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THEME: THE ENABLING STATE AND THE ROLE OF THE PUBLIC SERVICE IN WEALTH CREATION: PROBLEMS AND STRATEGIES FOR DEVELOPMENT IN AFRICA

TOPIC: THE KEY FACTORS WHICH PROMOTE OR HINDER EMPLOYEE PRODUCTIVITY AND WEALTH CREATION: IMPLICATIONS FOR AFRICAN PUBLIC SERVICE

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ABSTRACT

Productivity – the output–input ratio within a time period with due consideration for quality – is very important in an economy. Unfortunately, it is low in African economies. This paper examines the key factors that promote or hinder it and, indirectly, wealth creation; and draws lessons for African public services. Focus is on employee productivity and social cultural factors [including organizational ones].

The main factors that promote productivity include rigorous job analysis, equitable and adequate remuneration, participative management, rigorous staff appraisal, and, where Africa is concerned, education and training. Those that hinder it include poor industrial relations, and, especially in Africa, lack of or low level education and training.

African public services need to put more emphasis on productivity. This can be done by adopting the enabling factors, and avoiding the inhibiting ones – described above – in addition to adopting the recommendations made at the end of the paper. These revolve around the need to: support the African Union; inventory and build on traditional best practices; address issues relating to health and safety such as HIV/AIDS; copy suitable methods from outside the continent; stress accountability for resources entrusted to officials; reward innovation; encourage national and organizational forms of planning; and establish Productivity Departments [not centres] to handle productivity and associated issues.
INTRODUCTION

While discussing the elements of wealth creation strategy, AAPAM [2004:3] says:

To understand the nature and the gravity of Africa’s socio-economic condition, [it is necessary] to address the issue that has so far been evaded – that of productivity loss within the economy. This relates to the loss of productivity in African economies as a result of …very lopsided terms of trade.

The stress put by AAPAM on productivity is timely. This is because productivity is very important in an economy. In this connection, Weihrich and Koontz [1994:11] note: “Today the urgent need for productivity improvement is recognized by government, private industry, and universities”. Earlier, the United Nations Economic Commission for Africa [UNECA] [1991:1], had observed that

...increased productivity holds the key to economic wealth and high standards of living in general, and ... improved public service productivity is an important factor in promoting and sustaining socio-economic growth and development.

Their words were recently echoed by the new Country Manager [Uganda] of the Century Bottling Company Ltd., Ndema Rukandema. In an interview with Olanyo [2004] he said, in part, “Our focus is on maximizing productivity. It occurs in business. We deliver results by focusing on the efficiency and effectiveness of the workforce. Productivity is the centre”.
So, AAPAM [2004:4] is justified in arguing that “Any policy aimed at eradicating poverty and creating wealth must therefore address the issue of productivity”.

There are many reasons why African economies have low productivity. Some of these reasons, such as poor governance, which manifests itself in the existence of camps for the internally displaced persons [IDPs] and the brain drain, are political. Others, such as the lack of modern technology, are economic. Yet others, such as attitude towards, and the use of, “modern” time, are social-cultural. This paper focuses on those factors that are relevant to the world of employment, especially social cultural ones [including organizational ones].

Our choice has been influenced by three considerations. First, these factors are not as much discussed as economic and political ones. For instance, when discussing the factors inhibiting productivity improvement in African public services, the UNECA [1991:11-14] concentrates on economic, political, technological and organizational ones, devoting a mere sentence to socio-cultural. Second, social-cultural factors are both subtle and sensitive. Third, they manifest themselves in a hidden manner – more like cancer and HIV/AIDS than, for example, malaria, whose symptoms are easily seen and which is curable although it still affects forty six countries in Africa and kills one million children every year in the same continent [Oladapo, 2004].

The factors are relevant to organizations in the public, private and civil society sectors/ domains; including, in some cases, individual households.
The introduction and the conclusion apart, this paper is presented under four headings. First, we say something about productivity. Second, we identify and describe the major factors [which are used interchangeably with “measures”] that promote productivity and, indirectly, wealth creation. Third, we repeat the exercise as far as those factors, which do the opposite. Fourth, we draw lessons/ recommendations for African public services.

A NOTE ON PRODUCTIVITY

What productivity is about

Productivity is “the output-input ratio within a time period with due consideration for quality” [Weihrich and Koontz, 1994:11]. It can be expressed as:

Productivity = \[
\frac{\text{Outputs}}{\text{Inputs}} \text{ [within a time period, quality considered]}
\]

It implies effectiveness, i.e., “the achievement of objectives”; and efficiency, that is, “the achievement of the ends with the least amount of resources” - in both cases, in individual and organizational forms of performance [Weihrich and Koontz, 1994:12].

Time and quality are important in appreciating productivity. It is not enough to produce volumes of goods or offer a lot of service but which are/ is of low quality. High standards are very important. So are [mutually agreed] timetables [\text{The New Vision, 2004}] deadlines.
According to accel/Team [2004], productivity can be improvement made by:

- achieving more output for the same input;
- achieving the same output from less input;
- achieving much more output for slightly more input; and
- getting slightly less output for less input

**Inputs and their transformation into outputs**

Inputs include: needs of customers, information, technology, management and labour, relatively permanent factors [fixed assets] [e.g. land, plant site, buildings, machines, warehouses] and variable physical factors/ assets that are relevant to the transformation process [like materials and supplies] [Weihrich and Koontz, 1994:633-634]. These days, we would add on entrepreneurship.

The inputs undergo a transformational process before they become outputs. The process incorporates planning, operating and controlling systems. It is facilitated by tools/ techniques like: operations research, linear programming, inventory planning and control, decision trees work simplification and quality circles.

Outputs are products, services and information.

**Distinction between skill work and knowledge work**
The measurement of productivity poses problems because of the distinction between skills work and knowledge work.

Skills work tends to be physical – but not necessarily manual [although, in the past, a good deal of this work involved the use of hands]. This work requires high intelligence. But, in addition, it requires capacity to use some muscle. Most work done by technicians belongs to this category. This work is easier to measure and so more amenable to reduction to a ratio.

Knowledge work may sometimes require physical skills or some sweating – whether literal or figurative. However, it involves less physical exertion. Programming, managing, surgery, engineering and legal work are examples of such work. This type of work is not easy to measure – despite rigorous staff performance appraisal and tools like Results Oriented [Based] Management [ROM]. However, this is no excuse for knowledge workers not being productive, including devising tools that can measure both their inputs and their outputs as accurately as is humanly possible, remembering the need, at all times, to balance the requirements of quantity and those of quality.

**Role of the unskilled and semi-skilled workers**

When discussing productivity, especially in the African context, we should remember the efforts/inputs of those workers – regardless of sector – who have no or very limited skills.
This discussion will not dwell on this category beyond pointing out the need to give the entire population adequate education and training to increase the pool of skilled and knowledge workers.

**Problems posed by the nature of public service work**

Work in the public service poses problems of measurement. Nevertheless, their existence does not prevent us from promoting productivity in this service [Meininger, 1998, Nainex, 1998].

After all, even in the public service, we can tell between a lazy worker and a hard working one; and between one who gets things done/ achieves results and one who does not.

**Example of productivity in five countries**

Productivity varies from country to country. From the figures below, the productivity of East African countries still leaves much to be desired.

The productivity of these countries and that of two non-African ones is given in the table below.

**Table 1. The productivity of five countries [+]**

<table>
<thead>
<tr>
<th>Country</th>
<th>Productivity [in US$]</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>4,021</td>
</tr>
<tr>
<td>India</td>
<td>3,384</td>
</tr>
<tr>
<td>Kenya</td>
<td>2,733</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1,862</td>
</tr>
</tbody>
</table>
Source: Kutesa, Sam [2004]. Quoted by Odeu, Steven – “Uganda has low productivity”. The New Vision. Kampala, Uganda; 28 July; p.37

[+] The period covered by the figures was not given

The figures were mentioned by Sam Kutesa - then [July 2004] and still [December 2004] Uganda’s Minister of State for Investment [in the Ministry of Finance, Planning and Economic Development]. He noted that Uganda’s labour productivity was still low especially in small and medium enterprises [SMEs] [Kutesa, 2004]. He urged Ugandans to improve their skills so as to compete in the local and international markets. He also [indirectly] advised them to keep audited books of accounts; and avoid making losses.

THE MAJOR FACTORS/ MEASURES WHICH PROMOTE PRODUCTIVITY AND, INDIRECTLY, WEALTH CREATION.

Here, and due to considerations of space, we will not specifically discuss wealth creation. This activity will be assumed under productivity – although we are fully aware that semantically, the two terms are different. It is just that once organizations in a given country are very productive, that fact is likely to lead to wealth creation in that country and vice-versa.

We will divide the factors concerned into two categories – universal ones; and those, which, additionally, might be helpful Africa.
Universal factors/ measures


There are many of these factors. We shall only give a few examples – but without discussing them – which are broadly divisible into four categories. Some are related to scientific management. They are: institution of rigorous job analysis, job description [or, as some writers prefer to put it, competency and key result areas] and job specification; institution of division of labour and use of job rotation; and avoidance of overloading of individuals with work.

There are those connected with financial management – such as ensuring equitable and adequate remuneration that is paid on time; and giving bonuses or similar awards to individuals or groups that put in extra effort.

Others are related to human relations. They include: encouraging participative management; providing employees with an atmosphere/environment [both physical and psychological] that is conducive to work rather than one that is oppressive or unhealthy; and having counselling services.
Yet others are of a general nature. These are: having a department or a much smaller unit that is engaged in research, development and innovation; the introduction of modern management techniques such as Results Oriented [Based] Management [ROM] and customer care; application of rigorous staff appraisal; training staff; and giving employees the right information at the right time.

These various factors lie at the heart of good management in general and good human resource[s] management in particular.

**Factors/ measures which, additionally, might be helpful to Africa**

Given its many problems – like civil strife, low technology, illiteracy and general low economic development - the following factors might assist Africa and her organizations promote productivity.

First, peace and security [of persons and property] should be ensured since people can hardly work or be productive when there is no peace. This measure is also likely to reduce the brain, thus assuring the continent of skilled manpower.

Second, political leaders should show respect to public servants, instead of insulting and humiliating them [sometimes for mistakes committed by political leaders themselves].

Third, African leaders – both political and bureaucratic – should show more confidence in African experts, and give them juicy or complex assignments
and reward them handsomely; instead of having a blind faith in foreign ones to whom they pay huge amounts of money for work that nationals can easily do. That will enhance the confidence, morale and productivity of African experts.

Fourth, genuine political competition [pluralism] should be encouraged. It will reinforce economic and other healthy forms of competition and teach the young to appreciate the importance of competition.

Fifth, corruption should be fought and punished since it distorts competition. Honesty and playing by established/agreed rules should be encouraged.

Sixth, employees in all sectors should be assured of job security and, ultimately, pension.

Seventh, a balance should be struck between private and public forms of enterprise. This is important to avoid antagonizing and dividing/polarizing citizens since some of them believe in the one while others believe in the other.

Eighth, universal primary and secondary education [particularly one that puts emphasis on skills acquisition rather than general knowledge so as to have a work force that is skilled] plus functional adult literacy should be introduced or promoted. The education should put emphasis on the acquisition of appropriate Information Communication Technology [ICT] skills.
Ninth, internal and external markets should be aggressively searched for. If wealth is to be created, and poverty eradicated, it might not suffice for organizations to be productive. These organizations have to look for markets for their products and services.

THE MAJOR FACTORS [PROBLEMS] WHICH HINDER PRODUCTIVITY AND, INDIRECTLY, WEALTH CREATION.

These factors can also be divided in two categories – those that characterize industrialized countries but are beginning to appear in Africa; and those which, additionally, tend to characterize African organizations. The factors sometimes are more of problems rather than merely factors.

Some factors [problems] that characterize industrialized countries but are also beginning to appear in Africa also

As far as industrialized countries like the United States of America are concerned, some of the factors that are a problem to, and so hinder, productivity, are well known [Weihrich and Koontz, 1994:632]. They include: less skilled workers; reduction in investment in research and the emphasis on immediate results; the growing affluence of people which makes them less ambitious; the breakdown in family structure; the workers’ [negative] attitudes; [unfavourable] government policies and regulations; and [poor] management practices.

To the above list can be added overstaffing, poor industrial relations, too much pay for too little work and the [negative] attitude of the manager/leader towards his/her followers – seen as the “biggest factor holding back
employee productivity” [http://www.accel-team.com/ productivity 19 Nov
2004].

These factors are already beginning to manifest themselves in Africa.

Some factors [problems] that, additionally, tend to characterize
African organizations

The nine factors below tend to characterize African organizations especially
those south of the Sahara [except, perhaps, South Africa]. We describe
them briefly and then propose possible solutions to them.

The first factor is ignorance [including lack of or low levels of knowledge,
skills and positive attitudes] due, itself, to several factors such as poverty
and lack of exposure. The solution is education and training – not only at
the initiative of, or supported by, organizations, but also thanks to individual
efforts and sacrifices.

The second factor is excessive respect for symbols and form [academic
papers] rather than substance [capacity to perform satisfactorily given tasks
and duties – with or without academic papers]. The solution is to de-
emphasize that kind of personnel selection that puts excessive stress on
academic papers [some of which might be forged].

The third factor is belief in short cuts to success or what we would call the
“lottery” mentality. It leads to cheating. Those who sweat to earn their
bread are despised while those who cheat are admired. The solution is to
encourage people, starting with the young, to avoid what is “soft”/ easy. In
this connection, the words of Kenya NEPAD Chief Executive Officer Pete Ondeng are worth heeding. According to Riungu [2004], Ondeng [in reference partly to the cases of corruption in Kenya] believes that “Nothing good comes easily – the peace, security and prosperity that we long for is going to be earned through blood, sweat and tears”.

The fourth factor is wanting to be allocated jobs, etc. – on the basis of ethnicity [a very big problem indeed], political support, etc., instead of competing for the same. The solution is to learn to compete and, for organizations, to recruit personnel on merit.

The fifth factor is disrespect for legitimate rules and procedures. Such can lead to mistakes and avoidable losses of lives and property. The solution is to respect legitimate rules and procedures.

The sixth factor is gross unfairness as when there are wide gaps between the highest paid person and the least paid one in an organization manifested in the existing compression/top-bottom ratio. At the national level, and in most of Africa, the distribution of income has deteriorated, mostly because of a rise in within-country inequality, rather than an increase in inequality among countries [Artadi and Sala-i-Martin, 2004, Hernandez-Carta, 2004]. The authors add that the Gini coefficient, a widely used measure of income distribution, shows a pronounced trend away from equality during the 30-year period from 1970 to 2000, a period during which, in contrast, inequality declined worldwide. In our view, and at the organizational level, the solution is to ensure equity in total remuneration [including all types of allowances and benefits] in organizations. The top-bottom [compression] ratio should be reasonable
[e.g. 1:10]: it should motivate people down the hierarchy to work hard to attain higher posts but should not be blatantly unfair. The solution for the national level is given by Artadi and Salai-i-Martin. They conclude that the only way to reduce poverty in the continent is to set the economy into a path of positive, long-term growth. We would add the avoidance of extreme inequality since this can undermine national solidarity and cohesion, and, ultimately, productivity.

The seventh factor is corruption. In this connection, the Head of Mission in the Austrian Embassy [in Uganda], one Franz Breitwieser, is quoted [Nafula, 2004] as saying [at the closure on Sunday 31 October 2004 of the anti-corruption week organized by the Anti-Corruption Coalition at Hotel Africana, Kampala] that corruption had kept on increasing the cost of doing business in Uganda and was scaring away investors., adding that the negative effect of bribery was three times greater than that of taxation.

The eighth factor is poor resource management in the public and private sectors. There is excessive expenditure – in terms of time, money and physical energy – on fulfilling cultural obligations like attending marriage ceremonies and mourning the dead.

Where time is concerned, the following warning–cum-advice by Uganda’s President Yoweri Museveni is worth heeding. According to a report by Mugisha [2004], and while launching a collaborative agreement between aircraft manufacturers, Boeing Aerospace, and Makerere University on Thursday 7 October 2004, Museveni
castigated African habits of wasting valuable time instead of using it for development. He cited the tradition of abandoning important engagements to attend funerals. He said such behaviour costs industrialists [a lot of money].

The solution can be put thus. It is alright to fulfill our legitimate cultural obligations like mourning and burying our dead. However, given the demands of productivity - and the frequency of death especially in areas greatly affected by HIV/AIDS - there is need to reduce the time spent on such activities.

The ninth and last factor is late payment of salaries. The solution is to pay salaries promptly - say, by the 28th day of the month in question. Such is ethical. It is also likely to increase morale and boost productivity.

LESSONS FOR AFRICAN PUBLIC SERVICES/ POLICY RECOMMENDATIONS

African public services need to put more emphasis on productivity. This can be done by adopting the enabling factors, and avoiding the inhibiting ones – described above – in addition to adopting the following recommendations, which emphasize attitudes and work methods/practices.

First, African public services should support the African Union. Part of the support is to encourage attitudinal change – including the need to believe in ourselves. There is need, as thinkers like wa Thiongo [2004] reminds us, to unite and compete as a block with the other continents.
Second, there is need to inventory traditional best practices and build on them to promote productivity. These include the distaste for laziness, parasitism and excessive inequality. This measure will give Africa an opportunity to have systems that are adapted to its reality.

Third, there is need to address more critically issues relating to safety and health at work. One of these issues is HIV/AIDS, which is a threat to both national/continental security and productivity. In this connection, Africa should vigorously embrace and keep on refining Uganda’s ABC model - Abstinence [for the unmarried], Being faithful [for those who are married] and/or using a Condom [if, for whatever reason, one cannot abstain or be faithful]. The model has strengths and weaknesses. In Uganda, for example, infection rate has gone down – according to UNAIDS estimates, the national prevalence of HIV in Uganda has declined from 13% in the early 1990s to 4.1 presently [November 2004] [The New Vision, 2004:10] - due to behavioural change This percentage is still very high compared with that of Senegal [0.8%]. However, it is much lower than the rates of Botswana [36%] and South Africa [20%] [UNAIDS, 2004]. But the model has several weaknesses, the main one being that it implies that all victims of HIV/AIDS are sexually irresponsible, whereas not. It stigmatizes even persons who are moral and/or innocent. It ignores other causes of infection such as getting infected in the course of duty [especially for health workers like the late Dr./Mrs. Corti of Lacor Hospital, in Gulu, Uganda, who succumbed to the disease]; transfusion with infected blood; and rape. By way of refining the model, countries should copy Kenya by adding “K” – namely, “Know your zero status”- to ABC. Knowledge of the citizens' zero status will form a strong basis for implementing ABC. Subsequently, we
should emphasize KABC – not ABCK – and expand it to KABC-SUV [Show understanding to victims] [Kabumba, 2004]. The rationale for SUV is that not all victims are “sinful” or careless – something that is implied in the ABC model.

Fourth, there is need to look around the world for good ideas that are relevant to African public services and copy them. As part of this strategy, useful methods and techniques applied in the private and civil society sectors should be applied in the public service as well. Good examples are: stress on customer care led, not by junior officials but senior ones [Gilligan, 2004], performance [essentially, stress on results] [Mbathi], [effective and efficient] service delivery; and the culture of accurately and scientifically measuring work and rewarding it appropriately.

Fifth, all public officers should be required to be accountable for their actions and the resources [e.g. money and vehicles] under their care.

Sixth, public servants should be rewarded for innovation; and forgiven mistakes that are a genuine result of trying to innovate. A culture of respect for good ideas - those that assist the public service to either cut costs or increase revenue - should be encouraged. The myth that public sector organizations seldom perform as productively as the private sector – due to lack of competition and a profit motive [ILO, 2000] - should be dispelled.

Seventh, national and organizational [both “strategic” and human resources oriented] forms of planning should be undertaken. The planning is likely to make staff reduction unnecessary or more orderly. National planning is
likely to assist African countries avoid problems like load shedding [power outage] which have severe consequences for productivity.

Eighth and lastly, Productivity Departments [not necessarily centres] should be established. These can be part of, or separate from, Administrative Reform Departments or their equivalents where these exist [such as in Uganda]. These departments should undertake innovation plus activities such as research, modernisation, restructuring, planning, monitoring and evaluation, experimentation/ piloting of new ideas and communication.

CONCLUSION

Productivity is very important. Despite the difficulty, sometimes, of measuring it, organisations need to vigorously pursue it in order to be or remain either profitable or, at least, cost effective and/ or relevant. That will contribute to/ enhance their healthy survival, and generally create wealth.

Furthermore, in spite of their genuinely many problems, African organisations, and regardless of sector, are capable of pursuing high productivity. Therefore, all parties concerned - governments, the private sector, civil society and ordinary employees and citizens - should cooperate to promote it. Its promotion is likely to reduce the need for unplanned and painful staff reductions or make the latter altogether unnecessary; and increase wealth in Africa, thus making her people more prosperous, healthier and, as a result, possibly happier.

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