



SUBSIDY REMOVAL AND JOB PERFORMANCE OF ACADEMIC STAFF OF NIGER STATE COLLEGE OF EDUCATION, MINNA

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Abstract

Fuel subsidy removal has come with a diverse impact on the job performance of academic staff. The main objective of this study is to investigate whether there is difference between fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna. A survey research design was adopted on the population comprised of 47 academic staff from all the six Departments in the School of Arts and Social Sciences of the College of Education, Minna. The entire population was maintained as the sample size for the study due to the small nature of the number. A self-developed questionnaire titled 'Subsidy Removal and Lecturers Job Performance Questionnaire (SRJPQ)' consisting eight item statements structured on a 4-point Likert scale validated by two senior lecturers in economics department, COE, MX was used to collect data from respondents. A reliability coefficient of the instrument was obtained using Cronbach's alpha at 0.82 level of significance. The data collected were analysed using inferential statistics such as weighted mean to determine the research question at 2.5 level of significance. The result reveals that there is no significant difference in the mean rating of male and female gender concerning difficulty caused by fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna. This is because the degree of freedom is 45 and the level of significance is 0.05. The study concludes that lecturers condition worsened after the removal of subsidy irrespective of gender. Thus, the research recommends that the institution executives should provide viable means to motivate lecturers through service motivated incentives.

Keywords: Academic Staff, COE, Job Performance, Subsidy Removal, Sustainable Development

1. INTRODUCTION

The petroleum subsidy in Nigeria is a highly contentious issue, encompassing technical, economic, and political dimensions. The pricing system, influenced by political decisions, significantly shapes the cost and profit-sharing dynamics between major stakeholders—the producer Nigeria National Petroleum Corporation-NNPC and consumers. While, oil exploration since the mid-60s



propelled Nigeria into a top oil producer by the early 70s, with over 80% of foreign exchange earnings coming from oil by 1973 (Adebiyi, 2011; Olujobi, 2021).

It is viewed as a "mixed blessing. By the generality of Nigerians" The presence of petroleum, despite catalysing economic development, poses challenges due to Nigeria's absorptive capacity. Although, oil has enhanced economic growth and impactful projects, it has also led to ill-considered policy decisions and false hopes, with finances not being a constraint (George, 2013).

Nigeria like many other oil-producing countries, has faced significant economic challenges and fiscal pressures due to the costs associated with fuel subsidies. In response to these challenges, the Nigerian government has at various times contemplated and implemented fuel subsidy removal policies as part of broader economic reform initiatives. A subsidy is any government program that lowers the price of a good or service that is consumed by citizens compared to what the price would have been without the existence of the policy (OECD, 2018; Abdulkadir, Funmilola & Abdulkabir, 2020).

These subsidy removals have sparked significant public debate and have been met with mixed reactions from different segments of society (Emmanuel, 2023). The purchasing power of individuals, including lecturers, is directly impacted by changes in fuel prices. Lecturers, as professionals in the educational sector, are a crucial component of Nigeria's intellectual and academic community. Their purchasing power not only affects their personal well-being but also has wider implications for the quality of education they provide and the stability of their households (Adebayo, 2023).

The increment in fuel price has led to increment in transportation fare which directly and indirectly inability to come to schools while in tertiary institutions many lecturers have decided to compress their lectures to one or twice in a week. And other lecturers have changed to virtual model of teaching. The post-subsidy removal in Nigeria have affected implementation of \teaching programme in Nigeria educational institutions. Subsidy removal have impacted negatively on the entire educational system leading to reduction in the teaching hours in schools because teachers cannot cope with the increment of transportation fare. Okonkwo (2023) observed that teachers' job performance is also affected by the removal of the fuel subsidy. This is because they have to pay more for transportation to and from work. Many lecturers rely on public transport, such as buses, taxis and motorcycles, which have also increased their fares due to the higher cost of fuel. Some teachers may have to spend more than half of their salaries on transportation alone, leaving little for other expenses such as food, rent and health care. Job performance is the result of an individual's productivity compared to their coworkers on a variety of job-related behaviours and results. Performance is determined by the quality and quantity of work completed as part of an employee's assigned responsibilities (Anitha, 2014).

The elimination of fuel subsidies in Nigeria has caused a rise in the cost of goods and services adversely affecting all sectors in the country. Opeyemi (2012) reveals that in an-extensive research aimed at ascertaining the long run effects of subsidy removal on the performance quality of Nigerian textile workers in the wake of palliative removal. the result indicated a significant relationship between subsidy and workers' performance as the sudden surge in fuel prices, resulting from the removal of subsidies intensified the economic difficulties faced by the already



struggling Nigerian population, grappling with high unemployment rates and widespread economic challenges.

Educational institutions, including school administrators, teachers, and students, have not been spared from these repercussions. Since the subsidy removal, school administration and the processes of teaching and learning have undergone significant changes. It is crucial to investigate the consequences of subsidy removal on education, specifically focusing on school administration, teaching, learning, and school supervision. It is against this premise that this research intends to investigate whether there is difference between fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna. The study is guided by the following null hypotheses.

H₀₁: Gender has no significant difference between difficulty caused by fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna.

2. LITERATURE REVIEW

2.1 Concept of Subsidy

A subsidy as defined by Organisation for Economic Co-operation and Development-OECD (2018) are as follow. A subsidy is any government program that lowers the price of a good or service that is consumed by citizens compared to what the price would have been without the existence of the policy. subsidy is a decrease in the market price of products and services by the government so that people with limited purchasing power can obtain such goods and services. It occurs when the government assists customers in paying a price that is lower than the market price for consumer products. A subsidy is any measure that keeps prices consumers pay for good or product below market levels for consumers or for producers above market. Subsidies take different forms. Some subsidies have a direct impact on price. These include grants, tax reductions and exemptions or price controls (Adebiyi, 2011).

2.2 Concept of Job Performance

Job performance refers to an employee's expertise in carrying out their duties in a way that helps the organization achieve its goals (Moonsri, 2018). It is the result of an individual's productivity compared to their coworkers on a variety of job-related behaviours and results. Performance is determined by the quality and quantity of work completed as part of an employee's assigned responsibilities (Anitha, 2014). Employee performance directly influences an organization's financial and non-financial outcomes. Thus, organizations need high-performing employees to achieve their corporate goals, vision, and mission and gain a competitive advantage.

2.2.1. Factors that improve Job Performance

According to Okereke and Daniel (2010) job performance is the ability to combine relevant inputs for enhancement of the teaching and learning processes. The authors further argue that effective teaching is measured by academic performance of learners, punctuality, active participation in co-curricular activities and committing assignments given by the institution's administrators.

One of the strategies highlighted by Okereke & Daniel (2010) is welfare schemes are the strategies employed in motivating lecturers for better job performance. These are in form of salary increment, gratuity, and regular promotion, ensuring job security and establishing cordial relationship among



teachers. Teachers are the initiators and facilitators of teaching and learning activities. They act as agents of changes in any school system because of the roles they perform; they can be regarded as the heart of quality improvement strategies (Hopkins, 2014).

According to Okereke and Daniel (2010), most institutions achieve remarkable success in their operations not only because they operate in good environments or because they are capable of competing favourably with the realities of their requirement but mostly because the management (or those at the helm of affairs) provides them with incentives that make their work worth enjoying. They appreciate the fact that no organization performs efficiently and effectively if the human elements are not adequately motivated. The provision of welfare package that ginger workers to work in an organization has helped organizations to create the enabling environment for better performance among the workforce.

According to Manzini and Gwandure (2011), employee welfare measures were meant to reduce absenteeism and increase efficiency and productivity. However, today employee welfare programs have taken a broader scope and they include almost all aspects of workers 'welfare and development in the organizational establishment. The mandate of welfare measures is to generate an efficient, healthy, satisfied and productive labour force. Berry (2010) asserts that the objective of providing facilities is to make working environment more enjoyable of the 9th Malaysian National Economic Conference, Kuala Terengganu, Terengganu

2.3. Empirical Review

2.3.1 Subsidy Removal, Standard of Living and Performance of Academic Staff

Subsidies usually take the form of price controls and can involve large price gaps. While subsidies aimed at producers generally keep costs of production lower or increase revenues, their effect is to keep marginal producers in the business (Sanders and Schneider, 2000). These subsidies can also be motivated by the desire to reduce import dependency (European Environment Agency, 2005). Production subsidies are more common in developed countries while consumer subsidies are prevalent in developing and oil producing countries.

A considerable number of studies have analysed the issues of petroleum pricing and how it significantly impacts the performance especially in relation to the welfare of the general populace. Iwayemi and Adenikinju (2014). In a study argued that, the elimination of subsidies, particularly fossil fuel, if not met with an effective incentive program that will reduce the impact of the difficulties cause by the subsidy removal can potentially impact on the walefare of the populace, this recognizes that the effects of energy subsidies are complex and can exert adverse effects on the general output of the performance. According to Adagunodo (2013), it unambiguously agreed that eliminating subsidy play a central role in national efforts to achieve a long-term transition to a truly sustainable energy system that is secured and clean for the environment. However, there could be large, long-run social costs associated with its removal because subsidies in fuel for traditional mono economy like Nigeria is a critical determinant of welfare as its pricing has the capacity to distort the balance of energy sources and output within the productive social environment.

The relationship between energy subsidies and the work performance has strong policy implications for government in terms of ensuring productive sustainability globally. Fossil fuel



subsidy represents a unique problem that unites economists and educationist (Holton, 2012). In the last few years, policy direction has shifted towards the reform or elimination of subsidies, particularly fossil fuel subsidies. Pieters (2002) opined that the removal or reform of subsidies to improve the economic had been high on the international political agenda since the early nineties while bearing in mind the potential fallout of the removal on performance quality.

3. METHODOLOGY

The study adopted a descriptive survey research design. One objective guided this study. The study targeted only the entire academic staff of the School of Arts and Social Sciences, College of Education, Minna, totalling 47 male and female members based on the statistics from the college registry, 2022. the choice for the population is guided by time constraint and paucity of funds. The entire population of forty-seven (47) was used as a sample using the census sampling research technique. The researchers personally administered the instruments employing an on-the-spot method of instrument administration. The data collection was done using a self-developed instrument titled "Subsidy Removal and Lecturers Job Performance Questionnaire (SRJPQ) which consisted of two sections: Section A sought demographic data from the respondents, while Section B comprised item statements eliciting the opinions of respondents regarding the research questions arranged on a four likert scale of; Strongly agree (4) Agree (3) Disagree (2) Strongly Disagree (1). The instrument was validated by experts in the department of economics. The instrument was pilot tested on economics department staff in FCE Kontagora, Niger state the result Data was analysed using Cronbach's alpha, and a reliability index of 0.82 was obtained which signifies that the instrument is consistency. Forty-seven (47) questionnaires were administered to the respondents with the assistance of a research assistant. All questionnaires were retrieved and analysed using the mean and standard deviation for the research questions, and the t-test statistic was used to analysed the null hypothesis at a 0.05 level of significance as used by (Atoyebi, 2012)

4. RESULTS AND DISCUSSIONS

4.1 RESULTS

This section presents and analyses the data collected to test the hypotheses in order to draw conclusions.

Table 1: Classification of Respondents by Gender

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 38 | 71.54 |
| Female | 9 | 28.46 |
| Total | 47 | 100 |

Source: Field Survey (2022).

The Table 1 reveals that the 38 respondents are male representing 71.54% while 9 respondents are females representing 28.46% of the respondents. This means that majotity of the respondents are male

**Table 2. Mean Rating of Respondents on how the financial difficulty caused by fuel subsidy removal impact on the job performance of academic staff at Niger State College of Education, Minna.**

| S/N | Items | N | SA | A | D | SD | Mean | Std. Dev. | Decision |
|-----|---|----|----|----|---|----|------|-----------|----------|
| 1. | High transport fare makes it hard for me to get to school | 47 | 23 | 14 | 6 | 4 | 3.19 | 0.72 | Agree |
| 2. | My inability to meet my financial responsibilities affect my job | 47 | 20 | 17 | 4 | 6 | 3.09 | 0.66 | Agree |
| 3. | Job satisfaction has decreased since the removal of subsidy | 47 | 22 | 15 | 5 | 5 | 3.15 | 0.71 | Agree |
| 4. | Subsidy removal has led to high transportation cost | 47 | 19 | 18 | 7 | 3 | 3.13 | 0.91 | Agree |
| 5. | Subsidy removal has resulted in an increase in the cost of living | 47 | 21 | 15 | 6 | 5 | 3.11 | 0.76 | Agree |
| 6. | Subsidy removal has made it challenging for me to afford basic necessities. | 47 | 29 | 10 | 7 | 1 | 3.43 | 0.67 | Agree |

Source: Field Survey (2022).

Weighted Mean = 2.5

Table 2 presents the mean ratings of respondents regarding how the financial difficulty caused by fuel subsidy removal impacts the job performance of academic staff at Niger State College of Education, Minna. Respondents are generally unanimous in the responses as all the items turn out to be agreed of course with a different levels of standard deviation; on item 1 High transport fare makes it hard for me to get to school: Mean: 2.91 item 2 My inability to meet my financial responsibilities affects my job: Mean: 2.51 Item 3 Job satisfaction has decreased since the removal of subsidy: Mean: 2.94 item 4 Subsidy removal has led to high transportation cost: Mean: 2.61 item 5 Subsidy removal has resulted in an increase in the cost of living: Mean: 2.56 Item 6 Subsidy removal has made it challenging for me to afford basic necessities: Mean: 2.5.

The overall weighted mean is calculated as 2.5, suggesting that, on average, respondents agree that the financial difficulties caused by fuel subsidy removal have a noticeable impact on the job performance of academic staff at Niger State College of Education, Minna. The specific concerns include high transportation costs, challenges in meeting financial responsibilities, decreased job satisfaction, and increased difficulty in affording basic necessities. With the list standard deviation been 0.66

Table 3: Independent t-test Statistics on the Mean Rating of whether Gender has no significant difference between difficulty caused by fuel subsidy removal and job performance

| Item | category | N | mean | SD | T.Cal | Df | Alpha | T.cri |
|------|----------|----|---------|---------|-------|----|-------|-------|
| 1 | Male | 38 | 37.4828 | 7.65922 | 0.714 | 45 | 0.05 | 0.334 |
| 2 | Female | 9 | 29.111 | 8.48862 | | | | |

Source: Field Survey 2022.



Table 3 reveals that the t-cal of -0.714 is less than the t-crit of 0.334 at 0.05 levels of significance and 45 degrees of freedom. As a result, the null hypothesis indicates that there is no significant difference in the mean rating of male and female respondents on the impact of the difficulty caused by removal of subsidy on the job performance of academic staff at Niger State College of Education, Minna.

4.2 Discussion of Results

The research finding in Table 1 revealed that subsidy removal has indeed is directly related to the high cost of transportation as well increased cost of living. The result coincides with Elisha (2023) this recognizes that the effects of energy subsidies are complex and it distortion of transport cost and means can exert adverse effects on the general output of the performance. Fuel subsidy withdrawal is capable of heightening the uncertainties faced with regards to the means and cost of transportation and well-being of lecturers which directly affects the cost of transportation, eating deeply into the incomes of workers.

Similarly, lecturers are faced with financial difficulties, and this scenario influences their job effectiveness as it hampers on lecturers' ability to attend to their financial obligations. The result indicated that some of the lecturers find it tough to fuel their vehicles to work, to pay their transportation fair to work every day, and to meet their family's financial responsibilities because of financial constraints occasioned by the removal of fuel subsidies. The outcome agrees with Obaseki's (2023) opinion that employee performance is seriously affected when the price of gasoline is adjusted as transportation fare is immediately affected negatively resulting in delay or suspension of lesson contacts especially when such economic decisions by the government is carried out without adequate policy put in place to improve lecturers' welfare.

Holton (2012) shows that there is relationship between energy subsidies and the work performance has strong policy implications for government in terms of ensuring productive sustainability globally due to financial constraints that the withdrawal of the fuel subsidy could cause on the welfare of workers. In this case, the upsurge of the fuel price to all time high above 100% has resulted in increased difficulty in affording basic necessities such as food, payment for shelter, energy etc.

5. CONCLUSION AND RECOMMENDATION

It is evident that lecturers in tertiary institutions are experiencing financial challenges following the removal of fuel subsidies. The removal has led to a higher cost of living, with increased transportation and food prices. This study investigated whether there is difference between fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna. The result reveals that there is no significant difference in the mean rating of male and female gender concerning difficulty caused by fuel subsidy removal and job performance of Academic Staff at Niger State College of Education, Minna. This is because the degree of freedom is 45 and the level of significance is 0.05. The study concludes that lecturers condition worsened after the removal of subsidy irrespective of gender. The study that the institution executives should provide viable means to motivate lecturers through service motivated incentives.



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