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Staff Management and Organisational Performance in Tanzania and Uganda: Public Servant Perspectives



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**STAFF MANAGEMENT AND ORGANISATIONAL
PERFORMANCE IN TANZANIA AND UGANDA:
PUBLIC SERVANT PERSPECTIVES**

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Abbreviations

CAO	Chief Administrative Officer
CEO	Chief Executive Officer
DSA	Daily Subsistence Allowance
DSC	District Service Commission
DT	District Treasurer
EA	Executive Agency
ESRF	Economic and Social Research Foundation
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GoT	Government of Tanzania
GoU	Government of Uganda
HFTP	Hiring, firing, transfers and promotion
HRD	Human Resource Development
HRM	Human Resource Management
LG	Local government
LGA	Local Government Authorities
LGCDG	Local Government Capital Development Grant
LGRP	Local Government Reform Programme
LGSC	Local Government Service Commission
M&E	Monitoring and Evaluation
MDA	Ministries, Departments, Agencies
MDG	Millennium Development Goal
MTEF	Medium Term Expenditure Framework
MoPS	Ministry of Public Service, Uganda
NGO	Non Governmental Organisation
O&M	Operations and Maintenance
OPRA	Open Performance Appraisal
OPRAS	Open Performance Appraisal System
PEF/PIF	Performance Improvement Fund/Performance Enhancement Fund
PO-PSM	President's Office Public Service Management, Tanzania
PRSP	Poverty Reduction Strategy Paper
PSC	Public Service Commission
PSR	Public Service Reform
RALG	Regional and Local Government
ROM	Results Oriented Management
SASE	Selected Accelerated Salary Enhancement
SPSS	Statistical Package for Social Sciences
TSC	Teachers Service Commission
Tshs	Tanzanian shillings
Ushs	Ugandan shillings
URT	United Republic of Tanzania

Foreword

This report is the result of work carried out by a team of Tanzanian, Ugandan and Danish consultants. The assignment, funded by Danida, started in September 2005. Information was collected in Tanzania and Uganda from December 2005 to March 2006. A draft final report was distributed in May 2006. Comments to this report from the Tanzanian and Ugandan authorities as well as from Danida and various resource persons were in hand by mid-November. This final report incorporates these comments.

The team wishes to thank the two anchor institutions for their support in carrying out this work, namely the President's Office, Public Service Management, Tanzania and the Ministry of Public Service, Uganda.

Thanks, too, to the more than 400 public servants in Tanzania and Uganda who, in one way or the other, provided information for this study. They did so with considerable interest and engagement.

Finally, we wish to thank the people who took time to comment on the draft report. We have tried to do justice to their criticisms and suggestions.

The views expressed in the report are those of the authors and do not necessarily reflect the opinions and assessments of the Tanzania, Ugandan or Danish authorities.

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Executive Summary

How can a government in a poor country with a limited budget increase the performance of its public sector organizations through better Human Resources Management practices (HRM)? And how may donors assist?

These questions are addressed in this comparative study of HRM practices and organisational performance in public sector organizations in Tanzania and Uganda. Specifically, as stated in the terms of reference (appendix D), the study aims to:

- Enhance knowledge about the rules and practices of hiring, firing, transfers and promotion. (HFTP) in central and local government, including executive agencies, in the two countries – as seen from the perspective of public servants themselves.
- Assess how and how much HFTP-practices affect motivation at individual and organisational level.
- Contribute to inform policy making on non-pay incentives among development partners.
- Suggest relevant further work.

This summary covers all main aspects of the study: concepts, argument, methods, findings and operational implications. More details are presented in the body of the report and in the appendices. However, the summary is written as a synthesis of the study.

CONCEPTS

Five general concepts are central to the analyses and arguments of this study:

HRM deals with the ways in which organisations manage their staff to improve their performance. It involves the hiring, firing, promotion and transfers of staff; the use of monetary and non-monetary rewards to motivate employees; and the management of work within the organization (the extent of team work, job flexibility, participation in decision making, etc).

Organisational performance, although not a precisely defined concept, is assessed in terms of the results that an organization achieves in relation to its objectives. In principle, it can be measured at the output, outcome or impact level, and, less rigorously, as the organisation's compliance to rules.

Norms are socially defined standards of behaviour, which influence individual and organisational decisions – in our case applying to the staff and politicians working in or with the public service. As norms are socially established they may change over time and across organizations in the public sector.

Motivation refers to forces acting either on or within a person to initiate action (hence the distinction between extrinsic and intrinsic motivation).

Satisfaction, in contrast to motivation, refers to a state of contentment that is not necessarily related to action.

ARGUMENTS

Human relations theory in organisational studies provides the main basis for this study. Its central premise is that organizational performance is enhanced through the people working in it. Yet, apart from focusing on pay and skills (which are very important), other HRM issues of relevance to organisational performance tend to be relatively neglected in many public sector reforms. This study seeks to explore some of the linkages between organisational performance and HRM based on the following argument:

$$\text{Organizational Performance} = \text{Merit} + \text{Motivation} + \text{Management} + \text{Context}$$

To improve organisational performance, staff must be hired, fired, promoted and transferred on basis of merit principles. But employees without motivation (intrinsic and/or extrinsic) will not work towards fulfilling organisational mandates. In addition, the organization's management must help to structure work in an appropriate manner and to encourage cooperation, communication and meaningful jobs for the employees. However, organisational performance also depends on the context in which the organisation operates – its 'enabling environment' and the norms prevailing in that environment (self-interest, dedication to family and ethnic group, patronage, service to the country, etc). Obviously, these four factors interact. Merit based recruitment of staff does not enhance performance if employees are not motivated; staff management – and the political, economic context - may influence staff motivation; etc. Moreover, each of the four factors needs to be specified in relation to concrete organizations for them to enhance performance.

There is, however, more to the improvement of organizational performance than this simple 'formula' suggests: financial resources for investment and implementation, competitive pressures; accountability mechanisms, etc. We do not ignore these factors in the analyses, but the emphasis is on merit, motivation, staff management, and certain features of the context for HRM, such as adequacy of

budgets, patronage and the norms of public service employees. The focus is on understanding the role of staff in organizational performance.

With this focus we differ from much of the academic and operational development writings. This literature is based on the general premises that public servants are motivated by self-interest only; that the merit practices of staff management are questionable; that staff is poorly managed; and that patrimonial norms are pervasive. Although there is some empirical evidence for this dismal view of the public service, our empirical study presents a more differentiated picture of what make staff tick. Consequently, our recommendations also differ – on certain key points – from those that are normally made for public service reforms.

METHODS

This study - conducted at the beginning of 2006 in Tanzania and Uganda - is one of the few that:

- Explores relations between organisational performance and HRM-practices
- Provides a survey of the perceptions of public servants about such practices: what they think about their work-situation in terms of merit, motivation, management and certain norms and values
- Includes all major organisational types of the service - central government, local government and executive agencies
- Uses a comparative analytical perspective to seek to relate staff perceptions about HRM-issues to organisational performance
- Draws on institutional and contextual factors to understand the survey findings

Most information was collected in one of five ways: questionnaire interviews with 400 public servants (around 30 from each organisation selected) using mostly Lickert-scale based questions filled in by employees themselves in one-half to one hour; one to two hour focus group discussions with some 100 of these (half junior staff; the other half senior staff); interviews with chief executives; interviews with a substantial number of well-informed people within and outside the public sector; and, finally, secondary sources – government and consultancy reports – which have mainly been used to describe the general features of the HRM-systems in the two countries. Information from these five sources was used to crosscheck the validity of our findings. Details of the methodology are provided in chapter 4 and Appendix A.

Only officers (graduates) working in headquarters were included in the sample - in particular finance and administration staff, but also other professional staff. The same questionnaire and focus group issues were used in both countries to facilitate comparisons.

Twelve organisations were selected: two local governments; two ministries; and two executive agencies in each of the two countries. Organizational performance - one performing above and below average respectively in each category – was used as the main selection criteria. Such performance differences may be explained by many factors in addition to those that are focused on in this study, and we have analysed our data with this issue in mind.

Performance-relevant information was available for local governments in both countries (through the compliance assessments now conducted annually), and for executive agencies in Tanzania. For ministries and executive agencies in Uganda such information does not exist. Here we based the selection on assessments by well-informed people inside and outside government. Due to time constraints in Tanzania, we picked the same two sector ministries here as we had selected in Uganda. We judge that the performance-relevant ratings of nine out of the twelve selected organizations are reasonably reliable. *All analyses of relations between organisational performance and HRM-practices are based on these nine organisations only – not on the full sample of twelve organisations.*

It is also important to stress that the selected cases are not representative for the public sector as a whole. Instead, the sample is purposively constructed to allow comparisons between organisations that perform above and below average. Staff perceptions in these two types of organisations are then compared to assess the extent to which performance is associated with differences in merit, motivation, management and contextual factors. Our sample therefore allows us to generalise about such factors. It does not allow generalisations about the public service as a whole.

FINDINGS

HRM in the public sectors of Tanzania and Uganda is in transition from a previously fairly centralised system to a more decentralised one. This contributes to fairly complex HRM-systems in both countries – especially in Tanzania that embarked on these changes later than Uganda did and therefore still has some transitional problems to sort out in terms of who has authority over what aspects of staff management. Some basic features of these systems are summarised in Table 1.

Table 1. Basic information about the public service, Tanzania and Uganda

	Tanzania			Uganda		
	Number	Staff (x1000)	Autonomy in HRM	Number	Staff (x1000)	Autonomy in HRM
Ministries & departments	26	106	Some	18	29	Limited
Local governments	120	189	Some	76	190	Substantial
Executive agencies	20	n.a.	Some	73	15-20	Substantial

Three basic features of the HRM systems are noteworthy: (i) the public service is made up of a large number of organisations (far from all types of public organizations fall into the classification used here); (ii) ministries in Tanzania are substantially larger in terms of staff than the Uganda ones, while the Tanzanian local governments are smaller; and (iii) autonomy in HRM issues is larger in Uganda – especially in local governments and executive agencies – than in Tanzania.

A substantial number of specific findings are presented in chapters 5 to 8. They form the basis for six more general findings, which are presented here and treated in more detail below.

1. **Merit, motivation, management and context do influence organizational performance.**

Thus, above average performing organisations are better at applying merit principles and motivate staff and they have a more responsive management than below average performing organisations. The study shows that these differences correlate significantly with organisational performance.

2. **Both monetary and non-monetary rewards influence staff motivation.** Staff regards pay and other monetary rewards such as allowances as significant motivating factors. However, non-monetary factors such as job security, career prospects, and working conditions, etc are also important. So is “improved management”: realistic targets, feedback on individual performance, face-to-face contact with employees, etc. This type of management ‘style’ is individually attributable but little is done in practice to promote it systematically.

3. **Public servants have conflicting norms.** Staff is not just driven by narrow self interest as much current thinking on public sector reform assumes. Most staff also accepts the use of merit principles and some are motivated by conviction. On the other hand, most staff is mainly loyal to colleagues (also to ‘non-performers’) rather than to their organization and its performance. At the same time many are also frustrated about work conditions that do not allow them to perform well.

The co-existence of many contradictory norms means that the organisation's management can influence the extent to which staff accepts more performance enhancing norms.

4. **Staff has not embraced a performance culture.** Although the need to 'perform' is accepted in principle, the use of individual rewards and sanctions (central to performance management) is regarded with scepticism by many since they are perceived not to be administered in a "fair" manner.
5. **Staff prefers public service employment over work in the private sector.** Some of the motives for work in the public sector are conducive to performance: such as career prospects and meaningful jobs. Other motives are detrimental to performance such as staff appreciation of the comparatively slack work discipline in the public sector, which is one of the motives for working there and not in the private sector.
6. **Public employees appreciate and request good leaders/managers.** Staff generally highly appreciate good management practices such as better communication between staff and management; employee involvement in decision-making in the workplace; teamwork; and challenging assignments. Such factors are conducive to improved organizational performance.

Below follows more detailed elaborations of these findings.

Organizational performance is influenced by merit, motivation, management and context

The empirical evidence collected for this study supports the general arguments stated above about performance and HRM. Thus, in above average performing organizations more staff says that merit principles are used, that they are motivated, that management is better, and that patronage is less than does staff in organizations that perform below average. These arguments are derived from the human relations school of thinking about what makes organizations perform. Tandler (1997) came to the same conclusion in her study of government in Latin America. This is an important finding for two reasons.

It means that we do not need to invent a special theory of performance for public organizations in poor countries like Tanzania and Uganda. We can draw important operational lessons on how to improve organizational performance from the already existing HRM-literature (provided that these lessons are adjusted to the capacity, resources and institutions actually available in such countries).

It also means that we should be sceptical about theories that take self-interest as the driving force for public servants. This is the conventional wisdom in much of the present literature on the public service in poor countries, and it forms the basis for much of the current advice on how to improve its performance. To the contrary, our findings support the view that public employees – like employees elsewhere – are not just self-interested and focused on pay and pension. They are also motivated to work by non-monetary factors (more on this below).

We state this with some confidence because our quantitative data show a clear association between performance and merit, motivation, management style and certain contextual factors (such as coping with patronage) respectively as shown in chapters 5 to 8. (We also tried to distinguish between motivated and merely satisfied staff - satisfied staff is not necessarily performing well - although this is difficult to do on basis of our analyses).

These analyses are not rigorously controlled for the possible link between performance and the amount of resources that organizations have. To do that would require much more information than we had time to collect. We have, however, run some statistical analyses on the answers from respondents in above and below performing organizations to check if staff in the better performing organizations complained less about budgetary allocations than staff in poorer performing ones. This is not the case for local governments and executive agencies. It is, however, the case for ministries. The implication is, of course, that budgetary allocations do matter for performance, but so do merit, motivation, and management.

“Total rewards:” Both monetary and non-monetary rewards drive staff motivation

Improved monetary rewards are regarded as the most important motivational factor by staff across all three types of organizations in both countries. This is not surprising because the public services here have experienced significant drops in pay over the last thirty years - despite some recent improvements.

Pay is obviously an important part of monetary rewards. So is pension about which we did not ask directly in the questionnaire survey, but the issue was raised in some focus group discussions. These showed that there is a great deal of uncertainty – especially among local government staff in Tanzania - about pension arrangements and rights.

Allowances are important, too. As the progress of pay reforms have slowed down in both countries in recent years, authorities have turned to allowances to implement their own organization specific “pay reform” so to speak. This is clearly documented by Valentine (2006) for both countries. Our survey shows that allowances are equally – or more – important for most respondents’ income than pay.

However, non-monetary rewards (job security, career prospects, improved management, appreciation of work done, working conditions, etc) are also important. So is “improved management” (to set realistic targets, provide feed-back on individual performance, face-to-face contact with employees, etc as further detailed below). Indeed, it is remarkable how often “management” was brought up in the focus group discussions about performance and motivation. One CEO of a well-performing organization expressed it like this: “My most important function is to motivate my staff.”

Thus, our findings clearly indicate that a “total reward” approach is needed to enhance staff motivation (one of the key elements in increasing organizational performance). In his formulation of this approach for the World Bank Mukherjee (Undated), for example, emphasises both the contractual monetary reward obligations of the employer, and the more intangible non-contractual rewards such as job security, prestige, training etc. However, our findings suggest that a human relations approach to management – with emphasis on how management can motivate staff on a day-to-day basis – is equally important. “HRM-management” is a missing element in the “total reward” approach (more on this below).

The conflicting norms of public servants

Current conventional wisdom about public servants in poor countries is – as already discussed – that they are driven mainly by self-interest. And since staff regards pay as low (“a token” as some participants in a focus group discussion said) some feel justified to engage in corrupt practices. Such norms are certainly relevant to consider in services where theft of time and money, as well as patronage and influence peddling in the management of staff, clearly exist.

But the survey data and focus group discussions show that many public servants also have other norms. Merit as a fundamental basis for HFTP-practices was generally regarded positively. Politicians and superiors seeking to circumvent merit-based staff management worried several – especially in the Ugandan local governments. Many expressed admiration for colleagues that worked hard and it was obvious that participants in the focus group discussions had a clear idea about who these colleagues are. Participants also expressed frustration about work-conditions that do not allow them to perform well. Sitting on a “dry” desk (or in a “dry” department/ministry) with little money - or with unclear, non-existent or unrealistic work assignments - is frustrating. Doing something meaningful is clearly appreciated and regarded as motivating.

However, it belongs to the picture that most employees – also those working in below average performing organizations - did not express dissatisfaction with their work situation. They appeared fairly satisfied (more on this below).

The survey also provides other interesting findings. Fairness is an important issue in the provision of pay, training opportunities, career development and so on. Thus, the “dryness” issue – wide differences in funding within and between organizations – occupied many respondents. For staff that does not benefit from donor projects or from donor funded Project Implementation Units, or who does not work in priority sectors, such uneven budgetary allocations are regarded as unfair. This was especially the case in Uganda. Moreover, across all organizational types many regarded some of the current pay differentials as unfair. There were repeated and disapproving references to the high pay in some executive agencies and autonomous organizations – especially in Uganda. Here many also disliked what they perceived as unfair pay differentials within their own organizations. Why is an assistant head of department paid much less than the head was a typical question in Uganda, where considerable pay decompression took place in the late 1990s. SASE (Selective Accelerated Salary Enhancement) was clearly disliked by our respondents in Tanzania, none of whom were included in that scheme. A typically argument was: “we all went to the same school, so why should we be paid differently?” Or: “we all go to the same markets to buy what we need, so why should we not be paid the same?” An equity norm seems widespread.

Loyalty to colleagues – rather than to the organization and its performance – is another prevalent norm that can be detected in our information. Taking disciplinary action against wrongdoers and non-performers, for example, is a rare event as shown both by some of the limited countrywide statistics available to us, and by our survey findings (“we don’t sack people in this country” one senior official told us). The apparent reluctance of the authorities to take disciplinary action reflects very well the reluctance of staff to discuss this issue with us. Faced with critical questions staff tended to avoid to answer them –especially in Tanzania. Discussions about corruption in the public service were more open in Uganda. The issue is obviously sensitive. Whistle blowing by staff should not be counted on in anti-corruption campaigns (whistle blowing is rare in most services all over the world).

What norms do public servants hold, then? Our findings suggest that they hold many norms simultaneously (as most people anywhere do). Merit is appreciated in principle, but disciplinary action is not really acceptable. Hard working colleagues are generally admired, but rewarding them too much is regarded as unfair. Patronage is frowned upon but must be practiced by many – otherwise it would be less widespread than it apparently is. Loyalty to colleagues rather than to the work place prevails.

The existence of many contradictory norms means that they can be influenced by management, by institutional arrangements, and by accountability mechanisms as Mutahaba (2005: 22) argues with respect to corrupt practices. Which norms prevail – those of pure (and sometime performance reducing) self-interest or those more conducive to organizational performance – depend on the specific

situation in the work place. Public sector reforms should focus more on strengthening the latter than it has done so far.

Staff views on performance management are ambiguous

Performance management is a key element in the public sector reform efforts in both Tanzania and Uganda. It attempts to link increased managerial freedom with increased emphasis on outputs. This requires public organizations, managers and employees to work to performance targets and output objectives that define individual tasks (Larbi 2006: 38). Rewards for performance can then be linked to achievements of individual employees. The recently introduced Open Performance Appraisal System (OPRAS) for staff in both countries represent a step in that direction.

Staff views on this are ambiguous. On the one hand, our findings on norms indicate that performance management approaches that result in 'unfair' reward differentials will generally be met with scepticism. Obviously, there is no explicit yardstick for 'fairness' but some of the present differentials are clearly regarded as unfair. It should be added that what is regarded as 'fair' by staff also depends on the credibility of the reward mechanisms. Performance management is discredited if employees suspect favouritism and wrongdoing in the distribution of rewards. This dissatisfaction was most clearly expressed in the organization performing below average. Perhaps, therefore, performance management is most suitable in organizations that already do relatively well.

On the other hand, the reward of well performing staff is also an acceptable principle as our findings on norms indicate. Indeed, one of the complaints about the OPRAS is precisely that it is not (yet) clearly linked to a system of individual rewards. This was a view most clearly expressed among younger staff in Uganda. Why go through all the hassles of the OPRA if there is nothing to gain from it?

The main problem with performance management from a staff point of view is one of "fairness" – in the size of rewards offered (there should be rewards, according to staff, but neither too big nor too small) and in the credibility and trust in the systems used to assess staff performance. Both issues need to be considered in the design and use of performance management systems.

The attractions of not working in the private sector

The private sector plays an important role in current thinking about public sector reforms both in poor and rich countries. It tends to be hailed as better paying, better managed, and more efficient than the public sector. Consequently, the argument goes, the public sector must learn from the private. This is the thrust in New Public Management (Hood 1991), which inspires reforms in Tanzania and Uganda.

This positive image of the private sector is, perhaps, amplified by the choices of firms when comparisons between the private and the public sector are made in the context of public sector reforms. In a recent skills gap and pay study in Uganda, for example, the comparator firms were all from the absolute top end of the private sector: banks, major consultancy companies, international NGOs, donor organizations.

Few of our respondents would consider a job in such firms a realistic option. Therefore they also have a different view of the private sector. Although almost all of them complain about the poor pay in the public service they still work there. Why? Their answers present a picture of the private sector that is at odds with the idealized image of it that often dominates the literature.

First, job security in the private sector is regarded as poor. This is, of course, well known. Private companies operate in an often-volatile environment. But several respondents added that poor staff management in private firms often amplifies this insecurity. Most companies are owned and run by one person or family. Employees are therefore directly dependent on their personal relationship to the owners for their job security. The absence of strong labour unions amplifies the insecurity. Despite all its weaknesses, staff management in the public sector may actually be better than in most parts of the private sector (Debrah 2004).

Second, career prospects are regarded as better in the public sector. The urge for advancement through further education is considerable – especially in Uganda. Government and donor sponsored further education is one of the key motivating factors.

Third, the demands on worker's time are regarded as higher in the private sector than in the public. Several respondents in both countries, who had worked in the private sector earlier, said that pay in relation to demand is often – after all – more favourable in the public sector. Especially some of the female respondents regarded this as major advantage. It gave them better possibilities for tending to their family and children. Some also mentioned that public sector employment gives access to networks of influential people (and potential customers) that can be very useful in running private economic businesses while in public service – as many apparently do (although we cannot quantify this). Put squarely, a clear attraction of public sector employment is the slack work discipline in many workplaces. Cohen and Wheeler (1997) found the same in a study in Kenya.

Fourth, working in the public sector gives prestige according to many. Other intangible benefits were also brought up in the discussions such as the opportunity to “work for my country,” “meaningful work,” and “professional challenges.” That prestige is emphasized is especially interesting. Survey delivery surveys and other assessments clearly indicate that most citizens do not trust government

much and that people are often dissatisfied with the service provided. Why is it prestigious to work in the public service, then? We can only speculate. Many are, undoubtedly, attracted by the power that a public office often bestows on its holder (and some respondents actually mentioned this – “I can make a difference here”). A different interpretation is that many public employees do not care much about what citizens think about them. Their peer reference group is not ‘ordinary citizens’ but their own colleagues. Public employees regard themselves, perhaps, as a class.

People work in the public sector for reasons that are both conducive and detrimental to performance. The conducive aspects are those related to prospects of career and meaningful jobs. The non-conductive aspects are those related to the perceived lack of demands on work discipline. The prestige issue cuts both ways. It is conducive to the extent that it gives staff a sense of pride about working there (as Grindle (1997) also found). It has the opposite effect if it reflects a social distance to the citizens that employees are supposed to serve. This illustrates that to change accountability relations is an uphill battle.

Staff demands better management

Our findings confirm key HRM-research results: staff appreciates better communication between staff and management; employee involvement in decision-making in the workplace; teamwork; and challenging assignments. All of these factors depend on management.

But as is the case for many of the other findings of this study, the demand for better management has several dimensions – especially with respect to challenging assignments. Thus, slack discipline in the workplace can be an attraction as noted above. However, managers who do not set work targets (or who set targets that are clearly unrealistic) can also de-motivate staff. Many feel frustrated about the lack of feedback on their work – often because it is unclear what is expected of them.

Feedback – appropriately done – can be a reflection of respect. And supervisors’ respect is appreciated. Respect can be simple for the supervisor to show: an encouraging word, an appreciative note on a slip of paper, public praise of good performers, some regular face-to-face contact with staff. Indeed, some people told us that an (unintended) effect of the OPRAS – its other shortcomings notwithstanding – is that it provides a platform for such contacts with supervisors on a regular basis (although the regularity is limited according to our survey results).

Thus, it is improvements in the day-to-day management of the organization that are demanded by many of our respondents. Such improvements do not seem to be high on the agenda of the current public sector reforms in the two countries. Here the focus is mainly on improving change management

strategies (see, for example, Government of the Republic of Uganda (2005: chapter 9)). This focus is obviously important. But a stronger focus on how to improve the capacity of managers and supervisors to be better at basic HRM practices should also be put on the reform agenda. Our findings suggest that the benefits of this could be substantial.

OPERATIONAL IMPLICATIONS

At the outset we asked two questions: How can a government in a poor country with a limited budget increase the performance of its public sector organizations through better HRM practices? And how may donors assist?

Below, we present a number of ideas based on our findings. In line with our terms of reference it should be emphasized that these are ideas – not fully elaborated proposals.

1. Design performance improvement measures that are not just based on assumptions of public servants as self-interested individuals, but also as people motivated by less egoistic factors (meaningful work, respect by superiors, and pride in doing a good job). Our findings strongly suggest that such basic HRM-propositions are also relevant for the public sectors in Tanzania and Uganda.
2. Introduce a total reward approach, which emphasizes both monetary and non-monetary rewards (career development, meaningful job content, improvement in work environment, etc). This approach is actually implied in the public sector reform designs in both countries, but in practice the former type of reward is prioritized (pay, pension). The argument is undoubtedly that this is a matter of sequencing: monetary rewards must be improved before non-monetary rewards can be dealt with. However, a key finding in the HRM-literature (supported by our study) is that various HRM-practices should be introduced as a bundle to enhance organisational performance (e.g. Ichniowski and Shaw 2003: 164 & 172).
3. Take measures to improve HRM management in the day-to-day running of public organizations (improved capacity for improved communication between staff and management; employee involvement in decision making, promotion of team work, etc). This focus is probably as important for organizational performance improvement as the current emphasis on change management in the public sector reforms. We believe that basic management improvements present a quick-win opportunity in terms of organizational performance.

4. Improve the speed and effectiveness of HFTP processes. They are perceived to be rather slow, especially processes related to promotions and confirmation of postings and this is de-motivating for the staff involved. Obviously, possible improvements should comply with existing rules and regulations, although changes in these may also have to be considered.
5. Reduce some of the glaring pay differentials that now exist in the public sector both within and across organizations (as is now one of the aims of Uganda's pay strategy). From a motivational point of view, the possible performance gains of relatively significant pay raises in specific (project implementation) units, departments, professions/posts or agencies could be offset by the de-motivational effects that such pay increases may have in those parts of the public sector that do not benefit. The fairness norm is strong among public servants.
6. Reduce, similarly, glaring budget allocation differences within and between public sector organizations. Although the existence of "wet" and "dry" parts of the public service may reflect deliberate government and donor spending priorities, their distorting effects on staff motivation should also be considered. To the extent that budget support alleviates this problem, staff – especially in Uganda - welcomes it.
7. Improve the credibility of the OPRAS. They should be based on more realistic work plans and targets linked to realistic budgets to make them a more useful tool for both staff and management. They should also be linked to credible (but not necessarily monetary) rewards.
8. Improve compliance to merit-based practices through more regular and systematic inspection. Present HRM-related inspection is generally rather limited. Improved HRM-inspection in both local governments, executive agencies and central government could be expanded to cover compliance with rules and regulations in finances, planning and administration as is currently done for local governments in both countries. The results of the compliance inspection could then – like for local governments – be used to identify organization specific needs for capacity development (and possibly linked to a system of sanctions and rewards). This approach would supplement the current performance improvement initiatives of the public sector reforms in the two countries.
9. Reduce political influence in HFTP so as to strengthen compliance to merit principles. Better inspections will help but there is also a need to review the institutional arrangements of HRM including support and inspection modalities – especially for local governments in Uganda. Our findings clearly suggest that merit-principles often give way to patronage here. The new Tanzanian arrangements for HRM at local government level seems to present a better balance between political and technical inputs into the hiring and firing processes, just as the new Public Service

Commission in Tanzania to a larger extent than its Ugandan counterpart is inspecting and mentoring decentralized staff management.

10. Finally, improve the statistical documentation of HFTP events. Such information is recorded at organizational level, but is not aggregated and published at the central level. Better statistics would help to improve the analytical basis for future monitoring and improvement of HRM in the public service.

ISSUES THAT NEED FURTHER WORK

This study is exploratory. Time and money has not allowed in-depth studies. Our findings suggest that more work is relevant on the following issues:

1. Analyse and document the HRM practices of some of the well performing organisations in Tanzania and Uganda. The results can be used as an inspirational catalogue for staff and management that reflects real life conditions in the respective country, and they can be used for training purposes.
2. Develop a practical diagnostic tool to map and assess staff perceptions on HRM in specific organizations. The tool should be based on the approach of the present study but be simplified so as to be useful for government staff and consultants involved in organization development assignments. The questionnaire used for this study (Appendix B) is a useful starting point.
3. Do a new study to cover the perceptions of politicians about HRM. The present study focused on analyses of opinions on HRM of public sector staff only. Yet, politicians play important formal and informal roles in HRM, but these are poorly understood. In fact we know of no study that deals with this important issue. The proposed study should especially focus on local government politicians (who are involved in HRM for more than 70 percent of public employees), but it should also cover the board members of executive agencies and some national level politicians.
4. Extend, similarly, the study to cover front-line staff in the public sector (especially agriculture, perhaps education). Such staff was not included in the present study either. Yet they are crucial for service delivery and for attempts to introduce more participatory development approaches. The study should be linked to relevant sector programmes to enhance its operational impact.

I. Introduction

“The provision of social and socio-economic services, the establishment of economic and financial services, external relations, African politics and the integration of all tribes, religions, communities and races into a sense of nationhood ...are all formidable matters for any Government to handle” (Adu 1969: 237).

“Adequate country capacity is one of the critical missing factors in current efforts to meet the Millennium Development Goals (MDGs). Development efforts in many of the poorest countries will fail, even if they are supported with substantially increased funding, if the development of sustainable capacity is not given greater and more careful attention” (OECD 2006: 3).

These two quotes, made more than thirty years apart, indicate that huge performance and capacity challenges constantly face the public services in Africa. The main proposition in this report is that the people working in the public sector organisations - their skills, motivation and the ways they are managed (Guest 1999: 181) – are crucial for meeting such challenges. However, this is often forgotten when public sector reform are designed and implemented. For although pay enhancement is central to these reforms, other staff issues of importance to organisational performance tend to be downplayed.

With a focus on organizational performance, this study specifically analyses:

- Merit in hiring, firing, transfers and promotions (demotions) (HFTP)
- Non-pay motivational factors
- Staff management issues
- The institutional and normative environment for HRM

Other factors are, of course, also important for organisational performance: financial resources; equipment; organisational mandates; relations to other organisations; extent of political support; accountability vis-à-vis citizens, politicians, and public institutions; and so forth (Boesen and Therkildsen 2004). To varying degrees we also include these factors in our analyses, but the emphasis is on merit, motivation, staff management and context.

To state, as is done above, that people working in an organisation are an important asset – not just a problem - is a controversial statement when applied to Africa. For the consensus view on public servants in Africa has become increasingly critical over the last thirty years. A widely read academic book, for example, states that that there no civil service in Africa that is sufficiently independent from

social pressure to qualify as a bureaucracy in a Weberian sense (Chabal and Daloz 1999: 6). “[A]ll African states share a generalised system of patrimonialism and an acute degree of apparent disorder” (ibid, p. 14). Aid agencies are equally critical. “For too many Africans, public agencies... are synonymous with poor service, corruption and inefficiency” (World Bank 2000: 74).

The Tanzanian government seems to agree. In its public service management and employment policy, for example, it states:

“For quite some time now, the public service has been viewed as a liability to the tax payer rather than an asset. This is because low productivity, erosion of work ethics, indiscipline, blatant violation of rules, regulations and procedures, weak control and corruption have been observed as common features in the service” (President's Office 1999: 10).

Also the Ugandan government presents a very critical picture of its own public service: staff is poorly managed, has a low integrity, and uses limited resources inefficiently. “A disabling public service culture” is also lamented (Government of the Republic of Uganda 2005: 8)

Not surprisingly, Tanzanian and Ugandan public servants themselves do not share these very critical views. Most think that they do a good job under difficult circumstances although many also acknowledge that serious problems exist. We do not, in this report, attempt to assess the relative validity of the views of employers and employees. The purpose of the study is to analyse how public servants themselves view the rules and practices of human resource management in their own workplace – and how this may affect organisational performance.

Such staff perceptions may therefore be right or wrong, but they are important to consider in any major reform of the public service. Ignoring them is, perhaps, a key reason why the human resource management dimension of many public sector reforms have proved so difficult to implement successfully (Therkildsen 2006). And taking them seriously does not mean to accept them. The point is that perceptions must be understood in order to deal with them constructively.

Thus, this study of staff practices in Tanzania and Uganda is one of the few that¹

- Links staff perceptions of HRM-practices to organisational performance

¹ A few studies survey staff opinions on a variety of issues, but do not focus on HRM-practices in particular. No studies, to our knowledge, cover all major parts of the public service. Only very few studies draw on contextual and normative factors to interpret survey results.

- Provides a comprehensive picture of how employees themselves perceive human resource management practices in the public service and seek to relate it to organisational performance
- Includes all major components of the service - central government, local government and executive agencies
- Uses a comparative analytical perspective to interpret staff perceptions
- Draws on institutional and contextual factors to interpret the survey findings

The report is divided as follows. Chapter 2 presents the theoretical and operational framework for the analyses. Chapter 3 outlines, briefly, the main features of staff management in the public sectors of Tanzania and Uganda. The methodology for the study is presented next. Chapters 5-8 present the findings of the empirical part of the study. The synthesis of the findings is presented in the expanded Executive Summary.

Detailed information about the survey methodology, the questionnaire, and the statistical analyses is presented separately in appendices A to C. The Terms of References are presented in appendix D.

2. Staff management practices and organisational performance: a framework

Theoretical perspectives on how organisational performance is improved through the people working in the public sector help to focus the empirical study of staff practices and organisational performance in Tanzania and Uganda that we report on in chapters 5 to 8.

Many factors are important for organisational performance (Schuler and Jackson 1999). Four factors in particular were identified in the theoretical and empirical literature on human resources management (HRM) that was reviewed in the inception report for this study (Nielsen, Therkildsen et al. 2005). They are shown in Figure 1.

Figure 1. Key HRM-related factors that improve organisational performance

$$\text{Organisational Performance} = \text{Merit} + \text{Motivation} + \text{Management} + \text{Context}$$

The ‘formula’ is based on a simple but central idea. Organisational performance depends on the performance of staff (although many other factors are also important, such as adequate budgets, external pressures on the organisation to perform, effective accountability mechanisms, etc).

To improve organisational performance through improved HRM practices, staff must be hired, fired, promoted and transferred on basis of merit principles. Monetary and non-monetary motivations of staff are, however, also required if employees are to work towards fulfilling organisational mandates. Motivation can be both intrinsic and extrinsic. In addition, staff management must help to structure work in an appropriate manner and to encourage cooperation, communication and meaningful jobs for the employees. However, individual public sector organisations are not isolated islands because the 3xM of Figure 1 are only to some degree internal to the organisation. Organisational performance therefore also depends on the context in which the organisation operates – its ‘enabling environment.’ This environment may provide opportunities for improved organisational performance, but it may also foreclose such opportunities.

Obviously, the four factors interact. Merit based recruitment of staff does not enhance performance if employees are not motivated; in turn staff motivation is influenced by staff management – and the political, economic context; etc. However, there is some disagreement among researchers about the extent to which good HRM-practices need to be bundled (i.e. be implemented simultaneously) in order to have a significant impact on organisational performance. There is also disagreement about exactly what types of practices need to be bundled in order to affect performance. In any case, each of the four factors need to be specified in relation to concrete organizations for them to enhance performance

The inception report provides more detailed theoretical and the empirical evidence for these broad propositions. Below we highlight some of the key issues for each of the five elements highlighted in Figure 1.

2.1 PERFORMANCE

Organisational performance is not a precisely defined concept. Intuitively, and in practice, the performance of an organisation is related to its capacity to deliver basic goods and services, and to provide a suitable policy and regulatory environment for development to take place. Thus, there is a direct link between organisational capacity and its performance. Staff – its merits, motivation and the ways it is managed in a specific organizational context - is crucial in that linkage. This may be illustrated by a motorcar metaphor. We maintain a car's engine, chassis, brakes, tyres, etc. – its capacity – because we value safe and reliable transportation – the car's performance. But how much transport we get from a car also depends on factors in its “enabling environment”. Lack of fuel, bad roads and poor maintenance quickly affect a car's performance and may eventually destroy its capacity to deliver transportation at all (Boesen and Therkildsen 2004:10; OECD 2006: 8). In organizations, the contributions of staff to work are likewise part of the capacity (‘engine’) that helps to produce organizational outputs (‘transportation’), but only if the environment (‘road’) enables it.

Performance should therefore be measured by the results (outputs/outcomes) that an organisation produces (Kusek, Rist et al. 2005). Unfortunately, such information is difficult to obtain in practice. How, for example, is the performance of ministries of education and trade assessed and compared? One option is to focus on simple interim results or internal processes that are widely acknowledged to be preconditions for outputs. In both Uganda and Tanzania, systems have been developed to assess local government compliance with financial management regulations and other rules deemed crucial for the capability of the organisations to deliver results. In chapter 4 and appendix A we explain how we deal with the conceptual problems and poor information about organisational outputs and results, so that we can say something meaningful about staff practices and organisational performance.

2.2 MERIT

Empirical research has shown a strong link between merit and organisational performance (Nielsen, Therkildsen et al. 2005: 10-11; 15-16). The merit principle in the public service entails the appointment of the best person for any given job,

- Through HFTP practices based on explicit merit rules
- Rules that are publicly understood
- Decisions that can be challenged if breach are suspected.²

Merit systems can broadly be divided into “career systems” and “position based systems.” In career systems, the objective is to ensure that initial entry to the civil service is based on the knowledge of the candidates, generally as indicated by a relevant university degree or academic credentials. Subsequent mobility and promotion allow movement within the civil service. In position-based systems the emphasis is placed on selecting the best-suited candidate for each position to be filled, whether by external recruitment or via internal promotion or mobility. Closed career systems make appointments through promotion from within the civil service. Position-based systems allow more open access, with lateral entry being relatively common.”³ In both the Tanzanian and Ugandan, one of the aims of the public sector reforms is to move towards a position-based system.

Criteria for assessing merit can be specified in two ways. Defined narrowly they typically include educational qualifications and work experience (together with age), as is now typically done in Tanzania and Uganda. Defined more inclusively, merit typically includes criteria like “professionalism”, “integrity”, and “political impartiality” although these concepts should be used without “undue rigidity” as the World Bank advocates.⁴

‘Undue rigidity’ in applying merit criteria is, however, a slippery notion. The ‘neutral merit’ implied by Weber (and by the World Bank quotes above) may be an ideal that few countries anywhere in the world do – or want to - achieve. For ‘neutral merit’ may not be sufficient to enhance organizational performance. On the Danish job market, for example, the scope and quality of applicants’ professional and social networks are increasingly regarded as key qualifications in many positions in both the public

² See “Service standards & performance measurement” (downloaded on April 28 2006) from http://web.worldbank.org/wbsite/external/topics_extpublicsectorandgovernance/extadministrativeandcivilservicereform/

³ See footnote above.

⁴ Ibid.

and the private sector.⁵ These kinds of competencies are called ‘responsive merit’ in the HRM literature (Peters 1995: 90-91). A government operating under diverse and often conflictual conditions have good reasons to look for staff that is both loyal and sympathetic to its visions, is part of relevant networks, and has the required technical skills. Obviously, such requirements make the border-line between merit and patronage less distinctive than many proponents of technical merit would like.

In this study, we specifically focus on how staff assesses the use of merit principles in HFTP rules and practices. The findings are presented in chapter 5.

2.3 MOTIVATION

Motivation is derived from the Latin term *motivus* (“a moving cause”).⁶ It is normally defined as “that which tends to move people to act” (Deneulin and Alkire 2000). Motivation refers to forces acting either within or on a person to initiate action. Thus, staff may be intrinsically motivated to work by conviction (e.g. “for my country” or “because it is my duty”) even in situations where extrinsic motivational factors are weak (low salary; poor management; limited involvement in decision-making; etc).

In contrast, “satisfaction” refers to a state of contentment that is not necessarily related to action. Just introducing pay-raises if existing accountability mechanisms for performance are weak, for example, may produce more satisfied staff – but not necessarily staff motivated to perform.

While improved staff motivation may therefore lead to better staff performance (and hence to enhanced organisational performance), there is no similar relationship between satisfaction and performance.

Four categories of motivational factors were discussed in the inception report (Nielsen, Therkildsen et al. 2005: chapters 3.3 and 4.3):

- Coercion (threatened or real; extrinsic)
- Conviction (intrinsic)
- Monetary rewards (extrinsic)
- Involvement in decision-making (extrinsic)

⁵ In the US, many top positions in the public service are filled with political supporters of the party in power.

⁶ Encyclopaedia Britannica.

Three of the main factors above refer to extrinsic motivational factors that the government or the management of public sector organisations can change if they chose to do so. However, the effects of changes in extrinsic motivational factors will often depend on the intrinsic motivation of staff.

The actual trend in most reforms of the public service in sub-Saharan Africa (Tanzania and Uganda included) is to attempt to deal with staff motivation through a mixture of monetary rewards (pay and pension reforms and performance related pay) plus coercion (enforcing stricter staff discipline). This is only a limited set of available motivational tools as the list above indicates. Thus, the current focus on coercion and monetary rewards, excludes important motivational factors. “[M]ainstream development advice pays little attention to the matter of worker commitment, except to argue that government workers are doomed by their self-interest to be uncommitted” (Tendler 1997: 136). She argues that HRM-theory about motivational factors used to study organisational performance in rich countries offer very useful insights into the motivation and performance of workers in public sector in poor countries. Much of that literature is included in the literature review for this study.

In the empirical part of the study we ask employees about motivational factors in a number of different ways, although it is difficult, in practice, to make a clear distinction between ‘satisfied’ and ‘motivated’ staff. The results are shown in chapter 6.

2.4 MANAGEMENT

The review of the HRM-literature showed that four staff management practices in particular influence organisational performance (Nielsen, Therkildsen et al. 2005: chapter 3.3 and 4.3):

- Job design and its flexibility
- Communication between staff and management (including issues related to discipline)
- Employee involvement in decision making
- Team work

These four practices are closely linked to the motivational factors discussed above. Indeed, a main responsibility of management is to motivate staff to perform. Management may, for example, when communicating with staff, focus on coercion (disciplinary action) as well as seeking to involve staff in decision making through teamwork.

In practice, the major trend in staff management in the public sector reforms of both Tanzania and Uganda - like similar reforms in other developing countries - is ‘performance management.’ It attempts

to link increased managerial freedom with increased emphasis on outputs. This requires public organizations, managers and employees to work to performance targets and output objectives that define individual tasks (Larbi 2006: 38). A key tool is 'job design.' The implication is that the MDGs of a country – eventually – will become the basis for its Poverty Reduction Strategy Paper (PRSP). In turn the PRSP sets the framework for organisational objectives and the work-targets of its staff. Such work-targets are, finally, written into the annual work plans for staff. Subsequently, these are used during the Open Performance Appraisals (OPRA) to assess the performance of individual employees.

While enforcing stricter staff discipline by focusing attention on performance may appear to be an obvious remedy in many cases, it is not just a technical matter of identifying correctly who is non-performing. It also requires political support if public sector organisations are to take action to enhance staff discipline effectively, and such support may often be difficult to mobilise (Taylor 2001).

However, there is more to staff management than installing discipline. Grindle (1997) has shown that relatively well performing organisations in poor countries share several features: (i) a sense of organisational mission; (ii) clear performance expectations for the organisation and its staff; and (iii) merit based recruitment (discussed earlier). However, it is important how point (i) and (ii) in particular are brought about. Management that encourages participation, flexibility, teamwork and problem solving and respect for staff at all levels of the hierarchy achieve better organisational performance according to Grindle.

As shown in chapter 7, staff has views about what good management should be that are consistent with these findings. Where they find such management practiced, they do seem to be positively motivated by it.

2.5 CONTEXT

Context can be understood as the economic, political, social and cultural environment in which public sector organisations operates. Therefore its staff management practices and its performance cannot be understood independently of the context in which it operates. This is now widely acknowledged. The problem is that we do not have very precise and tested ideas about precisely what contextual factors influence the merit, motivation and management of staff and enhance or undermine organisational performance. In the absence of such knowledge, we use the following broad categories as a basis for

organisation-specific analyses of factors that have a clear influence on staff management practices⁷ (Nielsen, Therkildsen et al. 2005):

- Inter-organisational context
- Political and economic context
- Norms and values

On inter-organizational context, the literature clearly identifies the lack of clarity of authority relationships as a key issue. This often leads to tensions between autonomy of decentralised units and control by central bodies (Batley and Larbi 2006: 121). That is certainly the case in Tanzania and Uganda where the public sector reforms aim to move authority over public sector staff from a centralised towards a more decentralised system. Moreover, donors often play an important role in the relation to HRM issues (influencing pay policies; topping up salaries; etc) and should therefore be considered in analyses of the inter-organisational context.

It is obvious that factors external to specific public organisations may influence staff performance: organisational mandates given by Parliament, the size of budgetary allocations, labour market conditions, competition with the private sector about staff, the role of unions and the media, political conditions and conflicts, etc. These factors will be included in the empirical analyses were appropriate. Some of them are presented in the next chapter.

With respect to norms and values, the key concept in relation to staff issues is that of neo-patrimonialism. This refers to “hybrid political systems in which customs and patterns of patrimonialism co-exist with, and suffuse, rational legal institutions” (Bratton and van de Walle 1997: 62). It is a “true mix of patrimonial and legal-rational rule” (Erdmann and Engel 2003: 21)

The HRM-literature on Africa specifically stresses the importance of this hybrid system. The widespread view is that neo-patrimonialism is the key feature of the system: prevailing norms prioritise ethnic group, community and family over individual merit and loyalty to the workplace. Others argue that such norms may be important but are not cast in stone as their influence depends on the specific context and management practices which vary across public sector organisations (Therkildsen 2005). Specific societal conditions, organisational and institutional arrangements, or family circumstances may

⁷ Contextual factors also influence organisational performance through other mechanisms than staff management (e.g. competitive pressures in organisation). These are not explicitly dealt with here.

alter normative understandings and influence behaviour. So may schooling, university education and service in the army.

Norms and values – what counts as proper and improper staff management practices and individual conduct in the workplace, in the public sector and in society at large – are therefore situational (Nielsen, Therkildsen et al. 2005). Among the factors specifically dealt with in this analyses are, for example, the importance of nationalism for the motivation of staff; the views of staff on the use of political patronage, economic clientelism and social connections in actual HRM-practices; and the importance of staff loyalty to their workplace and its mandate versus their loyalty to colleagues in the public service. Such contextual issues were dealt with in the quantitative questionnaires, but we also gained many insights through the focus group discussions as chapter 8 shows.

2.6 CONCLUSIONS

How can a government in a poor country with tight budgets increase the performance of its public sector through better staff management practices? And how may donors assist?

The very brief summary of theoretical insights from the HRM-literature in this chapter indicates that a good starting point for answers is to think in terms of organizational performance and to link it to the four factors discussed above and shown in Figure 1: merit, motivation, management and organisational context. Obviously, that ‘formula’ should only be a starting point for thinking constructively about how performance can be enhanced through the people working in public organizations. The issue of performance enhancement is clearly more complicated than that. But as an entry-point to the analytical work of this study, it is useful, as chapters 5 to 8 show.

3. Staff management in the public sector: Tanzania and Uganda

Since Independence there have been numerous initiatives to reform the public sector in Tanzania and Uganda. Recently, both countries have designed very ambitious reform agendas. Donors have also been actively involved – especially in Tanzania.⁸

Present reform efforts are inspired by new public management approaches. These were first introduced in 1991 in Tanzania, and in 1989 in Uganda. The reforms aim to increase the efficiency, effectiveness, and accountability of the public sector (Therkildsen 2001), and they share several key features of relevance to HRM:

- Refocusing public sector functions on core activities
- Decentralization of staff management
- Pay reforms
- Performance management

The purpose of this chapter is to give a brief outline of these four dimensions of the reform because they have a direct influence on staff management practices.

3.1 REFOCUSING PUBLIC SECTOR FUNCTIONS

The public sector in Tanzania and Uganda is small measured against the total population as shown in Table 3 – both when compared to the average for Africa (2%), and certainly to that of the OECD countries (8%), as comparative statistics by Schiavo-Campo (1999) show.

Nevertheless, two main issues have occupied public sector reform designers in both countries (as everywhere else) for several decades now: to reduce public sector employment and hence to lower the wage bill so as to raise efficiency; and to prioritise employment in what is considered to be ‘core’ functions of the public sector. Over the last twenty years, the balancing of these two desired goals has changed.

⁸ The Tanzanian reform has received considerable more external funding than Uganda’s in recent years on a ration 1:10 (comparisons of annual budgets in the Public Service Reform Programme Documents).

Table 2. Central and local government employment, 1986-2006 (x 1000)

	Tanzania	Uganda
1986	299	240
1998	264	159
2003	295	219
2006	323	226

Sources: Government statistics; Exclude employment in defence and in EAs.

In the 1980s and early 1990s, employment was reduced in both countries – through retrenchment and cleaning of the payroll for ghost workers (Table 2). But for the last five to ten years, employment has expanded again because of the renewed emphasis on poverty reduction and, lately, the efforts to reach the MDGs. Uganda has both reduced and subsequently expanded employment more dramatically than Tanzania has. The recent expansion has especially been in the health and education sectors, where more than 60 percent of the public service staff works.

A decentralisation of staff from central to local government has also taken place in both countries, starting in Uganda in the early 1990s and in Tanzania some ten years later. Today, a much higher share of public servants work in local government in Uganda than in Tanzania (Table 3). It is also striking that public sector employment makes up so large a share of total formal employment in both countries. Consequently, public sector employment – its size, composition and pay – is not just important for work conditions in government. It is also central for employment conditions in the formal private sector. This is most clearly evident in pay policy issues (see below).

Table 3. Comparative statistics on staffing, Tanzania and Uganda, around 2003

	Note	Tanzania	Uganda
Public servants/population (%)	1	1.0	1.0
Government employment/total formal employment (%)	2	35	42
Work in central government/total public service (%)	3	36	13
Work in local government/total public service (%)	4	64	87

Note: excludes employment in defence.

Sources. (1) Calculated on basis of Government Statistics; (2) GoU (2004: 22) and GoT (2003); (3, 4): President's Office (2005: 46) and Government of Uganda (2004: 139).

Employment figures for Executive Agencies (EAs) are not published. There are some 20 agencies in Tanzania and 73 in Uganda.⁹ Since EAs spend around 10 percent of the civil wage bill in Uganda - and

⁹ On Tanzania, President's Office (2005). On Uganda, The Law and Development Partnership (2004). It lists 73 "autonomous/semi autonomous public bodies."

assuming a higher pay in EAs than in central government – our estimate is that employment in Ugandan EAs is some 15-20,000 people.¹⁰ Similar information is not available in Tanzania.

3.2 ARRANGEMENTS FOR STAFF MANAGEMENT

Arrangements for Human Resource Management differ somewhat in the two countries but there are also many similarities. The arrangements can be characterized by the

- Types of actors involved;
- Degree of decentralization in HRM system;
- Powers of these actors with respect to HRM;
- Type of merit system used.

Table 4 sets out some of the general and specific core powers of these main actors with respect to HRM.¹¹ In both countries these are the President, the public service commissions at central level, the service commissions and employment boards at local government level – and the ministries, local government and executive agencies themselves. Their respective roles are stipulated in the Constitution, and various specific legislation and rules.¹²

¹⁰ Uganda data are from The Law and Development Partnership (2004).

¹¹ Labour unions do not seem to play any significant role in HRM although they have organised strikes on occasions. Tanzania: (Debrah 2004: 80-81; Bana and McCourt 2005). Uganda: http://www.idrc.ca/en/ev-83660-201-1-DO_TOPIC.html

¹² In Tanzania major changes have been made in the legislative basis lately and this has caused some transitional problems due to conflicts between different pieces of legislation (see Nielsen, Therkildsen et al. 2005: annex A). In Uganda, some of the key legislation dates back to the 1960s.

Table 4. General and specific core HRM powers, Tanzania and Uganda

	Tanzania	Uganda
General powers across organizations		
President	Wide ranging powers across entire public service defined in the Public Service Act, 2002 (see Bana and McCourt 2005: 8-9).	Wide ranging powers across entire public service defined in the Constitution of 1995 with later amendments
Service commissions	A unified Public Service Commission monitors and inspects HRM management across the entire public sector. Special arrangements and service commissions are provided for teachers, the judiciary and the army. This system started in 2004 in an effort to establish a unified public service while decentralizing responsibilities for HRM to ministries, regions and local governments.	Public Service Commission actively conducts HRM functions for ministries and advises the President in his exercise of HRM powers. It also monitors District Service Commissions. There are five specialised service commissions for the Judiciary, Education, Health, Police and Army respectively. This system has remained relatively unchanged since 1995, except for the centralization of management of CEOs in local governments in 2005.
Specific powers in own organization		
Ministries	Carry out all HRM functions, some in cooperation with PSM- President's Office	Carry out some HRM functions. Cooperates with Public Service Commission on others.
District Councils	100+ Employment Boards, one for each council, facilitate recruitment of all staff – except teachers appointed by the TSC, and the CEO who is appointed by the Minister responsible for LGs (but see footnote 13) . All other appointment in LGs done by the CEO.	70+ District Service Commissions are responsible for the recruitment of all staff in councils – except the CEO and his/her assistants (this exception introduced in 2005). The LG, through the CEO, appoints all staff.
Executive agencies	Carry out all HRM functions, some in cooperation with PO-PSM	Carry out all HRM functions autonomously

It is a key feature of HRM management in both countries that the President has wide ranging powers across the entire public sector. They include, for instance, the powers to appoint and discipline a wide range of public servants¹³. In Uganda the Public Service Commission advises the President in his exercise of these powers. In Tanzania the relevant legislation does not specify who advises the President in these matters. Generally, only limited systematic information about how the President actually uses his HRM-powers are provided in either country.

¹³ For instance the President in Tanzania appoints the Chief Secretary, Permanent Secretaries of all ministries, heads of independent departments, deputy Permanent Secretaries, Regional Administrative Secretaries, Clerk to the National Assembly, Director of Immigration, Commissioner of Fire and Rescue Services, Ambassadors, Directors of City Councils (but not other Executives in Local Governments which are appointed by the Minister responsible for local governments) and "such other public servants as the President may from time to time determine" (Public Service Regulations 2003, section 5).

With respect to central level service commissions, those in Uganda have more direct power in HRM management than their Tanzanian counterparts. The Ugandan system is, however, fragmented between five commissions where the Tanzanian system is more unified.

At the organizational level some decentralization of HRM powers has been made. Uganda has gone further than Tanzania on some points. Thus, executive agencies in Uganda are rather autonomous in HRM-matters compared to executive agencies in Tanzania.

In local governments in Uganda the politically appointed DSCs have a high degree of autonomy and have exercised that autonomy for a decade. In Tanzania the Employment Boards have only been operational since 2005. Their members are both politically and administratively appointed with a relatively strong dominance of central government staff. Thus the HRM-devolution in Uganda is more radical and has been implemented for a longer time than in Tanzania. Here there has been disagreement within government about a strategy for staff devolution since 1999. This resulted in an unclear and contradictory legal framework for decentralized staff management until 2005.

Table 4 focuses on core HRM-functions (such as HFTP) only. Table 5 includes a wider range of HRM-relevant powers related, for example, to the budget, overall establishment control, and so on. Again, there are similarities and differences between the two countries and across organizational types. But the overall picture is – as with respect to core HRM powers - that HRM-autonomy in Uganda is more far reaching for EAs and local governments than in Tanzania, while the opposite is the case with respect to ministries.

With respect to merit principles, both Tanzania and Uganda used a “career-based” system for years but both are now moving towards a “position-based” one (the terms are explained in chapter 2.2).¹⁴ Basic parameters of the system are therefore shifting and the public service in both countries is in a transitional phase. As the survey results show, this shift creates some tension among public servants (Chapter 5).

¹⁴ However, almost all staff in central and local government is employed on ‘permanent and pensionable’ terms except Permanent Secretaries in Uganda, who are on time-limited contracts. This arrangement is also being introduced in Tanzania.

Table 5. Broader HRM powers, Tanzania and Uganda

	Ministries		Executive agencies		Local Governments	
	Tanzania	Uganda	Tanzania	Uganda	Tanzania	Uganda
Budget control						
• Determine the wage envelope	No	No	No	Yes, but depends on degree of self financing	Only marginally	Only marginally
• Dismiss surplus staff	No	No	Partly	Yes	Marginally	Marginally
Establishment control						
• Control overall staffing numbers	No	No	No	Partly	Partly	Partly
• Control staffing numbers in individual offices and facilities	Yes	Yes	Partly	Yes	Partly	Partly
Recruitment						
• Formal employer	No	No	Yes	Yes	Partly	Yes
• Have authority to hire	Yes	No	Yes	Yes	Yes	Yes
• Have independent merit-based recruitment mechanism	Yes	No	Yes	Yes	Yes	Yes
Career management						
• Transfers within government are possible	Yes	Yes	Partly	No	Yes	No
Pay policy						
• Set overall wage rates	No	No	No	Yes	No	No
• Set local incentives/ salary top-ups	Yes	Yes	Yes	Yes	Partly	Yes

Source: Adapted from Green (2004) and authors' assessment.

Note: Ratings refer to the country's policy and to de facto practices as well as de jure authority. The shaded areas indicate a significant degree of decentralisation of HRM powers to the organisation.

3.3 PAY AND ALLOWANCES

There is no doubt that pay is important for staff's work performance (see chapter 6). It is therefore interesting that, in a comparative perspective, African public servants are the relatively best paid in the world. Public servants earn almost six times more than the average person on the continent. This is much above the ratio on other continents. The ratio of public to private sector wages is also relatively high in African countries compared to elsewhere (Table 6).

Table 6. Central Government employment size and wages in comparative perspective, 1990s

	Number of countries included	Average CG Wage as multiple of per capita GDP	Ratio of public to private sector wages
Africa	21	5,7	1,0
Asia	14	3,0	0,8
Eastern Europe and former USSR	21	1,3	0,7
Latin America & Caribbean	12	2,5	0,9
Middle East and North Africa	8	3,4	1,3
OECD	16	1,6	0,9
Overall	92	3,0	0,8

Source: Schiavo-Campo (1999)

In that perspective, current pay levels in Tanzania and Uganda should therefore not cause motivational problems. But they do. First of all, present average pay in real terms is significantly below the levels of thirty years ago despite the recent pay reforms (see Doriye 1992: 102 for Tanzania; Debrah 2004). Second, public servants do not compare their pay with that of the average (poor) person, but with what other formally employed people in the better paying part of the private sector get. This is clearly shown in our survey (see chapter 8). Third, governments in both countries have, over the years, promised public employees substantial salary increases ('a living wage') but it has not materialized (Kiragu, Mukandala et al. 2004; Government of the Republic of Uganda 2005: 66).

However, pay in the public service has improved in the 1990s. Measured as median real pay before income tax, pay has risen in both Tanzania and Uganda and relatively more so than in other African countries. This is shown in Figure 2. At the same time there has been considerable salary decompression – especially in Uganda in the mid-to late 1990s. In Tanzania, salary decompression has been more targeted. Here the Selected Accelerated Salary Enhancement (SASE), introduced in 1999, has resulted in higher pay for some 1700 key technical and managerial staff whose efforts are deemed critical to improve service delivery, management of the reform efforts and the production of strategic public sector outputs.

In recent years pay reform progress has not been equally impressive and generally pay policy targets have not been met (GoU 2005; President's Office 2005). This has especially affected the technical middle/higher level cadres partly because their recent salary increases result from consolidation of allowances into salaries (by which allowances become taxable), and partly because recent pay increases (at least in Tanzania) have mainly targeted lower level cadres. The rollout of SASE has grinded to a halt and it will not be continued.

Have the improved pay had any significant impact on performance in government organisations? This is very difficult to ascertain. With respect to the impact of pay reform in Uganda, “[t]here is acknowledgement that pay reform, however limited, has resulted in better pay packages for civil servants and improved morale. Nevertheless, it is unclear and probably impossible to quantify the difference this has made to performance” (Williamson 2005: 33). The assessment of SASE is more positive. “There is strong evidence that access to SASE-scheme salary supplements has had a significant positive impact on performance of beneficiaries at both the individual and MDA levels” (Crown Management Consultants Limited 2005: xiv). However, SASE has benefited relatively few people, and it no longer has political support (Valentine 2006).

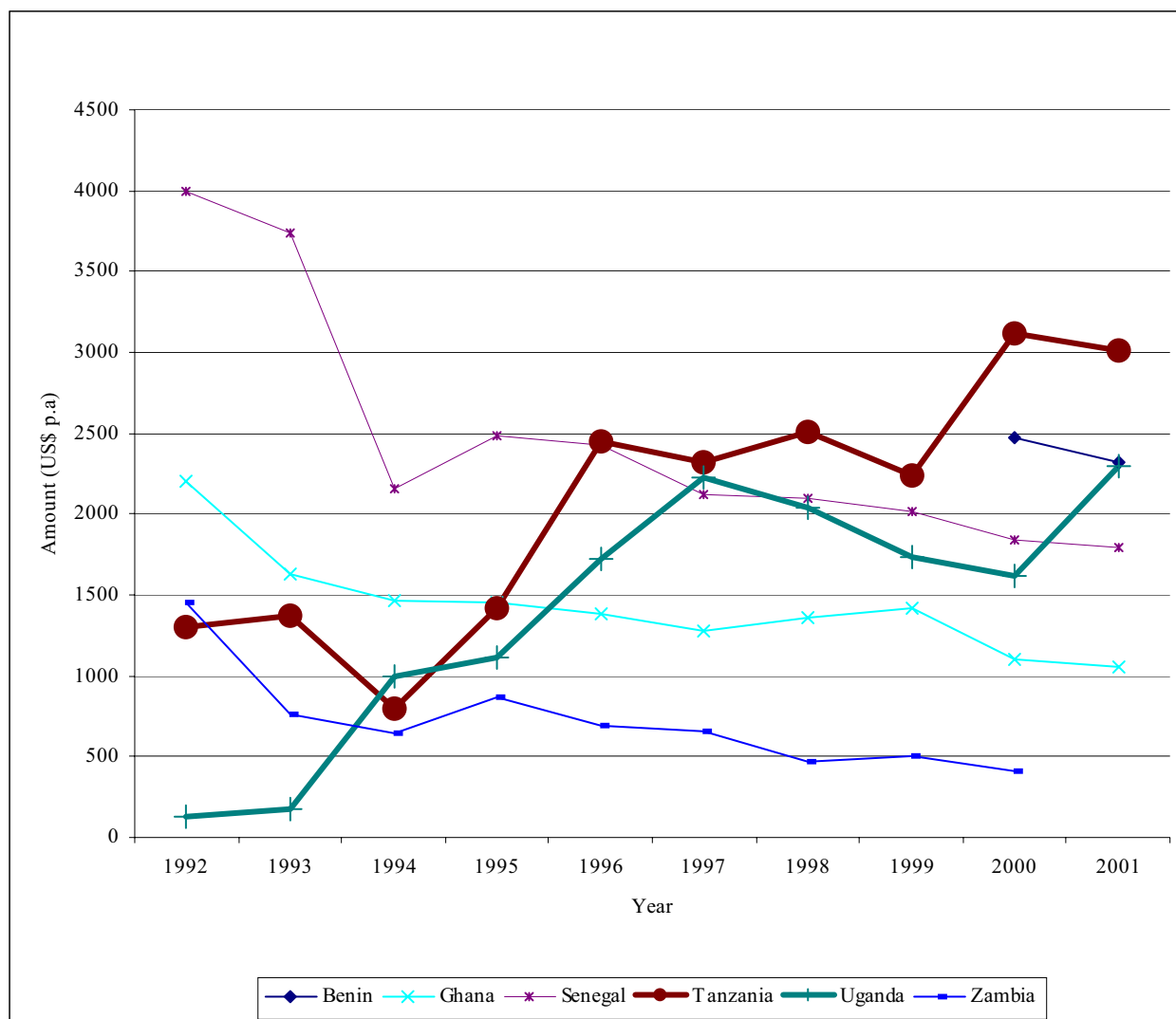
Salary levels in executive agencies in Uganda are not pegged to central government scales as they (partly) are in Tanzania. They are set by the agencies themselves. This has resulted in massive differentials in pay between autonomous agencies and commissions and the public service itself. For instance, in 2000/1 it was found that drivers in six commissions, including their allowances, earned between 58% and 162% more than the pay of an economist in the public service (Government of Uganda 2004: 140). The survey of staff shows (chapter 6.3) that such differentials are a significant cause of de-motivation.

Allowances are – in addition to salaries – an important source of income for many public servants (and not included in Figure 2). Their importance has undoubtedly increased in recent years because pay reform progress has slowed down. In Tanzania, the stalled roll-out of the donor supported SASE has resulted in: “(a) rapid growth of employment allowances in the recurrent budget; (b) the re-emergence of project implementation units; and (c) the proliferation of workshops (and comparable forums) and the payments of various forms of attendance fees and honoraria” (Crown Management Consultants Limited 2005: xvi).

In Uganda the recurrent wage budget does not give the full picture of government and donor spending on wage related expenditures either. Not only is a part of the non-wage recurrent budget spent on human resources. Also part of the development budget is spent on this. Thus, out of a total development budget for 2003/04 on Ushs 1476 billion, some ten percent (Ushs 150 billion) was spent

on wage-type expenditures. This should be compared with the civil wage bill proper, which amounted to Ushs 486 billion (Government of Uganda 2004: 208-211; The Law and Development Partnership 2004: 42 & 71). In other words, the recurrent wage bill should be increased by at least 30 percent to reflect actual HR-related expenditures. In chapter 6 we present the perceptions of staff about pay and allowance issues.

Figure 2. Comparative trends in median salary levels in Public Service 1992-2001



Source: (Kiragu, Mukandala et al. 2004: 111) – adapted with focus on Uganda and Tanzania.

3.4 PERFORMANCE MANAGEMENT IN RELATION TO STAFF

Performance management is a key element in the present public sector reform efforts in both Tanzania and Uganda. It attempts to link increased managerial freedom with increased emphasis on outputs. This requires public organizations, managers and employees to work to performance targets and output objectives that define individual tasks (Larbi 2006: 38). Rewards for performance can then be linked to achievements of individual employees.

However, in both Tanzania and Uganda public sector reforms have run through distinct phases. The initial focus during the early 1990s was on “right sizing” and initiation of pay reforms. Later there was an increased emphasis on instituting performance management systems. In both countries the efforts have included the creation of Strategic Plans, Action Plans, client service charters, the carrying out of service delivery surveys and self-assessments, staff appraisals, and the establishment of M&E systems.

Tanzania’s Civil Service Department in the Presidents Office was renamed “Public Service Management” to reflect this new emphasis. Compared to Uganda, efforts to introduce performance management may have been more consistently implemented in Tanzania - and certainly better funded (see footnote 8). In Uganda, efforts to introduce of Result Oriented Management (ROM) started in 1996. Although it is now recognised that ROM has not taken root due to poor follow-up and inadequate linkages to budget allocations, the basic idea is still considered sound (GoU 2005), and ROM is still on the agenda.

With respect to HRM, these efforts to enhance performance have been translated into individual employee work plans with targets linked to the organisation’s strategic plans. Subsequently, these staff work plans are used during the OPRAs to assess the performance of individual employees.¹⁵ The OPRAS were introduced a couple of years ago in both countries, but are still new to many organisations and their staff.

The growth in allowances described above provides – in principle - some financial muscle for implementing a performance management approach vis-à-vis staff. For it allows CEOs to reward money to well-performing staff. However, it also provides opportunities for patronage, favouritism and misuse. More systemic approaches of linking performance with financial incentives, such as the Performance Improvement Fund in Tanzania, have been very limited in scope and are not yet translated into benefits for individual employees.

¹⁵ In Uganda, the OPRAS are linked to ROM (Government of the Republic of Uganda 2005).

In chapter 7 we present staff opinions on work-plans and OPRAS.

3.5 CONCLUSIONS

Five trends stand out from this brief account of staff management in Tanzania and Uganda.

First, following a period of employment reduction in both countries, the public sector is now expanding again. Poverty reduction strategies and the push to reach the MDGs drive this expansion.

Second, although the President still remains in overall formal control of the public service, some decentralization of HRM authority has occurred. Public servants now work in local governments, executive agencies or ministries with some authority in staff matters. This decentralization started earlier – and has in many respects gone further – in Uganda than in Tanzania. The implications for merit based recruitment, motivation and management of staff in a decentralized system are many as the subsequent chapters show.

Third, although pay conditions in both countries have improved over the last decade, pay levels are still considered inadequate and government targets have not been met. At the same time, pay differentials have grown, especially in Uganda. In this country, many executive agencies pay salaries that are substantially higher than in the rest of the public service. This may motivate agency staff but it certainly de-motivates those that work in the rest of the service as subsequent chapters show.

Fourth, allowances continue to play a substantial – and possibly growing role – for staff incomes. This makes a coherent, transparent and efficient monetary reward system difficult to establish, and this affects staff motivation.

Fifth, attempts to link the performance of individual staff to explicit work-plans and rewards for meeting targets are gaining momentum in both countries, where open staff performance appraisal systems are being introduced. However, the reward-performance linkage is still weak.

These five major trends are important for the context in which staff opinions were surveyed. These opinions are reported on in the subsequent chapters.

4. Methodology

The sample survey covers staff and organisations across the entire public sector in Tanzania and Uganda: local governments, ministries and executive agencies. In both countries, exactly the same methodology was used to obtain primary information about these three types of organisations.

Information was collected through self-administered questionnaires, focus group discussions and interviews with key individuals. In total, some 400 interviews and 24 focus group discussions were made during February and March of 2006 in the two countries. In addition, interviews with more than 75 people inside and outside government (researchers, NGOs, donors, private sector) were conducted. Information from relevant documents was also included.

Thus, a triangulation approach (interviews, questionnaires, documents) has been used to crosscheck and cross-validate the information collected.

4.1 SELECTION OF ORGANIZATIONS AND STAFF

A deliberate selection of organizations ‘performing above’ and ‘below’ average was done to compare HRM practices in these two types of organizations in a meaningful way. It is through careful analyses of variations in performance and in HRM-practices across organizations that we can draw lessons about how organizational performance in the public sector may be enhanced.

Thus, two local governments, two ministries and two Executive Agencies were selected on basis of their organisational “performance:” one that was judged to perform ‘above average’ and one that was judged to perform ‘below average.’ However, this selection of case-organisations had to be adjusted to the performance relevant information available, which was often limited. Appendix A provides detailed information about how the selection was done. Below follows a brief summary.

Local governments are rated annually on basis of their compliance to relevant legal and regulatory provisions (in Tanzania since 2005; in Uganda since 2000). Strictly speaking, this is an assessment of compliance to administrative process rather than of performance.¹⁶ However, it is reasonable to assume

¹⁶ In both countries the assessment measure local governments compliance with guidelines for planning, procurement, financial management (quality of audit, timeliness of financial reports), tax collection efforts, provision of budget and account information to the public, etc.

that better process compliance is associated with better performance. To facilitate comparisons we only selected rural councils (urban councils operate in a different environment).

Similar assessments of ministries do not exist. The survey delivery surveys (most comprehensively done in Tanzania) are not sufficiently uniform and focused to make clear performance comparisons across sectors (say ministry of finance and ministry of health). In Uganda, where the survey started, we therefore relied on performance assessments by seven well-informed people. Their identification of above and below average performing ministries was remarkably similar.¹⁷ In Tanzania, we selected the same two ministries as were selected in Uganda so as to facilitate comparisons, but we have only limited evidence to make a substantive case for assessing their performance. Thus, these two ministries in Tanzania are excluded from the statistical analyses of relations between HRM-practices and organisational performance.

Performance of executive agencies is assessed in Tanzania but not in Uganda. In Tanzania, the President's Office, Public Service Management (PO-PSM), is in charge of these assessments, which were made by ESRF (2004) and further analysed in President's Office (2005). Both reports are based on performance-related indicators. We used these to select cases. In Uganda the government does not publish assessments of executive agency performance. Here, we asked well-informed people to rate agencies (similar to the approach used to assess ministries), and we combined this information with assessments by the Crown Agency (2004) that compared certain types of executive agencies. However, one of the Ugandan executive agencies selected through this process is not included in the statistical analyses of above and below average performing organisations because our own assessment - made during our interviews in the organisation - convinced us that it was not a below average performing organisation. Hence, only one executive agency in Uganda (in addition to two from Tanzania) is included in the statistical analyses of organisational performance differences.

As a consequence of the limited information on organisational performance and because of the above considerations, analyses that compare above and below average performing organisations only include nine organisations - namely those about which we have credible information about their relative performance. However, some of the descriptive analyses of staff and organisations are based on information and interviews conducted in all twelve organisations (two local governments, ministries and executive agencies respectively in each country).

¹⁷ Our use of just a few well-informed people to assess performance is consistent with a fairly widespread approach used in the absence of sufficient and reliable 'hard' data. Thus many international ratings of countries are, in fact, based on the assessments of a few individuals (see, for example, Hyden et al, 2004).

A selection of staff working within these twelve organisations was also made. Only “officers” (generally staff with a degree) were selected to do the self-administered questionnaire and to participate in the focus group discussions. In Tanzania, officers start at salary scale TGS-D or equivalent (Tshs 157.000/month). In Uganda, officers start at salary scale U4 (Ushs 655.000/month) or equivalent. Moreover, due to time constraints only “headquarter staff” was selected. The selection approach is detailed in appendix A.

4.2 INTERVIEWS AND STATISTICAL ANALYSES

A set of similar questions was used to conduct the qualitative interviews (individuals and focus groups) although several focus group questions evolved from the discussions themselves.

All 400 staff selected to do the self-administered questionnaire (appendix B) was asked to meet in one room. A brief introduction to the survey was made, and staff then filled the questionnaire on the spot – but in confidentiality. This took about 45 minutes in average.

One to two hour focus group discussions were conducted with some 100 of these (half junior staff; the other half senior staff). An interviewer and a note-taker did the focus group discussions. Detailed notes were taken in all sessions.

All quantitative questionnaires (see appendix B) were coded for analyses in the Statistical Package for Social Science (SPSS). The detailed results of these analyses are presented in appendix C.

4.3 LIMITATIONS

Since the selection of organizations and staff is purposive rather than random, the sample is not representative for the public sector in the two countries. The survey says, for example, nothing about the number of well performing ministries, local governments or executive agencies in the public service sector. Nor does the survey give a representative picture of staff perceptions in the public sector, since only degree-holding headquarter staff was sampled.¹⁸

It should also be kept in mind that the study focuses on staff perceptions about HRM practices. These perceptions may not always reflect actual practices. Nevertheless, even when perceptions may be distorted, they do influence how staff acts (or does not act). They are therefore important to consider. Our use of the triangulation approach to collect information helps to improve the validity of our conclusions.

¹⁸ Thus, the survey does not include lower level (non-degree) staff or politicians/board members who may often have a significant role in HRM (in local governments and executive agencies, for example).

5. Findings on Merit

In Chapter 2.2 we highlighted the importance attributed to merit for organisational performance and we discussed criteria for assessing merit. In our fieldwork, we explore staff's personal experiences with and perceptions of hiring, firing, transfers and promotions (HFTP) practices within their organisations. We also explore the relationship between perceptions of merit-based practices and organisational performance. As an introduction to these analyses, we provide some basic information about HFTP-events in Tanzania and Uganda.

5.1 HFTP ARE RELATIVELY RARE EXPERIENCES FOR PUBLIC SERVANTS

A basic finding of the study is that HFTP-events to date have been a relative rare experience for the individual public servant included in the sample (although the recent efforts to meet the MDGs has resulted in substantial hiring in some sectors; retrenchments during the 1990s also affected many).

Most of the public servants included in the survey in both Uganda and Tanzania have been appointed for a position in the public service only once, even though the sample of 400 public servants had worked an average of 17 years.¹⁹ Moreover,

- Only slightly more than 50% received their job based on a written application. The average number of times that they had experienced this was less than 1.5.
- Less than 50% indicate ever to have been transferred. These transferees experienced this less than twice in their work life. It is much more common to be transferred by the authorities than on the basis of own request.
- Approximately 50% have been promoted and this happen slightly more than twice in their careers.
- 10% indicate to have experienced a demotion.
- Less than 5% indicate to have experienced a disciplinary case.

This general picture does not vary significantly across countries or organisations. However, some differences are found for selected HFTP practices. Finance Officers in Tanzania are the most

¹⁹ All the summary statistics below are based on chapter 2.1 in Appendix C.

commonly transferred officers, for example. In contrast, LG staff in Uganda is no longer (since the mid nineties) transferred between districts.

Aggregate statistics on HFTP in the public sectors of Tanzania and Uganda are not available: while each organisation may keep track of such events, figures are not collated and published centrally. However, the limited national statistics on HFTP at hand confirm the above findings. For Uganda, figures from the Public Service Commission (Table 7) show that such events – especially disciplinary cases - are comparatively rare considering the size of the public service (see Tables 2 and 3). Similar statistics are not available for Tanzania.

Table 7. HFTP cases in central government involving the PSC Uganda, 2000-2004

Cases handled related to	Number	Percentage
Appointments	9177	82
Discipline	350	3
Restructuring of ministries	392	4
Other issues	1268	11
Total cases	11187	100

Source: Annual reports, Public Service Commission

The same type of data, but grouped differently, are available from six local governments in Tanzania. They are shown in Table 8 below. As mentioned earlier, due to the hiring of social sector workers in particular, employment is growing in local governments. It is, however, striking that the loss of staff through death (presumably mainly HIV/AIDS) is six times greater than through retirement. Thus, the pandemic already has a major impact on HRM in the two countries – a problem likely to increase in the future (Waal 2003).

Table 8. HFTP cases in six local governments, Tanzania, 2002-2004

		Number	Percentage
Staff in	Transfer	247	9
	Recruitment	1584	58
Staff out	Transfer	284	10
	Termination	32	1
	Retirement	94	3
	Death	517	19
Total cases		2758	100

Source: Zonal Reform Team, Mbeya. The table covers six districts included in the first phase of the local government reform.

The relative low number of HFTP events per employee reflected in the above statistics is likely to change. Public servants now increasingly experience a more dynamic system for career development (see chapter 3.2). A position based merit recruitment system is now being introduced so that promotion by application is required to move up the career ladder.

In addition, the OPRAS is now gradually being introduced in the public service. It forms the basis for future merit based promotions, etc. In most of the surveyed organisations, respondents indicated that OPRAS were only in the 1st or 2nd year of implementation. In Uganda 77% of the respondents had filled in an OPRA-form, whereas only 35% replied the same in Tanzania.

5.2 MERIT QUALITIES OF HFTP PRACTICES

Staff is generally quite satisfied with how recruitment is done (Table 9)²⁰ despite the sometimes slow procedures and some cases of flawed practices mentioned during focus group discussions. Most agree that merit, as a main rule, is applied. Less than one in seven disagree with the statement: “recruitment is transparent and fair”.

Table 9. Staff perceptions of the quality of recruitment practices

“Recruitment is transparent and fair”		Frequency	Valid Percent
Valid	Strongly disagree	23	6.1
	Disagree	27	7.1
	Don’t know/no opinion	51	13.4
	Agree very much	96	25.3
	Agree	183	48.2
	Total	380	100.0
	Missing	20	
Total		400	

Staff perceptions of the quality of transfers and promotions were also generally positive. They are, however, more critical of the way that staff discipline is managed. 36% agree with the statement: “non-performers are rarely disciplined,” just as they express some dissatisfaction with the timeliness and effectiveness of HFTP procedures. For instance, 46% of all respondents disagree with the statement that “vacant posts are filled timely and effectively”.

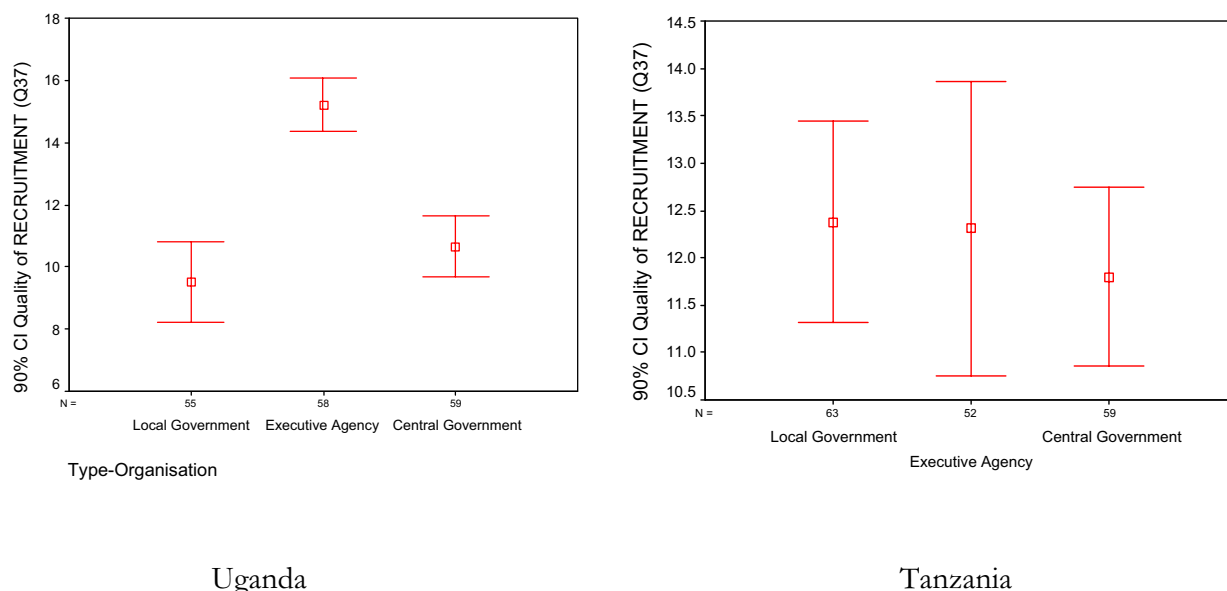
Most of the new rules and attempts to introduce merit based HRM were clearly appreciated by staff that participated in the focus group discussions. However, staff *did* express some concerns over the shift from a career based to a position based system (see Chapter 3.2). They felt that it favoured

²⁰ For detailed analysis, see Appendix C chapter 2. The questionnaire is shown in appendix B.

“outsiders” with paper qualifications and good English capabilities at the expense of practical work experiences.

We also cross-tabulated the respondents’ assessment of HFTP quality with organisational type. Figure 3 shows the results with respect to recruitment (but findings are similar for the three other HRM activities). Thus, in Uganda, we found a fairly clear pattern: staff in LGs was more critical of the quality of recruitment practices than staff in central government and executive agencies. Executive Agency staff in particular expressed more trust in recruitment procedures than staff in both central and (especially) local governments. In Tanzania, we found no major differences in perceptions across organisations. The country differences probably reflect that Tanzania has a common, rather centralised, institutional framework for HFTP for all staff at the time of the survey, whereas such frameworks vary significantly across types of organisations in Uganda.

Figure 3. Quality of recruitment processes in Uganda and Tanzania across organisational types²¹



Issues of patronage, social networks and ethnicity, which may influence compliance with merit principles, are further discussed in chapter 8.

²¹ The quality of recruitment index (vertical axis in Figure 3) is based on sub-questions of question 37 (appendix B). It measures staff’s overall assessment of the extent to which merit criteria are applied in the recruitment process. The error bars show the extent to which staff perceptions differ around the mean with a 90% confidence interval. Note that the average score for all organisations is approximately 12 in both Tanzania and Uganda. The differences across organisational types in Tanzania are only minor and a different scale (than used for Uganda) is applied to show them. Differences between means are larger – and significant – in Uganda.

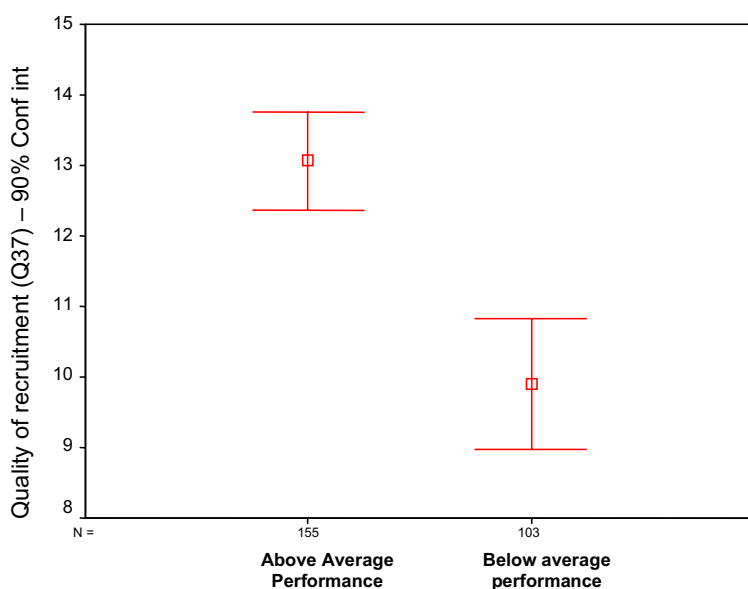
5.3 CLEAR ASSOCIATION BETWEEN QUALITY OF HFTP-PRACTICES AND PERFORMANCE

As discussed in Chapter 3 and Appendix A, we have relatively good evidence of the performance of nine out of the twelve organisations selected. In the focus group discussions in some of the “below average performing” organisations we were told about clear cases of breach of merit principles. In the “above average performing” organisations we got the impression that merit criteria in recruitments and promotions were applied to a larger extent.

These impressions were supported by analyses of questionnaire-based evidence. The correlation between the perceived quality of each of the four HFTP practices and organisational performance is surprisingly clear. We constructed an index of staff’s perception of the quality of each practice based on a range of questions about it. Index scores in above and below average performing organisations were then compared. We also compared specific individual questions about each of the above practices with organizational performance.²² Below (Figure 4) we include a graphic presentation of the general relationship between the quality of recruitment and organisational performance.

In Annex C (chapter 3), we explore the relationship further and find that the pattern is consistent across countries, similar for both recruitment, transfers, promotions and discipline as well as for different measures of quality for each of the four practices²³.

Figure 4. Quality of recruitment and organisational performance²⁴



²² See the analysis in Appendix C, chapter 3.

²³ See details in Appendix C. For example, the quality of recruitment can be based on answers to question 37 (8 sub questions) or question 42 (7 sub questions). In both cases, the derived index correlates strongly with the performance of the organisation.

²⁴ Based on interviews in the nine organisations for which we had reliable performance information.

5.4 CONCLUDING REMARKS

HFTP rules and regulations are in transition in Uganda and Tanzania. Certain aspects of the new merit based HFTP systems are not yet put into practice, such as the shift from a career based to a position based systems of promotion, and performance based management systems (see later). However, the basic principles of merit based HFTP are well recognised and appreciated by staff in the public service.

The extent to which the principles are applied in practice across public sector organisations vary and staff are aware of that. We found a clear relationship between the extent to which merit is perceived by staff to be upheld as principle for hiring, firing, transfers and promotions in organisations and our performance-based rating of organisations. This is an important finding.

6. Findings on Motivation

In Chapter 2, we highlighted four categories of motivational factors: monetary rewards, conviction, coercion and involvement in decision-making. However, it was noted that the actual trend in most reforms of the public service in sub-Saharan Africa is to deal with staff motivation through a mixture of monetary rewards plus coercion (disciplinary actions). Thus, in practice a rather limited set of tools is used for motivational purposes.

In our survey, we explored staff's own assessments of what constitute main motivating and demotivating factors. The questions were partly explored in focus group discussions and partly through the questionnaire survey.

6.1 MONETARY AND NON-MONETARY INCENTIVES ARE BOTH IMPORTANT

Participants in the focus group discussions underlined pay and other monetary rewards as key motivating factors, but a range of non-monetary factors were also mentioned.

This overall finding is confirmed by the questionnaire survey results. Figure 5 is based on questions that are typically asked in standard HRM studies.²⁵ It confirms the importance that staff attaches to pay as a motivating factor (37% mentioned this as the most important) but also other issues scored high as the figure shows: (i) the adequacy of overall budgets for the department/organisation which would enable the organisation to perform; (ii) career possibilities; (iii) training opportunities; and (iv) improved management.

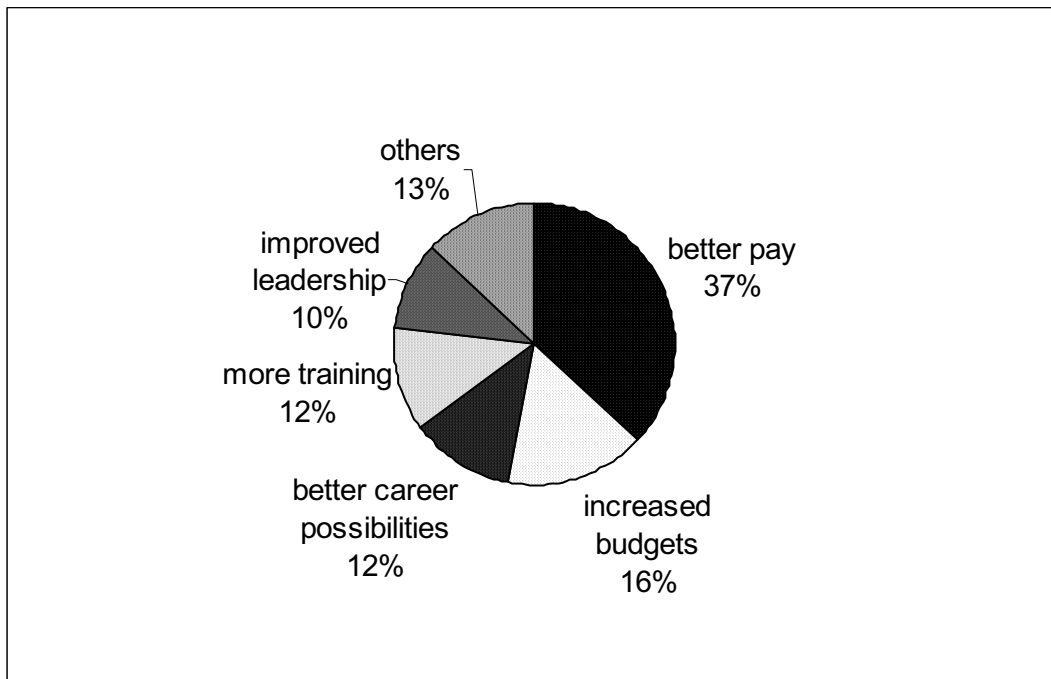
The questionnaire survey also indicated that many are motivated by conviction. Thus, the vast majority (85%) agreed or agreed very much to the statement: "I work in this organisation because I can do something for my country." Finally, the survey indicated that disciplinary actions apparently only played an insignificant factor. Less than 1% mentioned it as the most important motivating factor²⁶ - this is discussed further below.

²⁵Based on answers from all 400 respondents (359 valid cases). Factors that recorded less than 5% of the responses are classified as "other" in Figure 5. For additional details, see chapter 4 of appendix C.

²⁶ See Appendix C, Chapter 4, for details: 2% and 4% respectively indicated disciplinary actions as the third and fourth most motivating factor – but clearly the lowest ranked factor.

In summary, staff mentions all the four main categories of motivating factors, but clearly emphasise pay and human resource management practices as the most important factors. More details about each of the four factors are presented in the following.

Figure 5. Most important motivating factors Tanzania and Uganda



6.2 MONETARY REWARDS: ALLOWANCES AND PAY DIFFERENTIALS

The questionnaire survey indicates that various forms of allowances are widely used. This includes allowances such as sitting allowances, and special duty allowances meant to enhance work performance and administered with some discretion by managers (Table 10).

Table 10. Common types of allowances received by staff²⁷

Type of allowances	Respondents (%) that have received this type of benefits during the last year
Sitting allowances	74
Daily allowances/DSA when travelling	71
Special duty allowance	61
Lunch allowance	41
Transport allowances	40
Housing allowances	19
Free Housing	12
Donor top up	7
SASE	6

Table 11. The relative importance of allowances²⁸

Consider these benefits as	Frequency	Valid Percent
Not important at all	9	2.4
Less important for income than salary	30	8.1
Much more important for income than salary	47	12.6
Equally important for income as salary	286	76.9
Total	372	100.0
Missing data	28	
Total	400	

As indicated by Table 11 above, the vast majority of staff (90%) considers these types of allowances and benefits to be at least as important as their salaries.

In both Uganda and Tanzania, there is evidence that these types of allowances are on the increase and their relative importance compared to pay lately has increased over time (Valentine 2006).

Cross tabulations show that allowances are more important to staff in Tanzania than in Uganda.²⁹ This difference may partly be explained by the fact that, generally, salaries for officers in Tanzania are lower than in Uganda. Thus, the entrance level salary for an officer in Tanzania is around Tshs. 164.000 per month; the corresponding entry-level salary in Uganda is around Ushs. 650.000. In dollar terms the difference is around a factor two.

²⁷ Covers 400 respondents across both countries and all twelve organisations. For details see Appendix C.

²⁸ Based on answers from all 400 interviewees.

²⁹ See section 4.7 in Appendix C.

Staff in Executive Agencies and central government ministries says that allowances are more important for their income than counterparts in local governments do. Indeed, LG staff may have less access to various allowances than staff in ministries and executive agencies. Generally, staff was very conscious about which organisations or even departments/desks were “wet” or “dry” in terms of funding. Local governments in both countries were generally considered to be “drier” than central ministries and executive agencies.

Finally, it can be observed that organisations performing above average in general seem to use special duty allowances slightly more often than those that perform below average³⁰ and that management (in some organisations) may use such allowances as rewards for individual performance. However, our study did not generate sufficiently detailed insights into the practical application of special duty allowances to make firm conclusions in that respect.

Another major finding is that pay/allowance differentials across organisations - and even across the public sector - may have a significant impact on staff motivation. The focus group discussions showed that staff had very firm opinions about the fairness of their own salaries. Fairness was judged by comparing their own salary to that of colleagues working in their own or in other public organisations. Their yardstick was that staff with comparable experiences and skills should be paid the same. They found it unfair and de-motivating for their own work effort if pay differentials were not (in their opinion) based on these criteria.

In Uganda, there are sometimes significant differences in pay for similar categories of staff according to whether they are employed in central government, local government or in executive agencies. Access to allowances and to donor topping up of salaries for staff working from “wet” desks” contributes to pay differentials. In Uganda, the problem has recently been well recognised and reflected in the most recent version of the Public Sector Reform Programme (2005).

In Tanzania, salary differences between executive agencies and other parts of the public service is generally limited although some autonomous units (such as Tanzania Revenue Authority) receive significant additional pay. However, significant differences arise because some staff benefit from SASE, or (like in Uganda) from various allowances or donor funded topping ups.

The judgement of public servants in Tanzania and Uganda of the “fairness” of their pay conforms well with research findings from other parts of the world: employees generally judge the fairness of their pay

³⁰ See section 4.7 in Appendix C.

not by its absolute level but by its level relative to that of other employees.³¹ Many employees in both countries regarded existing pay differentials as unfair and de-motivating.

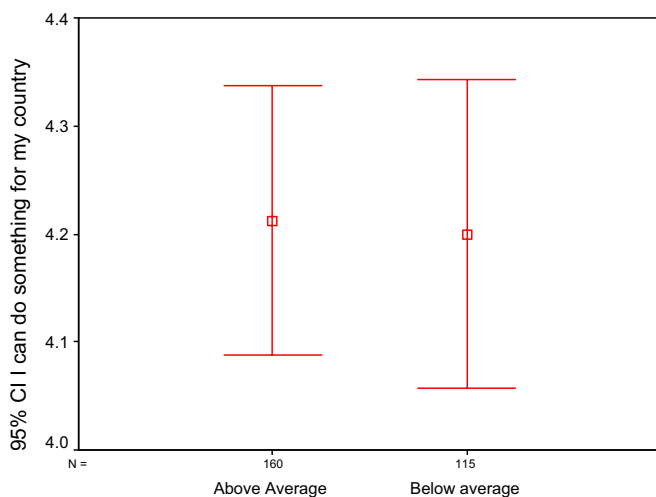
6.3 CONVICTION AS A MOTIVATING FACTOR?

A fairly large number of respondents argued that they work in their organisation because “I can do something for my country.” This element of nationalism and conviction was most strongly expressed in Tanzania (see table below), possibly because of the more consistent nationalistic policies and rhetoric applied here by ruling governments and the party over the years. However, this apparent dedication has no relationship with organisational performance as Figure 6 shows.³²

Table 12. I work in this organisation because I can do something for my country

(% of respondents)	Country	
	Uganda	Tanzania
Strongly disagree	2.2	0
Disagree	3.8	1.1
Don't know/no opinion	2.2	6,6
Agree	61.8	45.9
Agree very much	30.1	46.4
Total	100.0	100.0

Figure 6. Conviction and organisational performance



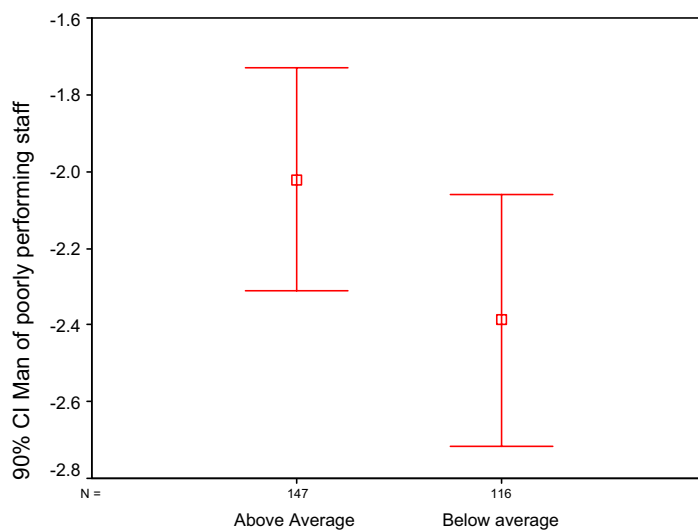
³¹ Encyclopaedia Britannica. Article on Labour Economics.

³² See section 4.7, Appendix C.

6.4 COERCION AS MOTIVATING FACTOR?

Disciplinary action against staff is the most rarely practiced HFTP activity surveyed in this study. Only 5% of staff had ever experienced a disciplinary case during the 17 years that they, in average, had worked in the public sector. Furthermore, as shown in section 6.1, staff rarely referred to disciplinary actions as motivating factor. Finally, as illustrated in Figure 7, there is no significant difference between respondents' perception of extent to which poorly performing staff is disciplined and organisational performance.³³

Figure 7. Disciplinary action against poorly performing staff and organisational performance



6.5 MANAGEMENT STYLE AS A MOTIVATING FACTOR?

In the focus group discussions, public servants mentioned a range of examples of how the management style in their organisation contributed to their motivation. In particular, three aspects of supervisors' management style contributed to staff motivation:

- Direct personal interaction and respect for subordinates as human beings
- Regular feedback on individual performance
- Fairness and transparency in management decisions

³³ See section 5.6 in Appendix C for details.

As discussed further in the next chapter, these features of management style have a strong correlation with organisational performance.

6.6 DIFFERENCES IN MOTIVATION ACROSS ORGANISATIONS

The survey and the focus group discussions show that employees in LGs generally were less motivated than their colleagues in the rest of the public service.³⁴ This was quite clearly articulated in Uganda. Its local government staff here made statements like “we are wasted here.” Their main complaints included:

- Lower pay and pensions compared to central government and executive agency conditions.
- Undue involvement of politicians in LG affairs generally – including HRM issues.
- Limited career opportunities. Staff can no longer expect to be promoted through rotational systems among local governments. Instead, as the decentralisation reform progresses, employees must increasingly apply for posts. This move towards a “position-based” system for mobility in the service (see chapter 3.2) is occurring in central government as well. However, LG employees felt that they can easily “get stuck” - in particular in remote districts where they have limited access to influential networks, information about new posts and opportunities elsewhere. (A similar change towards the “position-based” system is under way in Tanzania).
- Limited budgets. This makes it more difficult for staff to apply their skills effectively, as they have limited transport, fuel, equipment etc, as well as limited access to allowances for salary supplements (see Table 13 below).

Table 13. Staff perception about the adequacy of the organization’s budget

(% of respondents)	Type of organisation		
	Local government	Executive Agency	Central Government
Strongly disagree	27.6	16.7	22.3
Disagree	55.1	28.7	43.0
Don’t know/no opinion	7.1	28.7	16.5
Agree	8.7	22.2	16.5
Agree very much	1.6	3.7	1.7
Total	100.0	100.0	100.0

The differences in staff assessments of the adequacy of budgets did not vary significantly across countries, but staffs in local governments were clearly more concerned than staff in executive agencies or ministries as evident from Table 13.

³⁴ See section 4.3 in Appendix C.

Moreover, in Tanzania, it was staff in the Executive Agencies that seemed to be the least motivated according to the questionnaire information. This is slightly surprising and probably best explained by the discrepancy between their expectations and the realities of work in executive agencies. In focus group discussions staff in executive agencies complained about:

- Lack of autonomy – PO-PSM needs to approve recruitments, pay scales, number of employees, staff benefits etc,
- Absence of the expected pay raises associated with the new status as executive agency; most staff in agencies in Tanzania have the same pay as central government public servants. In some cases, they are paid lower. They are, for instance, not included in the SASE scheme.

In Appendix C, we analyse the extent to which differences in budget allocations can explain differences in organisational performance. For ministries, there is a pattern: staff in above average performing ministries are also the least concerned with the adequacy of the organization's budget. This indicates that budget-allocations do influence organisational performance. However, in local governments and executive agencies we did not find this relationship. Here staff's own assessment of budget adequacy does not explain differences in organisational performance between above and below performing organisations. The implication is that - even within existing budgetary constraints - there is significant scope for addressing HFTP and management issues in a manner that would allow for improved organisational performance.

6.7 STAFF DO NOT CONSIDER PRIVATE SECTOR EMPLOYMENT AS A REALISTIC ALTERNATIVE

The questionnaire survey and focus group discussions show that staff is generally motivated - or at least satisfied - about working in the public sector. The majority of staff does not consider the private sector as realistic alternative (table below). Except for a very minor part of the more international oriented private sector, only employment in the public service offers some job security, pension, reasonable work environment and career opportunities. Herein lies much of the attraction of public sector employment.

Table 14. Staff views on future employment

(percent of respondents)	Respondents that agree or agree very much on statement
I want to continue working in the public sector	73
Office environment in public sector will improve	56
Terms of public sector employment will improve	51
I want to start my own business and leave the service	25
I try to get a job in donor or NGO	18
I try to get a job in the private sector	14

Moreover, public servants rarely leave the public service unless as dead or pensioners.³⁵ The private sector is not a realistic alternative: job security here is low, and for the majority of staff the pay increase they may gain in the private sector will only be minor. Many, including staff that had actually worked in the private sector, did not think that private sector firms (of the type they could realistically get a job in) paid adequate salaries to compensate for the higher work pressure there. They prefer the more ‘relaxed’ work discipline often found in the public sector (according to staff’s own perceptions) as discussed in the next section.

6.8 STAFF MOTIVATION, SATISFACTION AND PERFORMANCE

The focus group discussions indicated that staff in above average performing organisations was more motivated than those working in below average performing organisations.

This finding was confirmed by results from the questionnaire survey: there is a positive relationship between an index for motivation³⁶ and organisational performance, although that relationship is weak for local governments.³⁷ However, it is difficult to make a clear distinction (conceptually and empirically) between staff that is satisfied in their job, and staff that is motivated to perform. Thus, the index established for measuring “motivation” may also measure “staff satisfaction.”

This distinction between being ‘satisfied’ and being ‘motivated’ is important. The focus group discussions indicated that while staff appreciated that private sector employment in some cases may offer better pay, public sector employment offered not only more security, but also a much more relaxed and, in some cases, undisciplined working environment. It is, for example widely accepted that staff in the public sector take time off during office hours to deal with private issues ranging from

³⁵ See for instance table 8.

³⁶ Based on questions 49 and 50, Appendix B

³⁷ See Section 4.4, Appendix C.

taking care of sick children to undertaking some private business activities. Staff appreciated and was satisfied with that. It is not possible to ascertain whether this practice reduces organisational performance or, to the contrary, motivates staff to perform better.

A tentative conclusion is that satisfied staff is not necessarily better performing, but that highly dissatisfied staff, on the other hand, is unlikely to be motivated to enhance organisational performance.

6.9 CONCLUDING REMARKS

Poor countries, which aim to enhance pay for their public servants, face severe budgetary constraints – especially now that recruitment of staff to the social sectors is increased in efforts to meet the MDGs. Moreover, government commitments to pay reform have often turned out to be less than credible (Kiragu, Mukandala et al. 2004). Undoubtedly, this is strongly discouraging for staff motivation.

Dissatisfaction with the pay-level is, however, not the only concern. Many employees are de-motivated by some elements of the on-going pay reforms, in particular what they perceive to be arbitrary differences in pay across the public sector for similar types of job. Employees were especially concerned about the “fairness” of pay and the gap between promises and realities of pay reform rather than just about absolute pay-levels. Such concerns were particularly prevalent in Uganda, but also staff in executive agencies in Tanzania felt disappointed that their transition from ministerial to executive agency employment had not led to the pay rises that they expected.

In view of the problems with pay reform achievements in both Tanzania and Uganda, a more extensive use of non-pay motivating factors should be considered. Thus, staff in both Tanzania and Uganda mentioned a range of non-pay motivating factors, which are also commonly referred to in the general HRM literature. Although there were significant differences across organisations, the following factors were important:

- The adequacy of overall budgets for the department/organisation to enable it to perform. This includes also an element of fairness; staff sees clear differences in budget allocations among MDAs but do not understand – or accept – their justification. The posh offices of many new executive agencies, for example, offer stark contrasts to the facilities of remote and poor local governments. Clearly, the extent to which staff can apply their skills in practice also depends on sufficient budget allocations.

- Career possibilities and training opportunities. Some organisations have explicit programmes for staff development. One even gave canteen staff and waitresses opportunities for further education and promotion to officer level. In other organisations, staff found themselves “stuck” for years without much chance for additional training or opportunities for promotion.
- Disciplining of staff (coercion) and staff conviction (intrinsic motivation) may, in principle be important motivating factors, but in our data set their relationship with organisational performance is weak.
- Improved management– the extent to which supervisors give clear guidance, follow up and encourage staff was mentioned as important motivating factors (see the next chapter).

7. Findings on Staff Management

The review of the general HRM-literature (Chapter 2) showed that four staff management practices in particular influence organisational performance: (1) communication between staff and management; (2) employee involvement in decision making; (3) team work; and (4) job design and its flexibility. We noted (Chapter 3) that the public sector reforms of both Tanzania and Uganda - like similar reforms in other developing countries – seek to introduce performance-based management are now being introduced in all public organisations by specifying clear outputs for organisations, departments and individuals and by introducing various instruments for monitoring them - including strategic plans and related reports, client surveys and staff appraisal systems.

Less emphasis has been given to other aspects of performance-based management practices in these reforms - such as those listed above. Our survey indicates that staff regards such practices as important.

7.1 QUALITY OF LEADERSHIP AND SUPERVISION APPRECIATED

Staff emphasised the following key aspects of leadership and management style as particular important for their motivation:

- Delegation of work in a clear and transparent manner. Several employees complained about being idle: “we are just wasted here.” Although this to some extent was associated with “dry” organisations with limited operational budgets, many respondents also felt that their supervisors did not give them clear guidance about day-to-day tasks and did not set clear and realistic performance targets. Others complained about work being allocated in an ad-hoc manner with little explanation. Staff felt more satisfied when their task was well defined. Some, however, also complained about the workload. The widespread expectation is that the employer should allow staff time for various personal issues or for working outright on private income generating activities.
- Direct personal interaction and respect for subordinates as human beings. Many complained about dictatorial and rude managers or managers that only communicated in formal and bureaucratic ways. In several instances staff indicated that managers were feared rather than respected. Managers who made an effort to communicate directly with individuals or groups in meetings or informal settings were highly appreciated. Several respondents mentioned that they appreciated managers who walked around offices to get a direct impression of staff's concerns.

- Feedback on individual performance was highly appreciated. This included simple gestures by supervisors like writing an employee a personal note with thanks for a job well done. However, well functioning systems for more substantial (financial or non-monetary) awards of good performers appears to be very rare. Staff also had concerns about balancing individual performance and teamwork (see further below).
- Fairness and transparency in management clearly motivated staff and many of the examples quoted by staff of de-motivating factors at their work focused - in addition to pay related issues - often on these aspects. Perceived arbitrary differences in treatment of staff were detested. Rewards of individual performance was viewed with some scepticism as staff clearly felt that “loyalty” rather than “performance” was the main criteria for awards of benefits of various sorts. Staff viewed, in particular, training opportunities as often distributed in a non-transparent and unfair manner.

In the questionnaire survey, staff generally expressed more satisfaction with supervisors than in the focus group discussion. The main results of the former are summarised in Table 15 below.

Table 15. Quality of supervisors³⁸

Supervisors	Percent of respondents that agree or agree very much to statement
Follow up that I meet targets	74
Set clear targets and standards for my work	73
Try to improve office environment	71
Encourage me when I do well	63
Try to help staff with personal problems	57
Reward and discipline staff fairly	52
Don't care much about my work	19

An important finding from the interviews is that management style is clearly associated with the personal qualities of the managers. There was little indication of organisations actively cultivating the types of management qualities listed above at a corporate level. The style of management thus differed substantially across organisations.

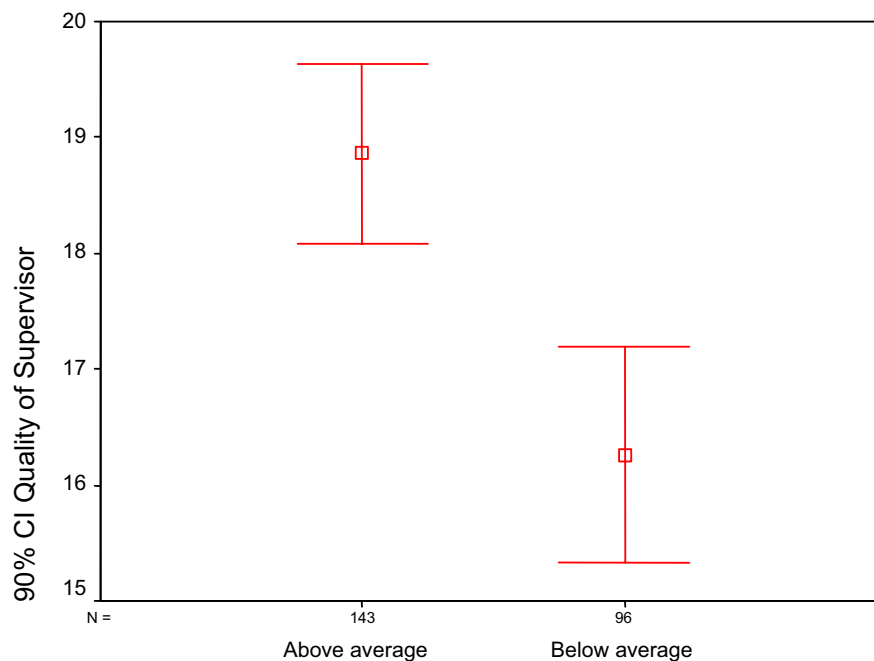
³⁸ Summary of 400 respondents, i.e. both countries and all organisations.

7.2 MANAGEMENT PRACTICES IMPORTANT FOR ORGANISATIONAL PERFORMANCE

Based on the questionnaire data, we correlated various aspects of management practices with the type of organisation. In Tanzania, we found no significant differences across organisational types, whereas in Uganda the Executive Agencies were perceived – by their staff – to have better management practices than the other type of organisations (local governments and central ministries). This may be explained by the relative autonomy of the technical management in these organisations – and as a result of good recruitment.

More importantly, we found that there was a clear relationship between the quality of supervision and the organisational performance.³⁹

Figure 7. Quality of Supervision and organisation performance



Thus, in Figure 7 we associate organisational performance with an index of how staff perceived the quality of the supervisors (the extent to which they set clear targets, follow up and support staff, reward and discipline staff fairly etc). The association is clear.

³⁹ See chapter 5.2, Appendix C.

In Appendix C, we further explore the relationship between selected aspects of management and organisational performance. We reach the same conclusion as above: staff working in the organisations that perform above average also perceived them as having better management relatively to staff that work in below average performing organizations.

7.3 NO SUBSTANTIAL REWARDS FOR INDIVIDUAL PERFORMANCE

The performance based management systems that are being introduced at the organisational level in both Tanzania and Uganda aim to “recognise, encourage and appropriately reward good performance and conduct, and penalise poor performance and unsatisfactory conduct among public servants”(President’s Office 1999). However, the survey and focus group discussions indicate that systems for rewards and penalties at employee level are not widespread. More specifically, we found that while respondents believe that good performers are given praise and respect among colleagues, very few believe that such performers are also given more tangible rewards (training, allowances or promotion). Table 16 illustrates the pattern: the more tangible the benefits, the smaller the number of respondents believes that such benefits are given to well performing staff. And generally, respondents complain that the assessments of the OPRAS were normally not linked to actual tangible rewards.

Table 16. Rewards of high performing staff⁴⁰

High performing staff are given	Percent of respondents that agree or agree very much to statement
Respect by colleagues	61
Trophies, certificates or praise	52
Promotion	26
Training, study tours or seminars,	22
Allowances and financial benefits	16
Much more work	40

A large number of respondents actually felt that good performers were given some negative incentives in terms of more work. The reason is that managers tend to rely on such well performing staff to get important tasks done or to meet deadlines. They become over-worked. This is a serious distortion of incentives.

As discussed elsewhere in this report, the amounts spent on various allowances are quite significant. It means that management in public organisations has some room for manoeuvre to reward individual

⁴⁰ Simplified presentation of data from survey, data from 400 respondents summarised across countries and organisations – for Appendix C, Chapter 5.4

employees who perform well. Yet, our focus group discussions and the survey indicate that staff felt that the criteria for allocation of these benefits were generally unclear and to a larger extent associated with “loyalty” rather than “performance”.

However, staff also expressed some scepticism regarding how far one could take the idea of reward of individual performance. The importance of teamwork was stressed on several occasions in discussions.

Table 17. Sanctions against poorly performing staff⁴¹

Poor performing staff are...	Percent of respondents that agree or agree very much to statement
<ul style="list-style-type: none"> • Disciplined immediately and fairly • Just left alone • Transferred 	<p>43</p> <p>30</p> <p>14</p>
Opinions about disciplinary action	
<ul style="list-style-type: none"> • Action rarely taken against non-performers 	44

Sanctions against poorly performing staff were generally recognised as weak (Table 17). In focus group discussions some argued that as long as staff is loyal to the management and adhere to basic rules of work, it is accepted that poorly performing staff may continue within the service for years without sanctions or support.

7.4 INDIVIDUAL INCENTIVES AND ORGANISATIONAL PERFORMANCE

Organisations that reward individual staff performance also perform better at the organisational level. Both analyses of data from questionnaire survey⁴² and the focus group discussion confirm this. However, we did not find a similar clear linkage between the extent to which staff felt that poor performers were penalised and organisational performance.⁴³ We got the same impression from focus group discussions: sanctions against poor performers are generally something that almost all organisations shy away from.

⁴¹ Simplified table based on frequency analysis – see Appendix C, chapter 5.4.

⁴² See section 5.4, Appendix C.

⁴³ See section 5.6, Appendix C.

7.5 CONCLUDING REMARKS

We know from recent research on developing countries that managers who expressed clear performance expectations vis-à-vis staff – and followed up on their actual work – was the single most important factor in explaining performance differences across public sector organisations (Grindle 1997; Tandler 1997). Our basic findings on the relationship between management practices and organisational performance in Tanzania and Uganda support this. However, the extent to which management style can be a consistent explanatory variable for organisational performance across such different organisations as executive agencies, central and local governments is noteworthy because public sector reforms in both countries have not addressed these management issues systematically.

In both Uganda and Tanzania, the emphasis of the reforms have been on introduction of performance-based management systems. Strategic plans at the organisational level are introduced and then replicated at departmental and individual staff levels through instruments such as OPRAs. The problem arises when the resource inputs and other requirements to make this approach meaningful are not fully in place. Consequently, ambitious (and unrealistic) work targets can have unintended de-motivational effects. This was especially strongly expressed in focus group discussions with staff involved in ROM implementation in Uganda.

Moreover, while performance management and OPRAS have been promoted in Tanzania and Uganda, other key aspects of performance enhancing staff management listed above seem to have been relatively neglected (the character of staff-management communication, employee involvement in decision making and team work).⁴⁴ As shown in the empirical survey, these factors are regarded as very important by employees and this is also consistent with the findings of recent empirical work, especially by (Grindle 1997) and (Tandler 1997).

While the implementation of OPRAS and similar systems thus face some problems, they also hold some potential regarding the softer management issues. Thus, staff often saw OPRAs as an opportunity (otherwise normally missed) for face-to-face dialogue with the management as well as an opportunity for getting more clarity about work expectations. Possibly for similar reasons some supervisors appeared rather uncomfortable with the introduction of OPRAs since that requires them to change their management style in a more transparent and participatory direction.

⁴⁴ In Tanzania, a Presidential Directive from 1970 directs all public authorities to involve staff in decision-making, but we found no evidence that this happens consistently in practice.

8. Findings on Context

In chapter 2, we suggested the following broad categories of contextual factors as potentially influencing staff management practices:

- Inter-organisational context
- Political and economic context
- Norms and values

In chapters 5 to 7, we have occasionally referred to specific contextual issues. Here we will summarise some important contextual issues and add some quantitative evidence from the survey to strengthen the arguments.

8.1 DECENTRALISATION OF STAFF MANAGEMENT AND AMBIGUITIES IN AUTHORITY

The inter-organisational context for staff management has changed considerably over the last ten to fifteen years. Thus, in both countries there has been a move towards decentralised management of staff in the public service so that ministries, executive agencies and local governments all - to varying extents - have been given more autonomy over staff matters. As a result, staff control has become less centralised than it used to be, but there are still many problems to sort out before the more decentralised system operates smoothly. To this should be added an additional but related factor: the changing accountability relations that the transition from a centralised to a more decentralised staff management system entails. These relations – formal and informal - are quite complex in both Tanzania and Uganda and have to date mainly been experienced at local government levels.

In Uganda, the staff management reforms have been radical in local governments where the politically nominated District Service Commissions have been responsible for recruitment of all staff categories since the mid 1990s up to the Constitutional amendments of 2005, when it was decided to centralise the recruitment and appointment of the Chief Accounting Officers and their deputies. The establishment of the DSC was done in order to enhance local accountability of staff to politicians while at the same time seek to uphold merit-based recruitment. Thus, the District Council nominates the members of the DSCs but these are screened and appointed by the national Public Service Commissions.

Focus group discussions indicated that councillors nevertheless are perceived to hold significant powers over DSC members and that some councillors routinely interfered in recruitment practices. Combined with weak compliance inspection and limited appreciation by politicians (and the general public) of merit-based recruitment principles, this has led to significant biases in recruitment practices and to several cases of clear-cut patronage based recruitments (hiring the “daughters/sons of the soil”). The intended autonomy of a merit-oriented DSC has in many cases not materialised. Some districts and DSCs have, however, upheld merit-principles more than others, and these differences contribute to differences in organisational performance across local governments.

In Tanzania, the legal framework for recruitments at local government level has been rather unclear despite the local government reform policy of 1998 with its explicit statements about decentralisation of staff management. In 2000, the Local Government Act was amended to allow for more decentralised staff management, but the associated regulations were only valid for the one-third of the local governments included in the first phase of the local government reform. Subsequently, these regulations were overruled by the practices of various ministries and finally overruled by law when the Public Service Act was accented to in 2002. Interestingly, the section of the act that outlined how staff management was to be decentralised at local government level was debated hotly for almost two years.

On the one hand, this section of the act sought to decentralise staff management to the elected local governments. On the other hand, the act maintained central control over the top civil servant in the district and gave this officer the practical responsibilities for recruitment etc. (URT, PO-RALG 2004: chapter 8 and Appendix 17). The law also introduced employment boards at each local government, but with a majority of members from central government⁴⁵. Thus Tanzania takes a much more cautious approach to decentralisation of staff management at local government level than Uganda does. This may be wise as the Ugandan experiences indicate. Here informal authority relations tend to affect HFTP-practices, In contrast, Tanzanian local government staff is still rather unclear about formal authority relations.

⁴⁵ According to Section 128-4 of the Public Service Act, the board shall be composed of: (1) A Chairman who shall be appointed by the LGA from amongst people who are ordinarily resident in the area of the jurisdiction of that LGA, knowledgeable in personnel management or public administration or law; (2) one member to be appointed by the LGA from amongst its members who shall in any case not be the Chairman of the LGA; (3) The District Administrative Secretary or his representative; (4) An expert from the relevant Regional Secretariat responsible for LG matters; (5) A representative from the Public Service Commission.

In Tanzania, the new Public Service Act (2002) also deconcentrated substantial powers for staff management to ministries and regions. They are apparently rather unprepared for these new responsibilities, as they for long have been accustomed to a very centralised management system.⁴⁶ Table 18 indicates that the many recent changes of the framework for HFTP in Tanzania has resulted in less knowledge about them among staff than is the case for Uganda.

Table 18. Extent to which rules for HFTP are well-known

% of respondents	Country	
	Uganda	Tanzania
Strongly disagree	7.7	7.8
Disagree	23.0	29.4
Don't know/no opinion	11.2	23.3
Agree	49.0	32.2
Agree very much	9.2	7.2
Total	100.0	100.0

8.2 CHANGING EMPLOYMENT POLICIES⁴⁷

The general political and economic context is also important to consider in any analyses of relations between HRM-practices and organisational performance. Thus, the dramatically changing employment policies in both Tanzania and Uganda over the last 20 years clearly influence merit, motivation and management of staff.

On the one hand, there have been attempts to reduce public sector staffing through retrenchment until the early 1990s (structural adjustment programmes). More recently, on the other hand, public sector employment has expanded, especially in the social sectors, so as to reach the MDGs. The rapid expansion limits possibilities for substantial pay reforms and has also necessitated certain principles of merit based recruitment to be relaxed. At present, for example, medical and educational personnel in Tanzania are exempted from the normal recruitment regulations. It should be noted that the increase of staff in the public service in both Tanzania and Uganda almost entirely is at local governments level, where an increasing proportion of all public servant are being employed.

⁴⁶ Interviews with staff of the Public Service Commission (3rd March 2006, Dar es Salaam) indicated that the majority of problems regarding implementation of new act was found in ministries, and that the PSC had to nullify some appointments made by ministries. Similarly, it was indicated that all regions had chosen to have the PSC to undertake recruitment of their Assistant Administrative Officers.

⁴⁷ Pay policies are discussed in chapter 2.

These policy changes have also affected the age-composition of the public service; and they have contributed to tensions between older experienced and the younger relatively better educated staff. This was a recurrent theme in many of our focus group discussions. Adding to the experience-qualification tensions is the expansion in the number of well-educated young job seekers due to the growth in intakes at tertiary level educational institutions. As a result, there are now a larger number of applicants for jobs in the public sector than there used to be. This puts new demands on the recruitment process for the public sector. The increase in educated job-applicants has enabled a substantial change in the staff structure at local government levels where graduates now increasingly are put in positions previously held by staff with very low formal qualifications (e.g. sub-county chiefs in the some 800 sub-counties in Uganda).

To this supply-side factor should be added one of the demand side: The HIV/AIDS pandemic is taking a considerable toll on staff in the public sector (see chapter 5.1), and adds to the capacity - and hence performance – problems in many organizations (Waal 2003).

The challenge of attracting and retaining the right kind of staff also has a spatial dimension. In both Tanzania and Uganda, the governments have pursued a uniform pay policy across the country although it is known that some locations find it more difficult to attract staff. This problem is particularly significant across local governments. In Tanzania, the scope of the problem was recently analysed (Valentine et al, 2006) and it was found that approximately a third of the local governments had significant problems in attracting and retaining staff to the extent that half the post for heads of departments were vacant or filled by non-qualified acting officers.

8.3 BUDGET CONSTRAINTS

Another important aspect of the political and economic context for HRM in the public sector is the budgetary conditions for staff management. At the national level they set the framework for the actual progress of pay reforms. How to fund substantial increases in the public sector, so as to reduce brain drain to the private sector or overseas, and how to reward individual performance are key issues in both Tanzania and Uganda where progress on pay reform has been below targets in recent years, because of budget constraints⁴⁸.

However, budget allocations for operations and investments also differs across organisations and staff has clear ideas about what organisation, departments or even specific jobs (desks) are “wet”

⁴⁸ However, slow progress in pay reform is also explained by other factors including the apparent increase in use of allowances (Valentine 2004).

or “dry” in the sense that they are bestowed with high budgets that can facilitate both overall organisational performance as well as lead to individual financial benefits in the form of allowances or outright illicit practices. Staff mentioned the adequacy of budget allocations as an important motivating factor (see Figure 5). Across all organisations staff was, however, generally dissatisfied with the level of funding within their organisations. Only 18% agreed that their organisation had an adequate budget,⁴⁹ see also chapter 6.6.

8.4 THE IMPORTANCE OF DONORS

Donors also constitute an important part of the inter-organisational context for HRM. Their presence is directly felt in three ways.⁵⁰ They provide general budget support to the two governments. This helps to fund recurrent costs, including salaries, allowances and training. In addition, donors fund many projects and programmes. Sometimes staff benefit from this through topping up of salaries, additional allowances, extra benefits and training. Such benefits may motivate the targeted staff to perform better, but they often also distort staff incentives in the public sector. This is reflected in the discussions about “dry” and “wet” desks/units/sections/organisations in our focus group discussions (see Chapters 6.2 and 8.3). Finally, donors (and the NGOs supported by them) typically offer very competitive employment conditions for local staff. Not only are such conditions better than in the public sector; they are generally also better than conditions in the private sector.⁵¹ Many public sector organisations lose staff to donors and NGOs as a result. This adds to the distortive effects of the donor presence in the local labour market.

The influences on these donor-related factors on organisational performance are therefore both positive and negative. Our information does not allow us to assess the net benefits of donor support for the organisations included in the survey.

8.5 WEAK EXTERNAL PRESSURES

Pressures from the general public, government inspectors and other watchdog organs, political parties, NGOs and so on are now believed to be central to improved performance in the public sector. The scope and depth of such pressures are important features of the context in which public sector organisations operate.

⁴⁹ For this and other analysis of the importance of budgets, see Appendix C, chapter 7.

⁵⁰ Donor influence on the government’s pay and employment policies is significant but this issue is outside the scope of this report.

⁵¹ See, f.ex. “Integrated Labour Force Survey, 2000/01 - Analytical Report”
<http://www.tanzania.go.tz/statistics.html>.

The recent public sector reforms in Tanzania and Uganda seek to introduce more performance-based management systems, but are mainly driven by government (see chapter 3). There does not seem to be a widespread demand from citizens for these types of reform. Donors have tried to push for results, but “civil society,” the private sector or even parliaments have not had much influence.

Not surprisingly, therefore, external pressures on different parts of the public service brought about by the public sector reforms are limited to date. The creation of executive agencies aimed to expose the new organisations to market forces through competition with private institutions and other public institutions. In reality, this has only been realised in a few cases. Thus, it is only the two training institutions included in our survey, which indicated that they were under some form of external pressure of this nature since they had competitors in the form of other semi-public or private institutions and since they relied in part on the income from training fees. The existence of such external pressure was felt by staff in these two institutions to have a positive impact on organisational performance.

Inspections could put some external pressure on public sector organisations to perform. These have been successful in some areas. Audits have, for instance, generally improved financial management in public organisations over the years, just as several sectors conduct effective inspections at various levels. However, compliance inspection within the field of HFTP is weak in both Uganda and Tanzania. In Tanzania, for example, compliance inspection is the main role of the newly created Public Service Commission, but they have yet to establish the operational systems. In Uganda, the responsibility for compliance inspection is divided among many institutions that all undertake it as a marginal function. The Public Service Commission in Uganda, for instance, only visits approximately 25% of all local governments within one year; the MoPS undertakes inspections in some 10% of public institutions annually and have never inspected executive agencies.

8.5 THE IMPORTANCE OF NORMS AND VALUES

While there is no doubt that norms and values in society can have major effects on how public sector organisations operate, and on how HRM is actually implemented, they are also the most difficult to assess. Nevertheless, the survey does provide interesting evidence of the importance of norms and values for how staff perceives HRM practices in their work place and in the public sector in general. Two questions are addressed below, namely: Is staff (a) committed to organisational performance? (b) accepting the use of patronage and social/ethnic connections in HFTP?

Our interviews show that a performance culture is not yet institutionalised within the public sector. Loyalty to colleagues is stronger than loyalty to organisational performance. Thus, staff expressed great reluctance to report poorly performing colleagues just as staff managers rarely seem to discipline staff (chapter 6). It was considered unwise to be too harsh towards others as “you never know who that person is connected to,” just as one may be in need of leniency another day. Staff in the public service has a significant sense of a common identity and common interests vis-à-vis politicians (especially LG politicians) and the public at large. According to many respondents, politicians do not normally appreciate the technical expertise and work of public service staff. Clearly, loyalty to colleagues rather than to the organisation (and the citizens it is supposed to serve) may affect organisational performance negatively.⁵²

Secondly, how do public servants perceive HFTP-practices in their own work place? Table 19 shows their responses. It focuses on recruitment practices, which are normally regarded as the most vulnerable to non-compliance with merit principles.⁵³

Merit-based recruitment is the dominant practice in the selected public organizations, according to the respondents. This corresponds well with the finding that six out of ten recruitment cases comply to rules in Tanzania according to the President’s Office (2005). That fewer than half of the staff had not applied for a job (see chapter 5) cannot in itself be construed as an indication of widespread improper practice, since recruitment by application has only recently been introduced as a general rule. Previously all graduates were secured a job upon obtaining a degree. Many of the staff interviewed was recruited at that time.

Table 19. Recruitment practices in the workplace according to staff perceptions

Organization → Factor	Tanzania		Uganda		Tanzania		Uganda	
	All	All	Performance above	Performance below	Performance above	Performance below	Performance above	Performance below
Merit	80	83	94	68	82	77		
Political connections	6	29	6	8	23	46		
Social connections	9	22	0	19	16	38		
Ethnic connections	9	16	8	16	13	28		

Note: Percent of respondents that ‘agree’/’agree very much’ that factor is important.

⁵² On the other hand, loyalty to colleagues may also result in peer pressure to achieve professional norms. This may spur staff to do better and hence affect performance positively. However, only a few respondents mentioned this.

⁵³ Interestingly, public servants do not agree with this. They regard the processes of transfers and promotions as the most problematic. Thus, interviewees that ‘disagree’ and ‘strongly disagree’ that the HFTP process is ‘fair and transparent’ are as follows (in percentage of the whole sample): recruitment (13); disciplinary action (15); transfers (21) and promotions (29). However, for reasons of space only recruitment is dealt with in some detail here.

Non-merit principles are, however, also used. There are remarkable differences in answers to questions about the importance of ‘political connections’ (patronage) and clientelism (‘social connections’ and ‘ethnic connections’) in the recruitment process: Uganda scores significantly higher than Tanzania in both categories as Table 19 shows. A similar difference exists when patronage and clientelism in organizations performing above and below average are compared. Although cross-country differences in these figures should be interpreted with care (Peters 1995),⁵⁴ there is little doubt that patrimonial pressures on public sector organizations are higher in Uganda than in Tanzania. As an executive agency personnel officer in Uganda told us: pressures to influence the recruitment process “are everywhere.” It is also noteworthy that for the sample as whole political, social and ethnic connections are mentioned with roughly the same frequency in the two countries respectively – although much more frequently in Uganda (Table 19). That non-merit practices are much more widespread in Uganda than in Tanzania is also supported by other research such as Nyang'oro (2004: 11).

Moreover, our study indicates that patronage in HFTP is especially pronounced in local governments in Uganda.⁵⁵ This can be explained by the institutional arrangements for HRM whereby the District Service Commissions, which are established on the recommendations of local politicians, are made responsible for all HFTP decisions with only occasional supervision from the public service commission (see chapter 8.1).

Thus, staff in local governments in Uganda today is mostly recruited locally – typically from the same ethnic group or even sub-group in the district. Furthermore, there has been a tendency, especially in Uganda, to create new districts along ethnic boundaries. Staff in the local governments expressed some concerns over these developments: it was realised that local pressure from politicians - as well as family and the wider community - put pressure on merit in recruitment and staff matters generally. On the other hand, it was also be argued by a few that “the sons and daughters of the soil” are “more understanding” of community problems and may easily, through local connections and networks, establish their own private business while working in local government. The end result is a “softening” of local government authority.

A final observation relates to the acceptability of patronage in HRM compared to other activities in the public sector. From focus group discussions, it seemed to be a more accepted form of non-compliance than outright financial corruption and theft. However, as discussed in chapter 2,

⁵⁴ Ugandan respondents appeared to be more open and frank in focus group discussions than the Tanzanian respondents.

⁵⁵ See Appendix C, chapter 6 – confirmed by focus group discussions.

it may not be realistic to uphold the pure technical approach to merit based recruitments as qualities such as organisational loyalty may form part of a wider concept of merit that, in the minds of many, may justify local (ethnic) recruitments.

8.6 CONCLUDING REMARKS

Many contextual factors may influence HRM in general and organizational performance in particular. We have identified those that are discussed in this chapter on the basis of our focus group discussions and questionnaire survey.

The central issue is, however, how and to what extent the identified factors may explain differences in performance between organizations. Are prevailing contextual conditions in the two countries conducive or detrimental to efforts to improve HRM (and hence organizational performance)? It is difficult to give a single and clear-cut answer to that question.

On the one hand, some may argue (and many of our respondents would be among them) that the main obstacle to increased organizational performance is simply lack of funds for pay, improved working conditions, adequate recurrent financing and so on. Consequently, differences in organizational performance simply reflect differences in budget allocations. We have tested that argument on our staff perception data (chapter 8.3) and found that this not so with respect to local governments and executive agencies. However, budget differences between the ministries (as perceived by staff) may be part of the explanations for performance differences between them. We conclude that adequacy of budgets obviously is important, but that it is far from sufficient to explain performance differentials. Merit, motivation and management are also significant as shown in chapters 5 to 7.

On the other hand, others may argue that pervasive patronage; the self-interest of public servants; and the strong norm of collegial loyalty make attempts to improve organizational performance through improved HRM an uphill battle. Again, there is some evidence for that in our data, but there is also evidence that even in this environment better performing organizations are also better at complying with merit principles, are better at motivating staff, and are better at managing them than others. They are clearly better at resisting patronage practices, too.

The overall conclusion is therefore, that merit, motivation, management and contextual factors interact and their joint effects at organizational level helps to explain differences in performance between organizations.

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Appendices (see separate volume – also available at www.diis.dk and www.danidadevforum.um.dk)

APPENDIX A: SURVEY METHODOLOGY

APPENDIX B: QUESTIONNAIRE

APPENDIX C: SPSS ANALYSIS

APPENDIX D. TERMS OF REFERENCE