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ECONOMIC COMMISSION FOR AFRICA  
Public Administration, Human Resources  
and Social Development Division

REPORT OF THE WORKSHOP ON HUMAN RESOURCES  
DEVELOPMENT AND UTILIZATION POLICY  
FORMULATION AND IMPLEMENTATION  
IN ETHIOPIA

ADDIS ABABA, 29-30 DECEMBER 1989

December 1989

## A. The General Framework of the Workshop

### I. Background to the Workshop

1. The Ethiopian Chamber of Commerce is charged with, among other things, the responsibility to ensure growth in labour productivity. Within a broader context, the Chamber is concerned with human resources development and utilization as part of its activities to carry out this responsibility. To this end, the Chamber have focused recent discussions on the need for training and for ensuring the viability of the job market.

2. With regards training, three major programme elements are envisaged in the Chamber's work programme for the period 1990-1995: (i) training of staff to adequately carry out the affairs of the Chamber; (ii) resources (human, financial and physical assets) management training for small and medium-scale enterprises; and (iii) training of the general workforce within the framework of the Ethiopian Federation of Trade Union. Regarding the job market, the Chamber is particularly keen in the creation of viable and productive jobs over the next five years, for absorbing the expanding labour force scattered mainly in the informal sector.

3. In order to ensure the effective execution of both programmes, the general and sepcific direction and plan of action for the period 1990-1995 will have to be worked out. It therefore became necessary for senior officials of the Chamber to identify major and pressing issues on the subject, and to map out through the exchange of views, what could be done by way of policy, programmes and institutional development. The development of an indicative plan of action which would need to implemented to ensure that progress was made in the areas of training and job creation, became also necessary. The workshop resulted as a consequence of meeting these two necessities. The ECA was requested to assist the Chamber in organizing the workshop.

### II. The Problem

4. It is estimated that with present trends, urban unemployment would still affect about 1.3 million workers or 55 per cent of the Ethiopian labour force, by the year 2000. The Government has accordingly embarked upon various programmes to redress this growing problem. These efforts have been retarded as witnessed, in one way or the other by a rapid population growth on the one hand, and a slow-down in economic expansion in the last few years on the other. In particular, Government has found

it rather difficult to provide productive employment to the growing labour force. The recent drought has had its own toll on aggravating the unemployment problem in the rural areas and have correspondingly boosted an informal urban sector that is barely producing at the margin.

5. With unemployment on the increase in both the urban and rural areas, and an expanding but non-productive informal sector, small and medium-scale enterprises are trapped and find themselves unable to grow. In addition, these enterprises do lack the manpower capabilities to effect growth particularly, in the areas of resource management, marketing, business planning, project preparation and inventory scheduling. The consequences of developing these capabilities would go a long way to increase personal incomes and job opportunities for the numerous job seekers in the cities. The workshop was but a strategy in articulating a practical plan of action for the Ethiopian Chamber of Commerce incorporating the City Chambers in assisting national efforts for developing the required manpower.

### III. Objective of the Workshop

6. The long-term objective of the workshop was to improve the efficiency level of the non-government sector in general and small and medium-scale businesses in particular with the aim of (i) contributing towards national efforts in ensuring greater productivity, new jobs and an efficient use of the nation's human resources, and (ii) strengthening the programming and delivery capabilities of the Ethiopian Chamber of Commerce and the City Chambers.

7. The operational objective of the workshop therefore was to bring together senior policy level officials from the Chambers to exchange views on critical issues relating to human resources training formulation and administration and the development of training programmes and plans. Specifically, the workshop was to:

- (a) determine broad human resources policy areas for enhancing productivity in small-scale and medium-scale enterprises in Ethiopia; and
- (b) prepare for the Chamber an indicative five-year plan of action that would guide the formulation of human resources management policy and programmes over the next five years for the development of human resources in small and medium-scale enterprises in Ethiopia.

#### IV. Attendance

8. The workshop was attended by the following:
1. Cde. Mengesha Workneh, Secretary General, Ethiopian Chamber of Commerce
  2. Cde. Denneke Assaye, Head, Chambers' Co-ordination Department
  3. Cde. Getachew Abebe, Assistant Head, Chambers' Co-ordination Department
  4. Cde. Minassie Degu, Management Consultant to the Ethiopian Chamber of Commerce.
  5. Col. Getahun Ijigu, Management Consultant
  6. Cde. Andu Alem Tegegne, Team Leader, Research & Trade Information Department.
  7. Cde. Eshetu Indeshaw, Private Management Consultant to the Ethiopian Chamber of Commerce.
  8. Cde. Getachew Zicke, Team Leader, Publications
  9. Cde. Fitaye Assegu, Head, Legal Services Head
  10. Cde. Semachew Bezabeh, Head, Market Research and Trade Information
  11. Cde. Dessalegn Zewdie, Head, Administration & Finance Department
  12. Dr. Toga McIntosh, Economic Affairs Officer, UNECA, (Resource Person)

#### V. Organization and Programme of Work

9. The workshop was organized jointly by the Ethiopian Chamber of Commerce and the United Nations Economic Commission for Africa. It was held from 29-30 December 1989 at the Ethiopian Chamber of Commerce Headquarters in Addis Ababa. A working paper entitled, "Human Resources Policy Formulation and Administration" was prepared and presented by the ECA. On the basis of the paper and participants own experiences, a number of critical issues related to strengthening the policy making capacity of the Chambers, were identified and discussed under the guidance of a moderator.
10. Participants adopted the following agenda items:
- Opening of the workshop.
  - Presentation of paper on policy formulation and administration.
  - Identification and discussion of critical issues.
  - Development of an indicative five-year manpower training plan of action.
  - Adoption of workshop report and closing.
11. The following outputs were derived from the workshop:
- (i) Upgrading participants' skills and knowledge

in the area of human resources policy management and the formulation of training programmes;

- (ii) An indicative five-year plan of action for enhancing the Chambers' human resources development programme.

## B. Summary of Proceedings

### I. Human Resources Policy Formulation and Administration

12. The topic was presented by Dr. Toga McIntosh, Economic Affairs Officer in the Human Resources Development Section of the UNECA. He noted that the establishment of a comprehensive national manpower policy should be regarded as an initial step in social and economic development planning processes of any nation. First, there was the need to initiate, identify and formulate broad and operating manpower objectives; and secondly, the need existed to adopt and pursue concrete actions for the attainment of these objectives.

13. Two major issues related to the initiation, identification and formulation of national manpower policies were considered. With regards the first issue, it was noted that generally, a policy package responded to specific problems and provided the necessary guide for making administrative decisions in dealing with the identified problems. The package also provided a view point and vision with regards to the direction one wants to take. Policy was an established way of directing specific actions in dealing with specific areas of concern; and should therefore contain the specification of the legal authority and institutions for executing those actions.

14. With regards the second issue, three critical areas towards which a manpower policy should be directed were identified: manpower planning and programming; education and training and employment and labour productivity. A point made was that for each of these major policy areas; interrelated goals and objectives as well as the necessary steps and procedures for their accomplishment, should be determined and established with over-all national development objectives, goals and strategies.

15. In the light of these, the rationale for initiating and formulating national comprehensive manpower policies was established: i.e. to provide guidance for effective planning, development and productive utilization of human

resources; minimize duplication of national efforts and waste of resources; and provide a basis on which different national human resources development and utilization programmes are be integrated, co-ordinated, monitored, evaluated and adjusted for maximum results. The point was accordingly made that a well formulated manpower policy should embody an outline of goals and objectives specifying a series of steps and procedures by which action can be taken to execute, adjust, regulate and/or manipulate the development, allocation and productive utilization of human resources.

16. Speaking on manpower planning and programming, it was emphasised that the establishment and operation of an effective institution for manpower planning and programming was as an important an issue within a comprehensive national manpower policy. As such, a manpower policy should be developed containing a clear statement on the steps, strategies and techniques for initiating and implementing the process of manpower planning and programming.

17. On education and training, it was said that a comprehensive manpower policy should be clearly directed towards the establishment, legitimation and operation of institutional and functional facilities to provide mandatory formal and non-formal educational and training programmes for the nation's population. To be systematic and continuous, such policies should originate from an acceptance of a planned change rather than from ad hoc circumstances.

18. Regarding employment and labour productivity, the point was made that manpower policies aimed at achieving an efficient utilization of a nation's human resources should be centered around the management of employment opportunities and on increasing labour productivity. In this connection it was noted that the management of employment opportunities embraced: (i) the continuous restructuring of existing jobs in the light of changing technologies and demands; (ii) the creation of new productive job opportunities to absorb the employment demands of a growing population; and (iii) the allocation and matching of skills and jobs to ensure a systematic mobility and diversified utilization of the nation's labour force. Productivity enhancement activities on the other hand, was said to embrace: (i) the identification and further development of basic work-oriented skills and attitudes; (ii) determination and provision of necessary financial and environmental incentives to those engaged in productive income generating activities; (iii) assurance of the availability of basic health and social facilities which in themselves are factors in enhancing

the quality of human resources; and (iv) adoption of appropriate monetary and fiscal measures to facilitate the appropriate balance between capital formation and labour utilization.

## II. Identification and Discussion of Critical Issues

19. Four critical issues were singled out and discussed by participants.

20. The linkage between training and investment was thought to have been a significant one when manpower policies were being formulated. Training should not be an end within itself. Appropriate investments would be needed if those trained are to be fully utilized. In this connection, the rising problem of educated unemployed was considered as one of the result of the mis-match between training and investment growth. The need for enhanced productivity was also stressed. It was noted that increased productivity, resulting from training, could stimulate investment and thus stimulate the demand for additionally trained workers.

21. The second issue raised was centred around co-ordination and harmonization of activities. Two points were made. First, it was imperative that formulated policies be in conformity with the national philosophy of development. Secondly, formulated policies should be set within an integrated national framework. These were deemed as important pre-requisites for ensuing that formulated policies got implemented.

22. The issue of cultivating a work culture in support of training policies and efforts was also pointed out by the participants as being crucial in the formulation of policies. Here, the focus was on the need for a positive work attitude, without which, the impact of training on national development could be non-effective. National cultural values particularly as related to work, would need to be taken into full account. In addition, appropriate techniques and incentive measures would have to be developed and deployed to bring the best out of the trained person.

23. The fourth major issue related to the specification and inter-relationships of policies, objectives, goals and strategies. These are often not clearly specified. At times, one is taken to be the other. For example there are cases when objectives are stated as policies and strategies as objectives. The danger of such practice is acute when the need for designing implementation packages is at hand. Secondly, the point was made that a line relationship existed between the various concepts. Policies are instituted towards focusing certain

objectives. Strategies are used to accomplished established goals, thereby realizing a set objectives etc. These lines of re-enforcement would have to be carefully worked out to give meaning to the exercise.

24. A major observation which emerged during the discussion, stressed the importance of policy as a guide in achieving one's objective. Besides being clear, policies must be feasible and acceptable to all concerned. It was further noted, that the process of policy formulation was indeed a complicated process given that a number of conflicts do surface in the real world. However, it was observed that a systematic approach to policy formulation within an integrated framework could minimize the number and impact of such conflicts, and should therefore be pursued.

### III. Development of a Five-Year Indicative Manpower Training Programme of Action

25. Participants developed an indicative manpower training plan of action for the period 1990-1995. Two critical considerations determined the objectives, scope and orientation of the action plan. First, it was observed that there was at present no institutional arrangement to provide training services in the private sector though that sector was the major employer. Small and medium-size enterprises were said to be the worst affected by this vacuum. As it were, the gap needed to be filled not only to enhance productivity but also to create new jobs for a growing labour force. Secondly, the need for the Chambers to provide the desperately needed services to its present and potential members was considered ever more pressing now than before. The Ethiopian labour force is expanding, while the employment market is contracting. Efforts, such as training, to bring about a balance would therefore be required, and the Chambers could make their contribution in this regard.

26. Participants exchanged views<sup>and</sup> examined proclamation No. 148/1978 which established the Ethiopian Chamber of Commerce, as a basis for developing the action programme. A policy statement with regards to the Chamber's human resources development programme was specified. The outcome of the exercise is contained in part II of this report.

### IV. Recommendation and Follow-up Activities

27. The workshop recommends that:

- (i) the Ethiopian Chamber of Commerce and the City Chambers should accord the highest priority to the action programme and mobilize the necessary



support and resources to have it implemented. To this end, the following activities are suggested for the implementation of the action programme:

- The Indicative Plan should be submitted to the Council of the Ethiopian Chamber of Commerce by the Secretary General at its next meeting for consideration and adoption.
  - Following its adoption, a training needs analysis within the Chambers and selected non-governmental enterprises should be undertaken.
  - On the basis of the results from the analysis, specific topics of the various seminars and workshops indicated in the Action Plan should be determined, programmed and costed.
  - A project document to mobilize supplementary resources in support of the Action Plan should be prepared by the Ethiopian Chamber of Commerce and sent to potential donors for assistance.
- (ii) The created Training Unit of the Ethiopian Chamber of Commerce be staffed by at least two officers in the first instance.
  - (iii) Each City Chamber employ and deploy a training officer over the next five years.
  - (iv) The allocation for training in the budget of the Ethiopian Chamber of Commerce be given closer attention and linked to the Action Plan.

#### V. Adoption of Report and Closing

28. Participants considered and adopted the workshop report together with the indicative five year action plan. Speaking on behalf of the participants following the adoption, Cde. Dessalegn Zewdie, Head, Administration and Finance, thanked the ECA in general and Dr. McIntosh in particular, for the assistance and guidance given in the organization of workshop. On his part, Dr. McIntosh thanked the participants for the high quality of their discussions and said that it had been a learning experience. He expressed ECA's gratitude for associating in such a noble cause, and pledged ECA's future support within given resource.

29. The workshop was then declared closed.

## 1. Introduction

### (a) Legal Context

By Proclamation No. 148/1978, the Government of the Peoples' Democratic Republic of Socialist Ethiopia established the Chambers of Commerce comprising the Ethiopian Chamber of Commerce (ECC) and City Chambers (CC). The purposes of the Ethiopian Chamber of Commerce and Chambers include the following:

- (i) to provide forums where government, public and private organizations engaged in commerce, industry, tourism, transport and related fields can come together and discuss their activities, mutual relations and the products and economy of the country and seek solutions therefor in accordance with the National Democratic Revolution Programme of Ethiopia and submit recommendations to the Government;
- (ii) to provide, from time to time, to its members training on the latest techniques and ideas in areas of their activities and related matters;

The Ethiopian Chamber of Commerce is consequently empowered to, among others, organize and participate in training programmes and seminars.

### (b) Manpower Development Policy of the Ethiopian Chamber of Commerce

The manpower development policy of ECC is to provide an all-embrasive practical and skill-oriented training aimed at increasing production and trade. As such, as a policy over the next five years, the Ethiopian Chamber of Commerce will embark upon programmes for upgrading knowledge and skills of employees within the Chambers and the non-governmental sector.

The rationale for such policy stems from the important role the human factor has to play in the production and distribution of goods and services. It also hinges on the belief that training should be provided to various categories of staff as there is a functional relationship between supervisors and line staff.

The above policy would however need to be supported by appropriate programmes and institutional arrangements for its implementation what follows is a step in that direction.

## 2. Programme Objective

- (i) To strengthen the programming and delivery capabilities of the services of Ethiopian Chamber and of Commerce and by improving performance of its staff members;
- (ii) To raise the level of effectiveness of those who own and/or manage small and medium-scale enterprises;
- (iii) To train trainers who would design and manage the training function of the Chamber,
- (iv) To improve the level of effectiveness of production and distribution workers within the non-governmental sector.

## 3. Implementation Approaches

Three major strategy approaches would be used to achieve the above-listed objectives. These constitute the following:

- (i) Action training: This would involve more than attending seminars, short courses and workshops to include training participants in action-oriented tasks. The centre piece of the approach would be that of concentrating on actual operational problems experienced on the job and finding practical solutions.
- (ii) On-the-job training: This would focus on development of the individual skills within a particular enterprise. Ongoing periodic performance reviews of trainees' work and ensuing an effective participation of trainees in doing the actual activities would be part of the approach.
- (iii) Formal training: As and when necessary, trainees would be awarded fellowship to undertake short and long-term specific training courses in formal institutions of learning. This approach would be used mainly in the Chamber's internal manpower development programme.

## 4. Programme Components

- 4.1 Staff Development for the Ethiopian Chambers of Commerce.

4.2 Training of Trainers and the Development of the Training Function.

4.3 Manpower Training for the Non-Governmental Sector.

5. Programme Scope and Orientation

PC 4.1 Staff Development for the ECC:

This would involve formal training, on-the-job training and action training. The primary goal would be that of up-grading existing staff knowledge and skills in performing a specific or a group of related tasks in line with the activities of the Chamber.

The areas of focus would include:

- organization and method;
- products and market research and analysis;
- project design, preparation and evaluation;
- management of information systems;
- management of trade fairs and exhibitions;
- financial and human resources planning and programming;
- publication and printing technology;

PC 4.2 Training of Trainers and the Development of the Training function

This programme would involve action training focusing on the development of a training team and programme. Members of the team are to be drawn from the Ethiopian Chamber of Commerce and the city Chambers. The focus would be on enhancing the knowledge and skills of trainers in relation to:

- determining training needs particularly within the Chambers;
- deciding on the form and level of training required to meet those needs;
- mounting and assisting in the training programme of the Chambers;
- evaluating training results.

4.3 Manpower Training for the Non-Governmental Sector

This would involve on-the-job training and action training. The programme would be job-specific and enterprise-specific. The goal would be improving the individual's job performance in the first instance, and the enterprise's productivity level in general. The training programme would be focussed at two levels: (i) owners and/or managers of small and medium-scale

enterprises; and (ii) professional and middle-level personnel within these enterprises.

The management training portion would emphasize.

- identifying current enterprise or group of enterprises developmental needs and problems;
- development of problem-solving decision-making, and management skills;
- resource mobilization and resource management;
- policy formulation and policy administration.

The professional and middle-level personnel development programme would focus on:

- production and marketing techniques;
- workers education and safety;
- vocational guidance and counselling.

#### 6. Required Institutional and Staffing Arrangement

Training officers would need to be employed and deployed in each of the city Chambers who would serve as members of the Trainers Team. The training unit of the Ethiopian Chamber of Commerce, which is presently not staffed, would need to be staffed. Its functions would include:

- initiating, monitoring and reviewing training policies;
- identify training needs;
- determining training programmes and procedures;
- organizing and conducting orientation seminars for new employees;
- co-ordinating the work of training officers in the city Chamber's and the Trainers Team;
- implementing the Chambers human resources development programme of action.

#### 7. Programme Implementation Plan

Implementation of the indicative action plan is the direct responsibility of the Secretary General of the Ethiopian Chamber of Commerce through its Department of Administration and Finance. The programme would be implemented over a five year period with a mid-term review taken by the second half of 1992. Appropriate strategies for mobilizing the required resources (funds, training materials, etc.) would need to be found and deployed.

The table showing the implementation plan is attached.

Human Resources Training Programme Implementation Plan  
1990 - 1994

Year	Staff Development (PC 4.1)			Training of Trainers (PC 4.2)		Manpower Training (PC 4.3)	
	Fellowship	Seminar	Workshop	Seminar	Workshop	Seminar	Workshop
1990		For Chambers executives on objective and role of the Chambers (October)		For trainers improving your business (April)		For owners/managers improve your business (November)	
1991	Two awards (July/Aug.)		For middle-level personnel (February)		For trainers on training techniques (July)	For professional production personnel (June)	For own manager (Sept.)

Year	Staff Development (PC 4.1)			Training of Trainers (PC 4.2)		Manpower Training (PC 4.3)	
	Fellowship	Seminar	Workshop	Seminar	Workshop	Seminar	Workshop
1992		For Chambers executives on production and trade prospects (March)	For administrative officers (September)		Trainers on preparation of training material (May)	Owners/managers on marketing (November)	Profess product persons (February)
1993	Two awards (July/Aug.)	For middle-level personnel on trade promotion (August)	For middle-level personnel (April)		Trainers on training needs analysis (October)		Profess product persons (January)

Year	Staff Development (PC 4.1)			Training of Trainers (PC 4.2)		Manpower Training (PC 4.3)	
	Fellowship	Seminar	Workshop	Seminar	Workshop	Seminar	Workshop
1994	One award (July/Aug.)	For Chambers executives on policies and strategies for the next 5 years (June)	For departmental heads on programme development (February)	For trainers on the role of training in production and trade (August)	-	-	Professional production workers (March)
TOTAL	5 awards	4	6	2	3	3	4

Summary Total

5 fellowship awards  
9 seminars  
13 workshops