

INFORMATION ON THE IMPLICATIONS OF MCGREGOR'S THEORIES X AND Y FOR PRIVATIZATION OF STATUTORY EDUCATION AUTHORITY (SEA) SCHOOLS IN NIGERIA

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Abstract

This paper investigated the implications of McGregor's theories X and Y for privatization of Statutory Education Authority (SEA) Schools in Nigeria. It was discovered that privatization is about cost cutting. The cost of education become prohibitive for ordinary citizens to afford. However a number of measures of government intervention to regulate behaviour in privately operated education systems were formulated such as adherence to basic educational laws and obtaining of licensing. This paper therefore recommend that the best option left for the regulators is to create a suitable environment to enable the private operators meet educational goals of the government and where there is a misbehaviour, regulators can apply minimal and gradual punitive measures which will in no bring about quality and competitive pricing that will enable parents make choice of schools for their children.

Keywords: Information, Implications, McGregor's Theories X and Y, Privatization of Statutory, Education Authority.

Introduction

Recently, initiatives have been taken by the government in Nigeria to either privatize statutory education schools (unity school) or at least to reform and/ or dilute their power for proper management. Reusse (1987) and Shepherd (1989) have used the term "liberalization" to describe the more general trend which these initiatives have been part to reflect the fact that it has not just been a trend to privatization and divestment of powers of education authorities. The educational system of developing countries in general has been, and continues to be privatized for a variety of reasons. Okunanmi (2005) catalogued some of the reasons that necessitated privatization of educational system in Nigeria. Thus: Funding. Due to recession, government diverted or decreased its public expenditure in order to overcome not only recession but also a country's deficits and other external debts. Therefore the need for an alternative source for education funding has increased tremendously and privatization will always help in solving this problem. It includes all reductions in the regulatory and spending activity of the government. Another reason for privatization is a shift from public to private.

Conceptual Framework and Other Related issues.

Privatization is a fuzzy concept that evokes sharp political reactions. It covers a great range of ideas and policies, varying from the eminently reasonable to the wildly impractical. Yet however varied and at times unclear in its meaning, privatization has unambiguous political origins and objectives. It emerges from the counter movement against the growth of government in the west and represents the most serious conservative effort of our time to formulate a positive alternative. Privatization proposal do not aim merely to return services to their original location in the private sphere. Some proposals seek to create new kinds of market relations and promise results comparable or superior to conventional public programs. Hence it is a mistake to define and

dismiss the movement as simply a replay of traditional opposition to state intervention and expenditure. The current wave of privatization initiatives opens a new chapter in the conflict over the public – private balance. In explaining the concept of privatization Rolston, Anderson and Colson (1981) stated that in some instances, national and regional ministries of education may decentralize by shifting the responsibilities for the provision and management of education to individuals, privately owned or controlled enterprises. Exploring the concept further, Omolayola (1997), Babarinde and Ikoya (2004) "cited In Ikoya and Ikoya (2005)s affirmed that Privatization enhances individual or corporate bodies' involvement in educational management.

In Sri-linka, for example, James (1982) reports that individuals and voluntary agencies established and managed day care centers, nursery schools, vocational schools and non-formal educational institution. Similarly, Cheema (1982) Davidson (1999) and Ikoya (2003) state that non-governmental organization (NGOs) provided a wide range of educational services at pre-primary,' primary and secondary levels In many sub-Sahara African countries.

Private sector participation in educational provision and management has generated some divergent views in Nigeria recently. The optimists believed that the motive' and capabilities of private education providers (PEPs) will be sufficiently convergent with national development .interest to justify them playing the predominant educational role. They also believed that existing educational laws and policies were sufficient to ensure the convergence of motives. Furthermore optimists considered the educational system as sufficiently advanced to ensure private providers will be able to run the education operation efficiently.

The Nature of Government Role

In the view of Reusse (1995) questions remain unanswered about the capabilities of private operators in filling the void in educational systems left by the SEAs. One of the most important questions, raised above is what types of regulatory functions government should take given a more dominant role for private operators in education. This question is critically important because regulation is the main way government can ensure that educational development goals are met by private educational providers. And, as Shepherd (1989) observed, encouragement of the private sector often run up against numerous rules and regulations governing commercial transactions which restrict the ability of private operation to function efficiently.

Alternative Strategies

Reusse {1995) stated that there are number of measures of government intervention to regulate behaviour in privately operated education systems. In this paper five alternative models are stated. They appear in ascending degree of government intervention.

- (a) Adhere to basic educational law only:
- (b) Basic law plus specific legislation enshrined In the legal system to cover the particular circumstances of education;
- (c) As in (b) plus optional licensing;
- (d) As in (b) plus licenses by compulsion and accompanying punitive power of delicensing to force participants to behave in a manner regulators believe as appropriate; and
- (e) As in (d) 'but with a pre-determined limit on the number of licenses (Reusse1995).

These models represent decreasing degree of optimism about the behaviour of private operators. They also represent increasing degrees of optimism about the ability and willingness of government to coerce people to behave in a certain ways. Those who are pessimists about private operators behaviours and action prefer government in line with categories (d) and (e). more extreme versions

than (e) exist, such as obstructions through police checkpoints and official harassment (Shepherd, 1995) and jail for operators not adhering to designated behaviour patterns.

Optimists prefer intervention in line with categories (a) and (b). However, category (c), may also look attractive to optimists where difficulties are being experienced in achieving education objectives because of undesirable actions by some private operators. The differing degrees of optimism about the government and private operators could be typical of the differences between theory X and theory Y behaviour devised by McGregor (1960). A modification of these theories are presented here.

McGregor's theories X and Y: A modification:

Anderson (1988) summarized the assumptions of theory X and Y by McGregor as follows: Theory X managers take responsibility for organizing, planning and making important decision, direct people, do not expect people to achieving much unless they act, and cannot trust employees with important decisions (Anderson, 1988). He further asserts that theory Y is not just the opposite of theory X, but has a different set of integrative assumption. Anderson (1988) quotes McGregor as describing the central principle of theory Y as that of integration.

The creation of conditions such that the members of the organization can achieve their goal best by directing their goal towards the success of the enterprise. The concept of integration and self- control carries the implication that the organization will be more effective in achieving its economic objectives if adjustment are made in significant ways of the needs and goals of its members. This statement is of, crucial important in modifying theories X and Y to suit the education system (p.10-11)

The essence of government's regulatory role in education system in Nigeria should not be to police rather to create the right environment to elicit appropriate behaviour from private education providers. This may require some kind of policing however, but there is strong-evidence that a theory X approach, consistent with strong emphasis on policing, is inferior to a theory Y approach in organizations. Anderson (1988) further stated that a theory Y approach is more likely to lead to increased productivity, quality and cooperation than a theory X approach.

Fig. : 1 Modified version of theories X and Y
Theory Xm and Ym assumptions

Theory Xm	Theory Ym
<ul style="list-style-type: none"> - Private operators have short time horizons and concentrate solely on short term goals - Private operators take every opportunities to exploit stakeholders (pupils/students): - Private operators will act fraudulently with little regard for existing laws. - Private operators lack expertise to expend their functions. 	<ul style="list-style-type: none"> - Private operators have long time horizons and attempt to build up a regular clientele - Private operators only exploit stakeholders that lack necessary operation information. - Private operators respect existing laws to the extent as other firms. - Private operators expand their function if the incentives- are right.

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| - Private operators do not adhere to strict quality control and grading procedures . | - Private operators undertake adequate quality control and grading procedures if the incentive are right. |
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In order to apply McGregor's theory X and Y in the regulation of education industry, it is necessary to transfer the concept underlying the theories from an organization to a competitive education system. Fig. 1 presents the modified McGregor's Theories X and Y are renamed theory Xm and Theory Ym respectively.

Goals: Theory Xm requires that the operators are forced to take a long-term view of their role in education system; therefore it is incumbent on government regulators to allow only those private operators whom they judge to have a long-term commitment to operate in the industry. Restrictive licensing system will therefore be put in place.

Theory Ym on the other hand assumes that all potential private operators will act in their long-term interest, which is to remain in the business indefinitely as a viable enterprise. Entry into the business 'should therefore open to anyone who wishes.

Exploitation: Theory Xm assumes that private operators will exploit stakeholders (students) and lead regulators to act as protectors of those stakeholders. This means they must have at their disposal punitive measures to control operators behaviour. These measures will enable them to remove the license of any operator behaving in a manner they judged to be inimical to the interest of education development.

The logic of theory Ym is opposite to this. Stakeholders that are well informed should be able to fend themselves without the protection of the regulations. The role of the regulators in this regard is to provide and disseminate necessary information to the stakeholders without resorting to punitive measures to control private operators behavior. Illegal activities operators are presumed to be in a position to circumvent existing laws" according to theory Xm. Their illegal activities which will adversely, affect education developments therefore need to be curbed by regulators providing a secondary source of law enforcement. According to Theory Ym, existing laws should be sufficient enough to prevent illegal activities of the operators.

Enterprises: theory Xm assumes private operators to display a less level of social amount of enterprise in investing in the development of education, regulators must therefore build into the operating, license the need to fulfill certain functions believed to be in the public interest. Government therefore should to a certain extent determine what functions the operation should undertake, which requires regulators to take on a supervisory role. Theory Ym however, implies that the education environmental condition will determine what operators do. If the function they undertake is less than socially optimal level, the root cause of the problem must be some kind of education failure, not necessarily the inherent lack of enterprise shown by operators.

Quality control: Theory Xm demands that regulations are put in place to control quality of education service delivery, because the operators will compromise quality against the socially optimal level. Regulators will provide which grading and control activities that should be undertaken by the private operators, Theory Ym however assumes that economic consideration should determine grading and quality control measures activities subject however, to the adequate existing general education laws with one exception. This exception relates to certain circumstances in education provision in which external costs occur. If the actions of the operator in abusing quality

control cause external costs to be incurred by other operators, there is a need for government regulatory action. A good example, is where a provider, poor quality service delivery causes discounting of the price received by other providers who maintained quality.

The final assumption of theory Y Anderson (1988) can be modified to fit into the management of education system by the government.

The essential task of government is to arrange organizational condition and material in the education provision and management system so that operators can achieve their own goals' best by directing their own efforts towards the goals of educational development of the government (p. 10-11).

The Inadequacies of the Theory Xm Approach

Four inadequacies in regulating private education provision and management system with a theory Xm approach are highlighted below.

- (a) Theory Xm approach is likely to lead to arbitrary policy making on Issues relating to education regulation. Regulators inevitably find themselves out of touch with economic realities sooner or later. The result will almost certainly be inefficiencies in the use of resources, in the education system. Arbitrariness in regulation occurs most commonly in respect of decisions on (a) who should get license to operate, (b) what constitutes anti-social or illegal operation behavior, (c) the desirability of discharging certain types of education function and (d) Grading and quality-control measures.
- (b) The likelihood of institutional failure is increased, especially where regulators have control over licenses', the risk is increased of political factors over-riding economic factors in deciding who participates in the provision of 'education, how they undertake their education functions, and how the system should be structured. Political' interference can also dilute the role of statutory authorities as "policemen. For instance; a decision by a statutory authority to delicense a provider for wrong behaviour can easily be revoked by political action if there is no guarantee of action within the legal system to support the authority's decision. Short-term political expedience can also override the economic judgment of statutory authorities.
- (c) Rent seeking is encouraged whenever artificial quotas are placed on participation in a particular sphere of economic activity. The allocation of licences to provide education services provides opportunities for prospective operators to seek by obtaining operating license. It is likely to lead to corruption and inequality in the education system.
- (d) There are reasons to believe that Theory Xm approach will be less effective than a Theory Ym approach:
 - (1) Theory Xm approach puts greater reliance on leadership through coercive power, According to Yuki (1981) coercive power is (i) unlikely to get commitment from participants. (ii) Possibly will get compliance, but only if used in a helpful and non- punitive way, and (iii) is likely to breed resistance if used in a hostile and manipulative way. The theory depends more on the personality of managers, which is not a sound approach to any form of management.
 - (2) There are likely to be difficulties in trying to supervise a myriad of education activities. Some of these activities will often be in villages and other places where government agencies are typically not well staffed.
 - (3) There will be a poor appreciation by stakeholders of the true value of services provided by the operators and the risk they bear. The outcome will be wrong interpretation of pricing

behaviour, making regulatory decision ineffective in that they treat the symptoms and not the causes of education failures.

Appropriate Regulatory Functions in a Theory Ym Approach

A very few people would consider a completely laissez-faire approach to the private education provision and management system in a developing country, like Nigeria. Regulatory functions that government must undertake usually should include quality and grading control, fee chargeable, physical environmental standard measures and enforcement of educational laws. However, these functions should not require a special statutory authority to see their implementation which is independent of the legislative processes which apply to all citizens if the citizens are compliant to law willingly.

Matters of operators behaviour such as fees (especially) and adherence to quality requirements are where Ym and Xm theorists depart most radically in their approaches. Ym theorists believe that inducement is always a better alternative to the threat of punitive measures. The appropriate starting point is to identify what sort of education environment could best encourage private operators to behave in a manner that converges with the government education development goals.

The theory Ym approach should be both minimal and gradual in terms of the degree of intervention from government. If operators behaviours adjudged not yet satisfactory after establishing what is thought to be a good environment, regulators are also expected to ask what is the least interventionist ways of further handling the problem. A common example is where operators are purported to be exploiting stakeholders by charging them too much fees and providing services below the going rate for their fees. A gradualist approach in line with Theory Ym is to assume, this is due to the latter (student) ignorance of what fees to pay and what bargaining stance to take. A good information service delivery mechanism may be the best way to solve the problem. The Theory Xm approach would probably be to stop that operator from providing education services. What this would likely achieve is fewer operators and fewer services available to citizens making it easier for the remaining operators to exploit candidates if schools are privatized.

Implications of Privatization for Educational Planning

Many in the education system believe that privatization is about cost cutting, making profits from children, and the breakdown of the social ethos of education. In reality, however, privatization programs can be designed to meet many educational and social objectives. Runge (1984) stated that cost will become prohibitive for ordinary citizens if all schools are privatized. Not all families can afford to send their children to a privatized school system. Many parents have to pay for house rent, light and water bills as such they can't afford to pay for private schools. Yarrow (1986) explained that privatization is a huge step backward. There was a time when there was no public school system, one either could afford an education or didn't get one. Public schools are intended to allow everyone the chance to get an education, regardless. Getting rid of them would only go back to the time when people with money could afford to be educated and the poor were stuck with ignorance.

Conclusion

Privatization includes all reductions in the regulatory and spending activity of the government but the prohibitive price of privately owned schools is one of the major reasons behind the call for a strong regulatory role in education system since the existing education law which form part of the national legal system are not being enforced, and a back-up enforcement system is required. This paper argues that if the existing laws are not being enforced and vigilance is low, circumventing these laws, and establishing a second set of (probably more arbitrary) measures operated by a

statutory authority is also not likely to work. It is also a distraction from the "first" solution, which is to ensure that education laws which form part of the overall legal system are made to work and that those responsible for their implementation are vigilant.

In matters of operation behaviour within the law, according to them Ym, it is, in the long-term interest of most operators to see that fair operation takes place. In these circumstances self-regulation should be a viable option, to be preferred to a punitive system of regulation which is likely to be more costly, more arbitrary in its judgment and less effective.

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