



# **ECONOMIC RECESSION AND ITS IMPLICATIONS FOR UNIVERSITY ADMINISTRATION**

**PAPER PRESENTED**

**BY**

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# PROTOCOLS

- Unilag Registrar – Dr. (Mrs.) Taiwo Ipaye
- National President, ANUPA
- LOC 2016 ANUPA National Conference
- Colleagues

# INTRODUCTION

- “The Effect of Deregulation on Quality Delivery of University Products in Nigeria” Invited Paper at the 2004 ANUPA National conference at the LAUTech., Ogbomoso.
- Theme for ANUPA 2016 Conference apt - “Reengineering University Administration in an Era of Insecurity and Recession”

# IN THIS PAPER

- Definition of key concepts - Economic Recession and University Administration.
- Examination of
  - Current trends in University Administration
  - Impact of Economic Recession on University Administration, &
  - Global Perspectives of Universities dealing with Economic Recession
- Conclusion with some recommendations for dealing with the negative impacts of recession on university administration in our clime.
- A postscript, on some thoughts (ANUPA)

# EXAMINATION OF THE KEY CONCEPTS

- Economic Recession,
- University Administration

- [illegible]

# ECONOMIC RECESSION DEFINED

“a period of general economic decline which is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market.

Generally, a recession is less severe than a depression.” Paul Mackinney in *Study.com* (2016)

# INDICES OF ECONOMIC RECESSION

- high interest rates necessitated by limited liquidity of cash in the economy,
- increased inflation,
- reduced consumer confidence in the economy that leads to capital flight, and
- reduced real wage that makes the value of the purchasing power of workers to become low compared to the rate of inflation.



# Economic Recession In Nigeria

- Occasioned by the fall in the petro-dollar and impacted negatively on the capacity of government to fulfil its many obligations.
- The macro-economic environment became non-conducive to investment as many of the financial institutions were unable to fund the critical sectors of the economy.
- Production went down just as value of investments collapsed.
- The capital market witnessed a season of low capacity output – the value of stocks plummeted.



# Economic Recession In Nigeria

- Dollarization of transactions further deepening the value of the naira
- The multidimensional increase in corruption in the body politic reduced the nation's capacity to meet its international financial commitments hence, a reduction in the nation's foreign reserves.
- Policy initiatives to ensure accountability in public fund accounting e.g. TSA, control on the operation of domiciliary accounts in the country & control of issuance of dollar for international businesses .

# UNIVERSITY DEFINED

- A ‘universe city’ or a universal community established for the generation (research), dissemination (teaching & learning) and application of knowledge (community service)
- “*universitas magistrorum et scholarium*” - community of teachers and scholars (Wikipedia).
- Places where “men and women are helped to enjoy richer, more meaningful life. They prepare people for professional careers such as doctors, engineers, lawyers or teachers. They also give persons better appreciation of such fields as art, literature, history, human relations, and science. In doing so, university education enables individuals to participate with greater understanding in community affairs.” The World Book Encyclopedia (2001:206).

# UNIVERSITY DEFINED

- *"the place to which a thousand schools make contributions; .... a place where inquiry is pushed forward and discoveries verified and perfected, and rashness rendered innocuous, and error exposed, by the collision of mind with mind, and knowledge with knowledge. ... a seat of wisdom, a light of the world, a minister of the faith, an Alma Mater of the rising generation* - John Henry Newman in "The Idea of a University"
- *"an establishment where a seat of higher learning is housed, including administrative and living quarters. It is the body of faculty and students at a university; and a large and diverse institution of higher learning created to educate for life and for a profession and to grant degrees."* The Dictionary, Simple to the Point

# ADMINISTRATION DEFINED

- The management of the affairs of an organization and the judicious utilization of its resources, man, money, machines, materials and time, for the attainment of identified and stated objectives.
- The process of the activities of planning, organizing, and running a business, a school or other institutions is administration.
- The processes are given an acronym PODSCORB – Planning, Organizing, Directing, Staffing, Co-coordinating, Reporting and Budgeting. Gulick and Urwick (1937),

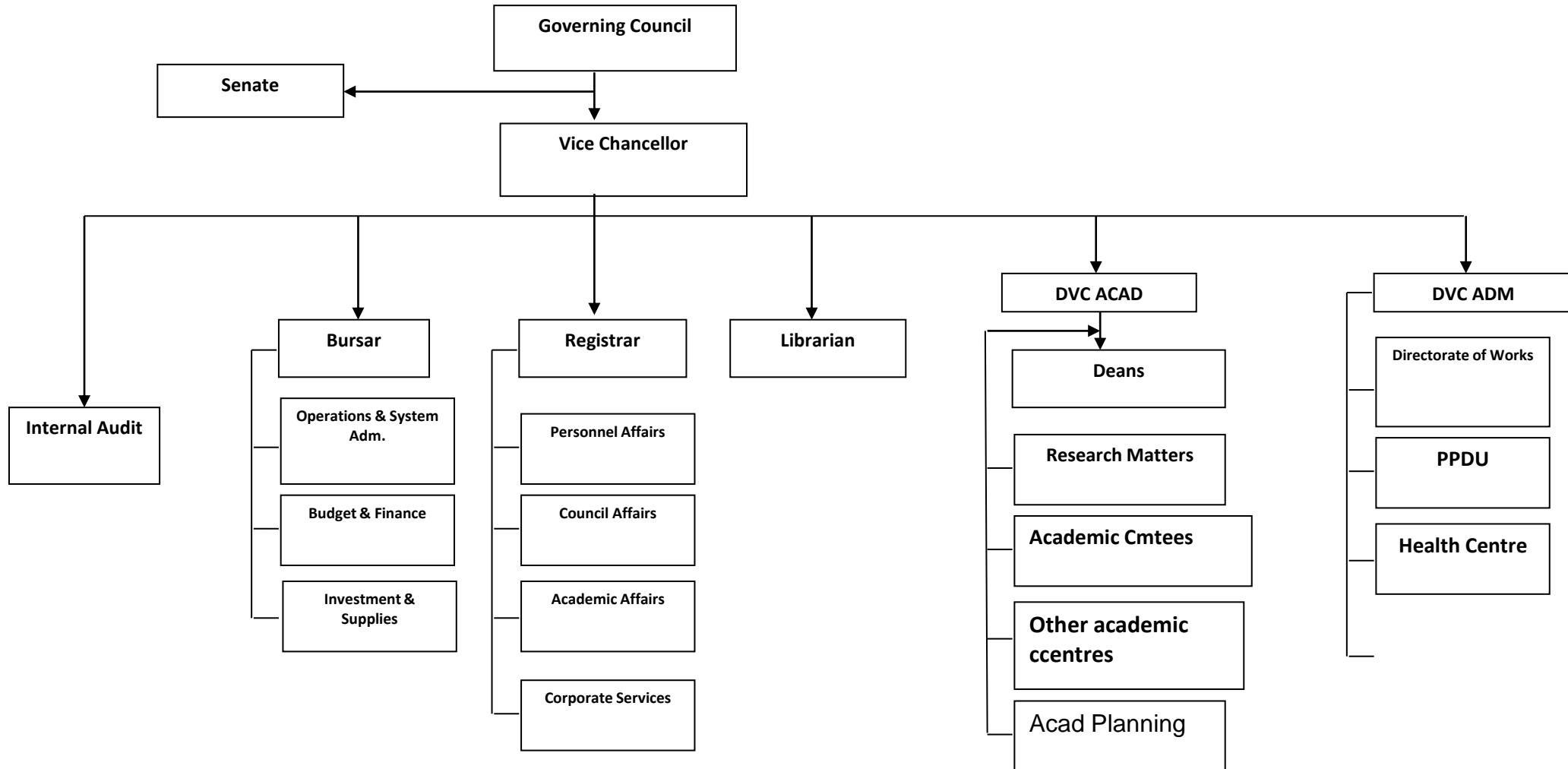
# UNIVERSITY ADMINISTRATION

- The process of harnessing the resources of the institution, man (the academia and the facilitators), money (financial resources), machines (laboratory equipment), materials (the buildings and other infrastructure) and time, through the deployment of activities of planning, organizing, directing, staffing, coordinating, reporting and budgeting, for the actualization of the objectives of the university in Knowledge generation, dissemination and application.

# University Administrative System - Structure, Functions and Culture

- The structure, functions and culture are derived from the rule of law & the statutes
- The structure of a typical Nigerian University provides for the following:
  - The Visitor (Proprietor)
  - The Board of Trustees (for Private universities)
  - The Chancellor
  - The Council/Chairman & Pro-Chancellor
  - The Senate/Vice-Chancellor
  - The Congregation
  - The Convocation
  - The Registry/Bursary/Library/Faculties and their Departments

# UNIVERSITY ORGANOGRAMME





# THE FUNCTIONS - DERIVED FROM STATUTE e.g. UI ACT 1962

- establishment, incorporation and **functions** of the university
- officers, constituent bodies and other authorities of the university
- statutes, ordinances and regulations of the university
- discipline in the university
- issues of financial, general and transitional provisions.
- University of Ibadan Acts 1962, Section 1 (2)  
"It shall be the general function of the University to **encourage the advancement of learning** throughout Nigeria and to hold to all persons, without distinction of race, creed, or sex, the opportunity of acquiring a liberal education; and for the purpose of carrying out that function it shall be the duty of the university, so far as its resources permit:
  - a.) to **provide such facilities** for their suit of learning and the acquisition of liberal education as are appropriate for a university of the highest standing; and
  - b.) to **make those facilities available on proper terms to such persons** as are equipped to benefit from the use of the facilities.

# THE FUNCTIONS - DERIVED FROM STATUTE

- Section 8 also identifies "teachers", "persons holding such appointments at the university" and "other persons whose names are registered".
- The Act also makes provisions in Sections 8, 9 and 10 for the discipline of the members of the institution, including the chancellor, the pro-chancellor, the vice-chancellor, deputy vice-chancellor, members of staff, examiners and students.
- Other specific officers of the university recognized include the Registrar, the Bursar and the University Librarian.

# UNIVERSITY CULTURE

- Product of the ways and manner specific organizations uniquely conduct their affairs as perhaps different from others
- “a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behavior for various situations (Ravasi and Schultz (2006))
- a “bastion of tradition and fount of novelty” (Simons, 2006)
- Rooted in autonomy and academic freedom
- Administration & management based on the Committee system

# CURRENT TRENDS IN UNIVERSITY ADMINISTRATION

- Benjamin Ginsberg (2012) a rising trend of an “all-administrative university” in which “there are layers of administrators and staffers ... who are replacing the full-time faculties who were being laid off – ostensibly because of budget cuts”. - “newly minted – and non-academic – administrators, career managers, who down play the importance of teaching and research ...”.
- Ladipo, Moji (2014) “collegiality is the governance and management culture of universities world-wide,” ... while “universality is an academic culture, parochialism and sectionalism may be the peculiar culture of some universities.”
- Chief Executivism vs. Collegiality
- Need for ‘glocalization’ for mandated actualization

# CURRENT TRENDS IN UNIVERSITY ADMINISTRATION

- The changing roles of the vice-chancellor as chief executive to being chief executive officer (CEO) and the university taking the image of a corporation
- Increase in the number of pro or deputy vice-chancellors for specific professional matters
- More involvement of the academia in academic administration vis-à-vis the reduction of the 'influence' of the professional administrators
- More devolution of powers and responsibilities to the academic departments to facilitate quickness of decision making, implementation and dissemination
- Creation of more professional units to facilitate academic processes and effectuation of university mandates

# CURRENT TRENDS IN UNIVERSITY ADMINISTRATION

- Adjustment of traditional structures to accommodate the new trends
- Internationalization of leadership to allow for greater global competitiveness, visibility and reputation
- Greater demand for efficiency in service delivery beyond the traditional model of effectiveness – demand now more for globally competitive and relevant graduates – requiring greater detail and efficiency in information management and retrieval
- Deployment of technology to administrative procedures that facilitate committee work but reducing man hour wastage
- Reduction in engagement of non-essential workers in favour of contacting such services thereby reducing personnel and overhead costs

An expansionistic tendency that cannot but elicit fears in an economic recession where funding is challenged and human capacity utilization is low

# IMPACT OF ECONOMIC RECESSION ON UNIVERSITY ADMINISTRATION

- “the longer-term impact of the economic crisis on higher education macro planning and policy is more important as the economic crisis has legitimised the long-existing argument that higher education should be treated the same as any other service in the economy” Vangelis Tsiligris (2016)
- Universities cannot be treated as other public service outfits because of its significant role in knowledge generation and dissemination in a knowledge driven economy.
- High inflation in the prizes of commodities, goods and services.
- A resultant reduction in the real wages of workers as well as reduction in the confidence of consumers for purchases.
- Increased restiveness among workers NLC & workers in the NUS

# IMPACT OF ECONOMIC RECESSION ON UNIVERSITY ADMINISTRATION

- The FGN and paradox of plenty in the funding of HE

## CURRENT STATISTICS OF NIGERIAN UNIVERSITIES

S/NO	OWNERSHIP	NUMBER
1.	Federal	40
2.	State	40
3.	Private	68
<b>TOTAL</b>		148



# IMPACT OF ECONOMIC RECESSION ON UNIVERSITY ADMINISTRATION

YEAR	PERSONNEL COST	OVER HEAD COST	DTLC	CAPITAL GRANT	T&R GRANT	TOTAL	
2005	39,956,156,0 25	3,401,512,0 60	1,906,821,801	9,397,660,000	2,026,000,000	56, 688,149,	
2006	58,955,116,3 63	1,685,236,5 45	1,160,991,018	5,760,105,402	1,320,652,321	78,882,12005 01,649	
2007	72,318,179,5 91	2,320,189,8 04	2,037,571,934	7,184,637,934	1,806,600,000	85,667,178,895	
2008	85,511,080,2 04	2,167,820,0 98	1,669,206,119	13,197,877,312	2,204,877,312	107,750,489,219	
2009	97,253,750,0 77	2,958,053,7 43	1,682,342,021	9,955,998,232	1,114,832,232	113,004,977,170	
2010	156,588,091, 077	3,937,200,0 46	1,755,380,166	20,429,524,422	1,448,568,036	184,158,763,746	

# IMPACT OF ECONOMIC RECESSION ON UNIVERSITY ADMINISTRATION

- A disconnect in the budget proposals, approvals and funds released to universities – issuance of envelopes.
- In 2004, the total sum of N216, 662,706,206.00 was budgeted for by Universities in Nigeria out of which the sum of N53, 446,287.01 was released.

A far cry from the university needs



# IMPLICATION OF ECONOMIC RECESSION ON THE ADMINISTRATION OF UNIVERSITIES IN NIGERIA

- The capacity of Proprietors to provide needed funds for the universities is challenged
- For the privately owned universities, the proprietors are likely to face the some macro-economic factors that will reduce their own capacity for provision of funds.
- The way out will be to generate funds through increased participation of the clientele in the provision of needed services which automatically translates to increase in fees and charges to the students.
- Reduction in & prioritization of expenditure.
- Greater control on the administration of the universities, limiting their autonomy (spheres of control) in the exercise of discretion in expenditure

# IMPLICATION OF ECONOMIC RECESSION ON THE ADMINISTRATION OF UNIVERSITIES IN NIGERIA

- Possible resistance from some stakeholders in the system – particularly ASUU
- Possible use of the accreditation exercise to reduce the number of programmes in the universities or merger of academic programmes.
- Reduction of staff through redundancy and lay-offs & consequent exacerbation of the rate of unemployment.
- The possible restiveness of the workers' unions and disruption of the academic calendar
- Possibility of reduction of the number of students to be offered places which will negatively impact upon the operations of private universities in particular
- Further infrastructural deficit and decay – power, water supply, reagents, furniture & other technological tools



# IMPLICATION OF ECONOMIC RECESSION ON THE ADMINISTRATION OF UNIVERSITIES IN NIGERIA

- Frustrations on the part of the university administration and sometimes underhand and unwholesome practices which impacts negatively on what a university, as a place of ideals, epitomises.
- Greater demand for novelty and innovative engagements in fund raising and managerial skills
- Increase in fees and its implication for private universities and possible restiveness in public universities e.g. UNISA
- Greater demand for better service delivery and customer satisfaction – possibility of litigations to demand customer rights
- Need for better reputations that will convert to marketability and resource mobilization

# GLOBAL PERSPECTIVES OF UNIVERSITIES DEALING WITH ECONOMIC RECESSION

“The capacity of universities across the world for sustained funding was negatively impacted in the last twenty-five years thus necessitating the need for innovative ideas on modalities for confronting the funding challenges of the universities. Financial issues have necessarily become more prominent. In some countries like the UK, pensions have been laid waste. Bonds have become a more prominent means of financing universities. Following on, the private sector has become more and more prominent. Many new higher education institutions are for profit. In many institutions, functions like halls of residence have been taken over by private companies and routine activities like cleaning and food and drink have been outsourced.” (Sir Professor Nickel Thrift, 2015)

## ANY LESSON FOR NIGERIA?

# GLOBAL PERSPECTIVES OF UNIVERSITIES DEALING WITH ECONOMIC RECESSION

- University of Warwick & its WMG for synergy between the university and the industrial sector
- Harvard University lost a total of 11 billion dollars from 35 billion dollars during the administration of President Drew Gilpin Faust necessitating strategies in advancement initiative that shored up the university's endowment funds to about 27.4 billion dollars by the summer of 2010
- Synergy with international donor agencies like McArthur Foundation, Carnegie Foundation, Alexander von Humboldt Foundation, Bill and Melinda Gates Foundation in fund raising initiatives as well as the funding of specific research that are considered beneficial.
- Synergy with the alumni for the development of their alma mater
- Approach to philanthropists who are cultivated to give back to their societies.



# GLOBAL PERSPECTIVES OF UNIVERSITIES DEALING WITH ECONOMIC RECESSION

- The US Education Secretary, Margaret Spellings, in 2006 called for greater accountability in basic college education as, according to her, “it was an inopportune time for a tax-exempt research university to be so conspicuously affluent.” – A demand for greater accountability in resource utilization.



# RECOMMENDATIONS FOR DEALING WITH THE NEGATIVE IMPACTS OF RECESSION ON UNIVERSITY ADMINISTRATION

- Diversification of the sources of income beyond proprietor funding to increase in tuition fees,
- Greater engagement of donors to seeing the need to support higher education through philanthropy,
- Other innovative ideas of funding
- Greater accountability in resource management as well as the need to do away with budgetary items that are better outsourced than retained.
- Greater demand on the administrators to give more in terms of efficiency and effectiveness that will ensure quality in service delivery
- Reduction in the number of non-critical staff in favour of those that are essential for the carriage of the institutional mandate
- Greater managerial competency through capacity building of the operatives for job retention

Professional Administrators in the system to hone their skills for relevance

# CONCLUSION –A DEER GIVING BIRTH

- A deer was at the threshold of giving birth and suddenly the cloud became heavy with rain
- A hunter saw the deer and aimed an arrow at it for game
- The lightening that came from the cloud caused a bush fire
- A lion was on the prowl waiting to devour the deer
- What should the deer do in the circumstance?



# CONCLUSION –A DEER GIVING BIRTH

- The deer concentrated on just delivering its young
- The wind that suddenly began to blow as a result of the rain that began blew away the hunter's arrow from hitting the deer but hit the lion that wanted to kill the deer
- The bush fire that came was snuffed out by the rain that began to fall
- The deer safely delivered and both baby deer and mother deer were safe.
- What is the lesson for us in this?





# CONCLUSION – THE LESSON FOR US

- The deer was **focussed** on delivering its young in spite of the obvious challenges facing it
- University administration in times of recession has a lot of distractions that create serious anxieties
- Success in the endeavour is dependent on the **focus** of the practitioners on their mandate
- As we concentrate on focusing on delivering on our mandates, greater success will attend our universities in the period of recession and beyond



# POST SCRIPT – VIEWS FOR ANUPA CONSIDERATION

- Create greater niche in the professionalization of the key areas of university administration such as academic administration, Human resource management peculiar to the system, conciliar services, public and human relations services, research management, faculty administration, events management, advancement and development services, etc
- Widen the membership base to include university officials in the bursaries and professionalize the uniqueness of university accounting standards
- Synergize with similar bodies in the West African Sub-region and other regions of the world for internationalization and global competitiveness
- Galvanizing the training efforts of ANUPA in the direction of the unique roles of administrators' special functions
- Increase greater participation in training through organization of trainings in the 6 geo-political zones of the nation.

# CLOSING WORD

AS THE  
PROVERBIAL  
DEER, **BE**  
**FOCUSSED.**



**MAY CONTINUE TO WAX  
STRONGER IN FULFILLING ITS  
MANDATE.**

