

Distr.  
LIMITED

46337

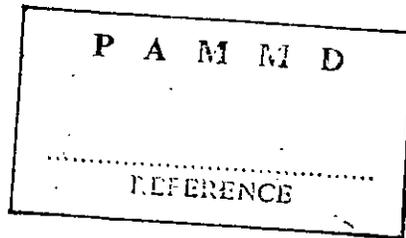
PAMM/PA/12  
July 1978

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Regional Seminar on Technical and Managerial  
Problems of African Public Enterprises

Yaounde, 7-14 August 1978



PERSONNEL MANAGEMENT  
PROBLEMS IN AFRICAN PUBLIC ENTERPRISES

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## PERSONNEL MANAGEMENT PROBLEMS IN AFRICAN PUBLIC ENTERPRISES

## I. INTRODUCTION

For one reason or the other, African Governments continue to bank heavily on the creation and expansion of public enterprises as the strategy for industrial and economic development. This is surprising in view of the long standing records of resounding failures and poor performances of public enterprises. In 1966, several public enquiries into Nigerian State and Federal enterprises revealed instances of embezzlement and mismanagement of funds, gross irresponsibility on the part of public officials and, unfair and unnecessary interference on the part of politicians. There were also alarming revelations of abuse of office. The performance profile then, and as now, has been relatively poor when compared with the private sector. The finding of a national survey carried out in 1975 by the Centre for Management Development in Nigeria revealed that the management performance in Public Enterprises was 12.5% lower than that in Private Enterprises in Nigeria. Public Enterprises received performance rating of 23% below that of the private sector in financial management and control. In other specific management functions like personnel, marketing, production, materials management, organisation and supervision, public enterprises received performance ratings of 13% to 20% below those of the private sector. This picture is not only true in Nigeria; it is also true of many African countries. In spite of the poor performance and the revelations of numerous commissions of enquiries, the number of public enterprises continue to multiply by leaps and bounds. In Nigeria, such enterprises have more than quadrupled since 1966. There are over 340 public enterprises at the State and Federal levels. Investments in these enterprises have accelerated at a faster rate. More surprising, these enterprises include breweries, laundries, and a wide variety of commercial and industrial concerns.

It will be out of place in this paper to consider why public enterprises continue to grow and increase in number under the circumstances. It is, however, valid to consider this question at this conference. In this paper, it is relevant to emphasise that the situation poses a considerable challenge to us in this conference. Perhaps, an examination of the Personnel problems in these enterprises, which is the subject of this paper, is a good beginning towards meeting the challenges posed by our African public enterprises.

### Personnel Management Function

Personnel Management is the aspect of the management function which is concerned with human resources or employees and their effectiveness, either individually or collectively, in achieving the objectives of an organisation.

Personnel management therefore embodies recruitment and manning of the enterprise, organisation of work and training, conditions of service and other incentives. Management expects good performance from its employees. It is part of the personnel management function to ensure that performance is adequate, effective and fostered. Personnel Management

is unique in the sense that every decision taken and action implemented in other fields of management, whether in finance, marketing or production, have considerable influence on it and vice-versa. Personnel Management therefore pervades all aspects of an organisation's activities and is crucial to success. Three vital points need to be borne in mind in assessing good personnel management particularly in African public enterprises:

- i. there should be an optimum utilization of human resources. In staffing, a square peg should not be found in a round hole. Objectives and functions should be clearly defined and known by employees;
- ii. the working relationship should be such that the staff are inspired to put in their best. Cooperation rather than rivalry, not only at the floor level but also in their relationship with management, is the cornerstone of successful personnel management;
- iii. the responsibility of the employers or management to the employees need to be fully appreciated. It is not just enough to obtain maximum cooperation from employees. The provision of work satisfaction should be recognized in this context;

#### Personnel Managers

At this point, a brief review of the supply of Personnel Managers is appropriate. Before independence, there were very few African managers either in the private or public sectors. Most of them were expatriates. On attaining independence, "africanisation" policies were adopted in "various countries beginning with the public sector and later in the private sector. "Africanisation" varied from one country to another. In some it was gradual; in others, it was quite rapid. Ever since independence, the number and quality of personnel managers have improved much faster than the number and quality of managers in any other management field. Today, there are few expatriate personnel managers unlike other fields of management. More impressive is the fact that the performance rating of personnel management in Nigeria is higher than in most other fields of management.

This was revealed in the survey undertaken by the Centre for Management Development referred to above. I believe this is also true of many other African countries. The very few African managers that existed before independence were chiefly Personnel Managers. Employers, long before independence, found Africans more suitable than Europeans for this position. They spoke the language, understood their own people better and appreciated the environment more fully. Multi-national corporations and public enterprises were therefore obliged even before independence to relate to their clients and environment through African personnel managers.

II. PUBLIC ENTERPRISES vis-a-vis PRIVATE ENTERPRISES

Allusions have often been made to profit motivation as the chief driving force towards better performance in the private sector. Others have referred to the bureaucracy of the public sector and political factors as responsible for the poor performance in the public sector. It is worthwhile therefore to examine in this context the type and extent of personnel problems experienced by public enterprises as distinct from those of private enterprises.

1. The most obvious is that private enterprises cannot tolerate over-staffing. In other words they will definitely not employ one person more than is necessary. In public enterprises, especially in Africa, Parkinsons Law comes into play almost as much as in a civil service department regardless of the profit making role of the enterprise. That apart, the impression is that public enterprises are created to provide jobs for members of various groups whether or not work is there for them to do.

2. Recruitment, and career prospects are influenced by political considerations in the public sectors. The Personnel Manager in the private sector is more concerned about getting the best results from an employee. He will more easily do away with his services if he cannot perform. Also, ethnic considerations tend to play a more prominent role in the public sector.

3. Discipline is therefore more effective in the private sector enterprises.

4. Leadership in the private sector is also more effective. The proprietors and management tend to be more committed to the cause of the enterprises in the private sector. Once the leadership is established and committed, it becomes easier to motivate workers. Public Accountability of public enterprises is yet to be appreciated in many African countries.

5. Salary and other remunerations in the private enterprises are invariably more attractive than in public enterprises. In the African context, this does not necessarily mean that the private enterprises always attract the better people in view of the fact that the security of tenure in the public service is a strong attraction to the public service. However, better remuneration constitutes a strong motivation to better performance. In a few private enterprises in Nigeria, employees have been given the opportunity to participate in profit sharing and to hold equity shares.

6. Training programmes in the multi-national companies are by far superior to those existing in the public enterprises in Nigeria. It is true, however, that training in the smaller firms lag behind those of public enterprises. The effect of training on performance and the optimum utilisation of human resources is significant in African countries. In many public enterprises, there are no staff development programmes or career development schemes. The few who are trained are redeployed as soon as they have successfully completed their training.

7. Modern Personnel Management Techniques are still to be introduced in most African public enterprises. In many of such enterprise, the civil service rules and procedures have been copied without any effort to adapt them to the needs of public enterprises. Apart from the multi-national corporations, the smaller private indigenous enterprises are also guilty of this omission. Because of their smaller sizes, they are however in a position to benefit from certain advantages resulting from personal contacts and speed in communication and settlement of grievances within their organisations. Here again, the introduction of modern techniques pre-supposes a good training programme and the right leadership. Job evaluation, efficient salary administration, good disciplinary machinery and labour/management relations are some of the modern personnel management innovations that need to be introduced.

8. Governmental intervention in day to day operations of public enterprises especially in personnel matters is yet another factor militating against performance vis-a-vis those in the private sector. Such intervention dampens enthusiasm and hampers initiative.

These are only a few examples of the personnel management problems of public enterprises. They can be more numerous in certain countries or less serious in other countries.

It is most unfortunate that appointments to key positions in public enterprises continue to be influenced wherever and whenever possible by ethnic or tribal differences. Top positions have been prostituted to the extent that any basic qualification is acceptable as long as one is from the right ethnic or political group. The consequence of such appointments permeates deep. Within the organisation, it dampens morale and discipline, and the overall effect on performance and productivity can be devastating. To those of us engaged in manpower training and development, our task is made more difficult. It is easier and cheaper to train or develop the right man for the right job than to develop a square peg for a round hole. Yet, for political and other reasons, African countries seem to cherish mediocrity, especially in management and leadership positions, in public enterprises. Napoleon Bonaparte once remarked: "When small men attempt great enterprises, they always end by reducing them to the level of their mediocrity".

It is important to reiterate that Personnel Management is concerned with people in a work situation and with the establishment of good human relations and motivation. The adoption of a positive personnel policy is based on the following criteria:

- i. It must be planned and coordinated with the overall objectives of the enterprise. In other words, the personnel objectives must be determined and well defined in relation to employees and not considered in isolation.
- ii. The policy should be equitable.

iii. Workers should have an opportunity to contribute to the policy. If possible, the policy should be agreed upon by all concerned.

iv. It should also be communicated to all concerned once it has been accepted.

### III. SOME PERSONNEL MANAGEMENT PROBLEMS - OUR CHANGING ENVIRONMENT

In the last paragraph, certain factors affecting personnel management in public enterprises vis-a-vis private enterprises were considered. There are other influences of concern in African countries regardless of the sector of the economy. African societies are undergoing gradual economic and social transformation. Modernisation, the industrialisation process and the growth of organisations have created changes in our work patterns. In some countries the growth and changes in the economic and social environment are quite gradual. In a few other countries the changes are dramatic. At no time in the annals of African countries has management been a more critical factor than now in the 1970s. The forthright commitment of governments to national economic and social development programmes, the unprecedented but alarming increase in the demand for education, goods and services, the introduction of indigenisation schemes and several other projects call for good management and, more managerial manpower not simply in quantitative terms but more so in qualitative terms. But managers are not developed over-night; one needs a gestation period of many years of education, training and experience on the job. It is not surprising therefore that Inadequate executive capacity constitutes a major constraint on the performance of several public enterprises and the implementation of several projects. Strenuous effort must be made to tackle this problem and train adequate executive personnel.

With the meagre resources available in many African countries, the immense demand for the services of trained personnel, and the brain drain to the more developed countries, one gets the impression that the African countries are running very hard indeed, but only to keep practically on the same spot.

#### Poor Infrastructure

Management effectiveness in any society takes for granted the existence of certain prerequisites. The knowledge and skill to manage are vital. That apart, it is assumed that the society and organisations are disciplined and that the necessary infrastructure that facilitate good management, like good communication, reasonable geographical mobility of manpower, adequate technical and supporting staff, to mention but a few exist. It is easier to telephone any part of Europe or the United States from Lagos in Nigeria than to telephone to any other town within the country.

#### IV. CULTURAL AND ENVIRONMENTAL FACTORS

Attitude to work in public enterprises have been influenced by cultural and environmental factors. Our colonial past is also reflected in our attitude to work. In Nigeria, for example, employment in government and public enterprises before independence was regarded as serving the colonial masters. There was therefore the tendency to be nonchalant at work and wasteful of resources and time. Since independence, it has been difficult to correct this overall attitude to work in the public service. The non-existence of an indigenous lingua franca in many African countries and the existence of numerous ethnic and tribal groups within each country make national consciousness difficult. In the absence of a national identity, the attitude to work is slow to change. Family, village or tribal loyalties invariably take precedence over loyalties to the state. This is the main cause of nepotism in our societies. African countries also inherited an elitist educational system which is apparent in the strictly hierarchical set up of power and prestige in public organisations. Such a system is frowned upon as undemocratic and inefficient from a modern management point of view. Undue importance is attached to paper qualifications in place of actual performance.

#### V. MANNING PUBLIC ENTERPRISES

Manpower is by far the most important of the resources required in any enterprise. There is no doubt that money, machinery and land are all important resources but abundance or quality of these do not mean much if there is no qualified and capable manpower to utilize them effectively and ensure their maintenance. Yet, manpower planning and development are rarely given the recognition they deserve in African public enterprises. Greater importance need to be attached to manpower planning and development in our society for two reasons. First, the infrastructural facilities for education and especially technical training are still grossly underdeveloped. As a result, qualified personnel are hard to come by in many fields. Invariably, the machinery and equipment as well as the management techniques adopted and utilised in African enterprises were developed in a completely different environment and society. These resources and techniques need to be adapted not only to the environment but also to the specific requirement of the enterprise in order to attain optimum results. Adaptation further stresses the need for training. The main objective of personnel management in this respect should be to establish a labour force of the right size, with the necessary combination of skills and experience. Equally important, the optimum utilization of the labour force will be possible if good work organization and physical conditions exist, and adequate incentives are provided.

In order to provide adequate labour force with the requisite qualifications, public enterprises may have to award scholarships to their employees. It is fast becoming the practice that such fellows and scholars ~~should~~ be bonded to serve for a minimum period of time. In addition, training undertaken on the job within the organisation is perhaps the most effective way to develop staff in relevant skills. The success of these staff development efforts depends on a careful assessment of the existing manpower

situation and needs of the organisation as well as on effective manpower planning.

African public enterprises generally measure poorly whenever planning far ahead is concerned; consequently, emergency measures, crash programmes or 'crisis' recruitment missions are common but undesirable events in the effort to man our public enterprises. No matter how competent these 'crisis' personnel management approaches are implemented, they are never as effective as a well planned manpower development programme. Such plan will take into consideration the numbers and levels of existing personnel and project the requirements in the light of the expansion programme of the enterprise. It will also consider the age groups, labour turnover, absenteeism, training facilities and the organisational structure.

More attention should be paid to recruitment and selection of personnel in public enterprises. Modern aptitude tests to ascertain intelligence and manual or technical dexterity need to be adopted. Adequate publicity should also be given to vacancy notices so that good candidates are not left out of the selection process. The members of the selection panel should also be familiar with the skills required and not prejudiced. Another very important point is that personnel managers in our public enterprises need to keep a good Record of Service in respect of each member of staff. This will enable a fairer assessment of each employee and reduce impartial judgement of their performance. Moreover, a good analysis of staff record of service can help to identify problems, for example, in the age distribution or provide reasons for high turnover and absenteeism in the enterprise. It can also indicate the extent the experienced staff are being diluted. Once these problems have been identified and appreciated, human relations are bound to improve. A record of the reasons for frequent resignations can affect the personnel management style of an enterprise or inspire a change in policy.

As pointed out earlier in this paper, political and ethnic considerations influence appointments in public enterprises much more than in private enterprises. As a result, promotion from within is limited in public enterprises. To get the best cooperation from employees, promotion from within, and staff development opportunities whenever possible serve as incentives.

It is also a means of attaining stability within the enterprise. Training is therefore crucial. But, training must not only be planned and related to the needs of the particular enterprise, it must also be evaluated from time to time to ensure effectiveness. There is the tendency to pay lip service to training in African public enterprises. It is not surprising therefore that responsibility for training is usually assigned to junior members of management. Such training managers, if they exist, are usually not trained for their position. It is needless to emphasize that such an officer must himself be trained. He must occupy a responsible senior management position and be respected within the organisation.

In Nigeria, the government has established institutions like the Industrial Training Fund and the Centre for Management Development to promote training in enterprises. In establishing these institutions public enterprises were not obliged to take advantage of facilities provided by them. While more of such institutions need to be established in various countries, public enterprises should also be made to contribute to the fund.

In African public enterprises, there is a tendency for top management to be exempted from any form of training. Training must take place at all levels. Management training is as important as operative training. In Africa, supervisory training is perhaps most vital. The supervisors and foremen set the pace for efficiency in the enterprises. They also provide the leadership that is so vital to improved productivity in our public enterprises. Training for supervisors must be specifically designed to fit the responsibilities and the needs of the individual supervisors. The personal examples of supervisors and managers go a long way towards fostering cooperation and discipline.

## VI. PERSONNEL ADMINISTRATION

Public enterprises in Africa are beginning to go through some of the personnel management problems that enterprises in more developed countries have gone through. The first of such problem is to know to what extent personnel administration should be entrusted to line management. In a small enterprise, it may be necessary sometimes to rely almost completely on line management.

One obvious advantage is that personnel management is fully integrated with other aspects of management. However, the disadvantages far outweigh the advantages. Personnel administration may not be accorded the priority it deserves, and anomalies are bound to exist under such circumstances. In some African public enterprises, the line and staff management are suspicious of each other. A clear cut pattern of personnel administration without such incumbrances is still to be established in many enterprises. There are two reasons for this problem. First, the political and tribal influences discussed above encourages suspicion and inadequate cooperation. Secondly, such problems are bound to occur where top management does not pay particular attention to personnel policies and administration, and support openly and firmly actions taken by personnel managers. In African public enterprises, top management must exercise adequate interest and control in personnel matters. More often than not, it is the Personnel Manager that is blamed in public enterprises and not personnel policies. To avoid this, he needs the backing of the entire management.

In order to reduce some of the personnel problems of public enterprises, some countries like Nigeria have established new institutions like the Statutory Corporations Service Commission. The Commission took over from the public enterprises the appointments, staffing, grading and discipline of certain categories of staff. The purpose is to insulate personnel matters

from political and other influences and to centralise the personnel function in a coordinating organisation. After six years, the Commission was disbanded. It became difficult for the public enterprises to attain their objectives efficiently since they were not authorised to maintain discipline. In conclusion, it was realised that centralisation of personnel in a completely detached organisation was most ineffective and not in any way integrated to other aspects of management.

## VII. CONCLUSION

The challenge for Personnel Executives is to eliminate the use of ethnicity, tribalism and nepotism as the basis for competition for jobs, promotions and other rewards. Public enterprises need to promote fair employment practices, spear head the reorientation of attitude to work and develop an ethic of hard work in order to sustain organisational efficiency.

Perhaps, the most vital area of personnel management in Africa is the training and development of employees at all levels. This training is required for the present incumbents of positions who are being groomed for higher responsibilities, but the training contents should be such as to encourage a change of attitude to work and highlight the importance of leadership roles. The practice of personnel management in particular should not be based on the rule-of-thumb and intuition, but should be founded on theory and research. There is no evidence of published original research studies in this field in most parts of Africa. The unique circumstances of African developing countries impose additional responsibility to promote and participate in organisational research as the basis for scientific personnel practice. Personnel management should ensure that high standards of excellence are established and maintained.

African governments need to review the degree of reliance on public enterprises as a strategy for economic development. Public enterprises tend to be over protected and granted monopolistic rights when they should be exposed to competition from the private sector. Public enterprises are very rarely condemned for poor performance; instead they are pampered with money and other resources. The importance of public accountability of public enterprises still need to be fully appreciated. Until this is done, it may be wiser for governments to bank more heavily on the private sector and expose public enterprises to competition. The role of Personnel Management will no doubt be enhanced in a public enterprise that is not only accountable to an enlightened public but also exposed to competition for survival.