



## Internally Generated Revenue and Job Satisfaction in Lagos State Tertiary Educational Institutions, Nigeria

**Bello Ganiyat Olubunmi, Yahya Lateefat Oludare & Ofem Igot Bassey**

*Lagos State University of Education, Oto/Ijanikin, Lagos State  
Department of Educational Management, Lagos State University, Ojo*

### KEYWORDS:

Subvention, Internally Generated Revenue, Job Satisfaction, Operational Funds, Tertiary Educational Institutions

### WORD COUNT:

275

### CORRESPONDING EMAIL ADDRESS:

bellogo@lasued.edu.ng

### ORCID NUMBER:

### ABSTRACT

This study examined the relationship between internally generated revenue and job satisfaction in Lagos State tertiary educational institutions. The study used the descriptive survey research design with a population of 5,803 employees in Lagos State tertiary educational institutions and a sample of 374 determined using Taro Yemane's formula. The multi-stage sampling approach was therefore used for the selection of the participants. The data was collected using a self-designed questionnaire titled Staff Job Satisfaction Scale (SWCJS). The instrument was designed on a four-point Likert-type scale of Strongly Agreed (SA), Agreed (A), Disagreed (D) and Strongly Disagreed (SD). The research questionnaire was given to experts in the field of test and measurement to assess the suitability of the instruments for the study. The questionnaire was administered on 30 participants in Lagos State University of Education, who did not participate in the main study and the Cronbach Alpha reliability technique was used to test the data collected, and a reliability coefficient of .78 indicated the instrument was reliable. All the 374 copies of the questionnaire were administered and retrieved by the researcher and three trained research assistants who were trained for two weeks. Inferential statistics, namely the t-test and Pearson Product-Moment Correlation statistics were used to test hypotheses at .05 level of significance. The findings showed that; job satisfaction was significantly low; a significant relationship exists between internally generated revenue and job satisfaction in Lagos State tertiary educational institutions. Based on these findings, it was recommended that the government should increase institutions' subvention, and tertiary institutions should diversify and strengthen their IGR base. This will help improve the job satisfaction of employees in Lagos State tertiary educational institutions.

### HOW TO CITE

Bello G.O, Yahya L.O & Ofem I.B. (2026). Internally Generated Revenue and Job Satisfaction in Lagos State Tertiary Educational Institutions, Nigeria. *International Journal of Educational Perspectives*, 14(1), 100-108.



## Background to the Study

Job satisfaction is the degree to which people like their jobs. In other words, it refers to a subjective evaluation that the worker makes of her own job, either in its entirety or with respect to its different attributes (Armstrong, 2006). Indeed, job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Many studies have demonstrated an unusually large impact of job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on the performance of organisations. In recent times, organisations have realised that improved job satisfaction stimulates employees' interest in contributing towards organisational growth and development. This implies that an organisation that aims to achieve its stated goals and objectives must strive towards improving job satisfaction.

Job satisfaction, according to Kaliski (2007 as cited in Aziri, 2011), is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. It is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfilment. Job satisfaction is also the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Job satisfaction is the collection of feelings and beliefs that people have about their current job.

People's levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their job as a whole, people also can have attitudes about various aspects of their jobs, such as the kind of work they do, their coworkers, supervisors or subordinates and their pay (George *et al.*, 2008 as cited in Aziri, 2011).

A job is one of the important elements of people's life. Their living style and their social life depend on their job. Therefore, every organisation must have a satisfied workforce. There is a general understanding that the overall productivity and success of an organisation depend on the effective and efficient performance of employees and that better performance depends on the employees' job satisfaction. In essence, employees' job satisfaction significantly contributes to the improved performance of employees as well as aids the success of any organisation, including tertiary institutions. It appears that the job satisfaction of employees (academic and non-teaching) in tertiary institutions plays a significant role in helping to achieve the goals of education, produce quality manpower and promote national development. This is a candid reason the government devotes attention to the funding and management of education.

Meanwhile, governments at all levels believe that higher education is a crucial national asset that helps to address many policy priorities and is gradually moving from the periphery to the centre of the governmental agenda in most countries. Higher education in Nigeria, and the world over, serves as a source of new knowledge and innovative thinking; a provider of skilled personnel; a contributor to innovation; an attractor of international talent and business investment; agents of social justice and mobility; contributors to social and cultural vitality; and determinants of health and well-being (Obiweluzor & Amaechi, 2022). Therefore, tertiary institutions are agents of growth and development. Thus, the government



places a great premium on the sustainable financing of these institutions in order for them to perform the key functions of teaching, research and community development in tune with the development of the nation state. The Federal Government of Nigeria has expressed its desire to fund most public Higher Educational Institutions (HEIs) to a world-class standard through the injection of special intervention funds. However, institutions aspiring to transform into world-class institutions must have access to multiple sources of funding to achieve their vision goals (Bamiro, 2016).

It is, therefore, important to state that funding of education at all levels remains a crucial activity that should take place for the effective management of tertiary institutions. Funding does not seem to be a problem in advanced societies due to the priority given to the education sector in annual budgets, which has reduced inequalities and promoted access to education for all, especially from the second half of the twentieth century. Meanwhile, in developing nations, there is a poor trend in the funding of education generally and of tertiary institutions in particular, which has led to several industrial disputes between the government and the trade unions in Universities in Nigeria (Bamiro, 2016). According to Odigwe (2020), poor funding of tertiary institutions has resulted in dismal working conditions. In the same vein, Orobor and Orobor (2018) noted that one of the major problems facing the Nigerian tertiary institutions is the problem of underfunding. This is not surprising considering the dwindling oil revenue and the need to meet heavy and rising debt service obligations. The Nigerian government's priority for education in terms of funding seems to have declined, and this has limited the ability of the institutions to effectively and efficiently perform their duties and achieve their goals and objectives.

An observation of the trend in funding of tertiary institutions in Nigeria revealed a declining rate of funding with the growing cost of maintenance, increased student's intake, high inflation and

overhead cost. It is imperative to note that an imbalance between funding and other indices in tertiary institutions has a negative impact on the quality of education. This is because institutions are constantly shut down by staff unions agitating for one form of demand or another. Sometimes, staff union demands are not limited to staff welfare but renewed improvement in facilities like classrooms, laboratories, utilities, staff and students' accommodation, office space, furniture and library resources. The problem of underfunding and over-reliance on government funds remains a clog in the wheel of the development of tertiary institutions in Nigeria (Onyeche, 2018). There is a need for institutions to work on modalities and techniques for supporting their operations through effective operational funding. Operational fund, aside from subventions, also includes the daily monetary inflows and outflows generated from business revenues in order to support the efficient delivery of services in an institution. The seeming under-funding of institutions of higher learning seems to have made institutional managers continuously think of operational funding for the success of the institutions.

However, the inadequate funding of the institutions, according to Ukpong (2019), has had profound effects on teaching and research, while tertiary institutions in Nigeria have been forced to embark on income-generating projects in order to source alternative funds. The government has continuously directed tertiary institutions to explore ways of generating revenues internally, such that the management would not have to look up to the government for solving all their financial problems. Government-owned institutions are mandated to internally generate at least 10% of their income annually. Although this directive has been criticised by stakeholders because it shows a shift of responsibility from government to institutions of learning, which can make them lose



focus on the core responsibility of human capital development (Orobor & Orobor, 2018).

Additionally, this is a clear indication that educational institutions can no longer be solely funded by the government and in response to this, Nigerian Federal Universities have embarked on income generating activities. Inasmuch as education is not the only sector in Nigeria, coupled with the yearly increase in enrolment and demand for tertiary education, there will hardly be a time when the government's budgetary allocation will be enough. It, therefore, becomes imperative for educational institutions to consider alternative sources of operational funds. It is worthy of note that there are basically four sources of revenue generation by Nigerian tertiary institutions: (i) funds received from the governments (public universities) or funds received from the proprietors of private universities. (ii) internally generated revenue from fees and tuitions (iii) grants in aid, and (iv) donations and endowments. Not so much was known of Internally Generated Revenue (IGR) in the Nigerian tertiary institutions about two decades ago. IGR, according to Odigwe (2020), is defined as all efforts made by managers of establishments to generate financial and non-financial resources from non-governmental sources to improve the organisation under their control. The IGR concept implies that the government does not have to accept full responsibility for providing funds for all its tertiary institutions on every expenditure heading. That way, the institutions are persuaded to seek ways of earning additional revenue locally and to use it to meet the needs of the university that the government is not able to provide in a given budgetary period (Akomolafe & Aremu, 2016; Oyetakin & Yahya, 2017).

Internally generated revenue and subvention seem to have decisive roles in influencing the working conditions and job satisfaction of staff of tertiary institutions. It has been observed that the lack of essential teaching and learning equipment is a major impediment to job satisfaction of

researchers, scientists and students. The equipment and resources that are lacking range from classroom equipment to instructional materials, from library and internet facilities to laboratory equipment. It appears that the conditions of the classrooms are terrible and not conducive for teaching and learning. Furthermore, the consequences of ill-equipped laboratories can be seen, at least in some respects, as not only affecting the quality of teaching and learning but also having a wider effect on the quality of human capital provided by Nigerian tertiary institutions. The poor quality of graduates, especially in the fields of science, medicine and engineering-based subjects, can be seen to be the result of poorly equipped laboratories and inadequate resources for practical workshops (Odiagbe, 2012).

Meanwhile, several suggestions have been made by researchers on alternative strategies for tertiary institutions to generate revenue internally. These suggestions include the establishment of entrepreneur training centres, partnership programmes, or collaboration with other institutions, consultancy services, among others (Ukpong, 2019; Wordu, 2018). Other strategies include the commercialisation of research results, Foreign Direct Investment (FDI), entrepreneurship, and attracting foreign students (Onyeche, 2018). Thus, it appears that inadequate internally generated revenue and subvention in tertiary institutions of learning significantly affect employee working conditions and job satisfaction. It seems the management of tertiary institutions relies heavily on the government's funding, with little or no effort on generating revenue for the institutions they control. This seems to have led to a paucity of facilities that would have improved the working conditions and job satisfaction of employees of the institutions (Ukpong & Uzoigwe, 2020). Thus, it is observed that the learning environments in some tertiary institutions are not supportive of staff working conditions, which seems to affect the job satisfaction of employees.



This study, therefore, investigated whether operational fund would have a significant relationship with staff working conditions and job satisfaction in tertiary education institutions in Lagos State, Nigeria.

### Statement of the Problem

Employees' job satisfaction has become an important issue which organisations strive to achieve to gain a competitive advantage and remain in business. Indeed, improving employee job satisfaction has become an important objective for businesses because the success of a company could rely heavily on the level of job satisfaction of its employees. However, it has been observed that the employees in most tertiary institutions in Nigeria seem not to be satisfied with their working conditions, which is occasioned by poor office space, inadequate furniture, lack of materials, and poor electricity supply, among others.

It appears the government is not doing enough to improve the funding in the institutions of learning, which has led to agitations for self-financing of institutional activities. The poor working conditions of staff could affect their level of satisfaction, commitment and productivity. A favourable working condition is capable of improving employees' job satisfaction and productivity. Therefore, job satisfaction is an important ingredient for the overall achievement of institutional goals and objectives.

However, it seems the poor funding of institutions has led to a wide gap between theory and practice of improving job satisfaction of employees. Similarly, the quality of leadership in institutions of learning seems not to have the right skills and competencies needed to drive internally generated revenue necessary to boost job satisfaction of employees. It also seems most institutional heads just rely on the government's allocation because they lack the innovative strategies to generate funds for the institution. It, therefore, appears that the inadequacy of internally generated revenue affects

employee job satisfaction. And, when issues revolve around job satisfaction, other problems could crop up in the organisation. Poor employee job satisfaction could affect the quality of output of staff, poor instructional delivery, performance of students, quality of graduates, increase in social virtues and discipline among students, destruction of government property, wastage in educational institutions, among others. The goals and objectives of institutions of learning cannot be achieved in the face of all these challenges. This study, therefore, investigated the relationship between internally generated revenue and job satisfaction in Lagos State tertiary education institutions, Nigeria.

### Purpose of the Study

The main purpose of this study is to investigate the relationship between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions, Nigeria. Specifically, the study sought to:

- i. find out the state of staff working conditions in Lagos State tertiary educational institutions.
- ii. identify the relationship between internally generated revenue and staff working conditions in Lagos State tertiary educational institutions

### Research Hypotheses

The following hypotheses were tested at the 0.05 level of significance:

- Ho<sub>1</sub>        There is no significant indication that staff job satisfaction in Lagos State tertiary educational institutions are low.
- Ho<sub>2</sub>        There is no significant relationship between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions.



## Methodology

This study used the descriptive survey research design and the population of this study consisted of all 5,803 employees in Lagos State tertiary educational institutions. The Taro Yemane's formula for determining the minimum sample size was used to determine the sample size for this study. Thus, it revealed that the selection of a total of 374 employees as participants was sufficient to uphold the external validity of the study. The multi-stage sampling approach was used for the selection of the participants. The first stage involves the use of the proportionate stratified sampling technique to determine the number of participants who are qualified to participate in each institution. Therefore, 190 participants were selected in Lagos State University, 63 employees in Lagos State University of Science and Technology, and 121 employees in Lagos State University of Education. Thereafter, the researcher selected participants among the academic and non-academic staff using the proportionate random sampling technique. Thus, 58 academic and 132 non-academic staff were selected at the Lagos State University, 20 academic and 43 non-academic staff were selected in Lagos State University of Science and Technology, while 33 academic and 88 non-academic staff were selected in Lagos State University of Education. Lastly, the actual participants in each institution were selected using the simple random sampling technique in order to

give every participant an equal chance of representation.

The researcher used a self-designed and structured questionnaire titled; Job Satisfaction Scale (JSS). The instrument was designed on a four-point Likert-type scale of Strongly Agreed (SA), Agreed (A), Disagreed (D) and Strongly Disagreed (SD). The scale has a total of 49 items, which were used to collect information from the participants. To validate the questionnaire, it was given to experts in the field of test and measurement to assess the suitability of the instrument for the study. The questionnaire was administered to 30 participants in the Lagos State University of Education, who did not participate in the main study once and data collected was analysed using the Cronbach Alpha reliability technique and a reliability coefficient of .78 proved the instrument was reliable. A total of 374 copies of the questionnaire were administered by the researcher and three trained research assistants and all the copies were retrieved, indicating a 100% return rate. Inferential statistics, namely the t-test and Pearson's Product-Moment Correlation statistics was used to test the hypotheses at .05 level of significance.

## Results

**H<sub>01</sub>:** There is no significant indication that staff job satisfaction in Lagos State tertiary educational institutions is low.

**Table 1: The level of job satisfaction**

Variable	Mean	SD	N	df	T	p	Rmk	Decision
Staff Job Satisfaction	10.32	4.63	374	373	21.63	.002	Sig	Reject H <sub>02</sub>

Sig@ p<.05

Information on Table 1 shows the result of the analysis on the level of staff job satisfaction in

Lagos State tertiary educational institutions. The t-test statistical technique was used to determine the



level of significance of this hypothesis and it was found that the level of job satisfaction of staff in Lagos State tertiary educational institutions is significantly low ( $t(374)=21.63$ ;  $df=373$ ;  $p>.05$ ). This implies that the hypothesis which stated that there is no significant indication that the level of job satisfaction in Lagos State tertiary educational institutions is low was rejected. Therefore, there is

an indication that the job satisfaction of staff in Lagos State tertiary educational institutions was significantly low.

**H<sub>02</sub>:** There is no significant relationship between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions.

**Table 4.5: Relationship between Internally Generated Revenue and Staff Job Satisfaction**

Variable	Mean	SD	N	df	r	P Value	Rmk	Decision
Internally Generated Revenue	8.14	4.63	374	372	.82	.001	Sig	Reject H <sub>03</sub>
Staff Job Satisfaction	5.26	2.13						

Sig@  $p<.05$

Information on Table 2 shows the result of the analysis of the relationship between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions. The result of the analysis showed that a strong, positive and significant relationship exists between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions ( $r(374) = .82$ ;  $df=372$ ;  $p<.05$ ). This implies that the hypothesis, which stated that there is no significant relationship between internally generated revenue and staff job satisfaction was rejected. Therefore, there is a significant relationship between internally generated revenue and staff job satisfaction in Lagos State tertiary educational institutions.

### Discussion of Findings

The result of the analysis of hypothesis one showed that there is an indication that staff job satisfaction in Lagos State tertiary educational institutions is significantly low. The finding may be a result of the low level of working conditions of staff in the institutions. The finding of this hypothesis agrees

with the work of several researchers that commonly show low to moderate job satisfaction, with extrinsic factors such as pay, promotion, and working conditions cited most frequently as sources of dissatisfaction (Amanda, 2022). Orunbon, Faduyile and Mohammed (2023) further demonstrate that occupational stress associated with workload and institutional support problems is related to lower staff morale and reported declines in productivity, which may be a result of poor job satisfaction. Interventions that strengthen professional development, clarify promotion pathways and improve physical working conditions are associated with higher job satisfaction.

The result of the analysis of hypothesis two revealed a strong, positive, and statistically significant relationship between internally generated revenue (IGR) and staff job satisfaction in Lagos State tertiary educational institutions. This finding indicates that as institutions increase their internally generated revenue, there is a corresponding improvement in the level of job



satisfaction experienced by staff. The present finding is consistent with the study conducted by Ahmad (2013) which revealed a significant relationship between school finance variables and staff job satisfaction. Similarly, it agrees with the findings of researchers (Olabisi, 2021; Igbineweka & Enowoghomonwenma, 2017; Akpan, 2013) which indicated that a significant relationship exist between internally generated and staff job satisfaction.

### Conclusion

The findings of this study reveal that staff job satisfaction in Lagos State tertiary educational institutions is generally low, largely due to poor working conditions and inadequate extrinsic rewards such as pay, promotion opportunities, and institutional support. This low level of satisfaction is further compounded by occupational stress and heavy workloads, which negatively affect staff morale and productivity. However, the study also establishes a strong and significant positive relationship between internally generated revenue (IGR) and staff job satisfaction. This implies that institutions with higher IGR are better positioned to improve staff welfare, enhance working conditions, and provide clearer career advancement opportunities, thereby increasing overall job satisfaction. Overall, the study underscores the importance of improving institutional funding capacity through IGR while simultaneously addressing key workplace challenges. By investing in staff development, improving working environments, and ensuring transparent promotion structures, tertiary institutions in Lagos State can significantly enhance staff job satisfaction and, in turn, boost productivity and institutional effectiveness.

### Recommendations

The following recommendations were generated from the findings of this study.

1. Management of tertiary institutions should prioritize working environments by

providing adequate resources, and supportive administrative structures to enhance staff comfort and efficiency.

2. Institutions should improve salary structures, allowances, and other benefits to address dissatisfaction related to poor remuneration and motivate staff toward higher performance.

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