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**EFFECTS OF DEBTS ON EFFECTIVE JOB PERFORMANCE: A CASE STUDY
OF AHMADU BELLO UNIVERSITY SECURITY PERSONNEL**

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INTRODUCTION.

A Security Personnel is one who is responsible for maintaining law and order, surveillance and enforcer of decisions on behalf of the University and Community. Therefore, a lot is required of him/her in discharging his duties effectively. One of such requirement among several others is his/her ability to manage or control his/her resources efficiently by catering for him/her self, his/her family, students and even venture to help others around him/her. This is an area that rightfully needs a lot of attention in our everyday life. It becomes more serious and a problem when you discover that many of us lack focus and control in our spending pattern. In all these, one is expected to be effective in discharging his/her duties appropriately. Hence, nowadays, some Security Personnel are found to be grossly inadequate in discharging their duties effectively and mismanagement of finances. This is because they engage themselves in collection of loans and hire purchases which are detrimental to effective job performance. Also, merely being able to control how to use money is not enough to stop or hinder one from overspending money earned. Some Security Personnel spend more money than what they earn. This act causes a lot of disrespect and brings emotional and psychological problems to the individual and thereby affect their job performance.

This paper presentation will discuss the concept of loan, hire purchase, types, causes of overspending, root cause of overspending, effects of loan and hire purchases and suggest the way to monitor and control our spending of money.

CONCEPT OF LOAN

A lay man's definition of the word LOAN is the act of giving money, property or any other material goods to another person in exchange for future repayment of the principal amount along with interest or without other finance charges. According to BBC English Dictionary (1992) loan is a sum of money that are borrowed usually from a Bank

or Government and have to be paid back in smaller amount with interest every week, month or year. This loan may be for a specific one-time amount or can be available as open-ended credit up to a specified ceiling amount. They also have legal stipulations regarding the maximum amount of interest that can be charged, as well as, other covenants such as the length of time before repayment is required. Loans are primary source of revenue and can come from individuals, corporations, financial institutions and Governments.

Therefore, a loan is a debt evidence by: (a) borrower, (b) specified amount, (c) a lender (d) obligation to pay back or repay an equal amount of money to the lender at a later time (e) specified period of repayment in installments, or partial repayments annually etc.

TYPES OF LOAN.

There are many types of loans. The broad ones are secured and unsecured loan

Secured Loan

This is a loan in which the borrower pledges some asset e.g a car, land or property as collateral.

Unsecured Loan

They are monetary loans that are not secured against the borrower's assets..

SOURCES OF LOAN.

Loans can be source by an individual or a business. Example of individuals loan which is the concern of this paper include:

- (a) Loans by the Union bodies on the Campus such as SSANU, ASSU, NAAT, NASU.
- (b) Loans by Cooperative Societies within and outside the campus.

- (c) Loans given by Students to Staff
- (d) Loans given by A.B.U. Microfinance
- (e) Loans given by individual staff to a fellow staff etc.

CONCEPT OF HIRE PURCHASE

Hire purchase is a method of buying goods through making installment payments overtime. According to BBC English Dictionary (1992) Hire purchase is a way of buying goods and gradually make regular payments to the seller until he/she paid the full price and the goods belong to the buyer. Under a hire purchase method, the buyer is leasing the goods and does not obtain ownership until the full amount of the money is paid. However, in Nigeria, a hire purchase is a method of buying goods through making installment payment overtime and the purchaser has possession of the goods off-front. It is only the payment that is between him and the seller. This is the most common practice in the Country.

THE EVILS OF HIRE PURCHASE SYSTEM.

The following are some of the ills of hire purchase.

1. The goods are sold at an excessive price which is concealed in the agreement for payment by installments.
2. The purchaser is not protected by the warranties and the door is open for the supply of very low quality of goods in relation to the price.
3. The Hire purchase agreement contains harsh term enabling the seller to enter and seize whatever precious or valid document of the hirer when an installment payment is failed.
4. The purchaser, who is in effect the borrower, is often pressurized and push to his/her limits which could result to emotional and psychological negative experience that can cause other illness such as high blood pressure, lack of sleep, tension, anxiety and even anger.
5. It puts the borrower in a position that the lender gains advantage over him (borrower).
6. On the other hand, the customer (borrower) can abuse the lender by not repaying the loan or with an intent to defraud the lender. This aspect is very common with

borrowers in that when they can not service their debt, they do not honestly seek the consent of the lender to help them by skipping a month but rather they become confrontational and even insulting.

CAUSES OF OVERSPENDING

We will start by asking the question, why do individuals overspend their earned money or salary? We all know that we should live within our means. That is, an adage says "Cut your coat according to your size". Another says, be contented with what you have/earn. But, for many security personnel in the University, this is an aspiration (desire) that proves impossible to meet. Overspending has become commonplace and has a serious impact upon our ability to service debt payments and or to invest the monies needed to fund a comfortable future.

For most people, the root cause of overspending and getting into debts is nothing more than having quick access to credit facilities around them. As earlier mentioned, we are constantly tempted by marketers flashing various types of goods before our eyes and senses. These goods are part of our daily needs but are not daily necessities. Therefore, the temptation to crave for such facilities at our disposal is high. Hence, we continue to pick, carry and add to our unnecessary spending. The end result are high debts which our monthly salaries cannot offset and this really hurts us.

Some other causes of overspending include:

1. Availability of credit facilities and ease of purchase fuels our overspending habit.
2. Advertising of products are commonplace for the ears and eyes to hear and see. That is, adverts of product are floating our senses and the temptation are on the increase.
3. Emotional causes of overspending. This is connected to a desire to overcome a particular urge within the individual consciously or unconsciously. This could be the desire or urge to keep up with friends, colleagues, neighbours. It could also be a shopping addiction. Many people simply overspend because they do not keep track of how much they are spending. This is associated with impulse buying.

The types of spouses (wives) and children that are our responsibility also serve as root cause of our overspending which results to debt. This is so because, when a partner is the materialistic type and nag at us at home or make tantrums constantly, the only option left for peace to reign at home is to oblige to the wish of such a partner or child. Otherwise, all sorts of negative adjectives will be thrown at us and this will make us feel threatened and thereby complying, to have peace. Also, the same applies to spouse who are not working but want to leave "big" in fashionable things in spending on "others" outside the home. The friends we keep are also sometimes the cause of overspending. They tend to push us into certain purchases that could be delayed or are not needed. This is to keep us in vogue or competition which does no one any good.

THE EFFECTS OF DEBTS

The effects of debts on an individual is numerous and contagious.

They include:

1. The individual staff concerned would always have shortage of cash to use. Thus, in constant debt.
2. The affected staff would lose the respect of his/her immediate family, colleagues, students and the person he/she is owing, because he/she is seen and referred to as a debtor.
3. The affected staff would always be defensive of his/her behaviours before family, colleagues, students and even the creditor. He/she is full of excuses for his/her financial state.
4. The concerned staff could suffer from emotional/psychological related problems of high blood pressure, as a result of constant thinking of how to upset the debts and also how to secure more loans to upset the pressing creditor and thinking of his/her predicament. Such as, he/she is experiencing, headache, stomachache, nose bleeding etc.

5. The debtor could engage in criminal tendencies in order to raise money to offset some debts or meet the needs of his/her family members such tendencies could include: improvisation, stealing, robbery, telling lies, pretence, aggression etc.
6. The Debtor could incurred serious health problems which would be difficult to management and that could result to death.
7. **POOR JOB PERFORMANCE:**
When an individual staff is tense or anxious as a result of some financial challenges, he/she cannot perform efficiently in his/her duties. This is because the state of mind is distorted and there is concerned on how to summourt the financial challenge. Physically, he/she is present at the work place, but the attention and concentration needed to focus and discharge responsibilities are lacking. This can cause poor job performance and some times even lost of job.

THE WAY FORWARD:

One major area of our life that requires urge attention in our everyday activities is, how to manage, monitor and control our spending. The importance of managing, monitoring and controlling ones spending habit cannot be over emphasized. This is because, it is overwhelming to see how quickly loans and hire purchase can pile up debts which an individual staff earnings at the end of the month cannot cover/pay. Therefore, it is necessary that as workers, earners and staff, we learn ways of managing and controlling our spending. The following are some techniques that could help us manage and control our spending:

1. BUDGETTING

This is the art of directing how your money should be used. Many of us feel that, budgeting is only for business and government sector. This is not true, in fact, personal budgeting is important as that of business or government. A budget is a financial plan and list of all planned expenses and revenues. It is a plan for saving, borrowing and spending. Budgeting in its general sense is the act of monitoring and controlling how we spend our money. Before we spend any money, there is

need to write out a plan of how to use the money on **what** and **how** much should be spent on an item of **need, necessity** and **importance**. At the end of the plan, we should be able to know how much we intend to spend and thereby control how such money is to be spent by sticking or standing on the planned items listed and amount. The outline of budget planning is as follows:

- (a) **Arrange**
Decide on exactly how much you have to spend and at best what you want to buy. That is, make a comprehensive list that captures the things that you would want to buy.
- (b) **Work within your budget.** That is, buy only those things you listed in your spending list. Do not go outside the list to avoid overspending which could lead to debt.
- (c) Do a calculation of what you have bought and cross check the list of items you had in your budget to ensure that your money was spend within limited amount and for the require items.
- (d) Other items on the budget list that are not of immediate used, can be put into envelopes which are well labeled. This can be kept for future use as the need arises.
- (e) **Appraise:**
In this step, you have to regularly assess and review your spending, weekly or monthly. This can be done as:
 - i. You should manually review your spending pattern weekly and monthly. Make reference to the particular method you adopted to do your personal budgeting.
 - ii. Learn how to control and discipline yourself financially. Learning self control and putting your overspending or debt/loan in check, is an act of preparation more than just "strength of will" in the moment of temptation. It is your choice not to do something and if you decide to make it an addiction of some sort (chronic debt/loan is an addiction) then you need to take some preparation steps (counselling) so you never overspend again.

OTHER STEPS IN REDUCTION OF LOAN AND HIRE PURCHASE INCLUDE:

- a. Try to avoid competition with colleagues. This is important because no two persons are identical in ideas or deeds. There are differences. As such you can never be the same.

- b. Learn self discipline by teaching your mind to set priorities, be contented with what you have at the moment and take things one day at time. Set your priorities in order and pursue them religiously, if you want to achieve anything.
- c. Learn to be responsible to your self and your family. This is an act of accountability. Your family provides support to you to succeed at work and thereby earn them a living. When you are paid at the end of the month, provide for their basic needs such as food, rent/shelter, clothes, school fees, medical and packet money. When you are able to meet this obligation, you are responsible and would experience some sense of tranquility, peace and joy within you. It would also enhance your job performance too.
- d. Learn to save for the raining days. Learn to cut out some amount of money and keep it in our savings. This is very important because, when financial challenges knocks at our door, and we are not prepare to welcome it, we begin to run from one door to another seeking for money to borrow. This would push us into debt. To minimize this problem, let us drop a token into our savings. It would provide us with succumbs which we badly need
- e. Learn to cut your coat according to your size. This is an aspect of financial discipline. Our attitude and behaviour towards money would also influence our family especially our children/ward. Let us teach them how to be good financial managers towards monitory issues by the manner we handly our hard earned money.
- f. Seek for counselling on how to manage money and come out of debt, when and for what reasons should you engage in hire purchase. This would go along way to help us avoid debts and unnecessary hire purchase of goods which we do not actually need but indulge into it on in pulse.

CONCLUSION

This paper has stated that security personnel and other staff do engage in debt and hire purchases which most times are not necessary or important. These acts, have severe consequences on the individual concerned. A set of strategies to help Security Personnel and staff monitor and control overspending and most importantly learn self control in checking how they spend money are recommended. The strategies if applied, would also help to enhance job performance of Security Personnel as well as the individuals would experience tranquility and relative calm as he/she plans and monitor their spending of money.

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