained in the circular Nos. SWC 04/Vol./991 of 5<sup>th</sup> May 2002 issued by the National Salaries, Income and Wages Commission (NSIW<sup>T</sup>C) and will continue to apply as follows:

G.L 01-06	-	N 6, 000 per annum
G.L 07-10	-	N 8, 400 per annum
G.L 12-14	-	N 9, 600 per annum
G.L 15-17	-	N10,800 per annum
Permanent secretary & Head of Service	-	N 16, 200 per annum

#### **Entertainment Allowance**

Entertainment allowance for entitled civil servants has already been monetized and shall continue to apply as contained in the circulars NOS. SWC.04/Vol.IV/911 of 5<sup>th</sup> May 2000 and SWC, 04/S.I/VOL.IV of 5<sup>th</sup> May, 2000, issued by the National Salaries, Income and Wages Commission as follows:

GX 15	-	N 8,000 per annum
G.L 16-17		N10,800 per annum
Permanent secretary		N27,000 per annum
Political, public and judicial office holders		10% of annual basic salary.

#### **Leave Grant**

The provision of the public service rule number 13213 shall continue to apply, which means that "leave allowance shall be 10% of annual basic salary".

#### **Personal Assistance Allowance**

An allowance of 25% of basic salary will be paid to entitled officers as listed in the circular of political, public and judicial office holders (salaries and allowance, etc) Act, 2002.

#### **Residential Accommodation**

Provision of residential accommodation for political, public and judicial officers has been monetized at 100% of annual basic salary to be paid en bloc, annually to enable the officers rent houses of their choice.

However, in order to avoid exerting severe strain on officer's presently occupying government quarters, in the first year of the monetization exercise, their residential accommodation allowance (100% of annual basic salary) will be converted to rent for the quarters they occupy. Government residential houses across the country will be sold by public auction at the end of the first year of monetization after proper valuation. Public officer occupying such houses would be given the first option to purchase the houses, but at the prize of the highest bidder.

To ensure that Government quarters are properly maintained during the one year transition period, all residents will pay 10% of their basic salaries as service charge into a trust fund which will be managed by a board of trustees made up of representatives of residents, facility manger appointed to manage each estate/ group of property and the Federal Government.

#### **Medical Allowance**

Medical allowance has been provided in Public Service Rule, chapter 9, section 09203, which propose payment of 10% of an officer's annual basic salary as medical allowance. However, special cases requiring government intervention would be considered on merit.

To facilitate the implementation, Ekaette (2003) states that the policy on the monetization of fringe benefits for public officers, the budget office of the Federal Ministry of Finance will issue a call to all ministries, extra ministerial departments and agencies to prepare supplementary budget for the remaining part of the year 2003 to take account of monetization exercise. Igbokwe (2003), appeals to the government to be fair to workers in the course of implementation of monetization policy.

#### **Evolution of Monetization Policy in Nigeria**

Monetization started during the colonial administration when colonial masters provided their expatriate workers (white civil service administration) with fringe benefits. These workers did not have to pay for these benefits from their salaries, which otherwise were paid to them from their country, those who were working in hostile territory were paid hazard allowance.

They were generally very few in number compared with the total income that the colonial government was extracting from the colonies. They demanded for additional special incentives to compensate for the opportunities being abandoned for services in an environment considered less attractive (Aluko. 2005). It is in this regard the Haragin salaries commission of 1945 was set up.

The commission came up with a regime of incentives that entitled senior service officials to car allowance, European style quarters, free medical

treatment and first- class travel. Giving the nature of their job in the maintenance of law and order and management of an extractive economy to produce raw materials to support industries located in western nations, the colonial administration had no difficulty in sustaining these allowances for these officials (Kwaghga, 2010). When these colonist left, the indigenous civil servants that took over arrogated unto themselves, with the first significant one being living in Government Reservation Area (GRA) apart from the other natives. It took no time before they began to abuse these benefits, instead of one car, our indigenous public servants had more than (4) official cars, (3) servants, had more than (3) government houses in Abuja and Lagos, yet each can have more than (2) wives, fly in business class plane, have free medical treatment for the entire family all these coupled with a fat basic salary in addition to other allowance (Aluko, 2004). This phenomenon was transferred from one political generation to another which has brought us to where we are now.

However, it is pertinent to note that, prior to the introduction of monetization policy in Nigeria, government officials were treated with the provision of free residential quarters, official vehicle, maids, free medical services (w'hich were also extended to their families), furniture allowance, leave grants, meal subsidy, duty tour allowance etc. The provisions of these benefits to the teeming number of public servants in the nation posed a huge pressure to the fiscal policy in the country because capital projects as a major driver of the economy towards sustainable growth and development were stifled.

In a bid to solve these problems, the government decided to carry out some economic reforms that are aimed at minimizing, if not eliminating virtually all known available wastage. One of such reforms initiated is the monetization of fringe benefits in the public service under Chief Olusegun Obasanjo administration on November 11, 2002. The committee was chairman by chief Ekaette who was at then the secretary to the government reformation agenda. The proceeds or savings realized from the reform policy (monetization) will be used for capital project and other infrastructural development.

## CONCLUSION/RECOMMENDATIONS

The total evidence from this study shows that there is significant positive impact arising from the implementation of monetization policy which has invariably increased workers morale and level of output. The implementation of monetization policy in Nigeria public services has invariably led to an increase on workers' productivity and improvement on real Gross Domestic Product (GDP). It is a good economic policy that would enhance labour productivity if well implemented and sustained. The finds and conclusion of

this study support the need for the government to be more disciplined in handling good policies. The implementation of monetization policy in the Nigeria public sector is a welcome development but for it to be very effective the following recommendations must be adhered to:

- Government should as a matter of urgency ensure prompt payment of all allowances (monetized) to workers for efficiency and effectiveness of service delivery.
- The government should endeavour to establish a body or committee that will ensure all matters relating to adequate implementation of monetization policy and the committee should be an ad hoc committee.
- The government should bear in mind that if workers interests were not taken into due consideration in the execution of the policy, public servants might feel that the programme was designed to short change them.
- Government policies towards the reforms should be ideal and meaningful.
- There has to be a balance in the execution of the monetization policy so that we do not counter any productive or destructive psychological signal or message to the minds of the public servants who might feel he/ she is being cheated by this policy.

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