

**FACTORS MILITATING AGAINST THE MANAGEMENT OF PUBLIC  
ENTERPRISES IN TARABA STATE**

**BY**

**EYAB, TIMOTHY RIKARIMAM**

**MPA/MT/09/0232**

**JANUARY, 2012**

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF MANAGEMENT  
TECHNOLOGY, MODIBBO ADAMA UNIVERSITY OF TECHNOLOGY, YOLA  
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTER IN PUBLIC ADMINISTRATION (MPA)**

**DEPARTMENT OF MANAGEMENT TECHNOLOGY, SCHOOL OF  
MANAGEMENT AND INFORMATION TECHNOLOGY**

**JANUARY, 2013.**

## **DECLARATION**

I, EYAB Timothy RikaRimam hereby declare that this project was written by me and it is my own research work. It has not been presented before in any previous application for higher degree. All references cited have been duly acknowledged.

## **DEDICATION**

This project is dedicated to my Father and Mother Rev. and Mrs. Adam Eyab for their support towards my education.

## **ACKNOWLEDGEMENTS**

Firstly, my appreciation goes to my supervisor, Prof. Linus Osuagwu, who despite his crowded schedules still found time to carefully go through this work. His suggestions and criticism gave quality to this work.

I am also grateful to my wife, Comfort T. Eyab for her support towards my academic well-being. My appreciation also goes to my entire lecturers particularly Mr. Gambo Matudi Ika, Mr. A.U Alkali, Mr. V. Deva, Mr. Jude Momodu and Mr. Ejika Sambo. The contributions of these credible scholars have indeed been a great motivation towards the success of this work.

My sincere gratitude goes to the families of Rev. and Mrs. David Ibi, Rev. and Mrs. Rimamshong Yerima, Rev. and Mrs. Ande Musa, Rev. Elisha Eyab, Elder Rimamsanati Adamu, Mr. and Mrs. Sabo Ishaku, Mr. and Mrs. Ndeyati Annafa, Mr. and Mrs. Yusuf I. Ibrahim for their moral supports and encouragements during my studies.

Big thanks to Mr. Ismailu T. Ukwon, the Clerk of the Taraba State House of Assembly Jalingo for his prompt approval of my study leave. I am grateful to the entire Management of the Taraba State House of Assembly for granting me study leave with pay. To all my colleagues in the House of Assembly especially those at the Public Relations Unit, I say thanks for your concern towards me. Without missing words, I thank Felix Jonathan and Rimamshong Audu for helping me in the typesetting and arrangement of this works.

Finally, I register my appreciation to all my colleagues in the MPA 2009/2010 session particularly Mr. Udisifan D. Magaji, Hon. Kwamoti B. Lauri, Mrs. Jemimah G. Nwunuji, Ms. Rijim Bitrus, and Mr. Sule Riyang their presence and encouragement has made to forge ahead.

To you all thank you and God Bless.

### ***ABSTRACT***

*The purpose of this study was to determine how factors such as regulatory environment, internal environment, economic environment and technological environment are militating against the management of public enterprises in the State. The aim was to offer strategies*

*how public enterprises could served the citizen of Taraba better in the dynamic business environment, hence their role will continue to be significant in developing societies such as Taraba state. A total of 37 public enterprises comprising of about 7.258 employees of public enterprises in Taraba State were the population of the study. A purposive sampling technique was adopted to select a sample size of 300 employees from the senior and management staff of the public enterprises to constitute the respondents. Four research questions were formulated. The structured questionnaire, designed to provide rated response options to generated items using a Likert scale was used to collect data. Out of the number, a total of 282 questionnaires were correctly filled and returned. Meanwhile, mean was used to analyze the data collected on the research questions using the SPSS version 18.0. Some major findings of the study were thus; Government has good intention for the establishment, management and regulation of public enterprises in Taraba State, but political interference in the management, appointments, financing and internal affairs of public enterprises, the general volatile economic environment of Nigeria/Taraba State, lack good sources and strategies for fund management to achieve set objectives, the volatile economic environment of Taraba corruption and the unfavorable technological environment in the state hamper their effective performance. These make life edgy for its citizens. Rather than abating public enterprises in the state, more stringent measures should be espoused for their effective management in State. This can be done through concession inform of Public Private Partnership and privatization of the public enterprises. This will improve the management and enhance the patronage of the products and services of public enterprises. Again government should make efforts toward research and development, as well as improve sources and fund management strategies of public enterprises in the State.*

## TABLE OF CONTENTS

<u>Title</u>	<u>Page Number</u>
Cover Page- - - - -	i
Title Page- - - - -	ii

Declaration - -	-	-	-	-	-	-	-	-	-	iii
Dedication -	-	-	-	-	-	-	-	-	-	iv
Approval Page-	-	-	-	-	-	-	-	-	-	v
Acknowledgements-	-	-	-	-	-	-	-	-	-	vi
Abstract- -	-	-	-	-	-	-	-	-	-	vii
Table of Contents-	-	-	-	-	-	-	-	-	-	viii
Lists of Tables-	-	-	-	-	-	-	-	-	-	xi

## **CHAPTER ONE**

### **INTRODUCTION**

1.1	Background to the Study	-	-	-	-	-	-	-	-	1
1.2	Statement of the Research Problem-	-	-	-	-	-	-	-	-	3
1.3	Objectives of the Study-	-	-	-	-	-	-	-	-	4
1.4	Research Questions-	-	-	-	-	-	-	-	-	4
1.5	Research Hypotheses-	-	-	-	-	-	-	-	-	4
1.6	Definition of Terms-	-	-	-	-	-	-	-	-	5
1.7	Significance of the Study-	-	-	-	-	-	-	-	-	5
1.8	Scope of the Study-	-	-	-	-	-	-	-	-	6
1.9	Limitations of the Study-	-	-	-	-	-	-	-	-	6

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORITICAL FRAMEWORK**

2.1	Definition of Public Enterprises-	-	-	-	-	-	-	-	-	7
2.2	Classification of Public Enterprises-	-	-	-	-	-	-	-	-	7
2.3	Trends in the Development of Public Enterprises in Nigeria-	-	-	-	-	-	-	-	-	9
2.4	The Management of Public Enterprises in Taraba State-	-	-	-	-	-	-	-	-	14
2.5	Public Enterprises and its Regulatory Environment	-	-	-	-	-	-	-	-	16
2.5.1	The Policy Board-	-	-	-	-	-	-	-	-	17
2.5.2	The Management Board-	-	-	-	-	-	-	-	-	18
2.5.3	Ministerial Control-	-	-	-	-	-	-	-	-	18
2.5.4	Parliamentary Control-	-	-	-	-	-	-	-	-	18
2.5.5	Judicial Control-	-	-	-	-	-	-	-	-	18
2.5.6	Public Control-	-	-	-	-	-	-	-	-	18
2.6	Public Enterprise and its Internal Environment	-	-	-	-	-	-	-	-	21
2.6.1	The Public Enterprise's Resources-	-	-	-	-	-	-	-	-	22
2.6.2	The Enterprise's Organization Culture	-	-	-	-	-	-	-	-	22
2.6.3	Synergistic Advantage-	-	-	-	-	-	-	-	-	22
2.6.4	Distinctive Competence	-	-	-	-	-	-	-	-	23
2.6.5	Functional Strategies-	-	-	-	-	-	-	-	-	23
2.6.6	Functional Plans and Policies-	-	-	-	-	-	-	-	-	23



2.6.7	Financial Plans and Policies-	-	-	-	-	-	-	23
2.6.8	Marketing Plans and Policies-	-	-	-	-	-	-	24
2.6.9	Production System- -	-	-	-	-	-	-	24
2.6.10	Operations planning and Control-	-	-	-	-	-	-	24
2.6.11	Personnel Plans and Policies-	-	-	-	-	-	-	24
2.6.12	Information Management Plans and Policies-	-	-	-	-	-	-	25
2.7	Public Enterprises and its Economic Environment-	-	-	-	-	-	-	25
2.7.1	Economic System- -	-	-	-	-	-	-	26
2.7.2	Economic Conditions-	-	-	-	-	-	-	26
2.7.3	Economic Policies- -	-	-	-	-	-	-	26
2.8	Public Enterprises and its Technological Environment-	-	-	-	-	-	-	30
2.9	Review of Related Empirical Studies-	-	-	-	-	-	-	33
2.10	Theoretical Framework--	-	-	-	-	-	-	34

### **CHAPTER THREE**

#### **THE METHODOLOGY OF THE STUDY**

3.1	Research Design-	-	-	-	-	-	-	37
3.2	Population of the Study-	-	-	-	-	-	-	37
3.3	Sample Population -	-	-	-	-	-	-	37
3.4	Sampling Technique -	-	-	-	-	-	-	38
3.5	Method of Data Collection-	-	-	-	-	-	-	38
3.6	Description of the Instrument for Data Collection-	-	-	-	-	-	-	38
3.7	Validity of Instrument-	-	-	-	-	-	-	39
3.8	Reliability Test-	-	-	-	-	-	-	39
3.9	Methods of Data Analysis-	-	-	-	-	-	-	39

### **CHAPTER FOUR**

#### **PRESENTATION AND ANALYSIS OF DATA**

4.1	Data Presentation-	-	-	-	-	-	-	41
4.1.1	Reliability Testing -	-	-	-	-	-	-	41
4.2	Data Analysis-	-	-	-	-	-	-	44
4.3	Presentation of findings --	-	-	-	-	-	-	54
4.4	Discussion and Implications of the findings--	-	--	-	-	-	-	54
4.5	Test of Hypotheses --	-	-	-	-	-	-	58

### **CHAPTER FIVE**

#### **SUMMARY, CONCLUSION AND RECOMMENDATION**

5.1	Summary-	-	-	-	-	-	-	66
5.2	Conclusions-	-	-	-	-	-	-	67
5.3	Recommendations-	-	-	-	-	-	-	67
REFERENCES-	-	-	-	-	-	-	-	69
APPENDIX A: Names of Public Enterprises in Taraba State-	-	-	-	-	-	-	-	76

APPENDIX B: The Model of Current Philosophy of Government Business	
in Nigeria- - - - -	78
APPENDIX C: Questionnaire - - - - -	79

## LIST OF TABLES

Table Number	Table Title	Page No.
Table 4.1.1: Data Presentation-	- - - - -	41
Table 4.1.1.1: Item-Total Statistics-	- - - - -	41
Table 4.1.1.2: Scale Statistics-	- - - - -	43
Table 4.1.1.3: Reliability Statistics-	- - - - -	43
Table 4.2.1 Gender of Respondents-	- - - - -	44
Table 4.2.2 Ages of Respondents-	- - - - -	45
Table 4.2.3 Departments of Respondents-	- - - - -	56
Table 4.2.4 Grade Levels of Respondents-	- - - - -	47
Table 4.2.5 Highest Qualification of Respondents-	- - - - -	47
Table 4.2.6 Length of Service of Respondents-	- - - - -	48

Table 4.2.7: Mean rating of respondents on factors related to regulatory environment that militate against the management of public enterprises in Taraba State- - 50

Table 4.2.8: Mean rating of respondents on factors related to internal environment that militates against the management of public enterprises in Taraba State - 51

Table 4.2.9: Mean rating of respondents on factors related to economic environment that militate against the management of public enterprises in Taraba State. - - 52

Table 4.2.10: Mean rating of respondents on factors related to technological environment that militate against the management of public enterprises in Taraba State. - 53

Table 4.5.1: Regulatory environment has no significant relationship against the management of public enterprises in Taraba state. - - - - - 58

Table 4.5.2: Internal environment has no significant relationship against the management of public enterprises in Taraba state. - - - - - 60

Table 4.5.3: Economic environment has no significant relationship against the management of public enterprises in Taraba state. - - - - - 62

Table 4.5.4: Technological environment has no significant relationship against the management of public enterprises in Taraba state. - - - - - 64

## **CHAPTER ONE**

### **Introduction**

#### **1.1 Background to the Study**

After their Independence, most of the governments of developing countries of the third world's involvement in the planning and execution of social and economic policies were inevitable. As Omoleke and Adeopo (2005) postulated the absence of viable indigenous entrepreneurial class and also the threats posed to their economic and political structures by neo-colonialists had made most African countries to realized that neither the public service they inherited, nor the few scattered private enterprises controlled by the foreign investors could produce goods and services that would satisfy the aspiration of the

then newly independent states. Besides, the desire of most African governments to control the strategic areas of their economy has made them to adopt policies that play down the orthodox laissez-faire economic dogma which essentially restrict governments to their traditional role of maintaining law and order in the society.

In Nigeria the case was not different as public enterprises became an increasing tool of government intervention in the development process especially from the early 1970s. Jerome, (2002) estimated that by 1990, there were over 1,500 public sector enterprises in Nigeria, 600 of which were owned by federal government, an estimate of 900 were owned by the states and local governments. The estimated 1,500 public enterprises in Nigeria accounted for between 30 and 40 per cent of fixed capital investments and the same proportion of formal sector employment. These investments were valued at over N.36 billion at their historical book values.

Zayyad (1999) points out that, it was the fall in the world market for oil, and the economic recessions which began in the early 1980s that serious attention was focused on the problems of public enterprises in Nigeria, which included the misuse of monopoly powers, defective capital structure, resulting in heavy dependence on the government treasury, bureaucratic red tape in their relations with supervising ministries, mismanagement, corruption and nepotism. Jerome, (2002) revealed that as government could not continue to support the enormous waste and inefficiency of the public enterprises, the programme of privatisation and commercialisation was developed to address the peculiar socio-economic and political conditions in Nigeria.

Taraba State which was created in 1991 inherited six (6) public enterprises from the defund Gongola state based on the virtue of their location. It also established new ones as time went by. This was done with the aim to provide goods and services to the citizenry, created jobs, boost exports, and stimulate the economy of the state. At the time of its takeover in 1991, their operations were at the lowest ebbs as there were poor or total absence infrastructure, obsolescence in some of the plants and machinery; likewise staff salaries and other emoluments were in arrears for several months.

In realization of the poor states of these enterprises, the government of Taraba State took steps to revitalize the enterprises with a view to turning them around. Various options

including direct funding by government, joint ventures with private investors and leasing were considered. In the words of Jolly Nyame the former Governor of the state, “government is determined to invest in new viable ventures, most desirably in partnership with indigenous and non-indigenous entrepreneurs. ...take advantage of our skilled manpower base, an extremely friendly people, an improving range of infrastructures, and a basket full of incentives to invest in the State” (Taraba State Investors Guide, 1999).

However as Chikwendu (1993) and Jerome (2002) posited, in Taraba state just like in any other state of the nation, Public Enterprises have been criticized for being economically inefficient and wasted of resources; they make significant demands on government resources as well as domestic and foreign credit. Unfortunately their demands have been associated with low profitability and inefficiency while most of them failed to show a profit. Operating on a deficit, they have proved to be a massive drain on government resources through transfers and subsidies. In addition to management deficits many of them also suffered from technological shortcomings. Imported through either foreign aid or soft loans from abroad, many of the public enterprises were either equipped with low or second grade machineries contributing to low output ratio, or were established without due regard to their economic and financial sustainability.

The question arises with regards to what role, if any, public enterprises, given their significant economic presence can play in achieving the vision 20, 2020; of Nigeria or the attainment of the United Nations’ Millennium Development Goals (MDGs) in Taraba State. Should public enterprises in Taraba State incorporate commercially-oriented enterprises of commercialisation, privatization and public private partnership (PPP) as introduced by the federal government on its owned public enterprises and elsewhere (Jerome, 2002) Or should they be allowed to produce limited public goods and services for the satisfaction of societal needs? Again, what are the factors militating against their management? Could it be defaulted government regulatory policies? Could it be the hostile economic or technological environments surrounding them? Or could it be the faulty internal structure of their management? The answers to these raised questions hopefully would be found after the compilation of this research work.

## **1.9 Statement of the Research Problem**

With the dynamic changes in world business environment over the years (Bertucci, 2005) and the subsequent change in the management of public enterprises all over the world (Jerome, 2002) and (Basu, 2005); it is obvious that the commitments of governments and the roles of the managers of public enterprises must have changed tremendously. But one revealing discovery is that while care is taking to tackle the effects of these changes elsewhere and in Nigeria by the federal government through the introduction of various reforms measures; Privatization, Commercialisation, Public Private Partnership (PPP) and other new public management engagements of its' public enterprises (Swierczek, 2000), (Jerome, 2002); less attention is given to the effects of same changes in Taraba State. Public enterprises in Taraba state are still label with low profitability, and inefficiency while most of them failed to show a profit (Chikwendu, 1993). Jauch (2002) observed thus:

There is no doubt that the ongoing poor performance of some these parastatals have become unsustainable. It cannot be justified that millions of public funds have to be spend every year to keep them alive at the expense of other pressing developmental priorities. Critical questions need to be raised about the quality and competence of management at such parastatals and why government as the owner has allowed the situation to deteriorate year by year while rewarding incompetent managers and workers with huge bonus and later on retrenchment packages. There is the need for reformation.

It is however, based on this cause that it is imperative to ask this question about the management of public enterprises in Taraba State: What are the factors militating against the management of public enterprises in Taraba State?

## **1.3 Objectives of the Study**

The broad objective of the study was to ascertain the factors that militate against the management of public enterprises in Taraba State. Specifically the study was intended:

- a) To determine the factors related to regulatory environment that are militating against the management of public enterprises in Taraba State.
- b) To find out how factors related to internal environment are militating against the management of public enterprises in Taraba State.
- c) To established how factors related to the economic environment are militating against the management of public enterprises in Taraba State.

- d) To examine how factors related to the technological environment are militating against the management of public enterprises in Taraba State.

#### **1.4 Research Questions**

The research was guided by the following research questions:-

- a) What are the factors related to the regulatory environment that are militating against the management of public enterprises in Taraba State?
- b) What are the factors related to the internal environment that are militating against the management of public enterprises in Taraba State?
- c) What are the factors related to the economic environment that are militating against the management of public enterprises in Taraba State?
- d) What are the factors related to the technological environment that are militating against the management of public enterprises in Taraba State?

#### **1.5 Research Hypotheses**

To find solutions to the raised research questions, the following hypotheses would be tested at 0.05 levels of significance.

- a) Ho: Regulatory environment has no significant relationship with the management of public enterprises in Taraba state.
- b) Ho: Internal environment has no significant relationship with the management of public enterprises in Taraba state.
- c) Ho: Economic environment has no significant relationship with the management of public enterprises in Taraba state.
- d) Ho: Technological environment has no significant relationship with the management of public enterprises in Taraba state.

#### **1.6 Definition of Terms**

**Management:** - The process of getting people together to accomplish desired goals and objectives, using available resources effectively and efficiently.

**Public Enterprises:** - Government corporate organizations which engage in business type of activities to provide goods and services for the social and economic benefits of citizens.

**Commercialization:** - The adoption of the ethics and systems of privately owned enterprises into the operational structure of public sector organizations.

**Privatization:** - letting public enterprises to operate basically along the same lines as similar organizations in the private sector.

**Public Private Partnership:** - Collaboration between Governments and Private Organizations to provide socially-beneficial goods and services to the public.

**Business organization:** - Enterprise publicly or privately owned with a common aim of satisfying human needs by producing goods and services and making a profit.

### **1.7 Significance of the Study**

The findings of the study will be of benefit to the various Ministries of the Taraba State government whose responsibility is to regulate the management of the state-owned enterprises. The findings will also be of help to the legislative arm of government in the state in carrying out its oversight functions over the enterprises. The findings will expose the above bodies to have insight into some of the factors militating against these enterprises, thereby assisting them in formulating sound policies that will lead to improvement in the quality of goods and services rendered by these public enterprises in Taraba State.

The finding will also be beneficial to the Managing Directors of Public Enterprises in Taraba State. It will provide them with information related to the factors militating against their management. The suggestions given at the end of the research work would help them to improve on their operations.

The findings will also be of immense importance to the would-be investors in Public Enterprises in Taraba State in the form of privatization, commercialization or the Public Private Partnership (PPP) policy of the government. It will furnish them with firsthand knowledge on likely conditions they will meet in their efforts to investing in the state and thereby tackle such problems before venturing into any partnership or investment.

The finding of this study will be of great significance to the researcher in the field of public enterprises. It will constitute a great source of secondary information as well as reference guide to those intending to carry out research work in similar or related topics in Taraba State.

### **1.8 Scope of the Study**



This research only covers such factors as regulatory environments, internal environments, economic environments and technological environments as they militate against the management of Public Enterprises in Taraba State. The scope will also be restricted to the thirty seven (37) Public Enterprises owned solely by Taraba State Government as at April 2012.

### **1.9 Limitations of the Study**

Like any other human undertaking, this research work may face the following limitation.

- I. The oath of secrecy against revealing government data, information and necessary explanations by some government officials particularly on government policies and activities may affect the ease of collection of data thereby making factual information regarding this study incomplete.

## **CHAPTER TWO**

### **Literature Review and Theoretical Framework**

#### **2.1 Definition of Public Enterprises**

An enterprise according to Oxford Advance learners Dictionary of Current English means “undertaking” especially one that needs courage or that offers difficulty. This covers all the ventures towards achievement of certain sets of objectives. In other words public enterprises are organizations set up by the government to provide services, carry out industrial or commercial businesses or regulate activities or practices in some sectors, which are considered to be fundamental to the entire economy (Onyenwuenyi, 1979). They are organizations that emerge as a result of government acting in the capacity of an entrepreneur. Powell, (1991) defines them as organizations that have primary economic, but additionally social and political objectives and characteristics, which distinguish them from other types of organization. They come into existence as a result of Act passed by the

legislature or a decree under, military rule. Public enterprises define their aims and objectives, powers and duties, immunities, the form of management and relationship with established departments and ministries.

Onah (1996) maintain inter-alia that “the reason for establishing public enterprises by government is for the same reason of the latter’s existence, which is the well-being of the citizenry” hence we can say therefore that Public enterprises are concerned ultimately with public interest. This makes it suit with the entire essence of government-which is also for the public interest. Basu (2005) noted that the involvement of the government of a country is very vital and imperative in the social and economic spheres of its development. Public enterprises comprises corporations, Boards, councils, commissions, or other agencies set-up by the government as well as companies in which government has controlling shares, (Abba 2008).

## **2.2 Classification of Public Enterprises**

There are as many classification schemes as there are governments and public enterprise review commissions and committees. According to Wamalwa (2003) three classifications emerge of public enterprises. One is the fourfold classification scheme which includes:

- i. Government departments and regulatory agencies other than the pure civil service organizations or ministerial departments;
- ii. Statutory corporations established by specific parliamentary enabling acts;
- iii. State-owned limited liability companies owned wholly or in part by government and subject to limitations imposed by pertinent company acts;
- iv. Management agencies and joint ventures which invariably ownership resides in government, while management is supplied by private or foreign partners.

According to Wamalwa (2003) another classification of public enterprises is by their major area of activity:

- i. Regulatory agencies; such as National Universities Commissions (NUC), Independent National Electoral Commission (INEC) Federal Character Commission (FCC);

- ii. Public utilities, such as railways, water boards, electricity undertakings and municipal transport services); and
- iii. Profit-making enterprises, such as banks, insurance companies, manufacturing and commercial organizations.

Wamalwa (2003) maintained that the classification of public enterprise by their ownership is likely to produce the following ideal types:

- i. Enterprises wholly owned and financed by the government, such as public utilities, statutory corporations, educational institutions, research and development agencies;
- ii. Partnerships and joint ventures, such as petroleum refineries, petro-chemical companies, merchant banks; and
- iii. Managing agencies financed wholly or largely, by government but turned over to management agents or consultants, such as national airlines or railways contracted out to private or foreign companies.

In another view, Basu (2005) maintain that two classifications of public enterprises exist, those providing essential social services and those that are of commercial oriented.

### **2.3 Trends in the Development of Public Enterprises in Nigeria**

The origin of public enterprises in Nigeria could be traced back to the colonial era when colonial government established some public enterprises to provide essential services like electricity, railway and water for the citizens. Thus Jerome (2002) maintains that as in most developing countries, Nigerian economy witnessed a growing involvement of the government in economic activities after its independence. The expansion of public enterprises into diverse economic activities was at that time viewed by the government as an important instrument for fostering rapid economic growth and development in the country, Ayodele, (1989); the massive foreign exchange earnings from crude oil, which intensify unbridled federal government investment in public enterprises, reinforced this view. More so, Olamitunji *et al*, (2011) postulate that the Nigerian Enterprises Promotion Decree of 1972, which took effect on 1<sup>st</sup> April, 1974, with its subsequent amendment in 1976 had also provided more concrete basis for government's extensive participation in the ownership and management of public enterprises.

More so, the Bureau of Public Enterprises in its official website enumerated the basis for governments involvement in the establishment of public enterprises in Nigeria to include among others shortage of local capital for expansion and technological improvements; control of commanding heights by government to prevent a few elite enriching themselves at the expense of majority of Nigerian; correction of market failure resulting from public monopoly and misallocation of public resources. Other bases include facilitating regional development through location of public enterprises; job creation, and provision of social service.

Also among such justifications for the establishment of public enterprises as encompass in the Central Bank of Nigeria's Bulletin includes the need for rapid economic development to alleviate economic stagnation and raise the general living standard of the teeming population; government's determination to control certain strategic sectors of the economy regarded as very sensitive to the social and economic security of the nation; the pursuit of balanced economic development and filling observed gaps resulting from absence of clear private sector imagination in order to prevent sub optimality, among others. According to Ayodele, (1989) the above elaborated reasons to a very large extent tend to justify the social and economic characteristics of public enterprises, hence its need.

Jerome, (2002) revealed that from about fifty public enterprises at independence, to two hundred (200) in the 1970s, by 1990 Nigeria had over one thousand five hundred (1500) public enterprises, 600 of which were owned by the federal government alone. While a variety of enterprises with public interest in terms of majority equity participation or fully-owned by state and local government as well as other governmental entities, with their activities stretching from farm organizations to manufacturing, from municipal transport to mining, from housing to multipurpose energy, and from trading to banking and insurance, became visible in many parts of Nigeria.

Olamitunji *et al*, (2011) uphold that in spite of the fact that the public enterprises were created for the purpose of expediting and facilitating economic development in Nigeria, their antecedent between 1960s to early 1980s showed that they were focused on state-led development. Jerome, (2002) maintained that most of the enterprises were poorly conceived and economically inefficient that is why they accumulated massive financial

losses and absorbed a disproportionate share of domestic credit. For instance, by 1985, they had become an unendurable load on the budget, as they were being sustained through budgetary allocation from government treasury. Jerome further estimated that between 1975 and 1995, the Federal Government alone had invested over \$100 billion in public enterprises. And the public enterprise sector excluding petroleum accounted for about 15% of Nigeria's gross domestic product in the year 1990.

According to Zayyad, (1988) the demise of public enterprises in Nigeria came at the era of the depression experienced by the international oil market in the early 1980s due to collapse of the crude petroleum that eventually exposed the structural deficiency of the Nigerian economy. All these enormous challenges and failure led the government to the need of searching for antidote that will help to improve the structural defects of the economy. The Structural Adjustment Programme (SAP) was considered by the International Monetary Fund (IMF) as a better option for the Nigerian economy at this point. The major reason for this option as considered by the fund was that the Nigerian economy is solely dominated by the public enterprises with little or no participation of the private sectors such as the industrial and commercial sectors.

Jerome, (2002) maintain that for the actualization of the restructuring of the Nigerian economy, the International Monetary Fund and the World Bank proposed that there should be exclusion of subsidies to these enterprises and designing policies towards commercializing and privatizing them. The Structural Adjustment programme which came to be adopted by Babangida military administration in 1986 as a reform policy in reforming the public enterprises took the form of commercialization and privatization of these enterprises with the aim of achieving cost efficiency and competitiveness of the economy.

According to Olamitunji *et al* (2011), these proposed aims eventually started to see the light of the day in 1988 with the introduction of the technical committee on Privatization and Commercialization (TCPC), (now Bureau for Public enterprises) as contained in Decree No. 25 of 1988. To come up with the desired results from this privatization exercise, the privatization and commercialization act of 1999 classified the forms of privatization as; (i) Full privatization; meaning divestment by the Government of its ordinary shareholding in the designated enterprise. (ii) Partial Privatization; meaning divestment by the Government

of part of its ordinary shareholding in the designated enterprise. (iii) Full commercialization; meaning that enterprises so designated will be expected to operate profitably on a commercial basis and be able to raise funds from the capital market without government guarantee. Such enterprises are expected to use private sector procedures in the running of their businesses. (iv) Partial commercialization; meaning that such enterprise so designated will be expected to generate enough revenue to cover their operating expenditures, though government may consider giving them capital grants to finance their capital projects.

The rationale behind the adaptation of the privatization and commercialization programme by the Nigerian government is articulated in the guidelines of the privatization and commercialization in Nigeria among others to include:

- i. To restructure and rationalize that public sector in order to lessen the dominance of productive investments in the sector;
- ii. To re-orientate the enterprises for privatization and commercialization towards a horizon of performance improvement, viability and overall efficiency;
- iii. To raise funds for financing socio-economic developments in such areas as health, education and infrastructure;
- iv. To ensure positive returns on public sector investments in commercialized enterprises, through more efficient management;
- v. To check the present absolute dependence on the Treasury for funding by otherwise commercially oriented parastatals and so, encourage their approach to the Nigerian capital market to meet their funding requirements;
- vi. To initiate the process of gradual cession to the private sector of such public enterprises which are better operated by the private sector;
- vii. To create more jobs, acquire new knowledge and technology and expose the country to international competition.

Olamitunji *et al* (2011) maintain that still in the quest to overcome the inefficiencies and deficiencies of public enterprises in Nigeria, the government also adopted the Public Private Partnerships (PPPs) policy instrument, which in addition to the privatization and commercialization instruments was expected to contribute to the overall marginal attainment of the total macroeconomic goals. According to Olamitunji *et al* (2011) Nigeria's

involvement into the Public-Private Partnerships programme was through these legal frameworks.

- i. Infrastructure concession Regulatory commission Act 2005
- ii. Public procurement Act 2007
- iii. Public enterprises (privatization and commercialization) Act 1999
- iv. Utilities charges commission Act 1992
- v. Land vesting Title Act, etc.

The objectives of a typical Public Private Partnership mission is to contribute to the economic integration of a country or region, accelerate its economic growth and sustainable development, engender and sustain private sector participation in traditionally public sector projects, and expand local access to international markets, thereby ensuring the country's deeper integration into the global economy.

According to Adirieje (2008), the following terms describe the forms of Public Private Partnership agreement which have come to be adopted in Nigeria by the Government:

- i. Design-Build (DB) or "Turnkey" contract: The private sector designs and builds infrastructure to meet public sector performance specifications, often for a fixed price, so the risk of cost overruns is transferred to the private sector.
- ii. Service Provision contract: A private operator, under contract, operates a publicly-owned asset for a specified term while ownership of the asset remains with the government.
- iii. Management contract: A private entity contracts to manage a Government owned entity and manages the marketing and provision of a service.
- iv. Lease and operate contract: A private operator contracts to lease and assume all management and operation of a government owned facility and associated services, and may invest further in developing the service and provide the service for a fixed term.
- v. Design-Build-Finance-Operate (DBFO): The private sector designs, finances and constructs a new facility under a long-term lease, and operates the facility during the

term of the lease. The private partner transfers the new facility to the public sector at the end of the lease term.

- vi. Build-Operate-Transfer (BOT): A private entity receives a franchise to finance, design, build and operate a facility (and to charge user fees) for a specified period, after which ownership is transferred back to the public sector. This has been used in telecommunications service contracts.
- vii. Buy-Build-Operate (BBO): Transfer of a public asset to a private or quasi-public entity usually under contract that the assets are to be upgraded and operated for a specified period of time. Public control is exercised through the contract at the time of transfer.
- viii. Build-Own-Operate (BOO): The private sector finances, builds, owns and operates a facility or service in perpetuity. The public constraints are stated in the original agreement and through on-going regulatory obligations.
- ix. Build-Own-Operate & Transfer (BOOT): The Private Sector builds, owns, operates a facility for a specified period as agreed in the contract and then transfers to the government.
- x. Operating License: A private operator receives a license or rights to build and operate a public service, usually for a specified term.
- xi. Finance Only: A private entity, usually a financial services company, funds a project directly or uses various mechanisms such as a long-term lease or bond issue.

The Appendix “B” of this research work contains the current philosophy of government business in Nigeria.

As posited by Adirieje, (2008) privatization and commercialization reforms in Nigeria are still in the air. The exercise has brought with it controversies that are still raging on after many years of its commencement. There are widespread instances of corrupt practices with regards to the privatization exercise in Nigeria; the process has serve as a tool to perpetuate graft to extract illegal political rents.

Again many western countries, and in particular international monetary Fund and the World Bank, have been blamed for forcing the privatization of public services and natural resources in Nigeria and Africa as a condition for development assistance, Obadina (1999).



They are accused of telling developing countries to turn their public services over to private owners and to sell off their oil, gas, mining, electric, telecommunication, transport, and water companies, which are also said to be conditions for debt relief. These have constituted the problems of privatization of public enterprises in the country, Nwoye (1998).

## **2.4 The Management of Public Enterprises in Taraba State**

When Taraba State was established in August 1991, it inherited Six (6) public enterprises by virtue of their locations. In reality the state was one economically backward entity carved out of the former Gongola State which itself was considered backward. The major economic inheritance of Taraba State was education and this inheritance was not evenly spread within the new State in such a way that while some local governments had an abundance of educated men and women, many others had a dearth of it. This economic backwardness informed the need by government to set-up more public enterprises that could set in motion for a rapid escape from the social and economic backwardness in which the State found itself at inception.

Each of these public enterprises was established by an enabling legislative edict and was attached under the supervision of a correspondent ministry and most often the names of the public enterprises indicate their areas of responsibility. For instance, Taraba Investment and Property Development Company Limited was to function as an interface between the government and investors interested in operating within the state; Baissa Timber Company Limited was to provide quality woods and furniture for government offices and individuals within and outside the State, *etc.* Appendix 'A' of this research work contains names and ministries of affiliations of the public enterprises in Taraba State.

Generally speaking, the State own public enterprises can be divided into two broad groups. Namely:

- i. The social service ones such as Taraba Television Corporation, (TTV) Taraba State College of Education (TSCOE), *etc.*
- ii. The Commercial enterprises such as Taraba State Transport Corporation Limited; Lau Sugar Company Limited, *etc.*

The involvement of government at this extra-ministerial level was dictated by the fact that there were very few indigenes of the State who were economically strong, capable

and willing to make the necessary sacrifice which was usually required at such initial stage of investment climate and State building characterized by lack of social amenities.

Since production of goods and services and the employment opportunities are indices of an economy, one cannot all rule out the contributions of public enterprises to the economic development of Taraba State. Public enterprises to some extent have played their roles in the economic development of the State by providing employment opportunities to the youth and a number of contractors. Public enterprises by their existence represent veritable avenues for government expenditure on the citizenry in diverse ways. By the taxes they pay to government, public enterprises add to the internally generated revenue of the State.

Yet as obtained elsewhere in the country, Jerome (2002), public enterprises in Taraba state have being suffering from excessive ministerial control, political interference, defective capital structure and mismanagement. These have defeated the primary objectives of “living-off” public enterprises in the State and therefore rendering them antithetical to effective performance. As hypothesize by Aluko *et al* (2004) these problems have their root-caused from the environments surrounding them.

## **2.5 Public Enterprises and its Regulatory Environment.**

The continuous survival of the members of any country is solely the responsibility of the government. Jerome (2002) maintain that it is based on this that the governments in Nigeria and elsewhere have been involved in the establishment of public enterprises to provide goods and services for the advancement of the socioeconomic wellbeing of its citizens. Rondinelli, (2005) maintains that in order for the government to achieve its set objectives in the management of public enterprises in the country, governance reforms and regulations are the most important mechanism for improving their performance to the citizens. According to him, public enterprise regulations includes those structures and procedures put in by the government to ensures that they operates effectively, efficiently, accountably, and responsively in the public interest and contributing to national development. In other words, the government’s role is to establish the policies, procedures, and organizational structures that guide public enterprise operations to achieving national goals and interest.

Machan (1988) holds that governments regulate public enterprises as a way of improvement of their citizens' lives. Regulations of public enterprises he maintain has come into focus in recent times mainly because such regulations have been associated with falling productivity rates. He distinguishes between government regulations from government management; while management involves with the administration of the properties and realms which the government owns, most types of government regulations involves the setting up and enforcement of standards for conducting legitimate activities. Where else, there are cases where government does both. For instance where in Nigeria the government regulates broadcasting and transport industries, but it also manages the airwaves, airways waterways and motorways, *etc* (Machan 1988).

In Nigeria, the case for regulations of public enterprises at both the states and the federal levels have been spelled out in fairly clear and general terms in the defense of the authority of the governments to treat its citizens in various favorable ways. These rationales are based on the following arguments:

- i. Because public enterprises are created by the government, it should regulate the behavior of its dependent enterprises.
- ii. Since government is established to protect rights of the citizens, there are many rights which would go unprotected in a free market.
- iii. For Judicial inefficiency such as the area of environmental pollution.
- iv. To provide services that demand enormous capital base.
- v. To provide strategic or key industries in the economy.
- vi. The quest for additional revenue for the state.
- vii. To curb exploitation through market failure, monopoly, shady products and high prices.
- viii. Provision of employment for the citizenry.
- ix. Provision of equal development among the various sectors and geographical areas of the country.
- x. Provision of standard for basic operation, (Abba, 2008).

According to Abba (2008) the management and the execution of government regulatory policies on public enterprises are carried out through the policy board and the

management board. These boards are obliged to act in accordance with the general edit and the statute of the public enterprise so created.

### **2.5.1 The Policy Board**

This is a high powered body constituted by Government. Membership are drawn from persons who have had a long and distinguished career in management of public or private enterprises or public administration and have a proven record of achievements, preferably, in the field of personnel, finance, production or marketing. The Board is set up with the objective of evolving a sound managerial policy for the public enterprises and, to advise Government on appointments to their top management posts. The implementation of these policies and the day-to-day operation of the enterprise is carried out independently by the Managing Directors of public enterprises.

### **2.5.2 The Management Board**

Majority of its members are staff of the same enterprise. They are usually the heads of the various departments of the enterprise. However, a few outside representatives may be brought in to represent the public interest. The management board of the public enterprise has all the powers to undertake measures necessary and useful to achieve the objectives and the set-up edit of the public enterprise.

In Nigeria according to Abba (2008) and Olamitunji *et al* (2011) to further regulate public enterprises for effective service delivery to the public, government at the state and the national levels also subject them to various levels of controls these include:

### **2.5.3 Ministerial Control**

Abba (2008) maintains that the supervising minister/commissioner controls the public enterprise under his or her ministry by way of the appointment of management board members and hence he can dissolve it if he is not satisfied with their performance. Again, the minister/commissioner ensures that public enterprise satisfy the public interest they are created to serve and this is done by giving occasional directives, which the enterprises must obey. Some specific controls may also be exercised by the minister/commissioner on public enterprise under his ministry. These may include the appointment of external auditors to

audit the account of public enterprises, reorganization of departments as well as controls on borrowing of funds.

#### **2.5.4 Parliamentary Control**

Public enterprises are expected to submit comprehensive annual financial reports of their activities to the parliament through the minister/commissioner and such reports are to be tabled in the parliament. Both annual accounts and reports are subject to debate in the parliament. Such debates are done within the policy framework of the enterprises. Parliamentary house committee on finance may also summon the minister/commissioner or chief executive of a particular public enterprise to explain or discuss issues concerning his enterprise from time to time (Abba, 2008).

#### **2.5.5 Judicial Control**

The activities of Public Enterprises may be subject to review by the courts. The courts have constitutional right to declare the actions of public enterprises as ultra vires, Abba, (2008).

#### **2.5.6 Public Control**

The final control of public enterprises is the control by the consumer. The public control public enterprises on the internet, newspapers, magazines, radios and televisions. The criticism leveled against a public enterprises can results in the improvement of the quality of goods and services they render to the public.

Albeit the regulation of public enterprises by the government in Nigeria is for expediting and facilitating economic and social development, they are criticize for their lack of productivity, efficiency, and transparency. This ill-nature of the regulation is captured by the Nigerian Bureau of Public Enterprises thus:

There is virtually no public enterprise in Nigeria today that functions well. While they were created to alleviate the short-time of the private sector and spearhead the development of Nigeria, many of them have stifled entrepreneurial development and fostered economic stagnation. Public enterprises have served as platforms for patronage and the promotion of political objectives, consequently suffer from operational interference by civil servants and political appointees.

Again, Joseph and Ayenew (2008), maintain that the reasons for lack of performance of public enterprises in Nigeria in spite its regulations are due to the fact that appointments are not based on qualification, competence and integrity. Usually the appointment to their boards and management positions are based on such considerations as loyalty to government and political heavy-hitters or the need to reflect ethnic or religious balance also known as the federal character principle. This results in a management that owes its emergence to its political connections, rather than its qualifications, and know-how. The managements are seldom loyal to the individuals who facilitated their appointments, rather than to the public.

According to Joseph and Ayenew (2008) political interference and excessive ministerial control have militated against the primary objectives of living-off public enterprises. It has gone to the extent of interfering in the routine operations of the enterprises especially on financial matters and therefore antithetical to their effective performance. It is also worthy to note the effects of the harsh economic realities of nowadays on businesses. Joseph and Ayenew (2008) maintain that it is clearer why the enterprises that need strong financial base are incapacitated as they cannot get the matching capital to maintain an effective and efficient operation.

Another dimension of political interference is in the poor location of some of these enterprises based on political consideration instead of a true environmental assessment impact. The sitting of the many enterprises in Nigeria without minding their economic consideration are an example.

Another problem of the public enterprises is that they lack specialized top-flight competent personnel to man them. This problem can be attributed to the relative lack of fund and operational autonomy which hinders competent professionals from being employed in such organizations. Even those available are not provided with the enabling environment to demonstrate their competence and capacity (Obikeze and Obi (2004). Such experts would prefer to work in private organizations which are highly equipped with working tools and equipments, solidly funded and enjoying full operational autonomy, and where their highly skilled labor would be well compensated for.

In addition to the problems of regulation of the public enterprises is the one caused by managers and employees. This is reflected in corruption and embezzlement cases that have characterized the public enterprises over the years. It is no news to hear cases of gross misappropriation of enterprises funds and vandalization of the materials resources by both managers and employees alike as it is happening right now in Nigeria. This is further aggravated by lack of maintenance culture that has become almost a norm among public enterprises in Nigeria.

The other reason is to do with regulatory capture where a state regulatory agency created to protect the public interest in a given sector, instead promotes the narrow commercial and special interests of the groups dominating that sector. A state agency regulating state agencies is like the state as both principal and regulator. Imagine a football club bringing their own referees to football matches. With public enterprises owned by the government, you can see how easy it would be for them to secure the policy outcomes they prefer, from the regulators, usually to the benefit of special interests, and the disadvantage of the public, (Olamitunji *et al* (2011).

Hence, Abba (2008) advocates for a public private partnership base on contracting and concession of the public enterprises in Nigeria. In other words, privatization, which is the sale of state-owned organizations or the transfer of public services to private sector management, should be embraced by the government. This according to him will eliminate some of the drawbacks plaguing the public enterprises where such considerations as ethnic, political or religious leaning have been the basis for appointing into its management. Whereas the main interest of private enterprises being the bottom line of such agreement, the companies would promote efficiency and merit in order to make profit. This would result in better products and services, to the benefit of the public.

## **2.6 Public Enterprise and its Internal Environment**

The internal environment of a business consists of a set of conditions, influences and elements within the business which are directly controlled and influenced by management of the business to shape the life and continued existence of the business in the direction of attainment of organizational goals and objectives. These conditions and influences are

within the firm as a business unit, and it can control them. According to Aluko *et al* (2004) the availability and effective use of these components in an organization can lead to synergistic advantage of the enterprise over another enterprise in the same industry. Their wrong usage would lead to its disadvantage (disynergy).

Aluko *et al* (2004) and Chidi *et al* (2011) maintain that these elements of the business internal environment constitute the internal environmental factors. Essentially, they include the resources, employee attitudes, organizational culture, new equipment, synergy and distinctive competences processes, functional strategies, work environment, functional plans and policies, financial plans and policies, production system, etc, which are encapsulated in the strengths and weaknesses of the business. Chidi *et al* (2011) maintain that organizations have the control of these matters because they happen within the organization unlike external environmental factors. According to them, many business organizations in Nigeria have leveraged on their internal factors (strengths) to explore opportunities in the business environment. Some of the components that make up the internal environment of public enterprises are discuss below:

### **2.6.1 The Public Enterprise's Resources**

These are all the inputs physical or human used in the public enterprise to create outputs in the form of product or services through a transformation process. Some other resources of the enterprise are money, facilities, systems, knowledge, materials and manpower provided by the public authority. The cost and availability of these resources are key factors that determine the success of any organization's policy and strategy, Aluko *et al* (2004).

### **2.6.2 The Enterprise's Organization Culture**

This is the public enterprise's personality. Just as each person has a distinct personality, so does every enterprise. The culture of an enterprise distinguishes it from other enterprises and shapes the actions of its employees. Benowitz (2011) give four main mechanisms that make up an organization's culture:

- i. Values: the basic beliefs that define employees' successes in the organization.



- ii. Heroes: an exemplary person(s) who reflects the image, attitudes, or values of the organization and serves as a role model to other employees.
- iii. Rites and rituals: routines or ceremonies that the organization uses to recognize high-performing employees; such as awards banquets, company gatherings, quarterly meetings, etc.
- iv. Social network: informal means of communication within the organization which employees relay on to learn about the organization's culture and values.

### **2.6.3 Synergistic Advantage**

According to Aluko *et al*, (2004), this is a situation where the whole is greater than the sum of its parts within an organization. It is a situation where attributes do not add up mathematically but combine to yield an enhanced impact that is (synergistic effect where  $1+1=3$ ). For instance, two or more departments in a public enterprise could combine to support each other, in order to realize higher output or share an advantage within the enterprise.

### **2.6.4 Distinctive Competence**

This is a comparative quality of one organization over the other. A distinctive competence of a public enterprise is the ability of that enterprise to do what its competitors cannot do or even do better what they can do, (Aluko *et al*, 2004). For example, the use of trained and qualified manpower in a public enterprise could be the enterprise's distinct over a competitor who may resolve to use the unskilled and low paid workers in the same industry.

### **2.6.5 Functional Strategies**

Kazmi (2004) assert that this strategy is relatively a restricted plan which spells out the specific function, for the allocation of resources among different functional areas within the enterprise. This is necessary because it fosters easy co-ordination for optimal contribution to the achievement of the business and corporate level objectives. Functional strategies are obtained from the business and corporate strategy which are implemented through functional or operational departments. Griffin, (2001) advocated the alignment of these various strategic levels within an organization with its corporate and business strategies to gain a strategic advantage.

### **2.6.6 Functional Plans and Policies**

The beauty of business strategy or corporate strategy is the extent to which it can serve as direction to functional managers regarding the plans and policies to be adopted. Kazmi (2004) noted that the effectiveness of strategic corporate management level in an organization depends critically on the manner in which strategies are implemented at the functional levels.

### **2.6.7 Financial Plans and Policies**

Kazmi (2004) stressed that the financial plans and policies of an organization are related to the availability, usage and management of funds. Managers need to formulate plans and policies in these areas so that strategies may be implemented effectively in their public enterprises. According to Karmi, some of these checklists in the financial resources of an enterprise are sources of funds, usage of funds and management of funds. Sources of funds refer to sources of financing or capital-mix decisions. Plan and policies have to be directed at major factors such as capital structure, capital procurement and working capital, borrowings; reserves and surplus as sources of funds. These plans and policies are important for determining the financial strengths or weakness of the public enterprise. Plans and policies for the usage of funds deal with investment or asset-mix decisions. The major considerations that are relevant here are capital investment, fixed asset acquisition, current assets, loans and advances. Management of funds is an important area of financial plans and policies in the public enterprise. It deals with decision related to the systematic aspects of

financial management in the areas of accounting and budgeting, cash, management control system, credit, risk management, cost control and reduction.

### **2.6.8 Marketing Plans and Policies**

According to Griffin, (2001) plans and policies related to marketing have to be formulated and implemented on the basis of product pricing, distribution and promotion. The major issues and decisions related to these marketing mix factors are questions such as what types of product/services does the public enterprise offers, at what rate, through which distribution channels and by which promotional tools?

### **2.6.9 Production System**

This is concerned with the public enterprise's production capacity, location, layout, product or service design, work systems, degree of automation, extent of vertical integration etc.

### **2.6.10 Operations planning and Control**

This relates to plans and policies connected to operations planning, materials supply, inventory, cost and quality management as well as maintenance of plant and equipment of the public enterprise. The aim of this is to see how efficiently resources are utilized and in what manner the day-to-day operations can be managed in the light of long term objectives of the enterprise.

### **2.6.11 Personnel Plans and Policies**

Personnel plans and policies relate to the personnel system, organizational and employee characteristics, and industrial relations. The plans and policies related to the personnel system deal with factors like manpower planning, selection, development, compensation, communication and appraisal.

### **2.6.12 Information Management Plans and Policies**

Information capability factors relate to the design and management of the flow of information from within and outside into the enterprise. The value of information as a tangible resource and as a source of strategic advantage has to be recognized by the enterprise management.

According to Chidi *et al* (2011) organization's internal analysis involve examination and appraisal of the above factors. They observed that the weakness variables of most

business organizations in Nigeria (public enterprises inclusive) include under capacity utilization, inadequate experience and technical skills, inadequate financial resource and inefficiency in financial management, inadequate know-how on evolution and application of current technology, and the inability to attract skilled and professional indigenous workers.

They maintain that many businesses in Nigeria fail before their growth and maturity stage due mainly to negative internal factors (weaknesses). This has accounted for the inability of many enterprises to grow, develop and transform into large and mega scale corporate businesses. Examples abound in government-floated public enterprises on transportation, downstream oil, and communications businesses such as Nigerian Railway Nigerian Airways and Nitel, etc. Failure of the corporate governance has been the major internal factor responsible for high failure rate. The influence of culture on business ethics has substituted ‘best-man-for-the-job’ with ‘relation-for-the-job’ and enthrone of mediocrity in management composition and competence thereby escalating the weaknesses of many businesses and their eventual closure. Furthermore, many businesses are incapacitated by inadequate financial resources and bedeviled with fraudulent reporting, greed and recklessness, short termism, executive compensation, poor risk attitude, etc.

## **2.7 Public Enterprises and its Economic Environment**

Economic environment refers to the amalgamation of various economic factors which influence the existence of and the spending patterns of individuals and business organizations in the economy. In other words the survival and success of every entity in the economy depend fully on the economic environment, Aluko *et al* (2004). According to the Economic Watch (2010), among the factors that composed the economic environment of a country are its:

### **2.7.1 Economic System**

The world economy is primarily governed by three types of economic systems: capitalist economy, socialist economy, and mixed economy. Nigeria adopts the mixed economy system which implies co-existence of public sector and private sector.

### **2.7.2 Economic Conditions**

The economic conditions of a nation refer to a set of economic factors that have great influence on individuals, all business organizations and their operations. These include gross domestic product, per capita income, markets for goods and services, availability of capital, foreign exchange reserve, growth of foreign trade, strength of capital market etc. All of these help in improving the rate of economic growth of the country, Ande (2008).

### 2.7.3 Economic Policies

All business activities and operations are directly influenced by the economic policies outlined by the government of a nation. They include:

- i. **Industrial policy:** This covers all those principles, policies, rules, regulations and procedures, which direct and control the industrial enterprises of the country and shape the pattern of industrial development.
- ii. **Fiscal policy:** It includes government policy on public expenditure, taxation and public debt.
- iii. **Monetary policy:** It includes all those activities and interventions that aim at smooth supply of credit to business and a boost to trade and industry.
- iv. **Foreign investment policy:** This policy aims at regulating the inflow of foreign investment in various sectors for speeding up industrial development taking advantage of the modern technology.
- v. **Export–Import policy:** It aims at increasing exports and bridging the gap between export and import; through this policy, the government announces various duties/levies.
- vi. **Inflation and deflation:** This has direct impact on consumer spending, business investment, employment rates, government programs and tax policies.
- vii. **Interest rates:** This determines the cost of borrowing and the flow of money toward businesses.
- viii. **Exchange rates:** This impacts the price of imports, the profits made by exporters and investors and employment levels.

As noted by Adedipe (2004) and Mimiko and Aluko (2006) Nigeria is a mono economic country depending on oil for its sustenance. Though it is the largest market in the sub Sahara Africa, yet its economy has been bedeviled with crises since its independence.

These have had very significant and far-reaching effects on all the components, sectors and segments of the economy; making the environment unstable and insecure for investment. Public enterprises are constantly badly affected by the fallouts of these crises. In other words, the economic environment is inauspicious by a number of factors such as high cost of funds; poor state of infrastructures; high inflation rate; unstable exchange rates; corruption and poor private property rights etc and these have militated against the survival of public and private investments, industrial development and consequently the standards of living of the people, Ande (2008).

Commenting on the economic environment of Nigeria, Oluba *et al* (2009) and Ucha (2010) upholds that the Nigeria's infrastructural facilities have not been favorable for the survival of any investment. Infrastructural facilities according to Ucha (2010) are fundamental to the growth of the economy of every nation; Asimiyu G. A. and Francis O. A. (2011) posit that the whole gamut of enabling conditions for good business environment of a country could be considered under infrastructural facilities and services. These are transportation and communication, power generation and transmission, urban facilities such as sewage and water supply, education, scientific research, sanitation and public health and the entire structure of the judicial administrative system within which economic activities function would qualify for inclusion in the definition of infrastructure.

Okoro and Chikuni (2007) maintain that one of the major infrastructural problems in Nigeria is electricity. Power supply in Nigeria is greatly irregular; it is affecting all other sectors of industrial manufacturing. Regular power supply is the backbone of industrial manufacturing. While the incessant power failure is one of the factors responsible for the high failure of public enterprises in Nigeria, Jerome (2002). The World Bank (2010) maintains that Nigeria depends basically on hydroelectric power generation which is currently a little more than 3300 Mega Watt and below its installed capacity of 6000 mega watt. This is too small and does not match with the total energy requirement of the country. As a result of the erratic power supply, Nigeria has become a dumping ground for power generating sets manufactured in Europe, USA, and Asia; this is not good for the economy. The United States Agency for International Development (2011) reported that only thirty nine (39) per cent of Nigerians had access to electricity. Even those that are connected to the

national Electricity have irregular supply; hence, people resort to the purchase of generating sets. In response to the limitations of water supply, 44% of households have their own private boreholes, many communities are without water supply, and many rely on water vendors whose high prices amount to more than thirty (30) percent of household income for the poorest.

On road network, prior to the year 2003, Nigeria had roughly 113,000km of poorly maintained surfaced road. In 2004, the Federal Road Maintenance Agency (FERMA) commenced rehabilitation of 32,000km of Federal Road Network in various zones of the country; at present Nigeria has an estimated 194,394 km of roads across the country; about 60,000 km of Nigerian roads are paved; about three-quarters of Nigerian roads remained unpaved and this covers about 134,326km; Prevalence of bad roads has led to economic losses and discouragement of investments, (Oluba *et al*, 2009).

In addition to these, Inflationary trend has exhibited long-run instability and has remained high peaking at various times like 1996 and 2005 at 29.3% and 17.9%; With both the financial and capital markets still emerging, poor management of monetary and fiscal policies have adversely militated against substantial fraction of every investment including those of public enterprises in the country. In expressing its views on the effects of the Nigerian economic environment where public enterprises were suppose to progress, the Unites States Agency for International Development (2011) assert thus:

Nigeria may be the most challenging and important development country in the world today. It is by far the world's most populous extremely poor country – but is its sixth-largest oil exporter. It has the smallest manufacturing sector of any large economy in the world, and the greatest concentration of export and government revenue dependence on a natural resource commodity. It is a country of spectacularly failed economic policies, whose GDP per capita is no higher than it was forty years ago. It is a country of rising poverty and return to subsistence. Its social problems are enormous, with half of the adult population illiterate, gender disparities in education, and league-leading infant, under-five, and maternal mortality rates. Public utility services are among the worst in the world, with at least two-thirds of households not connected to electricity, access to water extremely limited, impossible urban transportation.

The World Bank (2011) thus stated that Nigeria is ranked 87th in the world and 3th in Africa in terms of its cost of funds, Inappropriate inflation inducing monetary and fiscal

policies plus corruption and poor infrastructure have all worsened the intermediate cost elements that determine the overall charges by banks. High interest rates have made both overdraft and loan facilities unattractive to both public and private enterprises. The lowest in the country as at 2002 was 19 per cent compared to 3 per cent in Britain and zero per cent in Japan, Oluba *et al* (2009).

With a score of 55.1, Nigeria ranked 117 out of 183 world economies and 19 out of 46 countries in Africa. This is according to the Heritage Foundation 2009 Index of Economic Freedom. Economic freedom is the fundamental right of every human to control his or her own labor and property and scoring is based on an average of 10 indices that affect this freedom. These are business and monetary freedom which went up to 55.1 and 77.9 from 52.9 and 73.8 in 2007. Fiscal, investment, financial; property right and corruption freedoms remained the same at 84.4, 30.0, 40.0, 30.0 and 22.0 respectively. While trade, government and labor freedom reduced to 61.8, 64.3 and 85.8 from 63.4, 68.1 and 86.6 respectively, Oluba *et al* (2009).

With a ranking of 130 out of 180 nations, Nigeria dropped further in the 2009 ranking among the world's most corrupt countries, according to Transparency International, the global anti-graft body. Nigeria's current Corruption Perception Index (CPI) score is 2.5 compared to her score of 2.7 in 2008. Any score less than 3 out of 10 indicates that corruption is perceived as rampant.

Oluba *et al*, (2009) suggested the way-out to the economic environmental problems in Nigeria to include clearly spelt out national policies on corruption, giving out rules/principles guiding investments with an appropriate legal framework; provision of basic socio-economic infrastructure such as electricity, good road networks, viable transportation system, etc. Other strategies include the encouragement of investment promotion agencies, such as Nigerian Investment Promotion Commission, readily available information for investors through the media such as print, television, radio, internet, etc. Provision of security of lives and properties of citizens; stability in regulations and institutions guiding investments; availability of credits at affordable interest rates; encouragement of diversification of the source(s) of foreign exchange earnings into non-oil



sectors; example agriculture, manufacturing, technology etc and the periodic public/private sector dialogue on how to advance the investment environment in the country.

## **2.8 Public Enterprises and its Technological Environment**

Encyclopedia Britannica, (2011) defines technology as the application of scientific knowledge to the practical needs of human life or, as it is sometimes phrased, to the change and manipulation of the human environment. Technology can also refer to the various elements of productive knowledge which help to transform materials into goods, create new or improved products and generate further knowledge which is more advanced and more effective than hitherto available, (Kayode *et al*, 2002). The Encyclopedia Britannica, (2011) noted the tremendous importance of the application of technology to human life, it has touched every phased of human existence ranging from the generation of energy, treatment of food production, techniques of construction, manufacturing and designing of means of transportation, the processes and products of other manufacturing equipments, communications, medical applications, military applications, and the organization of technological systems.

According to Aluko *et al*, (2004) the technological environment consists of those factors related to knowledge applied, materials and machines used in the production of goods and services in an economy. Such factors affect business policies and strategies in public enterprise including technological development, communication, infrastructure and managerial.

Kayode *et al*, (2002) posit that the technological environment surrounding any business enterprises, public enterprise included, can be broken down into four basic embodiment forms comprising: objects, people, documents and institution embodiment.

The object aspect or what he called ‘technoware’ consists of the tools, capital goods, land, intermediate goods, products, crops, physical equipment, machinery, physical processes etc use in the production of goods and services.

People embodiment or ‘humanware’ according to him is made up of understanding, capacity for systematic application of knowledge, know-how, human capability, human labor, specialized ideas, skills and problem solving capacity of the human resource.

The document aspect or ‘infoware’ to him is the knowledge about physical relationships, scientific and/ or other forms of organized knowledge. Others are research and development, technical information, principles of physical and social phenomena, standards, computer software, specification etc.

The last form which is the institutional embodiment or ‘orgaware’ comprises of the organizational work assignments, organization of products, processes, tools and devices for use by people, day-to-day operations of production, social arrangements, and means for using and controlling factors of production, inter-and-intra-firm networking, linkage with meso institutions, etc.

Bartel and Oberg (2003) stress that a good technological environment of any country is its main catalyst of economic development and modernization hence countries use technology to improve their production processes to achieve comparative advantage in manufacturing and services. In this way, competitiveness can be attributable to the continuous modernization of production processes, organizational methods, networks, firm-wide and region-wide integration of production systems, as well as technological change. According to them the technological capabilities of a country can be measure using these five indicators: advanced technological structure of manufactured exports; high industrial performance; outstanding human capital base; advanced structure of manufactured exports sector and high foreign technology inflows particularly through foreign direct investment.

According to Bartel and Oberg (2003) in comparison to the above assertion and a critical examination of Nigeria’s technological environment reveals it to be a technologically backward country hence its possession of the following:

- i. Inability to produce capital goods such as tractors, lathe machines, drilling machines, cars, trains, and other earth moving equipments.
- ii. Inability to exploit her natural resources except with the help of foreign experts who will normally provide the technology and expertise to undertake the exploitation of her natural resources.
- iii. Inability to mechanize her agriculture sector; crude implements are still used for agricultural production by a large percentage of those engaged in agricultural production.

- iv. Its dependence on other countries for the supply of its spare parts for industrial machinery.
- v. Exportation of raw materials to other countries as against finished products.
- vi. Inability to produce her own military hardware with which to defend herself if the need arises, Uwaifo and Uddin (2009).

According to Uwaifu and Uddin (2009) reasons for Nigeria's technologically backwardness are wide-ranging to include the discouragement of our indigenous technological growth by our colonial masters; the industrial policies embark upon by our successive governments after independence; the import substitution industrial policy. Other factors include the inability to commercialize our research findings such as those from the Product Development Agency, (PRODA) Enugu, the Federal Institute of Industrial Research, (FIIRO) Oshodi, the Nigerian Institute for oil Palm Research, (NIFOR) and other institutions. And lastly, our government's attitude towards technology, and the poorly equipped educational institutions such as our secondary schools, universities, polytechnics and technical colleges that are supposed to train proficient engineers, technologists and technicians. These institutions are filled with obsolete nonfunctional equipments that have hampered the development of both public/private enterprises in Nigeria.

Uwaifu and Uddin (2009) assert that for Nigeria's technological environment to improve following must be implemented:

- i. Possession of good attitudes towards technology, as well as the provision of basic infrastructural facilities in our institutions of learning for practical in science and technology.
- ii. Copying items already in the Market, this method requires that laboratories, workshops, and other facilities be developed for component analysis and for building prototypes of the items to be produced.
- iii. Adequate financing of research institutions by both public and private sectors in the country.
- iv. Bold energy production and supply using the diverse energy sources available in the country; hydroelectric, solar, windmills, heat, nuclear, etc.

- v. The need to embark on the acquisition of the technology that is appropriate and useful to us as a nation.
- vi. Good Leaderships that are sincere and that have foresight vision of the country at heart.

## **2.9 Review of Related Empirical Studies**

There are a number of empirical studies, which relate to the topic of this study. Ripiye (2009) carried out a study to ascertain the factors responsible for low performance of Mambila Highland Tea Limited Gembu, in Taraba State. He chooses a sample of 100 subjects out of 202. The sample size was drawn from the staff of the company. Ripiye's finding discovered that the poor performance of the company was attributed to inadequate financial and infrastructural resources, lack of effective manpower, poor management, corruption and lack of continuity of the corporation boards as major factors.

In a seminar paper submitted to the sixth International Conference on the Ethiopian Economy, June 2008, Joseph and Ayenew (2008) gave the two main factors that have driven the increased privatization of public enterprises by governments to include the fiscal problems that have forced governments to divert and the fact that the development of vigorous private entrepreneurship sector has been shown to be a key element of successful/sustainable development policy. They however maintain that governments of both developed and developing nations have four general objectives when engaging in privatization programme of their public enterprises. These objectives are;

- i. To achieve higher efficiency in allocation and production;
- ii. To strengthen the role of the private sector in the economy;
- iii. To improve the public sectors financial health; and
- iv. To free resources for allocation in other important areas of government activity.

In another study, Nwoye (1997) undertook a survey on the Management Practices and Performance Determinants of Public and Private Sector Enterprises in Anambra, Edo and Delta States of Nigeria. Nwoye reported that the public sectors enterprises have suffered from fundamental problems of defective capital structures, excessive bureaucratic control and intervention, inappropriate technologies, gross incompetence, and corruption.

These were further complicated by the downturn in socioeconomic development that characterized the country.

Even though the findings of these studies were carried out at different places, at different levels of research, at different times and covering different scopes in relation to public enterprises, they were able to identify several similar factors militating against the management of public enterprises at those levels.

## **2.10 Theoretical Framework**

The theoretical framework underlying this research work is anchored on the influence of environments on public enterprises. The concept of environmental influences on organization is derived from the work of Lewin (1951) who perceived the importance of environmental impact in determining organizational behavior. In like manner, Renato T. (1968: 27) informed Olowu (1983) to state that the constellation of environmental factors determines to a great extent the structure and functioning of a system. The scholars of public administration also recognize the early need for an ecological approach to the study of public administration. Indeed, Max Weber's typology of authority-administrative system draws heavily upon the influence of the environment on the character of public administrative system. It should also be noted that dynamism and complexity characterizes the environments of organizations in Africa.

One of the analyses on the relationship between an organization's environment and its structure was done by Aluko, et al (2004); these authors gave elaboration on the influences of dynamic environments on business organizations. Environment according to them is "the surrounding, external objects, influences, or circumstances under which someone or something exists". Environment of an organization they stated is the aggregate of all conditions, events and influences that surround and affect the organization.

The environment of public enterprises like any other business enterprise could either be internal or external. The internal environment consists of the resources, behaviors, strengths, weaknesses, synergy and distinctive competencies etc, within the organization. While the external environment consists of a large number of factors outside of the organization like international or local economy, regulatory environment, technology, natural factors,

political systems, etc which provide opportunities or pose threats to the organization; depending upon such factors as size of the organization, level and scope of business activities, the market area, nature of products, etc of the organization, Aluko, et al (2004).

Several scholars have noted the dynamism and complexity that characterize environments of most public enterprises in Nigeria: regulatory, economic, social, political, technological, ecological, ethical, etc which labeled them generally ineffective and inefficient needing reformation, Chikwendu (1993), Zayyad (1999), Jerome, (2002), and Omoleke and Adeopo (2005). Nevertheless, this study on the factors militating against the management of public enterprises in Taraba state will be relying upon four factors amongst others that affect business organizations as postulated by Aluko et al (2004) thus:

- i. Regulatory environment.
- ii. Internal environment.
- iii. Economic environment.
- iv. Technological environment.

As noted by Khan (2005) environments influence business organizations in several ways because the organizations live within and derive its resources from the environment and vice versa so that any change in the environment affects the business enterprises. Khan maintains that the understanding of these relationships between public enterprises and its environments and reviewing it from time to time is of enormous importance to public authorities anywhere.

For that reason the study of the dictates and influences of environmental factors militating against the management of public enterprises in Taraba state is very significant. As Swierczek, (2000) posits, there is the need to ensure that they attain a high standard of performance, since in reality, their role will continue to be important, especially in developing countries/societies where there is little competition and very weak capital markets such as Nigeria and Taraba state.

## **CHAPTER THREE**

### **The Methodology of the Study**

This chapter describes the procedures employed in conducting this research. The description was done under the following sub-headings: Research Design, Population of the Study, Sample Population, Sampling Techniques, Method of Data Collection, Description of the Instruments for Data Collection, Validity the Instrument, Reliability test, and Method of Data Analysis.

### **3.1 Research Design**

The survey research was adopted for this study. According to Nwogu (1991) and Osuala (2001), a survey research is one in which a group of people or items are studied by collecting and analyzing data from a few of these people or items considered to be representative of the entire group. This study collected and analyzed data from a few people on the basis of which generalization was made on the entire population.

### **3.2 Population of the Study**

The population for this study consist of seven thousand two hundred and fifty eight (7,258) permanent employees of the thirty-seven (37) Public Enterprises owned by the Taraba State Government. Appendix A of this project contains the names and Ministries of affiliations of the public enterprises owned by the Taraba State Government as at October 2012.

### **3.3 Sample Population**

According to Jen (2010), a sample is worthless unless it reflects the entire population upon which generalization is made. In light of this fact, this study adopted three hundred (300) permanent senior and management employees of the 37 public enterprises in Taraba State who are from grade levels nine (9) to seventeen (17) who are either directly employed by the public enterprises or who rose to their positions having served for a reasonable period of time as sample population.

### **3.4 Sampling Techniques**

Purposive sampling technique was used to adopt only senior and management staff of the 37 public enterprises owned by the Taraba Sate government as sample. This set of people were giving priority because it is seen that their job depend on the continuous existence of the public enterprises. They would want to do anything to make sure that the enterprises continue to survive. Political office holders among the management staff were avoided during this selection. From the sample population a simple random sampling technique was adopted to selected 300 employees through the dip-hat method without



replacement. Questionnaire was employ in order to obtain relevant information from this selected sample.

### **3.5 Method of Data Collection**

The research questionnaire was administered personally by the researcher these was done so to avoid getting away with the questionnaires by the respondents without filling them, hence the high turnover of filled questionnaires collected; about 282. The researcher took pain to explain grey areas to the respondents so as to reduce the level of error in responses. However, correctly filled questionnaires were collected immediately by the researcher.

### **3.6 Description of the Instrument for Data Collection**

The study employed the structured questionnaire for data collection. This instrument was used because according to Nwogu (1991) it is helpful in collecting large information in a relatively short time. The questionnaire was structured to provide rated response options to the generated items using the Likert rating scale. Respondents were expected to choose options which corresponded with their degree of response to each item. The five point rating scale developed was coded and assigned marks as follows:

Strongly Agreed (SA)	=	5
Agreed (A)	=	4
Undecided (U)	=	3
Disagreed (D)	=	2
Strongly Disagreed (SD)	=	1

The questionnaire was divided into five sections, sections A, B, C, D, and E. Section A deals with the socio-economic characteristics of respondents while sections B to E which contain 5 items each was targeted at the senior and management staff of Public Enterprises owned by the Taraba State Government at the period of this research to obtain their responses on environmental factors (Regulatory, Internal, Economical, and Technological) militating against the management of their enterprises in the State.

### **3.7 Validity of Instrument**

According to Uzoagulu (1998) a wrong instrument used in measuring any phenomenon will most certainly give wrong and misleading results. To avoid this, the instrument was subjected to face validation. The researcher's supervisor and two experts from the Modibbo Adama University of Technology, Yola and the Taraba State University, Jalingo face-validated the instrument to determine the clarity and appropriateness of the generated items. Modifications were made in line with the corrections and suggestions made by these experts.

### 3.8 Reliability Test

Apart from validity testing, reliability test was performed on this study. It simply aimed at seeing whether or not the test will give consistent result. To test the reliability of the instrument, Alpha cronbach in SPSS version 18.0 for window was carried out.

### 3.9 Methods of Data Analysis

According to Uzuagulu (1998), data analysis refers to the process of categorizing summarizing and seeking patterns and relationships within the data collection. Using SPSS version 18 for computation of data, the data collected was analyzed using the mean to answer the research questions, while the Chi-square ( $X^2$ ) statistic was used to test the hypothesis.

The formula for the mean was as follows:  $\bar{X} = \frac{\sum FX}{N}$

Where:

$\bar{X}$  = Mean

$\Sigma$  = Summation

F =Frequency

X =Respondents option

N =No of respondents

**Decision Rule:** The decision rule was that any item with a mean response of 3.50 and above was accepted as agreed; while any item that had mean response of less than 2.50 was considered as disagreed. Any item with mean in the range of 2.50 to 3.49 was appropriately treated as undecided. While the decision to accept or reject a hypothesis was based on the relationship between computed chi-square values and the table of critical values. The null

hypothesis was accepted if the computed chi-square value was less than the critical value and *vice versa*. The chi-square ( $X^2$ ) statistic was computed using SPSS Version 18.0 with formula as follows:

$$X^2 = \frac{\sum(Oi - Ei)^2}{Ei}$$

Where:

$\Sigma$  = Summation

$Oi$  = Observed Frequency

$Ei$  = Expected or Theoretical Frequency

## **CHAPTER FOUR**

### **Presentation and Analysis of Data**

#### **4.1 Data Presentation**

This chapter is concerned with data presentation and analysis, report of findings and discussion of the findings.

A total number of 300 questionnaires were prepared and distributed to senior and management employee of the public enterprises. Out of the number, a total of 282

questionnaires were correctly filled and returned and a total of 18 questionnaires were not returned. However, the analysis of this research will be base on the 282 questionnaires that were returned and would be analyzed using the Statistical Package for Social Science (SPSS) Version 18 and would be presented based on the research questions which guided the study as follows:

### Data Presentation

Responses	Total	%
Number of Questionnaire issued.	300	100
Number of Questionnaire correctly filled and returned.	282	94.0
Number of Questionnaire not returned.	18	6.0

**Source:** Field Survey, 2012.

### 4.1.1: Reliability Testing

**Table 4.1.1.1: Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The establishment, management and regulation of my organization by government is aimed at the socio economic development of Taraba state.	62.1064	116.167	.565	.979	.813
Regulatory authorities, management and staff of my organization from time to time vandalize the properties of the organization.	62.8121	125.441	.171	.450	.835
Government's political interference in the management, appointments, financing and internal affairs of my organization militates against its effective performance.	62.1206	116.284	.558	.986	.813
Because of the above (RE1, RE2, RE3) my organization should be abated.	63.7695	125.146	.228	.970	.830
More stringent measures should be espoused for effective management of my organization.	62.2128	125.165	.255	.951	.828
My organization has enough resources and culture that distinguishes it from other comparable organizations globally.	63.2801	114.373	.720	.986	.806
My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.	63.2943	113.511	.733	.957	.805

I value the organizational structure, proficient management and control system of my organization.	62.4716	121.175	.356	.329	.824
My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.	63.2979	114.772	.711	.979	.807
My organization has good sources and good strategies for the management of funds.	63.7057	118.351	.564	.618	.814
The general volatile economic environment of Nigeria militates against the management of my organization.	62.1028	115.993	.575	.990	.812
The conditions attached and the high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.	62.2057	128.961	.088	.414	.836
Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.	62.1028	116.263	.570	.992	.813
Concession through Public Private Partnership and privatization will improve the management of my organization.	62.2092	125.269	.244	.954	.829
Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.	62.1986	125.206	.248	.976	.828
The Technological environment in Nigeria is favorable to the development of my organization.	63.7624	125.093	.239	.932	.829
My organization has the infrastructure, technology, equipments to compete with other organizations.	63.7092	118.990	.515	.552	.816
My organization has a technologically equipped expertise capable of performing its functions.	62.3440	125.899	.226	.206	.829
My organization is inclined to research and development in technology for its growth.	63.7057	124.899	.243	.954	.829
The training and development of staff is a top priority in my organization	62.2730	120.769	.354	.355	.824

**Source:** SPSS Version 18 and Field Survey, 2012

<b>Table 4.1.1.2: Scale Statistics</b>			
Mean	Variance	Standard Deviation	Number of Items
66.0887	132.750	11.52172	20

**Source:** SPSS Version 18 and Field Survey, 2012

<b>Table 4.1.1.3: Reliability Statistics</b>	
Cronbach's Alpha	Numbers of Items
<b>.829</b>	<b>20</b>

**Source:** SPSS Version 18 and Field Survey, 2012

**Explanation:** The above tables of Reliability Statistics test (Tables 4.1.1.1, 4.1.1.2, and 4.1.1.3) inform us about the value of the coefficient of Cronbach. For the research Cronbach's Alpha scale is 0.829=82.9%. According to (Kehinde, O. 2009) this gets over a little the percent of 80%, which is a good value for the internal consistency of a reliability test.

## **4.2 Data Analysis**

### **Section A**

All the data in this section were presented in tabular form and analyzed using percentages. The finding subsequently formed the basis for the discussions of the result.

#### **4.2.1 Gender of Respondents**

<b>RESPONSES</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
Male	218	77.3

Female	64	22.7
Total	282	100.0

**Source:** Field Survey, 2012

### Gender of Respondents

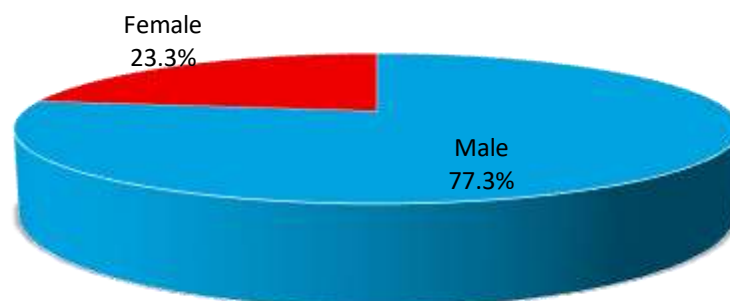


Table 4.2.1 depicts that male constitute 77.3% of the respondents while female constitute 22.7% of the respondents. This indicates that male had the highest respondents who were administered the questionnaire.

#### 4.2.2 Ages of Respondents

RESPONSES	FREQUENCY	PERCENTAGE
25-34 yrs	41	14.5
35-44 yrs	105	37.2
45-54 yrs	87	30.9

Above 55 yrs	49	17.4
<b>Total</b>	<b>282</b>	<b>100.0</b>

**Source:** Field Survey, 2012

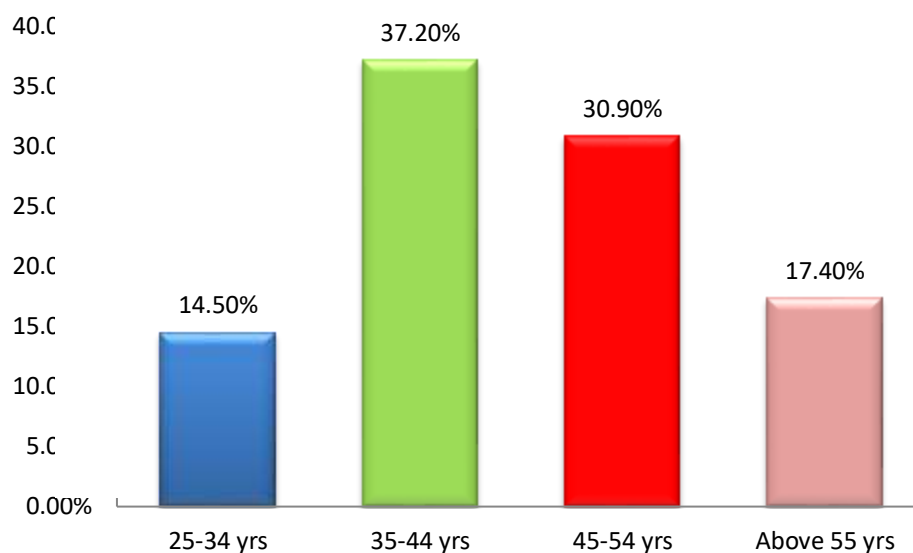


Table 4.2.2 depicts that respondent whose age fall from 35-44 years constitute 37.2% while those who fall between 45-54 years constitute 30.9% and those who fall between 55 and above constitute 17.4% of the respondents. This shows that majority of the respondents (37.2% and 30.9%) were between the ages of 35- 54 which is the active and productive age group of senior and management staff of an organization.

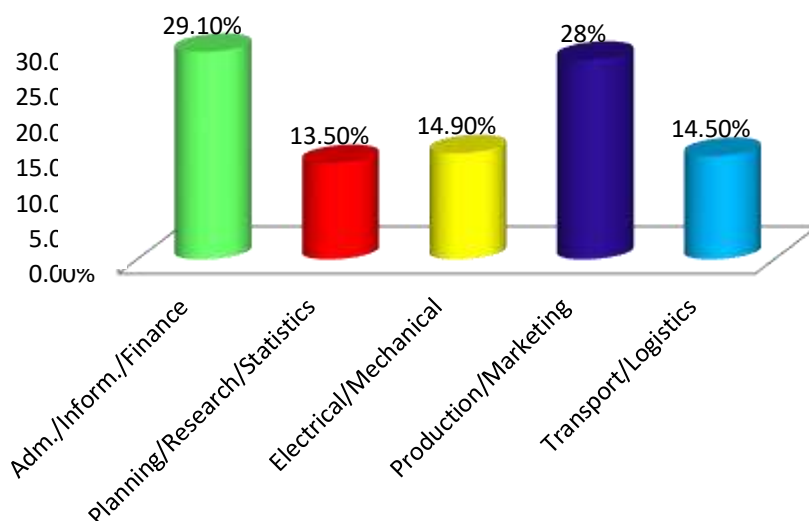
#### 4.2.3 Departments of Respondents

<b>RESPONSES</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
Adm./Inform./Finance	82	29.1
Planning/Research/Statistics	38	13.5
Electrical/Mechanical	42	14.9



Production/Marketing	79	28.0
Transport/Logistics	41	14.5
<b>Total</b>	<b>282</b>	<b>100.0</b>

**Source:** Field Survey, 2012



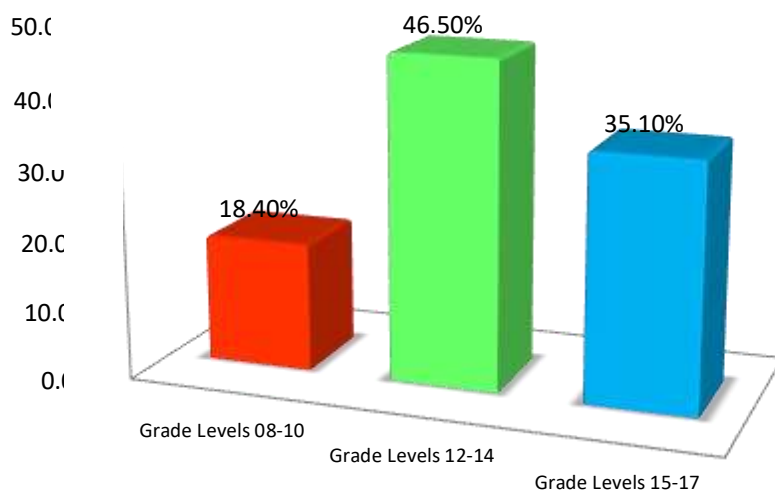
An examination of table 4.2.3 indicates that respondents from Administrative, Information and Finance departments constitute 29.1%, those from Planning, Research and Statistics constitute 13.5%, those from Electrical/Mechanical constitute 14.9%, those from Production/Marketing constitute 28.0%, and those from Transport and Logistics departments constitute 14.5%. However, information obtained from these groups of senior and management staffs of the departments is very imperative to the study because they represent the live wire of the organizations.

#### 4.2.4 Grade Levels of Respondents

RESPONSES	FREQUENCY	PERCENTAGE
Grade Levels 08-10	52	18.4
Grade Levels 12-14	131	46.5

Grade Levels 15-17	99	35.1
<b>Total</b>	<b>282</b>	<b>100.0</b>

**Source:** Field Survey, 2012



The figures in table 4.2.4 indicate that the respondents on Grade Levels 08-10 constitute 18.4%. Those on Grade Levels 12-14 constitute 46.5% and those on Grade Levels 15-17 represent 35.1%. This represents the grade levels of the senior and management staff adopted for the study.

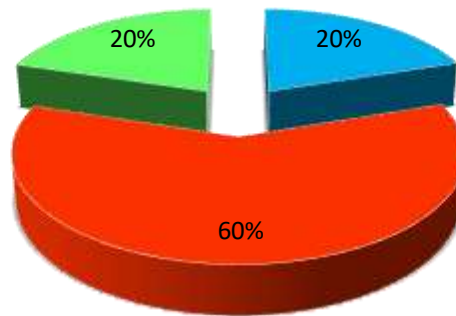
#### 4.2.5 Highest Qualification of Respondents

RESPONSES	FREQUENCY	PERCENTAGE
ND/NCE	56	19.9
HND/Bachelor's degree	169	59.9
Post Graduate Diploma/ Master's/PhD	57	20.2
<b>Total</b>	<b>282</b>	<b>100.0</b>

**Source:** Field Survey, 2012

### Qualification of Respondents

■ ND/NCE ■ HND/Bachelor's degree ■ Post Graduate Diploma/ Master's/PhD

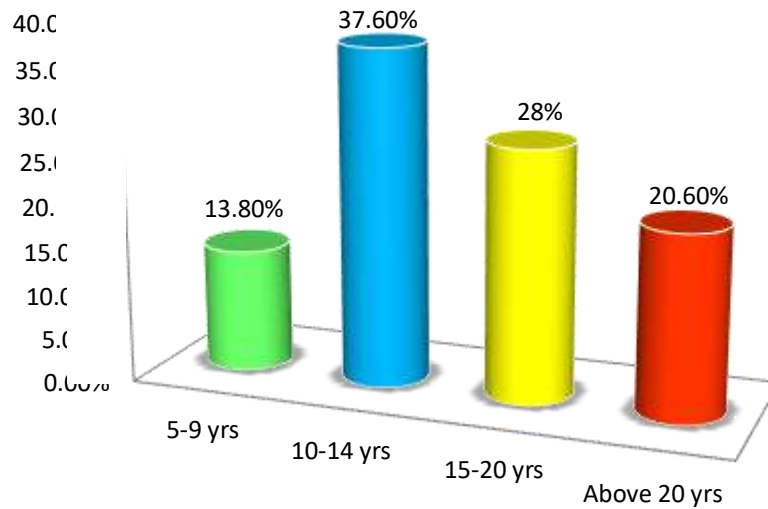


The figures in Table 4.2.5 shows that respondents with the highest qualifications are those with HND/Bachelor's degrees and those with Post Graduate Diploma/Master's Degree/PhD which make up 59.9% and 20.2% of the respondents respectfully. This indicates that the qualification profile of the respondents adopted for the study was high.

#### 4.2.6 Length of Service of Respondents

RESPONSES	FREQUENCY	PERCENTAGE
5-9 yrs	39	13.8
10-14 yrs	106	37.6
15-20 yrs	79	28.0
Above 20 yrs	58	20.6
<b>Total</b>	<b>282</b>	<b>100.0</b>

**Source:** Field Survey, 2012



An examination into table 4.2.6 depicts that respondents with the length of service from 5-9 years constitute 13.8%. Those between 10-14 years constitute 37.6%, those between 15-20 years constitute 28.0%, and those above 20 years of service in their organizations constitute 20.6%. These categories of workers have served enough in their organizations to be able to give consistent information about their organizations.

## SECTION B:

**Research Question 1:** What are the factors related to regulatory environment that militate against the management of public enterprises in Taraba State?

The data on Table one answered this research questions.

**Table 1: Mean rating of respondents on factors related to the regulatory environment that are militating against the management of public enterprises in Taraba State.**

N= 282

S/N	Public Enterprises and its Regulatory Environment	Mean	Std. Deviation	Remarks
RE1	The establishment, management and regulation of my organization by government is aimed at the socio economic development of Taraba state.	3.9823	1.23547	Accepted
RE2	Regulatory authorities, management and staff of my organization from time to time vandalize the properties of the organization.	3.2766	1.39957	Undecided
RE3	Government's political interference in the management, appointments, financing and internal affairs of my organization militates against its effective performance.	3.9681	1.24093	Accepted
RE4	Because of the above (RE1, RE2, RE3) my organization should be abated.	2.3191	1.20390	Rejected
RE5	More stringent measures should be espoused for effective management of my organization.	3.8759	1.11390	Accepted

**Source:** SPSS Version 18 and Field Survey, August 2012.

Table 1 showed that the establishment, management and regulation of Public enterprises in Taraba State by government is aimed at the socio-economic up-liftment of the state. But political interference into their managerial activities hampers their effective performance. However, respondents do not want public enterprises in the state to be abolished but rather prefer that more stringent measures should be adopted for their effective performance. The items RE1, RE3, RE5 were rated above the agreed mean of 3.50 and the item RE4 was rated below the lower limit mean response score of 2.50.

The respondents however remain undecided on whether regulatory authorities, management and staff of public enterprises in Taraba State from time to time vandalized the properties of these public enterprises in the State.

**Research Question 2:** What are the factors related to the internal environment that are militating against the management of public enterprises in Taraba State?

The data on Table two answered this research questions.

**Table 2: Mean rating of respondents on factors related to the internal environments that are militating against the management of public enterprises in Taraba State.**

N= 282

S/N	Public enterprises and its Internal Environment.	Mean	Std. Deviation	Remarks
IE1	My organization has enough resources and culture that distinguishes it from other comparable organizations globally.	2.8085	1.11231	Undecided
IE2	My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.	2.7943	1.14760	Undecided
IE3	I value the organizational structure, proficient management and control system of my organization.	3.6170	1.27198	Accepted
IE4	My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.	2.7908	1.10104	Undecided
IE5	My organization has good sources and good strategies for the management of funds.	2.3830	1.07815	Rejected

**Source:** SPSS Version 18 and Field Survey, August 2012.

Table 2 showed that Public enterprises in Taraba State have no good sources and good strategies for the management of funds to achieved set objectives. The items IE5 was rated below the lower limit mean response score of 2.50.

The respondents however agreed that they value the organizational structure, proficient management and control system in their organizations.

They remained undecided on whether their organizations have enough resources and culture; synergistic advantage, distinctive competence and good production system as well as good operational plans and marketing strategies that make them capable to achieve their set objectives with comparable organizations globally.

**Research Question 3:** What are the factors related to the economic environment that are militating against the management of public enterprises in Taraba State?

The data on Table three answered this research questions.

**Table 3: Mean rating of respondents on factors related to the economic environment that are militating against the management of public enterprises in Taraba State.**

N= 282

S/N	Public enterprises and its Economic Environment	Mean	Std. Deviation	Remarks
EE1	The general volatile economic environment of Nigeria militates against the management of my organization.	3.9858	1.23118	Accepted
EE2	The conditions attached and the high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.	3.8830	1.18882	Accepted
EE3	Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.	3.9858	1.21957	Accepted
EE4	Concession through Public Private Partnership and privatization will improve the management of my organization.	3.8794	1.13486	Accepted
EE5	Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.	3.8901	1.12808	Accepted

**Source:** SPSS Version 16 and Field Survey, August 2012.

Table 3 revealed that the general volatile economic environment of Nigeria, the conditions attached and the high cost of funds from Nigerian financial institutions and inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of public enterprises in Taraba State.

The respondents also agreed that concession through Public Private Partnership and privatization will improve the management of their organizations and enhance the patronage of their services and products. All these items were rated above the agreed mean score of 3.50.

**Research Question 4:** What are the factors related to the technological environment that are militating against the management of public enterprises in Taraba State?

The data on Table four answered this research questions.

**Table 4: Mean rating of respondents on factors related to the technological environment that are militating against the management of public enterprises in Taraba State.**

N= 282

S/N	Public enterprises and its Technological Environment	Mean	Std. Deviation	Remarks
TE1	The Technological environment in Nigeria is favorable to the development of my organization.	2.3262	1.17505	Rejected
TE2	My organization has the infrastructure, technology, equipments to compete with other organizations.	2.3794	1.11349	Rejected
TE3	My organization has a technologically equipped expertise capable of performing its functions.	3.7447	1.10903	Accepted
TE4	My organization is inclined to research and development in technology for its growth.	2.3830	1.18508	Rejected
TE5	The training and development of staff is a top priority in my organization	3.8156	1.31568	Accepted

**Source:** SPSS Version 18 and Field Survey, August 2012.

Table 4 revealed that the technological environment in Nigeria is not favorable to the development of public enterprises in Taraba State and public enterprises are not inclined to research and development in technology for its growth. Because of this public enterprises in the state have no infrastructures, technology and the equipments to compete in the global world. The items TE1, TE2, TE4 were rated below the lower limit mean response score of 2.50.

The respondents accepted that their organizations have technologically equipped expertise capable of performing its functions; they also accepted that training and development of staff remained a top priority in their various organizations to achieve greater goals. Items TE3, TE5 were rated above the agreed mean score of 3.50.



### **4.3 Presentations of findings**

The major findings of the study are as follows:

1. Government have good intention in the establishment, management and regulations of public enterprises in Taraba State, but political interference on activities of public enterprises hamper their aim of making life easy for citizenry. Rather than abolishing public enterprises, more stringent measures should be employee to better the activities of public enterprises in Taraba State.
2. The organizational structure, proficient management and control system of most public enterprises in Taraba State are unobjectionable, but they have no good sources and good strategies for the management of funds.
3. The general volatile economic environment of Nigeria, the conditions attached and the high cost of funds from Nigerian financial institutions and the inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, and water supply militate against the management of public enterprises in Taraba State. However concession through Public Private Partnership will improve their management and will enhance citizen's patronage of their services and products.
4. The technological environment in Nigeria is not favorable to the development of public enterprises in Taraba State. Because of this public enterprises in the state have no infrastructures, technology and the equipments to compete in the global world. The Inability of government to strengthen efforts toward research and development in technology for the growth of public enterprises in Taraba State contributes to these; however, the availability of technologically equipped expertise and the training and development of staff in these organizations remained a top priority.

### **4.4 Discussion and Implications of the findings**

The findings of the factors related to the regulatory environment that are militating against the management of public enterprises in Taraba State as depicted in Table one reveals that government have good intention for the establishment, management and

regulations of public enterprises in Taraba State, but political interference hampers their aims of making life easy for the citizens.

This is in line with the opinion of Basu (2005) who noted that the involvement of any government of a country is very vital and imperative in the social and economic spheres of development. Joseph and Ayenew (2008) maintain that political interference especially on the appointments to board and managing positions and on financial matters as well as excessive ministerial control have continued to militate against the primary objectives of living-off public enterprises in Nigeria and therefore antithetical to their effective performance. They opined however that rather than governments abolish public enterprises, more stringent measures should be employee to ensure that they attain a high standard of performance.

The study also reveals that Public enterprises in Taraba State have no good sources and good strategies for management of funds to achieved set objectives. The respondents however agreed that they value the organizational structure, proficient management and control system in their organizations. This is in line with the views of Chidi *et al* (2011) who asserted that many businesses in Nigeria are incapacitated by inadequate financial resources and bedeviled with fraudulent reporting, greed and recklessness, short termism, executive compensation, poor risk attitude, etc. Even incorporated businesses in the country do fail due to these internal factors.

The study also discovered that the general volatile economic environment of Nigeria, the conditions attached and the high cost of funds from Nigerian financial institutions and the inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, and water supply militate against the management public enterprises in Taraba State. However concession through Public Private Partnership will improve their management and will enhance citizen's patronage of their services and products.

In line with this view, Adedipe (2004) and Mimiko and Aluko (2006) assert that though Nigeria is the largest market in the sub Sahara Africa, yet its economy has been bedeviled with crises since its independence. Okoro and Chikuni (2007); Ande (2008) and Ucha (2010) hold that the Nigerian economic environment is inauspicious by a number of factors such as high cost of funds; poor state of infrastructures; high inflation rate; unstable

exchange rates; corruption and poor private property rights etc and these have militated against the survival of public and private investments, industrial development and consequently the standard of living of the people. Abba (2008) advocates for a public private partnership base on contracting and concession of the public enterprises in Nigeria. This according to him will eliminate some of the drawbacks plaguing the public enterprises where such considerations as ethnic, political or religious leaning have been the basis for appointing into its management. Whereas the main interest of private enterprises being the bottom line of such agreement, the companies would promote efficiency and merit in order to make profit. This would result in better products and services, to the benefit of the public.

According to Oluba *et al*, (2009) the way-out of the economic problems of Nigeria should include a clearly spelt out national policies on corruption, giving out rules/principles guiding investments with an appropriate legal framework; provision of basic socio-economic infrastructure such as electricity, good road networks, viable transportation system, among others.

The study also shows that the technological environment of Nigeria is not favorable to the development of public enterprises in Taraba State. Because of this public enterprises in the state have no infrastructures, technology and the equipments to compete in the global world. The Inability of government to intensify efforts toward research and development in technology for the growth of public enterprises in Taraba State contributes to these.

This agrees with the opinion of Uwaifu and Uddin (2009) which hold that the reasons for Nigeria's technologically backwardness are wide-ranging to include the discouragement of its indigenous technological growth by the colonial masters; the industrial policies embark upon by our successive governments after independence; the import substitution industrial policy. Other factors include the inability to commercialize our research findings such as those from the Research institutes. And the government's attitude towards technology, and the poorly equipped institutions of learning. However on this Uwaifu and Uddin (2009) asserted that for Nigeria's technological environment to get better there is need for the government to embrace good attitudes towards technology, provide basic infrastructural facilities in our institutions of learning for practical in science and technology. Provide adequate finance to research institutions by both public and private

sectors in the country, hold on to bold energy production and supply using the diverse energy sources available in the country; hydroelectric, solar, windmills, heat, nuclear, etc. it also include the need to embark on the acquisition of the technology that is appropriate and useful to Nigeria as a nation and good leaderships that are sincere and that have foresight vision of the country at heart.

The implication for this discovery is that both the government and the management of public enterprises in Taraba State must have to stand up to their obligations to make sure public enterprises in the state attain high standard since their functions will continue to be imperative, especially in developing society as Taraba state.

## 4.5 Test of Hypotheses

### Hypotheses 1

**Ho: Regulatory environment has no significant relationship with the management of public enterprises in Taraba state.**

<b>The establishment, management and regulation of my organization by government is aimed at the socio- economic development of Taraba state.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	20	56.4	-36.4
Disagreed	29	56.4	-27.4
Undecided	10	56.4	-46.4
Agreed	100	56.4	43.6
Strongly Agreed	123	56.4	66.6
<b>Total</b>	<b>282</b>		
<b>Regulatory authorities, management and staff of my organization from time to time vandalize the properties of the organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	29	56.4	-27.4
Disagreed	81	56.4	24.6
Undecided	34	56.4	-22.4
Agreed	59	56.4	2.6
Strongly Agreed	79	56.4	22.6
<b>Total</b>	<b>282</b>		
<b>Government's political interference in the management, appointments, financing and internal affairs of my organization militates against its effective performance.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	21	56.4	-35.4
Disagreed	28	56.4	-28.4
Undecided	11	56.4	-45.4
Agreed	101	56.4	44.6
Strongly Agreed	121	56.4	64.6
<b>Total</b>	<b>282</b>		
<b>Because of the above (RE1, RE2, RE3) my organization should be abated.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	67	56.4	10.6
Disagreed	141	56.4	84.6
Undecided	14	56.4	-42.4
Agreed	37	56.4	-19.4
Strongly Agreed	23	56.4	-33.4
<b>Total</b>	<b>282</b>		
<b>More stringent measures should be espoused for effective management of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	11	56.4	-45.4
Disagreed	36	56.4	-20.4
Undecided	20	56.4	-36.4
Agreed	125	56.4	68.6
Strongly Agreed	90	56.4	33.6
<b>Total</b>	<b>282</b>		

**Source:** SPSS Version 18.0/Field Survey, 2012.

<b>Ho: Regulatory environment has no significant relationship with the management of public enterprises in Taraba state.</b>		<b>Chi-Square</b>	<b>df</b>	<b>Asymp. Sig.</b>
The establishment, management and regulation of my organization by government is aimed at the socio economic development of Taraba state.		187.326 <sup>a</sup>	4	.000
Regulatory authorities, management and staff of my organization from time to time vandalize the properties of the organization.		42.113 <sup>a</sup>	4	.000
Government's political interference in the management, appointments, financing and internal affairs of my organization militates against its effective performance.		182.326 <sup>a</sup>	4	.000
Because of the above (RE1, RE2, RE3) my organization should be abated.		187.220 <sup>a</sup>	4	.000
More stringent measures should be espoused for effective management of my organization.		170.872 <sup>a</sup>	4	.000
a.	0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 56.4.			

**Source:** SPSS Version 18.0/Field Survey, 2012.

**Explanation:** Hypotheses 1 indicates that the calculated chi-square ( $X^2$ ) statistics for 4 degree of freedom (df) is 56.4. Additionally, it indicates that the significance value (0.000) is less than the usual threshold value of 0.005. This suggest that the null Hypotheses (**H<sub>0</sub>**) (Regulatory environment has no significant relationship with the management of public enterprises in Taraba state), is rejected in favor of an alternate hypotheses (Regulatory environment has a significant relationship with the management of public enterprises in Taraba state).

## Hypotheses 2

**Ho: Internal environment has no significant relationship with the management of public enterprises in Taraba state.**

<b>My organization has enough resources and culture that distinguishes it from other comparable organizations globally.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	26	56.4	-30.4
Disagreed	113	56.4	56.6
Undecided	47	56.4	-9.4
Agreed	81	56.4	24.6
Strongly Agreed	15	56.4	-41.4
<b>Total</b>	<b>282</b>		
<b>My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	30	56.4	-26.4
Disagreed	113	56.4	56.6
Undecided	41	56.4	-15.4
Agreed	81	56.4	24.6
Strongly Agreed	17	56.4	-39.4
<b>Total</b>	<b>282</b>		
<b>I value the organizational structure, proficient management and control system of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	22	56.4	-34.4
Disagreed	49	56.4	-7.4
Undecided	23	56.4	-33.4
Agreed	109	56.4	52.6
Strongly Agreed	79	56.4	22.6
<b>Total</b>	<b>282</b>		
<b>My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	27	56.4	-29.4
Disagreed	112	56.4	55.6
Undecided	49	56.4	-7.4
Agreed	81	56.4	24.6
Strongly Agreed	13	56.4	-43.4
<b>Total</b>	<b>282</b>		
<b>My organization has good sources and good strategies for the management of funds.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	49	56.4	-7.4
Disagreed	149	56.4	92.6
Undecided	19	56.4	-37.4
Agreed	57	56.4	.6
Strongly Agreed	8	56.4	-48.4
<b>Total</b>	<b>282</b>		

**Source:** SPSS Version 18.0/Field Survey, 2012.

<b>Ho: Internal environment has no significant relationship with the management of public enterprises in Taraba state.</b>		<b>Chi-Square</b>	<b>df</b>	<b>Asymp. Sig.</b>
My organization has enough resources and culture that distinguishes it from other comparable organizations globally.		115.872 <sup>a</sup>	4	.000
My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.		111.617 <sup>a</sup>	4	.000
I value the organizational structure, proficient management and control system of my organization.		99.844 <sup>a</sup>	4	.000
My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.		115.234 <sup>a</sup>	4	.000
My organization has good sources and good strategies for the management of funds.		219.348 <sup>a</sup>	4	.000
a.	0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 56.4.			

**Source:** SPSS Version 18.0/Field Survey, 2012.

**Explanation:** Hypotheses 2 indicates that the calculated chi-square ( $X^2$ ) statistics, for 4 degree of freedom (df) is 56.4. Additionally, it indicates that the significance value (0.000) is less than the usual threshold value of 0.005. This suggest that the null Hypotheses (**H<sub>0</sub>**) (Internal environment has no significant relationship with the management of public enterprises in Taraba state), is rejected in favor of an alternate hypotheses (Internal environment has a significant relationship with the management of public enterprises in Taraba state).



### Hypotheses 3

**Ho: Economic environment has no significant relationship with the management of public enterprises in Taraba state.**

<b>The general volatile economic environment of Nigeria militates against the management of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	19	56.4	-37.4
Disagreed	31	56.4	-25.4
Undecided	8	56.4	-48.4
Agreed	101	56.4	44.6
Strongly Agreed	123	56.4	66.6
<b>Total</b>	<b>282</b>		
<b>The conditions attached and the high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	9	56.4	-47.4
Disagreed	48	56.4	-8.4
Undecided	19	56.4	-37.4
Agreed	97	56.4	40.6
Strongly Agreed	109	56.4	52.6
<b>Total</b>	<b>282</b>		
<b>Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	18	56.4	-38.4
Disagreed	31	56.4	-25.4
Undecided	10	56.4	-46.4
Agreed	101	56.4	44.6
Strongly Agreed	122	56.4	65.6
<b>Total</b>	<b>282</b>		
<b>Concession through Public Private Partnership and privatization will improve the management of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	13	56.4	-43.4
Disagreed	34	56.4	-22.4
Undecided	20	56.4	-36.4
Agreed	122	56.4	65.6
Strongly Agreed	93	56.4	36.6
<b>Total</b>	<b>282</b>		
<b>Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	12	56.4	-44.4
Disagreed	35	56.4	-21.4
Undecided	19	56.4	-37.4
Agreed	122	56.4	65.6
Strongly Agreed	94	56.4	37.6
<b>Total</b>	<b>282</b>		

**Source:** SPSS Version 18.0/Field Survey, 2012.

<b>Ho: Economic environment has no significant relationship with the management of public enterprises in Taraba state.</b>		<b>Chi-Square</b>	<b>df</b>	<b>Asymp. Sig.</b>
The general volatile economic environment of Nigeria militates against the management of my organization.		191.688 <sup>a</sup>	4	.000
The conditions attached and the high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.		144.170 <sup>a</sup>	4	.000
Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.		187.326 <sup>a</sup>	4	.000
Concession through Public Private Partnership and privatization will improve the management of my organization.		165.837 <sup>a</sup>	4	.000
Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.		169.241 <sup>a</sup>	4	.000
a.	0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 56.4.			

**Source:** SPSS Version 18.0/Field Survey, 2012.

**Explanation:** Hypotheses 3 indicates that the calculated chi-square ( $X^2$ ) statistics for 4 degree of freedom (df) is 56.4. Additionally, it indicates that the significance value (0.000) is less than the usual threshold value of 0.005. This suggest that the null Hypotheses ( $H_0$ ) (Economic environment has no significant relationship with the management of public enterprises in Taraba state), is rejected in favor of an alternate hypotheses (Economic environment has a significant relationship with the management of public enterprises in Taraba state).

## Hypotheses 4

**Ho: Technological environment has no significant relationship with the management of public enterprises in Taraba state.**

<b>The Technological environment in Nigeria is favorable to the development of my organization.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	63	56.4	6.6
Disagreed	143	56.4	86.6
Undecided	18	56.4	-38.4
Agreed	37	56.4	-19.4
Strongly Agreed	21	56.4	-35.4
<b>Total</b>	<b>282</b>		
<b>My organization has the infrastructure, technology and the equipments to compete in the global world.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	52	56.4	-4.4
Disagreed	143	56.4	86.6
Undecided	32	56.4	-24.4
Agreed	38	56.4	-18.4
Strongly Agreed	17	56.4	-39.4
<b>Total</b>	<b>282</b>		
<b>My organization has a technologically equipped expertise capable of performing its functions.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	9	56.4	-47.4
Disagreed	44	56.4	-12.4
Undecided	32	56.4	-24.4
Agreed	122	56.4	65.6
Strongly Agreed	75	56.4	18.6
<b>Total</b>	<b>282</b>		
<b>My organization is inclined to research and development in technology for its growth.</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	56	56.4	-.4
Disagreed	147	56.4	90.6
Undecided	17	56.4	-39.4
Agreed	39	56.4	-17.4
Strongly Agreed	23	56.4	-33.4
<b>Total</b>	<b>282</b>		
<b>The training and development of staff is a top priority in my organization</b>			
	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly Disagreed	38	56.4	-18.4
Disagreed	11	56.4	-45.4
Undecided	13	56.4	-43.4
Agreed	123	56.4	66.6
Strongly Agreed	97	56.4	40.6
<b>Total</b>	<b>282</b>		

**Source:** SPSS Version 18.0/Field Survey, 2012.

<b>Ho: Technological environment has no significant relationship with the management of public enterprises in Taraba state.</b>		<b>Chi-Square</b>	<b>Df</b>	<b>Asymp. Sig.</b>
The Technological environment in Nigeria is favorable to the development of my organization.		188.780 <sup>a</sup>	4	.000
Because of the above, my organization has the infrastructure, technology and the equipments to compete in the global world.		177.397 <sup>a</sup>	4	.000
My organization has a technologically equipped expertise capable of performing its functions.		135.553 <sup>a</sup>	4	.000
My organization is inclined to research and development in technology for its growth.		198.213 <sup>a</sup>	4	.000
The training and development of staff is a top priority in my organization		183.816 <sup>a</sup>	4	.000
a.	0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 56.4.			

**Source:** SPSS Version 18.0/Field Survey, 2012.

**Explanation:** Hypotheses indicates that the calculated chi-square ( $X^2$ ) statistics for 4 degree of freedom (df) is 56.4. Additionally, it indicates that the significance value (0.000) is less than the usual threshold value of 0.005. This suggest that the null Hypotheses (**H<sub>0</sub>**) (Technological environment has no significant relationship with the management of public enterprises in Taraba state), is rejected in favor of an alternate hypotheses (Technological environment has a significant relationship with the management of public enterprises in Taraba state).

## CHAPTER FIVE

### Summary, Conclusions and Recommendations

#### 5.1 Summary

The dynamic changes in world business environment over the years (Bertucci, 2005) and the subsequent change in the management of public enterprises all over the world which transformed the commitments of governments and the roles of the managers of public enterprises elsewhere and less of the government of Taraba State motivated this study. The purpose of this was to determine how factors such as regulatory environment, internal environment, economic environment and technological environment are militating against the management of public enterprises in the State. To carry out the study, the survey research design was adopted. The population used for the study was 7,258 employees of the 37 public enterprises in Taraba State. Purposive sampling technique was used to adopt only senior and management staff of the 37 public enterprises owned by the Taraba State government as sample. From the sample population a simple random sampling technique was adopted to select 300 employees through the dip-hat method without replacement. The structured questionnaire, designed to provide rated response options to generated items using a Likert scale was used to collect data. Out of the number, a total of 282 questionnaires were correctly filled and returned and a total of 18 questionnaires were not returned. Meanwhile, mean was used to analyze the data collected on the research questions using the SPSS version 18. The decision rule for the mean score point analysis was that, any items with a mean response of 3.50 and above was accepted as agreed; while any items that had mean response of less than 2.50 was considered as disagreed. Any items mean in the range of 2.50 to 3.49 was appropriately treated as undecided. The Chi-square ( $X^2$ ) statistic was used to test the hypothesis. The decision to accept or reject a hypothesis was based on the relationship between computed chi-square values and the table of critical values. The null hypothesis was accepted if the computed chi-square value is less than the critical value and *vice versa*.

At the end of the study, it was discovered that the government of Taraba State has good intention for the establishment, management and regulations of public enterprises.

However, political interference in the management, appointments, financing and internal affairs, the general volatile economic environment of Nigeria/Taraba State, the conditions attached to and the high cost of funds from Nigerian financial institutions, the lack of good sources, good strategies for management of funds militate against their effective management.

Also the study discovered that inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, due to a good technological environment and lack of inclination to research and development in technology for the growth and development hampers the effective performance of public enterprises in Taraba State.

The study also discovered that concession through Public Private Partnership and privatization will improve the management and enhance the patronage of the products and services of public enterprises in Taraba State and will even make them to compete in the global world.

## **5.2 Conclusions**

Predicated on the findings of this study, it can be concluded that Political interferences in the appointments to Boards/Management and internal affairs of the public enterprises, lack good sources and strategies for fund management to achieve set objectives, the volatile economic environment of Taraba corruption, the unfavorable technological environment in the state hamper the effective performance of Public enterprises in Taraba state and these are making life on edge for its citizens.

## **5.4 Recommendations**

The following recommendations have been make based on the findings and conclusions made in this study. Since government's aim for the establishment, management and regulations of public enterprises in Taraba State is for the socio economic wellbeing of the state, rather than abolish them, more stringent measures should be espoused by the government to improve on their performance if possible through concession in form of Public Private Partnership. However, political office holders should restrain from political influence on the affairs of public enterprises in the state to make the function effectively.

Government should provide the necessary infrastructural facilities as well as make efforts toward research and development in technology for the development of public enterprises in the state. Government as well as the management of public enterprises in State should adopt alternate sources of funds and management strategies to achieve set objectives. This will enable public enterprises perform their functions effectively.

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## APPENDIX A

<b>S/N</b>	<b>Names of Public Enterprise</b>	<b>Ministries of Affiliation</b>
1.	Lau Tomatoes Production Company Limited, Lau	Ministry of Commerce and Industry
2.	Taraba Hotels Limited, Jalingo	Governor's Office
3.	Taraba State Transport Corporation, Jalingo	Ministry of Transport and Aviation
4.	Taraba State Crushing and Asphalt Plant, Jalingo	Ministry of Works and Housing
5.	Baissa Timber Company, Kurmi	Ministry of Commerce and Industry
6.	Taraba State Investment Limited, Jalingo	Governor's Office
7.	Taraba State Cassava Processing Company Limited, Jalingo	Ministry of Agriculture
8.	Taraba State Sunshine Press Limited, Jalingo	Governor's Office
9.	Lau State Sugar Company Limited, Lau	Ministry of Commerce and Industry
10.	Taraba State Viva feeds Limited, Zing	Ministry of Commerce and Industry
11.	Taraba Solid Mineral Development Company (TSMDC), Jalingo	Ministry of Works and Housing
12.	Taraba Television Corporation(TTV)	Ministry of Information, Culture and Tourism
13.	Taraba State Gas Supply Company Limited	Governor's Office
14.	Taraba State Broadcasting Service (TSBS)	Ministry of Information, Culture and Tourism
15.	Taraba State Health Service Management Board	Ministry of Health
16.	Taraba State Water Supply Agency	Ministry of Water Resources
17.	Taraba State Rural Electrification Board	
18.	Taraba State College of Education, Zing	Ministry of Education
19.	Taraba State College of Agriculture, Jalingo	Ministry of Education
20.	Taraba State Road Construction and Maintenance Agency (TARCMA)	Ministry of Works

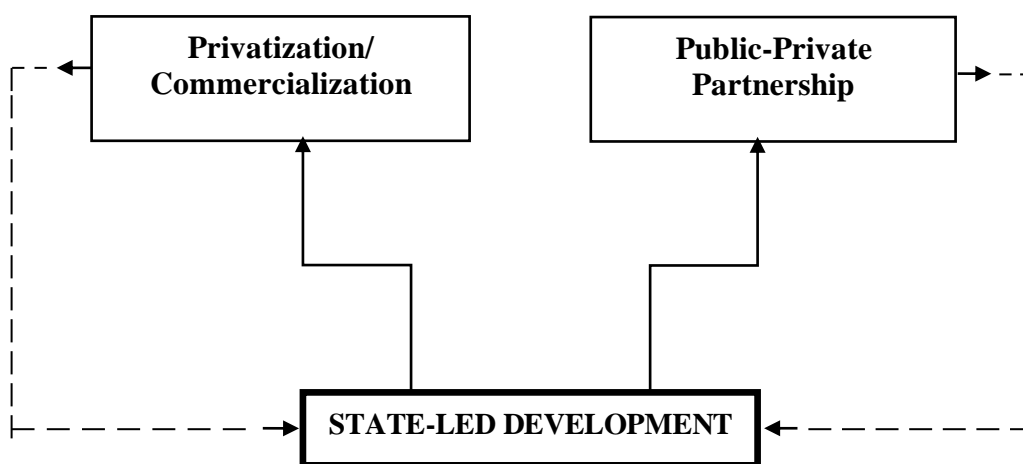
21	Taraba State Essential Drugs Program	Ministry of Health
22	Taraba State University, Jalingo	Ministry of Education
23	Sunrise Press Ltd	Governor' Office
24	Tourism Board	Ministry of Information, Culture and Tourism
25	Christian Pilgrim Welfare Board	Government House
26	Muslim Pilgrim Welfare Board	Governor's Office
27	Taraba State Agricultural Development Project (TADP)	Ministry of Agriculture
28	Taraba State Arts Council	Ministry of Information, Culture and Tourism
29	Taraba State Audit Department	Ministry of Finance
30	Taraba State Board of Internal Revenue	Ministry of Finance
31	Taraba State Boundary Commission	Ministry of Works and Housing
32	Taraba State Library Board	Ministry of Education
33	Taraba State Sports Council	Ministry of Youth and Social Development
34	Taraba State Judiciary Service Commission	Ministry of Justice
35	Taraba State Pension Board	Ministry of finance
36	Taraba State Specialist Hospital	Ministry of Health
37	Taraba State Agricultural Produce marketing Board	Ministry of Agriculture

**Source:** Taraba State Investors Guide, 2011



## APPENDIX B:

### The Model of Current Philosophy of Government Business in Nigeria



**Source:** (Olamitunji, *et al* 2011)

## **APPENDIX C**

Department of Management Technology,  
School of Management and Information Technology,  
Modibbo Adama University of Technology, Yola  
P.M.B. 2076, Yola, Adamawa State.  
30<sup>th</sup> July, 2012

Dear Respondent,

### **Request to Respond to a Questionnaire**

You are requested to please go through this research questionnaire designed to elicit information on the topic “Factors Militating against the Management of Public Enterprises (Parastatals) in Taraba State”. The research study is purely an academic exercise leading to the award of Masters in Public Administration (MPA).

The information you provide shall be used exclusively for this work and also treated with utmost confidentiality. You are therefore requested to supply accurate and concise information, please.

Thank you.

Yours faithfully,

EYAB, Timothy RikaRimam

**SECTION A:****RESPONDENTS SOCIO-ECONOMIC CHARACTERISTICS**

**Instruction:** Please indicate [ $\sqrt{\phantom{x}}$ ] in the box provided to select your answer from the options provided.

- 1) **Gender:** (i) Male ☐ (ii) Female ☐
- 2) **Age:** (i) below 25 ☐ (ii) 25-34 ☐ (iii) 35-44 ☐ (iv) 45-54 ☐ (v) above 55 years ☐
- 3) **Department:** (i) Administration/Finance/Information ☐ (ii) Planning/Research/Statistics ☐ (iii) Electrical/Mechanical ☐ (iv) Production/Marketing ☐ (v) Transport/Logistics ☐.
- 4) **Grade Level:** (i) 8-10 ☐ (ii) 12-14 ☐ (iii) 15-17 ☐
- 5) **Highest Academic/Professional Qualification:** (i) Primary ☐ (ii) Secondary ☐ (iii) ND/NCE ☐ (iv) HND/Bachelor's degree ☐ (v) Post Graduate Diploma/Master's/PhD ☐
- 6) **Length of Service in the Organization:** (i) below 5 years ☐ (ii) 5-9 years ☐ (iii) 10-14 years ☐ (iv) 15-20 years ☐ (v) above 20 years ☐

**Instruction:** In the subsequent sections indicate [ $\sqrt{\phantom{x}}$ ] in the appropriate column the extent to which you agree or disagree with a statements. The responses are coded as: 1= Strongly Disagreed, 2 = Disagreed, 3 = Undecided, 4 = Agreed, 5 = Strongly Agreed.

	<b>SECTION B</b>	<b>RESPONSES</b>				
<b>S/N</b>	<b>Public Enterprises and its Regulatory Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>RE1</b>	The establishment, management and regulation of my organization is aimed at the socio economic development of Taraba State.					
<b>RE2</b>	Regulatory authorities, management and staff of my organization from time to time vandalize the properties of the organization.					
<b>RE3</b>	Government's political interference in the management, appointments, financing and internal affairs of my organization militates against its effective performance.					
<b>RE4</b>	Because of the above (RE1, RE2, RE3) my organization should be abated.					

<b>RE5</b>	More stringent measures should be espoused for the effective management of my organization.					
	<b>SECTION C</b>	<b>RESPONSES</b>				
	<b>Public enterprises and its Internal Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>IE1</b>	My organization has enough resources and culture that distinguishes it from other comparable organizations globally.					
<b>IE2</b>	My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.					
<b>IE3</b>	I value the organizational structure, proficient management and control system of my organization.					
<b>IE4</b>	My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.					
<b>IE5</b>	My organization has good strategies for the management of funds.					
	<b>SECTION D</b>	<b>RESPONSES</b>				
	<b>Public enterprises and its Economic Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>EE1</b>	The general volatile economic environment of Nigeria militates against the management of my organization.					
<b>EE2</b>	The high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.					
<b>EE3</b>	Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.					
<b>EE4</b>	Concession through Public Private Partnership and privatization will improve management of my organization.					
<b>EE5</b>	Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.					
	<b>SECTION E</b>	<b>RESPONSES</b>				
	<b>Public enterprises and its Technological Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>TE1</b>	The Technological environment in Nigeria is favorable to the development of my organization.					
<b>TE2</b>	Because of the above, my organization has the infrastructure, technology and the equipments to compete in the global world.					
<b>TE3</b>	My organization has a technologically equipped expertise capable of performing its functions.					
<b>TE4</b>	My organization is inclined to research and development in technology for its growth.					
<b>TE5</b>	The training and development of staff is a top priority in my organization.					
	<b>SECTION B</b>	<b>RESPONSES</b>				
<b>S/N</b>	<b>Public Enterprises and its Regulatory Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>RE1</b>	The establishment, management and regulation of Public Enterprises in Taraba State by government is aimed at the socio economic development of the State.					
<b>RE2</b>	Regulatory authorities, management and staff of these public enterprises from time to time vandalize the properties of the public					

	enterprises.						
<b>RE3</b>	Government's political interference in the management, appointments, financing and internal affairs of public enterprises militates against their effective performance in Taraba State.						
<b>RE4</b>	Because of the above (RE2, RE3) Public Enterprises in Taraba State should be abated.						
<b>RE5</b>	More stringent measures should be espoused for effective management of public enterprises in Taraba State.						
	<b>SECTION C</b>	<b>RESPONSES</b>					
	<b>Public enterprises and its Internal Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>IE1</b>	My organization has enough resources and culture that distinguishes it from other comparable organizations globally.						
<b>IE2</b>	My organization has the synergistic advantage and distinctive competence that makes it achieved its set objectives.						
<b>IE3</b>	I value the organizational structure, proficient management and control system of my organization.						
<b>IE4</b>	My organization has good production systems, good operational plans and good marketing strategies capable of achieving its set objectives.						
<b>IE5</b>	My organization has good sources and good strategies for management of funds.						
	<b>SECTION D</b>	<b>RESPONSES</b>					
	<b>Public enterprises and its Economic Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>EE1</b>	The general volatile economic environment of Nigeria militates against the management of my organization.						
<b>EE2</b>	The conditions attached and the high cost of funds from Nigerian financial institutions militates against the adequate management of my organization.						
<b>EE3</b>	Inadequate infrastructural facilities in Nigeria/Taraba State such as electricity, road networks, hospitals, water supply, etc. militate against the management of my organization.						
<b>EE4</b>	Concession through Public Private Partnership and privatization will improve management of my organization.						
<b>EE5</b>	Concession through Public Private Partnership will enhance the patronage of the products and services of my organization.						
	<b>SECTION E</b>	<b>RESPONSES</b>					
	<b>Public enterprises and its Technological Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>TE1</b>	The Technological environment in Nigeria is favorable to the development of my organization.						
<b>TE2</b>	Because of the above, my organization has the infrastructure, technology and the equipments to compete in the global world.						

<b>TE3</b>	My organization has a technologically equipped expertise capable of performing its functions.					
<b>TE4</b>	My organization is inclined to research and development in technology for its growth.					
<b>TE5</b>	The training and development of staff is a top priority in my organization.					