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Article

Staff Support Loan Policy in Nigerian Tertiary Institutions: Addressing Employees' Welfare Challenges and Enhancing Institutional Productivity

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Abstract: The welfare of staff members remains a critical factor influencing the effectiveness and productivity of tertiary institutions in Nigeria. Over the years, academic and non-academic staff have experienced several socio-economic challenges, including inadequate salaries, rising cost of living, housing difficulties, transportation problems, health-related expenses, professional development needs, and limited access to affordable credit facilities. These challenges have negatively affected staff motivation, job satisfaction, and commitment to institutional responsibilities. In response to these difficulties, staff support loan policies were introduced by many tertiary institutions as welfare intervention mechanisms aimed at providing financial assistance to employees to meet urgent personal and professional needs. However, despite the importance of these policies, their implementation has been constrained by inadequate funding, limited staff coverage, bureaucratic procedures, and delays in loan disbursement. This paper examines the rationale behind staff support loan policies in Nigerian tertiary institutions, the challenges experienced by staff that necessitated the formulation of such policies, and strategies for improving their effectiveness. The study argues that a well-funded, transparent, and inclusive staff support loan policy can significantly improve employee welfare, enhance motivation, and contribute to improved institutional performance.

Keywords: Staff Support Loan Policy, Tertiary Institutions, Staff Welfare, Employee Productivities

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1. Introduction

Tertiary institutions serve as centres for teaching, research, innovation, and national development. The achievement of institutional goals largely depends on the availability of qualified, motivated, and committed academic and non-academic staff. However, staff members in Nigerian tertiary institutions have continued to experience several economic and welfare challenges that affect their professional effectiveness and personal wellbeing. These challenges have created the need for institutional policies aimed at providing financial support and improving working conditions. One of the major difficulties confronting staff of Nigerian tertiary institutions is the continuous increase in the cost of living. Inflation, rising prices of food items, transportation costs, housing expenses, healthcare needs, and other essential services have placed significant financial pressure on employees. Despite periodic salary reviews, many staff members struggle to meet their daily obligations, particularly when unexpected financial demands arise. This situation has affected staff morale, concentration, and overall commitment to institutional duties [1]. Housing challenges represent another major problem faced by tertiary institution employees. Many academic and non-academic staff live in rented apartments due to limited institutional accommodation facilities and the high cost of acquiring personal houses. The inability to access affordable housing finance has made it difficult for many employees to achieve residential stability. As a result, some institutions introduced staff loan schemes to assist employees in constructing, renovating, or improving their housing conditions. Transportation difficulties have also contributed significantly to the financial burden experienced by tertiary institution staff. In many cases, employees spend a considerable portion of their income on transportation due to inadequate staff transportation systems, increasing fuel prices, and rising maintenance costs of personal vehicles. The financial pressure associated with mobility affects staff welfare and may influence punctuality and productivity. Staff support loan policies have therefore been considered a mechanism for assisting employees to acquire vehicles or address transportation-related challenges [2].

Professional development requirements have created additional financial pressure on staff. Academic staff are expected to participate in conferences, research activities, postgraduate training, and publication of scholarly works to meet institutional promotion and accreditation requirements. However, limited access to research grants and inadequate institutional support often compel staff members to personally finance these professional activities. This has increased the demand for financial assistance through staff loan programmes. Health-related expenses have equally contributed to the financial difficulties faced by tertiary institution employees. Although some institutions provide health insurance and medical support, employees and their families still encounter situations requiring additional financial resources [3]. Emergency medical needs, treatment costs, and family healthcare responsibilities often create financial stress, making staff support mechanisms necessary.

Delayed salary payments, limited welfare packages, and inadequate social support systems have contributed to staff financial insecurity in some Nigerian tertiary institutions. When employees experience financial hardship, their motivation and job satisfaction may decline, which can negatively influence teaching effectiveness, research productivity, and administrative efficiency. Recognising these challenges, tertiary institutions began introducing staff support loan policies as part of their welfare strategies. The staff support loan policy is designed to provide accessible financial assistance to employees for various purposes, including housing, transportation, education, healthcare, and personal development [4]. The policy reflects the understanding that improving staff welfare is essential for achieving institutional objectives. By providing affordable loans with flexible repayment arrangements, tertiary institutions aim to reduce financial pressure on employees and create a more supportive working environment. This paper is aimed to assess the policy implementation of

2. Methodology

Concept of Tertiary Education

Tertiary education, also known as higher education, refers to educational programs offered by universities, colleges, and other institutions beyond secondary education. It encompasses undergraduate and postgraduate studies, providing students with advanced knowledge, skills, and qualifications in their chosen field of study. Tertiary education, also called post-secondary education, is any level of education pursued beyond high school, including undergraduate and graduate credentials. Campbell and Rozsnyai further assert that tertiary education represents a formal, non-mandatory educational phase that succeeds secondary education. They conclude that tertiary educational institutions are distinctly differentiated from educational structures at primary and secondary levels. Ogunode defined Tertiary education as the level of education that students pursue after completing secondary school. It takes place in institutions such as universities, polytechnics, colleges of education, and other specialized institutions that provide advanced knowledge and professional training. At this stage, education moves beyond basic learning and focuses on developing deeper understanding, specialized skills, and critical thinking that prepare individuals for professional careers and leadership roles in society. Tertiary education plays a very important role in personal and national development. For individuals, it provides opportunities to acquire knowledge, develop talents, and build competencies that can improve their quality of life. Students in tertiary institutions are exposed to new ideas, research activities, innovation, and diverse cultures, which help them grow intellectually and socially. It also helps them become more confident, independent, and capable of solving real-life problems.

Concept of Tertiary Institutions Staff Support Fund (TISSF)

Tertiary institutions staff support fund (TISSF) is a Federal Government of Nigeria welfare intervention programme established to provide interest-free financial assistance to eligible academic and non-academic staff of public tertiary institutions, with the aim of improving their socioeconomic wellbeing, supporting professional development, promoting entrepreneurship, and enhancing productivity in the higher education sector. The Tertiary Institutions Staff Support Fund (TISSF) can be defined as a government-backed employee support scheme designed to improve the welfare and financial stability of staff in public tertiary institutions through the provision of accessible, interest-free loans for personal, educational, housing, healthcare, transportation, and income-generating purposes.

The Federal Government's tertiary institution staff loan programme is administered through the Tertiary Institutions Staff Support Fund (TISSF), an initiative of the Federal Ministry of Education in partnership with the Tertiary Education Trust Fund (TETFund). The programme is administered by the Bank of Industry (BOI). It provides interest-free loans of up to ₦10 million to eligible academic and non-academic staff of public tertiary institutions (Legit.ng. (2025b, August 14). The Tertiary Institutions Staff Support Fund (TISSF) is a welfare and empowerment programme established by the Federal Government of Nigeria through the Federal Ministry of Education in collaboration with the Tertiary Education Trust Fund (TETFund) and implemented in partnership with the Bank of Industry (BOI).

The goals of the tertiary institutions staff support fund (TISSF) according to Ogunode (2026b) include;

1) To improve the welfare of tertiary institution staff by providing affordable, interest-free loans that enable academic and non-academic employees to meet essential financial needs and improve their quality of life.

2) To promote professional and career development by supporting staff in financing higher education, professional certifications, research activities, and skills acquisition necessary for career advancement.

3) To enhance staff productivity and institutional performance by reducing financial stress, increasing employee motivation, and enabling staff to concentrate on teaching, research, innovation, and community service.

4) To encourage entrepreneurship and economic empowerment by providing financial support for agriculture, small-scale businesses, and other income-generating ventures that improve the economic resilience of tertiary institution employees.

5) To strengthen financial inclusion and sustainable access to credit by providing a transparent and interest-free loan mechanism that reduces dependence on high-interest commercial loans and informal lenders while promoting responsible financial management.

Organisation of the TISSF Loan Programme

The official structure of the programme is organised as follows according to (Ogunode 2026b):

1) Policy oversight: Federal Ministry of Education.

2) Funding partner: Tertiary Education Trust Fund (TETFund).

3) Programme administrator: Bank of Industry (BOI), responsible for processing, disbursing, and managing the loans.

4) Eligible beneficiaries: Confirmed full-time academic and non-academic staff of eligible public tertiary institutions with at least five years remaining before retirement and membership of the relevant staff associations.

5) Loan amount: Up to ₦10 million, subject to a maximum of one-third of the applicant's gross annual salary.

6) Interest rate: 0% (interest-free).

7) Repayment period: Up to five years, with monthly deductions through the institution's bursary/payroll system.

8) Approved areas of utilisation: Medical care, housing and accommodation, transportation, academic advancement, family support, agriculture, and small and medium-scale enterprises (SMEs).

3. Result and Discussion

Problems Facing the Policy of Tertiary Institutions Staff Support Loan in Nigeria

Staff support loan policies in Nigerian tertiary institutions are designed to provide financial assistance to academic and non-academic staff for purposes such as professional development, research activities, housing improvement, transportation, and personal welfare. However, the effective implementation of these policies has been hindered by several challenges. Major problems include poor funding, inadequate staff coverage, bureaucratic processes of registration, and delays in the disbursement of funds [5].

Poor Funding

One of the major challenges confronting staff support loan schemes in Nigerian tertiary institutions is inadequate funding. Most tertiary institutions depend heavily on government subventions, internally generated revenue, and occasional interventions from agencies to finance staff welfare programmes. Ogunode, Ayoko, Ukozor & Musa observed that due to limited financial resources and competing institutional demands such as payment of salaries, infrastructure development, accreditation requirements, and research funding, little attention is often given to sustainable financing of staff loan programmes. Poor funding affects the availability and sustainability of loan schemes because institutions may not have enough resources to meet the financial needs of eligible staff. In some cases, the amount allocated for staff loans is too small compared with the number of staff applying for assistance [6]. This situation creates intense competition among employees and prevents many qualified staff members from benefiting from the scheme [7]. Musa, noted inadequate funding reduces the capacity of institutions to expand loan opportunities to cover important areas such as housing, educational advancement, healthcare support, and acquisition of work-related equipment. When staff support loans are poorly funded, the objective of improving staff welfare, motivation, and productivity becomes difficult to achieve. Sustainable funding mechanisms are therefore necessary to ensure that staff loan policies produce meaningful benefits in Nigerian tertiary institutions.

Poor Staff Coverage

Another significant problem according Ogunode, etal affecting staff support loan policies is inadequate coverage of employees. In many Nigerian tertiary institutions, staff loan programmes do not adequately reach all categories of workers. Academic staff, non-academic staff, technical personnel, junior employees, and contract workers may experience unequal access due to limited resources, institutional priorities, or restrictive eligibility requirements. Poor staff coverage may occur when loan schemes are designed without considering the diverse needs of the entire workforce [8]. For example, senior staff members may have better access to information and institutional processes, while junior staff members may lack awareness or opportunities to participate. This creates inequality and reduces the effectiveness of the policy as a general welfare intervention. Additionally, the limited number of beneficiaries compared with the total workforce means that many staff members who require financial assistance remain excluded. In some institutions, priority is given to certain categories of employees, making others feel neglected [9]. This can negatively affect staff morale, job satisfaction, and commitment to institutional goals.

Bureaucratic Process of Registration

Complex administrative procedures involved in accessing staff support loans constitute another major challenge. In many Nigerian tertiary institutions, applicants are required to complete several forms, obtain multiple approvals, provide numerous documents, and pass through different administrative units before their applications can be considered. Excessive bureaucracy often discourages staff members from applying because the process may be stressful, time-consuming, and unclear [10]. Some employees may abandon their applications due to frustration caused by repeated documentation requirements and delays in obtaining necessary approvals from heads of departments, faculties, bursary units, and management committees. The bureaucratic nature of registration can also create opportunities for favouritism, corruption, and lack of transparency. When the procedures are not clearly communicated or implemented through digital platforms, applicants may depend on personal connections to navigate the system. This undermines fairness and reduces confidence in the loan policy [11].

Delay in Disbursement of Funds

Delay in the release of approved loan funds is another serious problem affecting staff support loan schemes in Nigerian tertiary institutions. In many cases, staff members complete the application process, receive approval, and still wait for several months before receiving the financial assistance. Such delays reduce the usefulness of the loan because staff members often apply for support to address urgent needs. The delay may result from inadequate institutional cash flow, lengthy approval procedures, poor coordination between administrative units, or dependence on external funding sources. For instance, where institutions rely on government allocations or external interventions, delays in fund releases can affect the timely implementation of loan programmes. Delayed disbursement can also reduce staff confidence in the policy. Employees may perceive the scheme as ineffective if approved loans are not provided within a reasonable period. This situation may discourage future participation and weaken the relationship between staff and institutional management [12], [13].

Doubt About the Implementation of the Loan Scheme

One major problem affecting the implementation of the tertiary institutions staff support loan scheme is the doubt and uncertainty among staff about whether the scheme will actually be implemented effectively. Some members of staff may be reluctant to apply because of previous experiences with government-supported programmes that were announced but delayed, poorly implemented, or discontinued. This creates a gap between policy formulation and actual participation by the intended beneficiaries. Such doubts can also arise from uncertainty concerning the eligibility requirements, loan approval process, repayment conditions, interest rate, duration of repayment, and availability of funds.

Where these details are not clearly communicated, staff may perceive the scheme as complicated or unreliable. Eligible academic and non-academic staff may fail to submit applications even when they have genuine financial needs. Inconsistent information from institutional management, staff unions, government agencies and implementing bodies can increase suspicion about the credibility of the scheme. Staff may fear that the loan could involve hidden conditions, excessive deductions from salaries, or difficulties in accessing subsequent benefits [14]. These perceptions can reduce confidence and participation, thereby weakening the effectiveness of the policy.

Poor Publicity

Poor publicity is another significant challenge affecting the implementation of the tertiary institutions staff support fund loan scheme. A policy may be well designed and adequately funded, but its objectives may not be achieved if the intended beneficiaries are not sufficiently informed about its existence, eligibility requirements and application procedures. In some tertiary institutions, information about staff support programmes may not reach all academic and non-academic staff, particularly those working in departments, campuses or units that have limited access to institutional communication channels. Poor publicity may result from inadequate use of staff meetings, institutional websites, official emails, circulars, notice boards, social media platforms and staff unions to disseminate information. Where information is communicated only through a few administrative offices, many potential beneficiaries may remain unaware of the programme or may receive incomplete information. The problem is further compounded when publicity focuses mainly on announcing the availability of the loan without explaining important details such as who qualifies, how to apply, required documentation, loan limits, repayment arrangements, deadlines and the institution responsible for processing applications. Staff who are interested in the scheme may therefore be discouraged from applying because they do not understand the procedures.

Solutions to the Problems Facing Tertiary Institutions Staff Support Loan Policy in Nigeria

The effectiveness of staff support loan policies in Nigerian tertiary institutions can be improved through deliberate institutional reforms, adequate funding mechanisms, transparent administration, and efficient monitoring systems. The following strategies can help address the identified challenges.

Improved Funding of Staff Support Loan Schemes

One major solution to the challenges facing staff support loan policies is the provision of adequate and sustainable funding. Tertiary institutions should establish dedicated funding mechanisms for staff loan schemes instead of relying mainly on irregular government allocations or limited internally generated revenue. A specific percentage of institutional income can be set aside annually for staff welfare loans to ensure continuity and sustainability. Government agencies responsible for tertiary education funding, such as the Federal Ministry of Education and relevant intervention bodies, should provide support for staff welfare initiatives through special funding programmes. Institutions can also explore partnerships with financial institutions, cooperative societies, and development organisations to increase the availability of funds for staff support loans. Furthermore, proper financial planning and accountability should be introduced to prevent mismanagement of available resources [15]. A well-funded loan scheme will enable more staff members to benefit and ensure that the policy achieves its objective of improving employees' welfare, motivation, and productivity.

Expansion of Staff Coverage and Inclusive Access

To address poor staff coverage, tertiary institutions should redesign their loan policies to accommodate a wider range of employees. Access to staff support loans should not be limited to only senior academic or administrative staff but should include eligible junior staff, technical personnel, and other categories of employees. Institutions should develop clear and fair eligibility criteria based on factors such as years of service, financial need, repayment capacity, and employment status rather than staff position or personal influence. This will promote fairness and reduce discrimination in the allocation of loans. Regular awareness campaigns should also be organised to inform all categories of staff about available loan opportunities, application procedures, and eligibility requirements. Equal access to information will ensure that more employees can participate in the programme.

Reduction of Bureaucratic Procedures Through Digitalisation

The complicated administrative processes associated with staff loan registration can be reduced through the adoption of digital systems. Tertiary institutions should introduce online loan application platforms where staff members can submit applications, upload required documents, track application progress, and receive approval notifications electronically. Digitalisation will reduce unnecessary paperwork, minimise delays, and improve transparency in the loan administration process. It will also reduce opportunities for favouritism and manipulation by ensuring that applications are processed according to established guidelines. Institutions should review their loan policies regularly to remove unnecessary approval stages and simplify procedures. A clear, efficient, and user-friendly application process will encourage more staff members to access available support.

Timely Disbursement of Approved Loan Funds

To overcome delays in fund disbursement, tertiary institutions should establish clear timelines for processing and releasing approved loans. Once an application has been approved, beneficiaries should receive funds within a specified period to enable them to address their intended needs. Institutions should strengthen coordination between the loan committee, bursary department, finance units, and management to ensure smooth processing of payments. Delays caused by administrative bottlenecks can be reduced through effective communication and proper monitoring of loan applications. Furthermore, institutions should maintain a revolving loan fund where repayments from previous beneficiaries are reinvested into the scheme. This will provide continuous financial resources and reduce dependence on annual budget allocations.

Strengthening Transparency and Accountability Mechanisms

Effective monitoring and accountability systems are necessary for the success of staff support loan policies. Tertiary institutions should establish independent committees responsible for supervising loan administration, ensuring fairness, and monitoring repayment patterns. Regular reports on loan allocation, beneficiaries, repayment status, and challenges should be presented to institutional management and relevant stakeholders. Transparency in the process will increase staff confidence and encourage participation in the scheme. Strict measures should also be introduced against corruption, favouritism, and misuse of funds. Accountability will ensure that available resources are directed toward genuine staff welfare improvement.

Strengthening Collaboration with Financial Institutions

Tertiary institutions can improve staff loan accessibility by collaborating with commercial banks, microfinance institutions, and cooperative societies. Such partnerships can provide additional financial support and allow staff members to access loans at affordable interest rates. Institutions can negotiate favourable repayment conditions and flexible loan packages that suit the income levels of their employees. Collaboration with financial institutions will reduce pressure on institutional funds while expanding opportunities for staff members.

Regular Review and Evaluation of Loan Policies

Periodic review of staff support loan policies is essential to ensure that they remain relevant to the changing needs of employees and institutional realities. Tertiary institutions should conduct surveys and consultations with staff members to identify challenges and areas requiring improvement. Evaluation findings should guide policy adjustments, including changes in loan amounts, eligibility requirements, repayment periods, and administrative procedures. Continuous improvement will make the scheme more responsive, effective, and sustainable.

4. Conclusion

The introduction of staff support loan policies in Nigerian tertiary institutions was motivated by the growing welfare challenges experienced by employees, including rising living costs, housing difficulties, transportation problems, healthcare expenses, professional development demands, and inadequate financial support systems. These challenges have placed significant pressure on academic and non-academic staff and created the need for institutional interventions that promote employee wellbeing. Although staff support loan policies provide important opportunities for improving staff welfare, their effectiveness has been affected by challenges such as poor funding, limited accessibility, bureaucratic administrative processes, and delays in fund disbursement, Doubt About the Implementation of the Loan Scheme and Poor publicity. A properly implemented staff support loan policy can serve as an effective welfare strategy for Nigerian tertiary institutions by improving staff motivation, job satisfaction, productivity, and commitment. Therefore, tertiary institution managers and policymakers should prioritise the strengthening of staff support loan schemes as part of broader efforts to improve working conditions and achieve sustainable institutional development.

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