



Assessment of Impact of Inflation on University Management in North-Central, Nigeria

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Abstract: The objectives of this study is to assess the impact of inflation on university management in Nigeria. The population of this study comprised of all academic staff in North-Central, Nigeria. The study adopted a descriptive survey design. The sample for study was made up of three hundred academic staff. The sample was selected from three public universities in North-central, Nigeria. The sample was selected using multi-stage sampling technique. A research instrument was constructed by the researchers and used for the data collection which was title: (Impact of Inflation on University Management Questionnaire). The structured questionnaire used 4 Likert scale: Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The reliability of the instruments IIUMQ was established through a test re-test method. The results of the first and second administration of the instrument were analysed using the Pearson Product Moment correlation coefficient, which yielded a reliability index of 0.88. Data collected in the study were analyzed using mean-scores and standard deviation. The findings showed that inflation affected running of the universities in Nigeria via increment in operational cost. The result also indicated that inflation affected projects completion, led to projects abandonment, poor projects financing and poor projects maintenance. The result finally revealed that inflation affected implementation of teaching, research and community service programme in Nigerian universities. Based on the findings, the paper hereby recommended that government should increase the funding of universities in Nigeria. Government should diversify the economy by increasing local production and encourage locally manufacturing of goods.

Keywords: inflation, university management

Citation: Ogunode, N.J., Ezem I.N., Olumodeji, M.I. Assessment of Impact of Inflation on University Management in North-Central, Nigeria. *American Journal of Science and Learning for Development* 2024, 3(3), 1-6.

<https://www.doi.org/10.51699/ajsldev3i3.3462>

Received: 15 February 2024

Revised: 18 February 2024

Accepted: 29 February 2024

Published: 2 March 2024



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1. Introduction

Inflation is defined by Ogunode and Ukozor [1] as the continuous rise in the prices of goods and services over the period of time. Femi [2] viewed inflation as when large amount of money can only purchase few goods and services. For Tucker [3], inflation measure prices relating to consumer, and the Gross Domestic Product Deflator GDP Deflator, which measures prices relating to goods and services produced locally.

Also, Sloman and Hinde [4] on their own opinions see inflation as either be Demand-Pull inflation or Cost-Push inflation. Demand-Pull inflation is a type of inflation caused by persistent increase in aggregate demand over aggregate supply, thus the firms respond by raising prices and increasing their output. While Cost-Push inflation on the other hand, is related to persistent increase in costs experienced by firms in the production of goods and rendering of services. Roger, Restrepo, and Garcia [5] in their study indicated that inflation is a global issue of concern because larger proportion of the population have been affected, while the marginalized sectors are comparatively more

affected where a larger portion of their income is destined towards purchasing food items. During periods of inflation a substantial increase in miseries may be expected of those who are already living below the poverty line and can be expected to drive others into poverty [6].

Obiakor [7] classified inflation into four types and they include; creeping inflation. This inflation occurs when the rise in price is very slow. A sustained annual rise in prices of less than 3 per cent per annum falls under this category. Such an increase in prices is regarded safe and essential for economic growth [8]. Walking inflation is the type of inflation that occurs when prices rise moderately and annual inflation rate is a single digit. This occurs when the rate of rise in prices is in the intermediate range of 3 to less than 10 per cent [9]. Inflation of this rate is a warning signal for the government to control it before it turns into running inflation while running inflation is the types of inflation occurs when prices rise rapidly at the rate of 10 to 20 per cent per annum, it is called running inflation [10]. This type of inflation has tremendous adverse effects on the poor and middle class. Its control requires strong monetary and fiscal measures. Finally, hyperinflation is the inflation that occurs when prices rise very fast at double- or triple-digit rates. This could get to a situation where the inflation rate can no longer be measurable and absolutely uncontrollable. Prices could rise many times every day. Such a situation brings a total collapse of the monetary system because of the continuous fall in the purchasing power of money [11,12]

Ishaya and Ogunode [13]; Omuru [14]; Ogunode and Odanwu [15] and Oludare [16] described inflation as an economic problem that has the potential to limit development. Inflation discourage investment and may lead to high unemployment rate in the country. Inflation is a global problem affecting both developed and developing countries like Nigeria. Olufemi [17] and Ogunode and Ukozor [1] opine that Nigerian inflation always affects every public and private institutions especially the educational institutions. Inflation according to Abubakar [18] may affects activities and programme of the tertiary institutions if not addressed on time.

Universities management involves planning, controlling, coordinating and supervising human and materials resources for the realization of universities goals. Universities management is the optimal used of universities resources to implement universities goals [19]. Universities management involve supervision and organization of human and materials resources for the execution of universities programme.

Universities management include all organized activities designed for effective planning, organization and coordination of human and materials resources for the attainment of the universities' goals. Universities management covers supervision and implementation of teaching, researching and community services.

1.1. Problem statement

The university education in North-Central Nigeria is aimed to provide post-secondary school education for young Nigerians residing in the region. It is also to provide manpower training and development for civil servant in the areas. The university education is also to serve as catalyst for socio-economic and technological development in the region.

The realization of universities objectives depends on adequate funding and stable economic policy that foster socio-economic development because the running of the universities is capital intensive. A lot of materials and human resources are required to ensure optimal operation of the university system. Economic problem such like inflation, deflation, economic recession may have impact on the management of the universities across the country.

The recent hyperinflation facing Nigeria that has caused a lot of hardship to the citizens and institutions may not favouring the effective running of universities. The inflation is responsible for hike in every consumable and non-consumable resources across the country. Manny stakeholders in the universities are worried about the

development. Universities administrators and managers are lamenting how educational resources have gone high. It is important to examine the impact of inflation on the university's management in Nigeria.

1.2. Purpose of the study

The objective of this study is to assess the impact of inflation on university management in Nigeria. The sub-objectives include:

- 1) To ascertain the impact of inflation on running of the universities in Nigeria;
- 2) To find out the impact of inflation projects (infrastructure facilities) completions in Nigerian universities;
- 3) To assess the impact of inflation on teaching, research and community service implementation in the Nigerian universities.

1.3. Research questions

Based on this research objectives, the researcher formulated the following research questions to address the objectives:

- 1) What is the impact of inflation on running of the universities in Nigeria?
- 2) What is the impact of inflation projects (infrastructure facilities) completions in Nigerian universities?
- 3) What is the impact of inflation on teaching, research and community service implementation in the Nigerian universities?

2. Method

This paper investigated the impact of inflation on university administration in Nigeria. The population of this study comprised of all academic staff in North-Central, Nigeria. The study adopted a descriptive survey design. The sample of the study was made up of three hundred academic staff. The sample was selected from three public universities in North-central, Nigeria. The sample was selected using multi-stage sampling technique. A research instrument was constructed by the researcher and used for the data collection. Questionnaire was used to collect data. The Questionnaire was titled (Impact of Inflation on University Administration Questionnaire). The questionnaire had two sections. Section A and B. Section A sorted bio-data information and section B collected information on the actual subject matter. The structured questionnaire used 4 Likert scale: Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The reliability of the instruments ILSPAPSPSS was established through a test re-test method for stability of the instrument. 30 copies of the questionnaire were administered to the academic staff of the universities that were part the population but not included in the sample size. The instruments were re-administered to the same respondents within an interval of two weeks. The response (results) of the first and second administration of the instrument were analysed using the Pearson Product Moment correlation coefficient, which yielded a reliability index of 0.88. Data collected in the study were analyzed using mean-scores and standard deviation in answering the research questions.

3. Results and Discussion

Table 1. Impact of inflation on running of the universities in Nigeria

S/N	Items	Means	Decision
1	Inflation increases the operational cost of running universities	3.00	Accepted
2	Inflation affects procurement rate of universities	3.10	Accepted
3	Inflation affects staff recruitment in universities	2.75	Accepted
4	Inflation affects service delivery in universities	2.86	Accepted
5	Inflation affects accreditation programme in universities	3.08	Accepted
6	Inflation affects policies implementation in universities	3.15	Accepted
Grand Mean		2.99	

Data obtained from table revealed that item 1 to 6 had positive responses in agreement that inflation negatively affected running of the universities in Nigeria with mean of 2.99 which is above cut-off point. The result revealed that inflation increases the operational cost of running universities (3.00), inflation affects procurement rate of universities (3.10), inflation affects staff recruitment in universities (2.75), inflation affects service delivery in universities (2.86), inflation affects accreditation programme in universities (3.08) and inflation affects policies implementation in universities (3.15) with a general mean of 2.99.

Table 2. Impact of inflation on projects (infrastructure facilities) completions in Nigerian universities

S/N	Items	Means	Decision
1	Inflation affects projects completion	2.98	Accepted
2	Inflation leads to projects abandonment	3.01	Accepted
3	Inflation affects projects financing	2.83	Accepted
4	Inflation affects projects maintenance	3.13	Accepted
Grand mean		2.99	

Table 2 result indicated that agreement for all the 1 to 4 on the bases that they all exceed 2.50 cut-off point. The result obtained revealed that inflation affects projects completion (2.98), inflation leads to projects abandonment (3.01), inflation affects projects financing (2.83) and inflation affects projects maintenance (3.13) with a general average mean of 2.99 which is greater than 2.50 cut-off.

Table 3. Impact of inflation on teaching, research and community service implementation in the Nigerian universities

S/N	Items	Means	Decision
1	Inflation affects implementation of teaching programme	3.12	Accepted
2	Inflation affects implementation of research programme	3.07	Accepted
3	Inflation affects implementation of community service programme	3.01	Accepted
Grand mean		3.07	

Table 3 showed that all items from 1 to 3 are in agreement with mean scores that is above 2.50 on the bases that inflation affects implementation of teaching programme (3.12), inflation affects implementation of research programme (3.07) and inflation affects implementation of community service programme (3.01) with a general mean of 3.07.

3.1. Discussion of findings

The research question one showed that inflation affected running of the universities

in Nigeria by increasing operational cost. This result is in line with the discovered of Ogunode and Odanwu (2023) and Oludare (2024) that inflation in Nigeria has affected running tertiary institutions by increasing operational costs.

The result indicated that inflation affects projects completion, inflation leads to projects abandonment, inflation affects projects financing and inflation affects projects maintenance. This finding is in agreement with the conclusion of Obiakor (2021); NBB (2022) and Gagarawa & Mehrotra (2017) that noted that inflation have led to projects suspension.

The result collected on research question three revealed that inflation affects implementation of teaching programme, inflation affects implementation of research programme and inflation affects implementation of community service programme in Nigerian universities. This finding collaborates with the discovered of Olubusoye and Rasheed (2008); Ogunode and Jegede (2021) and Ogunode and Murtala (2022) who found out that inflation affects school programme implementation in Nigeria.

4. Conclusion

The objective of this study is to assess the impact of inflation on university management in Nigeria. The findings showed that inflation affected running of the universities in Nigeria by increasing operational cost. The result also indicated that inflation affected projects completion, led to projects abandonment, poor projects financing and poor projects maintenance. The result finally revealed that inflation affected implementation of teaching programme, research programme and community service programme in Nigerian universities.

Based on the findings, the paper hereby recommended that government should increase the funding of universities in Nigeria. Government should diversify the economy by increasing local production and encourage locally manufacturing of goods.

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