Reward System and Its Implications for Corruption in the Nigerian Civil Service

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Abstract
Corruption is endemic in Nigeria. It is a major issue in the civil service. The paper therefore assumes that reward system accounts significantly for the prevalence of corruption in the Nigerian civil service. This is especially so, because the total emolument appears inadequate to meet the immediate needs of civil and public servants and even get them secured economically after retirement. Given this, most civil servants often engage in corrupt practices to make ends meet. In curbing this social ill, the paper recommends living wage; orientation for change of attitudes towards ostentatious living; effective mechanisms to reward excellent service in all sections of human existence and a revisit of privatization and commoditization of public goods.

Keywords: Reward; Corruption and Civil Service

Introduction
Corruption is a global phenomenon, it has been pervasive in societies from ancient days to the present (Lipset and Lenz, 2000). It however appears quite endemic in Nigeria to an extent that surveys of Nations by Transparency International have always ranked Nigeria with most corrupt nations of the world. In year 2000, for instance, Nigeria was adjudged the most corrupt country in the world. It was ranked the 2nd most corrupt country in the surveys of 2001, 2002, 2003. In 2005 and 2006 she became the 8th and 22nd most corrupt nation respectively among the countries surveyed. Nigeria’s rating however improved to 121st out of 180 countries, 142nd out of 163 nations and 134th out of the 178 countries evaluated in 2007, 2008, 2011 respectively (Transparency international Annual Corruption Index).

From its mild manifestation in the 60s, corruption grew rapidly during the Second Republic (Bangura, 1986; FRN 1986; Aiyede, 2006). It particularly became institutionalized during the elongated military incursion into the governance of the country and has thus affected the socio-economic and political life of the citizenry. It is now more of a way of life to an extent that most Nigerians routinely get involved in a type of corrupt practice or the other. Corruption, indeed, obtains in every sector of the country - the presidency, national/state assemblies, all levels of political position, public and private parastatals and agencies, schools, and even families.

As much as Nigeria is bedeviled with corruption, it seems to be a major issue in the Public Service. Although, those in positions of authority often lead the way, public servants usually provide the template for the perfection of corruption and related practices. In fact, public servants would only expose corrupt practices only when they are excluded from sharing in the proceeds. As such, corruption manifests in the execution of virtually every public service responsibilities and duties. More often than not, officials involved in performing public service duties partake at one stage or the other in the abuse of the processes (Nigeria Corruption Survey, 2003). Many a-times, one is expected ‘to wet the ground’ (i.e. give bribe) before entitlements are given. There had been cases of ghost workers discovered during staff auditing exercises. For contracts to be awarded, relevant desk officers are known to ask for 10 per cent of the contract sum as bribe before relating papers are processed. Contract desk officers also connive with contractors to inflate contract sums or use sub-standard materials and get shoddy jobs approved because of their share of the sum (to be given as bribe). Indeed, corruption has become systematic and an integral component of the administrative culture in Nigeria. For example, the chairman of the Pension Reforms Task Force Team, at a press conference in Abuja on Thursday, April 12, 2012, disclosed that 560 dead pensioners’ names had been used to
collect Pension Funds in the last 44 years (The Punch, April 13, 2012 pg. 8). Also, the Economic and Financial Crimes Commission (EFCC) recently indicted a Permanent Secretary in the Office of the Head of Service of the Federation, and five others for allegedly mismanaging N14.5b Police Pension Funds (http://www.transparency.com).

Following Dike, (1999), the fundamental factors that engender corrupt practices in Nigeria include great inequality in the distribution of wealth, political office as the primary means of gaining access to wealth, conflict between changing moral codes, the weakness of and absence of a strong sense of national community as well as reward system among others. Taking cognizance of these factors, it can be assumed that reward system is a major bane of corruption in the Nigerian Civil Service. It is against this background that reward system and its implications for corruption in the Nigerian Civil Service constitute the theme of this paper. Questions to which answers would be attempted in the paper are: What constitutes reward in the Civil Service? How can reward system be a factor of corruption in the Civil Service?

Theoretical Orientation

The theme of the paper is hinged on the Motivational Theory of Deviance. The Theory is centred on the fact that deviant behaviour would not occur unless there is an encouraging social context which pushes a person towards it. A major proponent of this viewpoint is Robert Merton (1938), through his Strain /Anomie Theory. In Merton’s opinion, the motivation to deviate lies not in individuals but in the society; for social structures exert a definite pressure upon certain persons in the society to engage in non-conforming rather than conforming conducts. Thus, some societies experience higher rates of deviance than others, because their cultures value certain achievements; but the social structure does not provide many people with legitimate ways to attain these valued objectives. According to Merton, conformity lies in pursuing conventional goals by approved means. A true success may not be provided in the society to everyone desiring it. In such instances, members may seek wealth through unconventional means such as corruption, fraud, embezzlement, among others. This lack of fit between cultural goals and socio-structural opportunities is what Merton following Durkheim referred to as Anomie. Anomie is when many people feel strained because they are unable to achieve what they have been taught to value. In response to this strain, people react or become adapted in a variety of ways which are identified as conformity, retreatism, innovation and rebellion (see Figure I).

Indeed, the work of Merton can be adopted to demonstrate that some relationships exist between reward system and corruption. His “means-ends schema” as presented in Figure I implies that corruption is at times a motivational behaviour responding to social pressures to violate the societal norms in order to meet the set goals and objective of a social system. Thus, Lipset and Lenz (2000) noted that those going through corrupt means to achieve their objectives have little or no access to opportunity structure. The hindrance to economic opportunity could be as a result of their race, ethnicity, lack of skills, capital, material, location on the social ladder and other human resources. They also noted that cultures that stress economic success as an important goal, but strongly restricts access to opportunities would have higher level of corruption.
This probably explains the high incidence of corrupt behaviours in Nigeria. Basically, human actions and behaviours are goal driven. It has even been documented that once a goal is set, behavior targeted at achieving the goal persists until it is reached (Maslow, 1954). However, many Nigerian workers may toil all their lives without getting close to achieving their life goals. This is especially because salaries of civil servants appear grossly inadequate to meet their needs and when retired the entitlements are often not paid as and when due. Yet there are societal expectations from them. To justify the expectations, therefore, many could reject the rule of the game/institutional means (e.g. honesty, patriotism, etc.) and invent devise unconventional ways/means such as embezzlement, fraud, misappropriation etc.) to make ends meet.

**Definition of Concepts**

**Corruption**

Despite all the attention the phenomenon of corruption has attracted, its conceptualization has been hampered by an adequate and all embracing definition. Since it connotes different things to different peoples and cultures, attempts to define it usually raised difficult theoretical empirical and ideological questions (Johnston, 1996). In ordinary parlance, corruption simply means asking, giving or taking a fee, gift or favours as a condition for the performance of one’s legal or assigned responsibility. This social phenomenon has, however, been defined variously depending on individual’s perception. To Nye, (1967) corruption is a behavior that deviates from the formal duties of a public role because of private gains. Osoba (1996) adds that corruption is an “anti-social behavior conferring improper benefits contrary to legal and moral norms, and which undermine the authorities” to improve the living conditions of the people. Sen (1999) also referred to corruption or corrupt behavior as involving the violation of established rules for personal gain and profit. In the opinion of Lipset and Lenz (2000), corruption refers to efforts to secure wealth or power through illegal means, private gain at public expense, or a misuse of public power for private benefit. According to Obayolu (2007), it is the exploitation of public position, resources and power for private gain. Obayolu stressed corruption further as “attempts to secure wealth or power through illegal means for private gain at the expense of the public or a misuse of power for private benefit”. Ogundiya (2009) defined corruption as “the betrayal of public trust for individual or public gain”. Maurice Coker (as cited by Ochulor and Bassey 2010) equally states that “Corruption is the misuse of power for private benefit and advantage”. This power may, but needs not reside in the public domain. Besides money, the benefit can take the form of promotion, special treatment, commendation or the favour of women or men. From the
definitions, corruption can be seen as abuse of public office, betrayal of public trust, misappropriation and deviation from legal or moral norms for private gain.

Towards a broad discussion of the concept, corruption, it had been divided into a number of forms and subdivisions. These are political corruption, electoral corruption and bureaucratic corruption. Political corruption is that which occurs when there is abuse of power, office or resources by elected government officials for personal gains and the manipulation of political institutions, rules/procedure and the distortion of institutions of government (Encyclopedia Americana, 1999; and NORAD, 2000 as cited by Nwanolue and Iwuoha, 2012). Electoral corruption is associated with the purchase of votes with money, promises of office/special favours, coercion, intimidation and interference with freedom of election. The bureaucratic form, however, obtains in respect of the public administration and implementation of policies. It is branded “low level” and “street level” perhaps because it is often encountered daily at places such as hospitals, schools, government ministries, agencies and parastatals. Bureaucratic corruption is usually seen as akin to “corruption of need” which occurs when one obtains a business from the public sector through inappropriate procedure (NORAD, 2000). Given that corruption, as discussed above, is a multidimensional concept, the interest in this paper is on the bureaucratic form. This is conceived as a neglect or twist of the laid down rules and regulations of an organization especially by civil servants in order to have an advantage of a situation. This could lead to such behavior as bribery (use of a reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private uses).

Reward

Reward is often given in return for some service or attainment. In respect of employment therefore, it is the pay for the job held; for an individual’s capabilities and for results (Greene, 1991). Generally, reward for a job is to compensate the employee for the work done, to motivate him to perform well, and retain him on the job schedule, therefore avoiding the need for recruitment and training for replacements. Conventionally, the compensation and rewards of civil servants have several components, which include current rewards and future expectations. Both could be monetary; in-kind; contractually and non-contractually provided (see Figure II). From the Figure, it can be observed that contractually-provided but current monetary rewards are base wage or salary and allowances (cells 1 and 4) while the future expectation in this respect is pension (cell 7). Corresponding in-kind rewards are presented in cells 2, 5 and 8; non-contractual and intangible current and future rewards are indicated in cells 3, 6 and 9 respectively. While total compensation refers to contractually provided current rewards and allowances (cells 1, 2, 4, 5), total reward is however, the totality of all the contractual and non-contractual, current and expected rewards and allowances (cells 1 to 9).

**Figure II: Components of the rewards and compensation of Civil Servants**

<table>
<thead>
<tr>
<th>Current Rewards</th>
<th>Contractually-provided</th>
<th>Non-contractual/ Intangible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rewards</td>
<td>Monetary</td>
<td>In-kind</td>
</tr>
<tr>
<td>1. base wage/salary</td>
<td>2. health insurance</td>
<td>3. job security, social privileges, prestige,</td>
</tr>
<tr>
<td>Allowances</td>
<td>4. transportation, housing, meals, telephone, travel, cost-of-living</td>
<td>5. transportation, housing, meals travel</td>
</tr>
<tr>
<td>Future expectations</td>
<td>7. pension</td>
<td>8. housing, land, etc</td>
</tr>
</tbody>
</table>

**Source:** [http://www.worldbank.org/public sector/civil service/may seminar/mukher jee.pdf](http://www.worldbank.org/public sector/civil service/may seminar/mukher jee.pdf)
Base wage/salary (cell 1), which is determined by the employee’s position, is often received from the government on a regular basis, either monthly or fortnightly. It is usually the basis for comparing wage differences in public and private sectors and illustrating inadequate compensation for civil servants. Besides, civil servants also receive some specific allowances such as transport, housing, telephone, and travel among others. The purpose of each of these allowances, however, differs. For instance, housing is to meet accommodation needs and especially to encourage employees to live in remote areas. Transport allowance is to get the employee to arrive in office in time while telephone is to facilitate accessibility for emergencies. These allowances could be paid in cash (see cell 4) or provided in kind such as a free telephone at the residence, staff quarters/rent-free accommodation etc. (see cell 5). In-kind reward could also be in the form of premium for subscription to employees’ health or life insurance.

Aside from current rewards, civil servants can as well count on future benefits such as pension (cell 7). Many retirees also receive in addition to a lump-sum gratuity, land or a house either free or at very subsidized rates (cell 8) among retirement benefits. Beyond current and future benefits, civil servants enjoy some others to which price tags can not be attached. These are referred to as intangibles (cells 3, 6, and 9). Such include job security, social privileges such as preferential access to government services, provision of health-care or higher education at subsidized prices, and hard currency savings from the sponsorship of trips abroad. Intangible benefits can even continue into retirement (cell 9).

**Implications of Reward for Corruption**

Following closely the labour history of Nigeria, it is obvious the real problem of workers is that they are under appreciated. Although as captured in section 14(b) of the 1999 constitution, “the security and welfare of the people shall be the primary purpose of government”, trade unions in Nigeria have had a long running battle with the government on such matters bordering on workers’ welfare through wage increases and other benefits. A major way, through which the Nigerian government, like in other nations of the world, attempts to meet the demands of trade unions, is through the legislation of a national minimum wage. It is important to know that the Nigeria pay structure and income policy predates the nation. For instance, from the pre-independence period to date, many commissions and committees were set up to either directly or indirectly review salaries and wages in the civil service. These include, the Gorsuch Commission (1955); Mbanefo Commission (1966); Newns Commission (1959); Morgan Commission (1963); Elwood Grading Team (1966); Adebo Commission (1971); Udoji Commission (1972); Phillips Commission (1985); (Nwanolue and Iwuoha, 2012). The implementations of the recommendations of these commissions and committees, appears, however, not to have impacted positively on the wages and salaries of especially the Nigerian civil servants, which had remained “the most disadvantaged and depressed wage earners in the economy”. Indeed, wage reviews in Nigeria had resulted to a minimum wage which is not only low when compared with those of other nations but has remained one of the poorest in the world (see Table I).

**Table I: Minimum Wage Paid in Selected Countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Gross Annual Wage (US$)</th>
<th>Gross Wage (US$)</th>
<th>Hourly</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>33,355</td>
<td>16.88</td>
<td></td>
<td>July 1, 2013</td>
</tr>
<tr>
<td>Belgium</td>
<td>23,104</td>
<td>11.69</td>
<td></td>
<td>April 1, 2013</td>
</tr>
<tr>
<td>Andora</td>
<td>14,800</td>
<td>7.12</td>
<td></td>
<td>January 1, 2013</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>9,600</td>
<td>3.85</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Argentina</td>
<td>9,449</td>
<td>3.79</td>
<td></td>
<td>August 1, 2013</td>
</tr>
<tr>
<td>Chile</td>
<td>5,180</td>
<td>2.21</td>
<td></td>
<td>August 1, 2013</td>
</tr>
<tr>
<td>Brazil</td>
<td>4,520</td>
<td>1.98</td>
<td></td>
<td>January 1, 2013</td>
</tr>
<tr>
<td>Libya</td>
<td>4,286</td>
<td>2.06</td>
<td></td>
<td>March 1, 2011</td>
</tr>
</tbody>
</table>
It is interesting to note, however, that the impact and usefulness of a minimum wage policy depends largely on whether minimum wages are paid. Thus, despite that a minimum wage of eighteen thousand Naira (₦18,000; an equivalent of US$1,377) was signed into law, in late March, 2011, its implementation became a problem. Soon after the signing of the Minimum Wage Act, there were agitations by state governors for the insertion of a clause that would allow for different states to negotiate what they could afford to pay in the act. The import of the clause therefore is that Nigeria is far from having a national minimum wage. Rather, while the presumed national minimum wage is only for federal civil servants, their counterparts in both the States and Local Government Areas are expected to use that as a baseline for negotiation with their employers (Governors and Local Government Chairmen). Although, some states, especially in the oil rich Niger delta region pay even higher than the constitutionally approved national minimum wage to all categories of workers in their state civil service, many states and local governments are yet to comply. The implication of this therefore has been that federal civil servants earn higher than most of their state or local government counterparts. Even at that, there had been stories of late or non-payment of salaries of civil servants for months. In such instances, the major issue occupying the minds of civil servants is obviously the politics of survival and any means towards achieving this could be adopted even if it amounts to corruption.

Besides, a general practice in Nigeria is that civil servants are paid less than their private sector counterparts. Indeed, the gap in the salaries paid in the public and private sectors is about 300-500%. Even within the public sector, the salaries of civil servants are worse. For instance, “the least paid staff of the Central Bank of Nigeria (CBN) earns higher than a grade level 13 officer in the civil service. Also the pay package of a Director in the civil service is only about 20% of that of his/her equivalent in the Nigeria National Petroleum Company (NNPC)” (Nwanolue and Iwuoha, 2012). There is also a major disparity in the rate of the base pay of civil servants and that of political office holders. Indeed, the earned salaries and allowances of politicians are often higher than that of civil servants in Nigeria. In many instances also, expatriate workers are better rewarded than local employees with the same or even better qualification.

Moreover, the in-kind component of the reward of civil servants is often either not provided or accessible. Indeed, with the recently adopted monetization policy which emphasizes the monetizing and consolidating in kind benefits, workers are expected to meet up the cost of such benefits from their gross pay. Thus, the in-kind provisions of workers’ reward which ordinarily should not be taxed, through the process of monetization and consolidated pay are taxed thereby resulting in a rise in the tax paid by civil servants, and further depressing their real take home pay. Also, probably because of the high level of unemployment in the nation (implying high supply/ large source of replacement), the non-contractual/intangible benefits (e.g. job security, prestige; training abroad etc.) accruable to civil servants are no longer intact. Worse still is the future expectation (pension, re-employment after retirement etc.) of the civil servants. Apart from current receipt, civil servants should be able to at least count on pension and a lump-sum gratuity among retirement benefits. To a large extent, the Nigerian pension system has been awful.

In managing and administering pension scheme, there was the pension board and recently the contributory pension scheme (through pension administrators) which has the responsibility of disbursing this fund to the beneficiaries (retirees). The boards at the three tiers of government have

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum Wage</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>3,107</td>
<td>1.24</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2,571</td>
<td>1.03</td>
</tr>
<tr>
<td>Morocco</td>
<td>2,292</td>
<td>0.92</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1,377</td>
<td>0.66</td>
</tr>
<tr>
<td>Ghana</td>
<td>757</td>
<td>0.36</td>
</tr>
<tr>
<td>Kenya</td>
<td>689</td>
<td>0.25</td>
</tr>
<tr>
<td>Tanzania</td>
<td>303</td>
<td>0.13</td>
</tr>
</tbody>
</table>

been bedeviled with large scale corruption to the extent that the pensioners are always at the receiving ends of their evil acts. The money being appropriated by government for this purpose is often embezzled by pension desk officers and managers. This has resulted in billions of naira being embezzled and misappropriated by the pension desk officers while the pensioners die in their thousands without receiving their entitlements. Moreover, the government may not allocate money for this purpose on time, thereby making the retired civil servants more impoverished. Laudable as the contributory pension scheme seems, it is not without some problems. For instance, it has become fully implemented at the federal level with many state governments not yet keying into it.

As it were nothing seems more important to a worker than economic survival. The civil servant would more often than not buy from the same market as either the employee in the private sector or political office holders. And with the adoption of the Structural Adjustment Programme (SAP) of the 1980s and the effect of the recent global economic melt-down, the cost of living and the amount required for reasonable subsistence has continued to soar above the reach of an average Nigerian, civil servants, for instance. Even at that, the average Nigerian civil servant is faced with a number of societal set goals and expectations which often include, home ownership, material comfort, and a delightful retirement. Also, within the content and context of the Nigerian culture, there are always extended family relations (uncles, cousins among others) to cater for. More often than not an average Nigerian civil servant must have enjoyed the largesse of such family relations while schooling, and is expected to pay back as a worker. Although, all of these can be achieved through socially approved means which are equally deemed to be available to all, but because the social, political and economic environments have not been conducive, the culturally sanctioned goals therefore seem largely unattainable by legitimate means. Indeed, given a political system and the culture which favours great inequality in wealth distribution, conflict between changing moral codes, obsession with materialism, compulsion for a shortcut to affluence, glorification of and approbation of ill-gotten wealth by the public, lack of ethical standards in the discharge of public duties, and more importantly a non-encouraging reward (tangible and intangible) system, there is the pressure on civil servants wanting to succeed by illegitimate means. Indeed, they are increasingly pressured into trying to earn more while in service power, so as to gather enough resources to last through their old age and secure the future of their children before they retire. Thus, an average Nigerian civil servant tends to ‘cut-corner’ in ensuring that he/she is not impoverished beyond imagination both while in and out of service. Therefore, as much as civil servants engage in corrupt practices to survive while in active service, they also resort to corruption per excellence to make for the unknown when they are out of service. Some even go to the extent of creating ‘ghost’ workers and collecting their salaries while some alter their record of service in order to perpetuate themselves in office. The implication of the foregoing therefore is that corruption is characteristic of the hierarchy of the Nigerian civil service and a probable explanation for this is the reward system.

**Concluding Remarks**

The civil service, being the engine room and the pilot of the administrative machinery of any country, is expected to enjoy efficiency and effectiveness but has lost its direction. It has become enmeshed in corrupt practices which had become endemic in Nigeria. And lack of adequate reward for civil servants has been identified as a major factor for the pandemic nature of corruption in Nigeria. Although, more often than not, corrupt civil servants are made to face probe panels and arrests by anti-graft commissions, yet the problem persists. It is therefore assumed that it is probably not enough to institute probe panels since the members of the panel, the judiciary among others are equally known to be corrupt. Hence the way forward could be that,

- The generality of the Nigerian population should be re-orientated to a better value system, moral education and regeneration. By so doing, cultural orientation to eulogizing ostentatious living could be changed such that any civil servant, for instance, living above his/her means as expressly determined by the reward system could be questioned and derided At that, the opportunities for indulging in corrupt practices would have been minimized.
The government should also design effective mechanisms to reward excellent service in all sections of human existence and relations. For instance, in the past, promotions in service was on merit, while titles such as national merit awards were conferred on people who have exemplified tremendous patriotic traits or sincere commitment to the general good of the community and the nation at large. It is assumed that when rewards are given as appropriate, even for some little exemplary feats, people are likely to be more committed, effective, diligent, efficient and patriotic in whatever endeavour they might find themselves.

Moreover, the government may have to reconsider its decision on the privatization and commoditization of public goods such as healthcare, education etc. which have been priced out of the reach of the majority of many. Although, all of these had been monetized and captured in workers’ salaries and wages, the commoditization of the goods would not enable civil servants to cope with the attendant economic forces.

Of more importance is the need for government to restructure the payments, reward and incentive system especially in the public system. The reward system should be enhanced in a way that adequate pay is given to the workers to meet their needs. There may be a minimum wage that is backed by law, in real terms it may be worth nothing especially in an economy marked by uncontrolled inflation as is the case in Nigeria, where the cry of many is that, ‘their take home pay cannot take them home’. The implication of this is that the existing minimum wage and regular minimum wage increase was no longer realistic. Rather the Nigerian government should be paid a living wage to its workers. A living wage is more than money. It borders on a moral proposition that work should be rewarded and that no one who works full time and diligently should have to live in poverty.

References


20. The Punch Newspaper, Friday, April 13, 2012 P.8.

