

ADMINISTRATION IN PUBLIC AND PRIVATE INSTITUTIONS IN NIGERIA: A COMPARATIVE STUDY

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Abstract

The importance of administration in every institution be it public or private cannot be overlooked without dire consequences. This is so because administration is a universal phenomenon that exists in all institution or organization regardless of their size, types or purpose; and which is aimed at pulling resources and activities of an institution towards effective service delivery. The paper examined comparatively the differences and similarities that exist in both public and private institution using Abakaliki Local Government Area and Coca-Cola Bottling Company as her case study for public and private institutions respectively. Anchoring our analysis on comparative model/Theory and data from documentary sources, findings revealed that there exist a dichotomy between public and private institutions. These differences were clearly noticeable in their purpose, scope and operations. These differences do not mean that there are no similarities between the two sectors. The paper further recommends among others, that understanding these differences and similarities is an essential tool for effective governance and management in both sectors.

Keywords: Institution, Administration, Organization, Comparative Analysis, Public and Private Institutions.

Introduction

According to key differences for effective comparative analysis, public administration is a political process for managing human and material resources in public sector to achieve the government's purposes and desired goals; while private administration in a private enterprises or businesses activity dedicated to “the operation, management and organization of those business enterprises for profit maximization. Public administration focuses on serving the public interest, achieving equity, and providing essential service; while private administration manages private businesses to generate profits. Public administration sources their fund through taxes and government funding; while private administration sources it's funds through income generated from payment for their goods and services (Nwankwo, 2024).

Public administration is a complex entity that exists on the political, legal and management levels. It strives to serve the people while executing its functions within the grounds dictated by those levels mentioned above. Public administration is inherently a democratic process. However, it does not imply that private administration, which stands in the opposition, of this comparison to public administration is an anti-democratic process. They both exist within one system and perform similar functions, but they differ as far as the factors that can influence them and the way they operate and also their concerns.

This study on comparative analysis of public and private institutions and its administration x-rays the similarities and differences of the both administration which exists in one system and be able to point out areas of differences; and most importantly other operational mechanism that differs among the two. It makes attempt to conceptualize the term “Administration” and ended up with a conclusive analysis.

The Concept of Administration:

The Nigerian Bottling Company is a Nigeria's leading manufacturer of soft drinks, Coca-Cola. Its Enugu plant is situated at 9th mile corner. This plant is a beehive of activities. 24 hours on a daily basis, the hums of machines at the plant can be heard by the residents of this small town; which comes from the production department. Most often, in the day time, delivery trucks never cease coming in and going out of the factory premises. This movement function performed by the sales department is what literally keeps the company alive as it keeps the “green-backs” coming. But the truck drivers rarely handle cash themselves; that is the responsibility of the accounts department. The protection of the lives of the workers and the properties of the company is the reserve of the security department. Every department is headed by one man at the top of its hierarchy known as the head of the department. Such men constitute the management team and they all report to the general manager on a daily basis. The general manager, therefore, personalizes the corporate policies and strategic goals of the plant. He is responsible for the accomplishment of Coca-Cola and its objectives at Enugu plant.

The Chairman of Abakaliki Local Government is a jolly good fellow; always drinking coffee and spirits, and talking boisterously with visitors in his office. Within weeks of his assumption of office, rumors emanating from his personal staff spread quickly through all the department suggested that this is a happy-go-lucky Chairman that is most certain to run down the Local Government. He meets with the finance and general-purpose committee of the council and the heads of the department first thing Monday mornings and last thing Friday evenings to set specific objectives for each department and to appraise their performances on weekly basis. He also encourages his heads of department to do the same with their units and sectional heads. To the disbelief of the workers and natives of Abakaliki Local Government, the State Government ranked Abakaliki as the best operating Local Government in two of the three years of that Chairman being in office. Some said the Chairman was a personal friend to the Governor and has influence on his judgment while others believe that the said Chairman was just lucky.

While the Plant Manager and the Executive Chairman was working in widely different institutions or organizations; one private (business) and profit oriented and the other public (government) and service oriented; one thing that is common between the Plant Manager and the Executive Chairman is that they are managers and administrators of human and material resources within their respective institutions or organizations.

There is no functional difference between administration and management. The nomenclature is just a matter of convenience. We use administration when we are describing executive functions in the public sector while we use management when we are describing executive function in private sector. Generally speaking, administration is a planned system of cooperation in which various individuals have functions assigned to them which they perform in concert for the accomplishment of some common desired objectives. Administration, therefore, is a purposeful enterprise. There is no administration without a definite purpose, goals and a planned system of cooperation of more than one person for the accomplishment of that purpose. No wonder, the administration, of the Governor of Ebonyi State-BUILDER Francis Ogbonna Nwifuru pinned their purpose and goals down as “Peoples Charter of Needs”. This implies that the administration's focus is on the immediate needs of the citizenry.

Administration must take place within the context of an institution or organization. Every organization must have love for a definite goal or goals which called for its establishment. Hence the division of labour in an organization where people who are proficient indifferent hems of the whole come together to carry out various activities that will lead to the accomplishment of the organizational or institutional goals; by having roles to play, responsibilities to hold and rules to obey.

The four features of Administration

Nwankwo (2024) identified the features of administration as:

1. **Universality:** Administration is a universal phenomenon, meaning it is present or exist in all institutions or organizations, regardless of their size, type or purpose. Every organization requires some form of administration to function effectively.
2. **Purposefulness:** Administration is purposeful, meaning it is goal oriented and aimed at achieving specific objectives. Administrative actions are intentional and directed towards accomplishing certain tasks or goals.
3. **Coordinativeness:** Administration involves coordination, meaning that it brings together various resources, activities and individuals to achieve a common purpose. Administration entails the coordination of both human and material resources of an organization or institution to work together effectively towards organizational goal.
4. **Continuity:** Administration is continuous, meaning it is an ongoing process. Administrative activities are not one-time events but rather a service of actions that occur regularly to maintain organizational or institutional stability and progress.

Conclusively, these characteristics highlight the essential nature of administration in an institution or organization, emphasizing its widespread presence, intentional actions, coordinating roles and ongoing processes. Universality underscores administration's importance in all institution while purposefulness emphasizes its goal-oriented nature. Coordination highlights administration's role in integrating resources and activities, and continuity emphasizes its ongoing and persistent efforts to maintain institutional or organizational effectiveness.

Distinction between Public and Private Administration

Public and Private institutional administration and its goals are unique and differ in operations. It is parturient to note that both public and private administration have some goals which called for their establishment. Both entail the management of human and material resources. Both entail co-operative group effort. Both aimed to provide certain goods and/or services to the society. They both also have to meet the challenges of their environment and are subject to the same legal controls exercised by government through its policies, laws and regulations.

However, if we see private institutional administration as synonymous with private administration; we would quickly notice some difference between the two in the pointed areas;

1. Funding
2. Extant laws of establishment
3. Specific concern and objectives
4. Public scrutiny
5. Complexity

Consequently, public administration is funded by the state. Even when the public agency is independent-generating its own fund for the procurement of materials and resources which it requires for efficient operations, it requires government support from time to time and more important government regulations and control. This is why at every budget year, estimates for the year were raised by government agencies and parastatals and funds for its running provided by the law. Contrary to this, the private administration is solely funded and controlled by its owner and share holders, though they are legally controlled by government by the provisions of the laws and regulations regarding their establishment. Abah (1997) stated that the primary concern of government is the provisions of laws and regulations for private establishments is to provide necessary regulatory services to safe guard the life and properties of members of the state.

Public administration is established by Acts of the parliament while private administration is established by the personal desires of its owners or by an agreement of its part-owners or share holders. Hence, public administration pursues the interest of the public which the government serves while private administration pursues the interest of the private individual(s) establishing it. The extant laws that establishes public establishment provides for its funding by the government. Public administration has greater concern for service to the people than profit making. They are established to provide certain services and utilities which private individuals cannot provide for them on their own. They do not have the profit motive as the central focus of their operation. Though, government establishment today are encouraged to beef up their points of internally generated revenue for enhanced service delivering. This is not the case with private administration which establishment is primarily induced by the profit motive. Public and private administration differs in-service oriented and profit oriented. Anything government does is public business. Hence, public administration comes under public scrutiny. This goes to enhance the cardinal principle of democracy that civil servants should be guided by public opinion.

The public therefore expects the government to provide certain services for them especially in the area of public utilities. Members of the public reserve the right, therefore to sue public agencies or the officials for dereliction of duty. At several point in time there were outcry by the citizen on the services rendered by government agencies or officials, this is so because they are public servants. On the other hand, private administration is almost entirely self-regulatory. They are not obliged to provide the society with the goods and/or services which they produce. Hence, it is almost entirely their own business what to produce and how to distribute them bases on the conditions of services attached. Public administration is more complex as its scope is the society. Even though the private business community has some influence on the life of man in society, such perverse influence as is associated with attributes to any private organization as an establishment.

Operationally, public administration and private administration also differs in some areas of operational mechanism, such as;

1. Decision- making mechanism
2. Human resources management.
3. Accountability and profit mechanism.

As public administration and private administration makes decision, they make it considering certain factors, which vary between the two. Private administration mostly considers an organizational gains and losses, as, according to Bodemanann (2018). “Highest priority in private sector administration is producing demanded products in pursuit of profit for shareholders and interest shareholders. Mean

while, public administration should represent the people's will, meaning that, ideally, the outcome should benefit the people, but it does not always result in that.

Similarly, Radshchelder et al., (2015) stated that notwithstanding the focus of public administration of people's will, the people are also not a monolith; there are various groups of people with their needs and problems, which public administration somehow address. Those groups include citizens, cooperate executives, non-profit groups and interest groups, all of which want to influence the process of decision making for public administration and its outcome. This varying interest makes overall decision-making of public administration appear to be more difficult and susceptible to various groups that comprises the public, while the single interest of private sector that vest on profit maximization for Stakeholders or shareholders makes decision-making very easy and fast in this sector. There is less bureaucratic bottleneck in private administration contrary to what is obtainable in public sector. Nevertheless, Jarm et al [2016] maintains that transparency improves decision making and allows for more public participation, which, in a way, removes some of the burdens from public managers and bureaucrats.

As long as human beings remain in charge of managing others, there will always be an issue of human resources management, which both public and private administration should be able to tackle. It may seem that public administration would have less problem employing and managing human resources, as, according to Khan (2017). "Governments are the largest employer of labour in many counties" however, the prestige of working for government depends on the country and department. In Nigeria, the style of recruitment and management of human resources also differs and varies according to the three tiers of government. Khan (2017) maintains that in the United States there is a trend of reducing the size of government officials; in turn, as public sector loses its appeal and fails to draw personnel, private management becomes a new place to host human resources. The previous point, decision-making, also impacts the trend of decline in public service, as civil servants are not always protected from the repercussions of risky decisions of the various competing interest sector which are profit motivated employers places on the employee's job. The overall, human resources management in the public sector faces a lot of challenges that should be addressed to regain its prestige. No wonder several encounters between the trade union and government representatives on improved wages and motivational packages that will enhance service delivery at the public sector.

Accountability and profit mechanism accompanies any type of administration but less in public sector administration. Though, public administration focuses less on profit mechanism but more of service mechanism, yet its practical operation totally ignores organizational accountability which reduces organizational productivity and service delivery. As accountability appears to be a vital component in publican private administration, there should be ways to ensure that it is applied fairly. To this Schillemans (2015) proposes a calibrated public accountability model that addresses the absence of specific standards, according to which public executor might be held accountable. Accountability serves as a reminder for administrators that their decisions affect people and that they will be held responsible for their decisions and actions. To the contrary, private sector adheres strictly to the accountability and profit mechanism of their organization. Hence, it is a private firm that solely depends on funds generated by the organization and should not be played with.

Comparing Administration in Public and Private Institution Summarized

S/N	Public Administration	Private Administration
1	Hierarchical structure	Flexible structure
2	Bureaucratic process	Flexible bureaucratic process
3	Political Accountability	Transparency, and Accountability
4	Social Services driven-decision	Market-driven decisions
5	Focus on equity and fairness	Focus on efficiency and effectiveness
6	Services oriented	Profit oriented

Source: Schillemans (2015)

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Areas of Differences in Public and Private Institutions Summarized

- Ownership and control.
- Funding.
- Decision-making processes.
- Accountability mechanisms.
- Goals and objectives.
- Scope of activities.
- Level of public scrutiny.

Areas of Similarities in Public and Private Institutions Summarized

- Both aims to achieve organizational goals.
- Both require effective management and leadership to excel.
- Both involve planning, organizing, and controlling.
- Both face challenges like resource constraints and stakeholder expectations.
- Its administration differs majorly in their purpose, scope & operations.

- It is also quite observable that understanding the differences and similarities is an essential tool for effective governance and management in both sectors for effective service delivery.

In summary, public institution and its administration focuses on serving the public interest, while private institution and its administration prioritizes profit and organizational goals. Understanding its differences and similarities is essential for effective governance and management in both sectors.

Conclusion and Recommendations

In conclusion, public institutional administration and private organizational management might be similar and exist in the same system, but public administration appears to be under scrutiny when it comes to all the areas considered. A wide variety of groups may influence the progress of decision-making; the prestige of public administration is how, a workers interest are been treated, yet inefficiency and less accountability for public sector is the biggest challenge facing the sector which should be corrected for its survival.

However, the decision making of private sector management is smaller and faster, yet it could gain human resources lost by the public sector. The funding of the two is determined by the mode of establishment. Hence, the service orientation and profit orientation of both public and private institutions makes the accountability and profit mechanism very much inevitable in the both sectors. Public sector is more service oriented than profit oriented though recently encouraged to increase their internally generated fund. Despite public administration appearing less favorable than its private counterpart, it is the nature of public sector to be constantly visible and liable for its actions. In the end, it serves the people and, ideally, works towards the common good, which is not achievable easily.

Schliemann's 2015 in a bid to address essential component of administration has recommended a calibrated public accountability model that addresses the absences of specific standards, according which public and private institutional administrations might be held accountable. To him accountability serves as a reminder for both public and private administrators that they will be held responsible for their decisions and actions especially the public administrator. Both public and private administrators should be reminded that their decisions affect people and that they will be held responsible for their decisions and actions. It is also quite observable that understanding the differences and similarities is an essential tool for effective governance and management in both sectors for effective service delivery, and thus recommended for administrators of both sector.

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