



## Concession of Ports and Its Impacts on Labour Development

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### Abstract

This research was carried out to study the impact of concession of ports on labour development using Apapa and Tincan port as the case studies. The primary source of data collection was employed using a well-structured questionnaire designed by the researcher to answer the research questions. The researcher adopted SPSS computer software version 26, to analyse the data collected on this research to answer the research questions. The researcher formulated the research hypotheses as follows: The level of labour development in the post concession era is not high; There are no major problems facing labour development in the post-concession era; There is no hope for Nigeria port authority to improve on its labour development in post concession era. It was found that the level of labour development in the post concession era is not high. It was also revealed that there are major problems facing labour development in the post-concession era and finally it was revealed that there is hope for Nigeria port authority to improve on its labour development in the post-concession era. In conclusion, the researcher recommended among others that labour development should be accorded top priority and should not be made to compete with some other demands for funding. A well-trained, mobilized and motivated workforce is undoubtedly an asset to any organization

**Keywords:** NPA, Port Concession, Labour development

### 1 Introduction

Maritime activities could be seen as a life wire of any developing economy. Shipping has become the most effective mode of transportation in the international exchange of goods. Transportation of bulk goods over a relatively long distance is most economically done by sea. This is further facilitated through advances in technology which has brought about a more efficient, reliable and demand-oriented transportation system. It is estimated that over 90% of global commerce is seaborne Alfred (2014). This reflects the level of dependency on shipping for the movement of goods generated in international trade transactions.

Port reforms are policy measures by the government aimed at enhancing the efficiency and productivity of ports by revitalizing and strengthening the labour development at the ports Ndikom (2004). Within the Nigerian context, ports reforms were intended to Nigerian ports both user and investor-friendly, thus enhancing smooth operations at the ports. The reform model chosen by the Nigerian government was a port concession, whereby the government retains ownership of the infrastructure, and contracts out the management and operation of the facilities to the private sector on a competitive basis for a specified period.

Bousquet and Fayard (2015) noted that a concession arrangement is one in which the government (or her agency) grants the right to fund, build, own, improve, upgrade, maintain and charge users for the cost of services, for a limited period to a private-sector operator. With globalization, the Nigerian government realized it lacked the resources and managerial ability to drive a modern seaport successfully (Razak, 2005). Around the world, governments and port authorities have withdrawn from port operations knowing that enterprise-based port services and operations would allow for better services to port consumers, greater flexibility, efficiency and higher labour development (Notteboom, 2007). This made the disengagement of government from the activities that could be more efficiently provided by the private sector inevitable.

The process of involving greater private sector participation and expertise in the Nigerian seaports began in 2003 by the National Council on Privatization (NCP), the apex policy body on sector reforms in the country, in conjunction with the Bureau of Public Enterprises (BPE) (Razak, 2005). The Nigerian government initiated one of the most ambitious infrastructure concession programmes ever attempted in September 2004 (Leigland & Palsson, 2007). The programme gained global credibility with the involvement of the World Bank, CPCS Transcom of Canada and Royal Haskoning of Holland as project monitors, concession bid managers and consultants respectively (Fivestar Logistics, 2008).

### 1.1 Statement of the Problem

Labour development is an integral part of the pursuit of improved organisational growth and performance. Studies have shown that attracting, developing and retaining motivated, skilled and satisfied labour force is essential for any organisations that wish to improve their performance. As an approach towards achieving enhanced performance since the concession of port, Nigeria port authority has adopted the basic elements of labour development which includes Job rotation, Coaching, off-the-job training and mentoring Healthfield (2012). But it appears the expected results are far-fetched.

From the researcher observation, Following the concession of port, it appears the management of Nigeria port authority have inadvertently indulged in practices that are inimical to labour development and effective performance. These lapses are evident in the ability of the management of Nigeria port authority to identify who needs training; bias in the selection process of trainees and improper rotation of employees to tasks not relevant to the trainee's area of interest. It is generally asserted that the improvement of port efficiency in terms of labour development seems to be the major motivation for port concessions in Nigeria. However, the level of achievement of this objective is yet to be determined. This paper, therefore, seeks to evaluate the impact of port concession on labour development in Lagos Apapa Port.

### 1.2 Objectives of the Study

The general objective of the study is to evaluate the impact of port concession on labour development in Lagos Apapa Port.

Specific objectives are to:

- i. To highlight the overall labour development practices in the post concession era
- ii. To determine the level of labour development in the post concession era
- iii. To identify major problems facing labour development in post concession era
- iv. To determine if NPA hopes to improve on its labour development in post concession era.

### 1.3 Research Questions

- i. What is the level of labour development in the post concession era?
- ii. What are the major problems facing labour development in post concession era?
- iii. Does NPA have hope to improve on its labour development in post concession era?

### 1.4 Research Hypotheses

Ho1: The level of labour development in the post concession era is not high

Ho2: There are no major problems facing labour development in post concession era

Ho3: There is no hope for Nigeria port authority to improve on its labour development in post concession era

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## 2. Literature Review

### 2.1 The Concept of Concession of Port

Although the concept of concession of a port is an emotive ideological and controversial one that evokes sharp political reactions, its political origins, meaning and objectives are not ambiguous. Ihome (1997) describes port concession as measures through which governments either exposes public enterprises to competition or reduce the level of involvement of government by encouraging private sector ownership, control or management of public enterprises. However, in a strict sense, port concession means the transfer of the ownership (and all the incidence of ownership, including management) of the public enterprise to private investors. It is a shift from the public to the private sector ownership and not a shift of ownership within sectors Starr (1988). As such, the conversion of a state agency into an autonomous public authority or state-owned enterprise (SOE) is not concession and neither is the conversion of a private non-profit organization into a profit, making form. An inference from Ircha (2001) is that port concession refers to steps (processes or even activities) taken to improve the commercial positioning of port operations, thus, leading to overall efficiency Notteboom (2007). The high costs associated with business operations in Nigeria which discourages both local and foreign investors from establishing their business in Nigeria makes privatization even more appropriate in Nigeria. But, by introducing several measures aimed at minimizing the malaise in Nigeria's ports the government seems to have risen to the challenges of creating a congenial business environment in Nigeria's seaports.

The rationale for the adoption of port concession is that the creation of an enabling environment would ensure the development of Nigerian ports along global trends and standards (e.g. competitiveness, efficiency, and safety) would attract private capital for its development into industrial sites through a targeted development plan. According to Ndikom (2006), concession arrangements are geared towards attracting investors, which in turn would lead to providing modern cargo handling plant and equipment, thus enhancing operational efficiency at the ports. Indeed, Anagor (2014) observes that the transfers of port operations to private organizations in Nigeria, brought about a substantial level of improvement, increased investments in terminal infrastructure and cargo handling equipment, about 250% growth in cargo throughput over the last eight years, as well as a restoration of importers' confidence. For privatization to take place, public enterprises which need to be converted into private enterprises must be in existence. There is the reasoning that private ownership or control or management would be better than public ownership.

## 2.2. Importance of Concessioning Schemes

Mundhe (2008) notes that concessions are preferable in circumstances when public authorities are unable to maintain facilities procured with public funds. In Nigerian ports, for instance, Kruk (2008) observes that concession was employed as an efficiency and productivity improvement tool; first, in line with the views of Razak (2005), to instigate increased private sector participation, and secondly, to improve the operational and management capabilities of the ports Abdullahi (2014). Awam(2014) posits that where concession is a chosen reform policy (irrespective of the options or models), the aim is to have an increased efficiency, productivity and management capability improvements; a reduction in the financial burden on the public sector and increased revenue generation; an enhanced service delivery for users as well as the derivation of good value for money from port services; a handover of specialized task of port management to the private sector, thereby reducing political exposure and ensuring a proactive approach to trade and globalization; a redistribution of wealth and other social objectives (e.g. curbing power and influence of labour unions and other monopolies involved in port operations); trade and business development for the region, country and port; a better risk and reward sharing between public and private sector; a stimulation of higher investment in the country, enhancing the role of entrepreneurs and the private sector; as well as better technology transfer and management skills development.

## 2.3 Labour Development

Labour development also called staff development is known as the practice of improving existing knowledge, skills, exposure as well an individual's abilities. Saleem and Mehwish (2011) contend that labour development is a well-programmed enhancement of employees' skills to efficiently execute processes and operate in particular situations. According to Laing (2009), labour development indicates knowledge improvement and capabilities of staff members which result in better performance of employees. Khanfar (2011) contends that labour development enables individuals to use their potential capabilities. Healthfield (2012) stated that the appropriate employee team building, education and development introduced at an appropriate time gives high playoffs to an organisation to enhance knowledge, productivity, contribution and loyalty. Labour development can be enhanced through the following practices which include off-job training (workshops, conferences, and lectures), on-the-job training (mentorship, job rotation and coaching) and team building (retreats, staff meetings and social gatherings).

### 2.3.1 Off-the-Job Training

Off-the-job training refers to the training which employees receive at a site that is outside their workplace (Saleem &Mehwish, 2011). It is mostly arranged to obtain the learning needs of a particular group instead of the needs of an individual. Workshops, conferences simulations, lectures and games are the most common types of off-the-job training (Alipour, 2009).

### 2.3.2 On-the-Job Training

On the job training is a type of employee training obtained at the workplace for capacity building while carrying out the actual job (Alipour, 2009). The purpose of such training is to give an employee the skills as well as knowledge in a particular area of work. Job rotation, apprenticeship and coaching are the most commonly used methods of on the job training. The on-the-job training for labour development includes mentorship, job rotation and coaching.

### 2.3.3 Team Building

According to Fapohunda (2013), team building is a strong technique to break down impediments as well as solve conflicts between employees. Workshops on team building aid organizations to develop and maintain high performance by way of team-building retreats. Activities of team building motivate staff members and improve their skills that have positive effects on profits and performance of the firm. The best asset for every organisation is its personnel and the organization's success depend on people, therefore, team bonding and team building is very important. The activities of team building make a healthy bond amongst team members and also facilitates easy communication. Team building strengthens work relationships and creates confidence in the team, especially for newly recruited members. The team building for labour development includes retreats, staff meetings and social gatherings.

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## 3.1 Research Methodology

The source of data collection adopted for this research was primary data collection. In other to obtain adequate and correct information on this study, an exploratory survey method was employed in which the researcher organized a session of an interview with the personal department; employee and labour relation department of the Nigeria port authority. The researcher also employed a properly designed and structured questionnaire which he intended to distribute to all staff of Nigeria port authority. The questionnaires were developed to address the research questions and were directly administered to the employees/staff of the Nigerian Ports Authority at both Apapa and Tincanports. To achieve the objectives of the study, 100 questionnaires were distributed to staff in various departments especially the personnel department, employee/labour relations departments at Apapa and Tincanports. The questionnaires were designed on a 4 Liker rating scale; (SD = Strongly Disagree, AG= Agree, DA= Disagree, and SA= Strongly Agree). The research questions formulated were presented in the order in which they were stated.

### 3.2 Method of Data Presentation and Analysis

Data collected on this study were presented on tables to reflect how they were collected. To carefully and critically analyse data on this study, the researcher made use of SPSS version 26, an econometric software for data analysis for accurate decision making. The data were plotted to represent the quantitative variables and extent of responses to determine the acceptance or rejection of the research questions, which will enable the researcher in decision making.

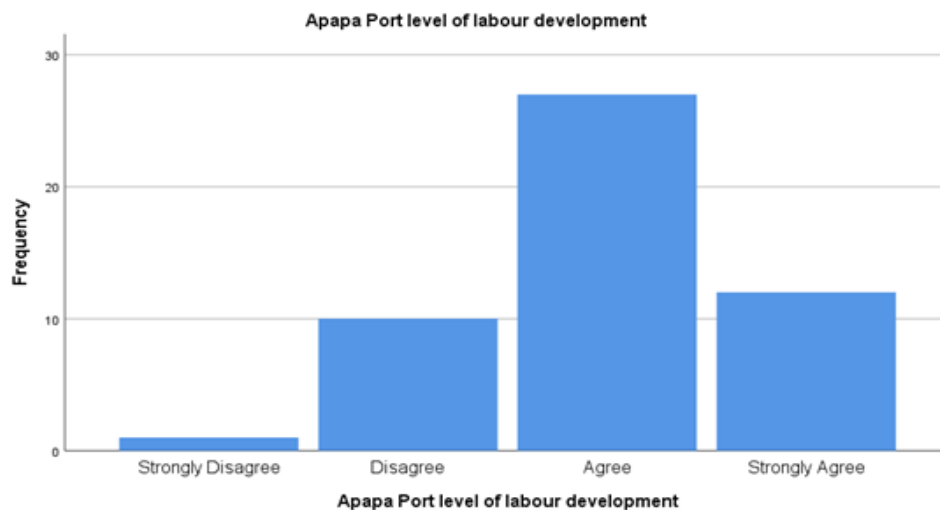
## 4.1 Data Presentation, Analysis and Discussion

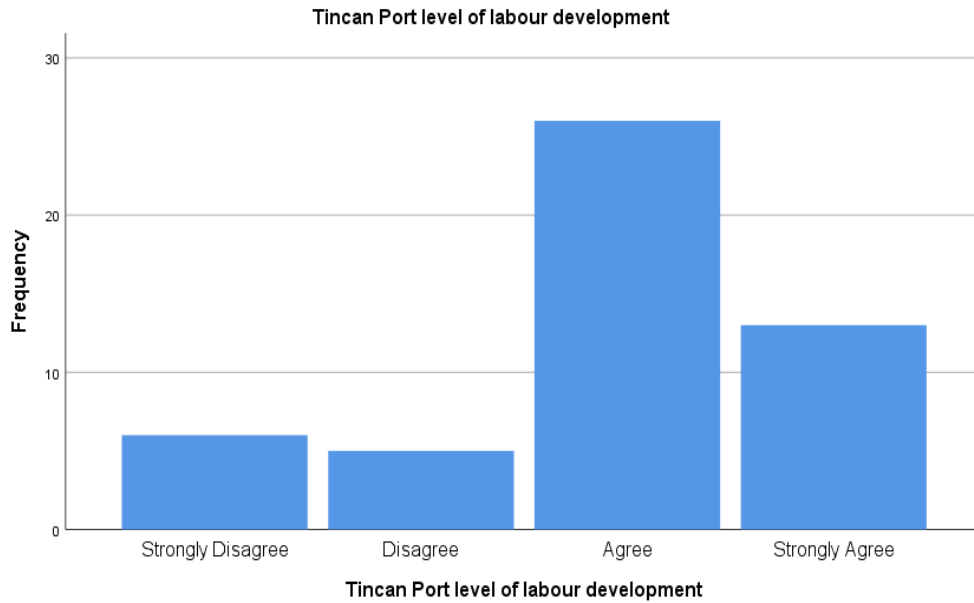
The raw data collected on this study were the employees' responses to the questionnaires which are presented in the tables below accordingly. These data were analysed in such a way that they could be understood and discussed by the researcher.

**Research Question 1:** *What is the level of labour development in the post concession era?*

**H1:** *The level of labour development in the post concession era is not high*

Variables	Respondents		Total
	Apapa Port (Frequency)	Tincan Port (Frequency)	
Strongly Agree (SA)	12	13	
Agree (AG)	27	26	53
Disagree (DA)	10	5	15
Strongly Disagree (SD)	1	6	7
<b>Total</b>	<b>50</b>	<b>50</b>	<b>100</b>



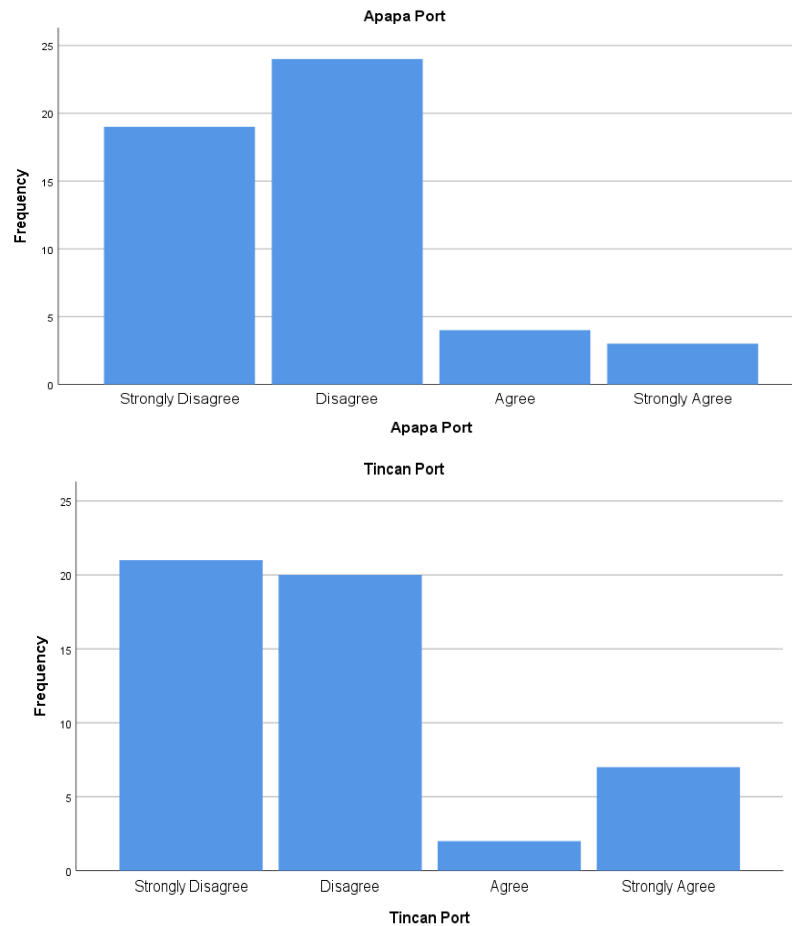


From this analysis above, a total of 78 respondents accepted that the level of labour development in the post concession era is not high. This corroborates the findings of Ogolo(2011)who stated that the labour development in Nigeria Port authority does not have any significant impact on the employee and does not create positive skills impact or at least reflect current technological impact/state on the employees, and to that extent, the labour development of Nigeria port authority is deemed ineffective. The study also carried out by Ojo (2011)justified the findings of the study by stating that Nigeria port authority does not somewhat value training. When it was probed further, it was revealed that the money been budgeted for labour development is usually used to cover uninsured expenditure. It was revealed that labour development in the aspect of training isn't carried out in good spirit and training needs are not properly identified including the fact that training at times is not conducted in line with employee's jobs in the NPA concession era.Ojo (2011) further revealed that inadequacies exist in areasof environment for labour development and duration of training. This goes to confirm that Nigeria port authority does not spend much on labour development. Therefore, we accept the null hypothesis that states that the level of labour development in the post concession era is not high.

**Research Question 2:** *What are the major problems facing labour development in post concession era?*

**H2:** There are no major problems facing labour development in post concession era

Variables	Respondents		Total
	Apapa Port (Frequency)	Tincan Port (Frequency)	
Strongly Agree (SA)	3	7	
Agree (AG)	4	2	6
Disagree (DA)	24	20	44
Strongly Disagree (SD)	19	21	40
<b>Total</b>	<b>50</b>	<b>50</b>	<b>100</b>

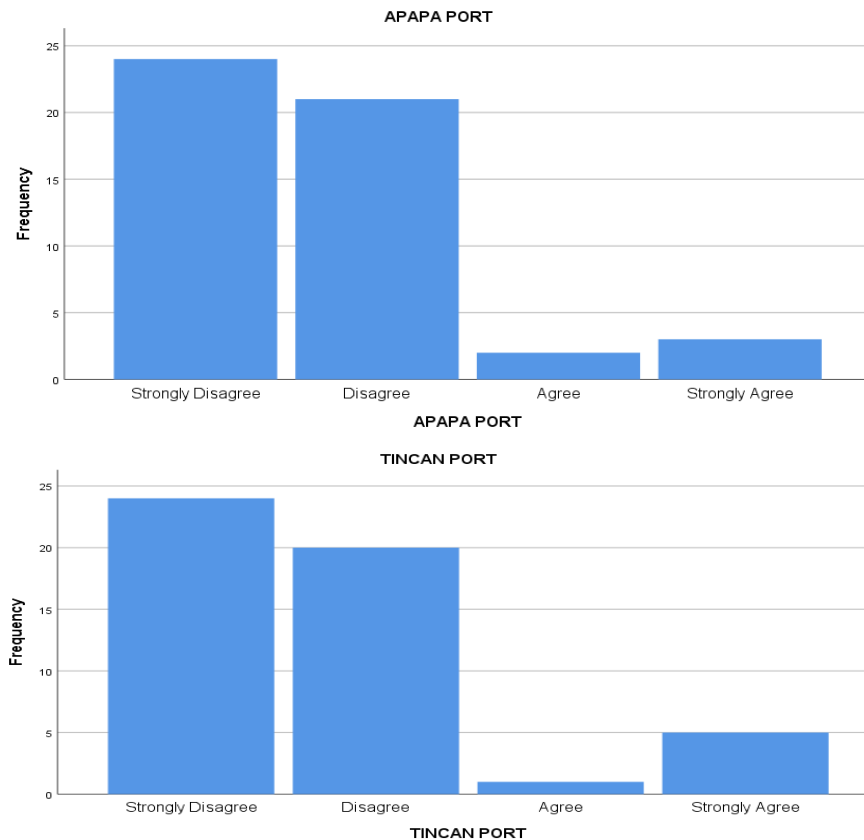


From this analysis above, a total of 84 respondents rejected that there are no major problems facing labour development in post concession era. This result justified the findings of Ogolo (2011) who stated that labour development is not regular in Nigeria port authority in the concession era and financial constraints were identified as being responsible for this. To the extent that there are competing demands for limited funds and irregular disbursements. Ojo (2011) justified the findings of Ogolo (2011) by stating that there may be financial constraints for labour development but the funding being allocated for labour development is usually used to cover uninsured expenditure. This means that corruption strives in Nigeria port authority jurisdiction which is causing non-implementation of labour development policies for the labour force in the port. Therefore, we reject the null hypothesis that states there are no major problems facing labour development in post concession era

**Research Question 3:** Does NPA have hope to improve on its labour development in post concession era?

**H3:** There is no hope for Nigeria port authority to improve on its labour development in post concession era

Variables	Respondents		Total
	Apapa Port (Frequency)	Tincan Port (Frequency)	
Strongly Agree (SA)	3	5	
Agree (AG)	2	1	3
Disagree (DA)	21	20	41
Strongly Disagree (SD)	24	24	48
<b>Total</b>	<b>50</b>	<b>50</b>	<b>100</b>



From this analysis above, a total of 89 respondents rejected that there is no hope for Nigeria port authority to improve on its labour development in post concession era. The result from the study justified the report from Nigerianports (2020) which revealed that NPA launched a book in order to enable her workforce/labour force/Employee to improve the habits of reading which are expected to impact greater customer service. The Nigerian Ports Authority (NPA) has launched a book titled “The Business of Becoming The Best You” at the Corporate Headquarters in Lagos. This launch of this book for the workforce of Nigeria port authority in the concession era will improve the development of the workforce both verbally and intellectually. Therefore, we reject the hypothesis that says there is no hope for Nigeria port authority to improve on its labour development in post concession era.

## 5.1 Conclusion and Recommendations

This study was centred on the impact of concession of ports on labour development and the result of the study revealed that the level of labour development in the post concession era is not high. Also, it was revealed that there are major problems facing labour development in post concession era and one of the problems is financial constraints while it was mentioned that some of the funding for labour development are being allocated for another purpose which shows corruption exists in the management of the ports. Finally, it was revealed that there is hope for the improvement of labour development in the post concession era.

Proceeding from the above, labour development has not been tailored to improve the labour-force capacity and enhance NPA performance because it did not impact requisite and up-to-date skills and technical capacity. Therefore, it is recommended that

1. Labour development programmes should be redesigned to capture individual labour force peculiarities. In other words, a needs-based training programme must be emphasized in NPA.
2. Nigeria port authority should continue to improve upon its technological state of operation through investment in information and computer technology and other performance-enhancing measures or strategies.
3. Labour development should be accorded top priority and should not be made to compete with some other demands for funding. A well-trained, mobilized and motivated workforce is undoubtedly an asset to any organization.
4. A Committee should be set up to monitor funding of Labour development initiative/programme

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