Fundamentals of human resource management

African Studies Centre / University of Groningen / Mzumbe University

African Public Administration and Management series, vol. 2

Fundamentals of human resource management

Emerging experiences from Africa

Josephat Stephen Itika

To all those who believe that African countries,
organisations and people have a contribution to make
in the meaningful adaptation and application of
Eurocentric concepts, theories, assumptions, principles,
techniques and practices and in anticipation that such
contributions will liberate African managers from
mismanagement and inefficiencies.

Preface

This book is not just one of the many introductions to Human Resource Management that are published, year after year, for use in HRM classes. Authors of those introductions face many challenges, such as the need to produce something that is both theoretically sound and practically valuable, or to find a way to integrate discussions on a variety of topics into one comprehensible teaching tool. The author of this book took up those challenges by, on the one hand, closely following the conventions that HRM scholars all over the world adhere to with regards to the demarcation of subfields within the HRM discipline, and on the other hand, including a multitude of Tanzanian and other African cases that put each of these subfields in a vivid context.

The result is a book that serves to initiate African students in the world-wide HRM community, while simultaneously enabling them to create their own HRM policies in accordance with circumstances in their countries. As such, it is definitely a unique book. It brings the global and regional perspective together, to the benefit of both. The author and his colleagues of the School of Public Administration and Management of Mzumbe University deserve respect for this accomplishment. Their reward will be in the educational outcomes that the book will certainly bring about in their own classes and in hopefully many other ones.

Dr Ben Emans
professor Sustainable HRM
Hanze University Groningen

Contents

Appendices

List of tables

List of figures

Acknowledgements

Foreword

'Leaders must be guided by rules which lead to success.'
(Machiavelli: *The Prince*)

For over half a century now, most African people south of the Sahara are still living under political, social and economic hardships, which cannot be compared with the rest of the world. For many, the expectations of independence have remained a dream. This state of affairs has many explanations but it is fundamentally based on the nature of African countries and organisations on one hand, and on the other hand there is over reliance on Eurocentric philosophies, theories, and assumptions on how administrators and managers should manage African countries, organisations, and people in such a way that will lead to prosperity. As a result, the same Eurocentric mindsets are used to develop solutions for African leaders and managers through knowledge codification and dissemination in the form of textbooks and the curricula in education systems.

Evidence from economies in South East Asian countries suggests that the success behind these countries is largely explained by high investment in human capital and, to some extent, avoiding wholesale reliance on the importing of northern concepts, values and ways of managing people; that is, the development of human resources capable of demonstrating management in setting and pursuing national, sector wide, and corporate vision, strategies, and commitment to a common cause within the context of their own countries and organisations. Similarly, African managers and leaders effectively cannot manage by merely importing Eurocentric knowledge without critical reflection, sorting and adaptation to suit the context they work in and with cautious understanding of the implications of globalisation in their day-to-day management practices. They have to understand and carefully interpret northern concepts and embedded assumptions, internalise and develop the best strategies and techniques for using them to address management problems in their organisations and countries, which are, by and large, Afrocentric.

Therefore, like Machiavelli, human resource managers, like leaders, must be guided by rules which lead to the success of their countries and organisations. The main challenge facing human resource managers now is to know which rules are necessary and when applied would lead to effective human resource management results in different types of public and private sector organisations and contexts. This is a difficult question to answer. However, we can start by learning one small step at a time from the emerging experiences of our own practices of human resource management in Africa and elsewhere.

This book on 'Fundamentals of human resource management: Emerging Experiences from African Countries' has just made a small step in the journey of establishing a link between Eurocentric concepts, philosophies, values, theories, principles and techniques in human resource management and understanding of what is happening in African organisations. This will form part of the groundwork of unpacking what works and what

does not work well in African organisational contexts and shed more light on emerging synergistic lessons for the future.

The book has fourteen chapters each addressing important issues in human resource management in terms of the Eurocentric approach and reflecting on what is happening in African governments and organisations at the end of each chapter.

Chapter 1 starts to lay the foundations of human resource management, on which the rest of the book is anchored. It covers theoretical issues and historical trends in the evolution and development of human resource management as a discipline and a profession.

Chapter 2 sets the basis for using a strategic approach to manage human resources and the link between corporate strategy and strategic human resource management. It establishes the changing role of human resource managers from that of managing routine functions into a strategic business partner where human resource management functions are decentralised to lower departments and sections.

Chapter 3 is concerned with human resource policies as the step following strategic choices in people management. Policies are useful in guiding managers to ensure that organisations have the right number and quality of staff at any particular point in time.

Chapter 4 covers the fundamentals of employee resourcing and addresses key issues in human resource planning at micro, meso and macro level. It also considers challenges facing management on decision making in financing human resource plans.

Chapter 5 investigates recruitment and selection. Our experience is that all managers and administrators are involved in one way or another in human resource recruitment and selection and require knowledge, skills and techniques for getting people into organisations. Special emphasis is put on the use of appropriate selection techniques and tools, particularly assessment centres.

The most successful organisations have the best strategies to utilise staff and measure their performance. This is covered in chapter 6, which is devoted to performance management systems, processes, techniques and measurements.

There is always a link between reward and performance. The employee's performance should be recognised through the provision of appropriate rewards. Chapter 7 describes the development of appropriate reward systems for effectively utilising human resources.

Chapter 8 is about human resource development partly as recognition that improved performance is achieved through continuous training and development but also that training and development are essential rewards. When employees join organisations they have their own needs, expectations and interests as individuals and as a part of a team. Likewise, employers do not engage staff without needs, expectations and interests to be met and which may not necessarily be compatible with those of the employees. Therefore, the relationship between these two parties has to be effectively managed in order to have a harmonious work place.

Chapter 9 is devoted to the relationship employees have with their management. With globalisation and the emergence of many multinational corporations, managing human resource, which is diverse in nature within multinationals, is of increasing concern for managers. Therefore, the legal framework which governs the relationships between employees, employers and trade union in Tanzania is given emphasis.

One of the strongly emerging developments in human resource management discipline is a shift from traditional human resource management to competency based hu-

man resource management whereby the identification, utilisation, rewarding, measurement and developing of talents and competencies are becoming critical in determining organisational competitiveness and sustainability. Therefore, chapter 10 underscores the importance of talent and competency based human resource management in competitive organisations.

The ongoing reforms in both public and private sector organisations and the efforts to promote foreign direct investment in Africa have started to bear fruits that pose many challenges on managing multicultural workforce. Chapter 11 looks at the international perspectives of human resource management as recognition of the emerging challenges and emphasis on the need to re-examine the best ways to manage people in a globalise world.

Chapter 12 is more practical and based Tanzanian experiences. It focuses on the link between recruitment and open performance appraisal in Tanzanian public service by identifying the mismatch between recruitment and selection and open performance appraisal and recommends an alternative model.

Chapter 13 links theory and practice in human resource management for health in general and more specifically in local authorities in Tanzania. The main focus is on recruitment and retention strategies and the challenges faced in health service provision.

Chapter 14 is on the human resource management in a private foreign company for the purposes of drawing lessons from other private sector organisations that are now the engine of economic growth in Tanzania. The chapter covers policies and procedures governing day-to-day people management.

It will be noted with emphasis that in each chapter there is a reflection on what is going on in some Tanzanian and other African countries and organisations. It is important that readers make use of these lessons to digest the usefulness of northern concepts, theories, assumptions and principles and how they may be better utilised within the context of their own countries. For those interested in academia, it will be a starting point to begin building models for human resource management particularly for Sub Saharan Africa.

'For every effect there is a cause. The prime mover and the work of men is to change it.'
(Aristotle, 384-322 BC)

Prof. Josephat Stephen Itika (PhD)
School of Public Administration and Management, Mzumbe University, Tanzania

Professor Josephat Itika, Dean of the School of Public Administration and Management, Mzumbe University

Introduction to human resource management

Introduction

For more than a century now, human resource management, as a discipline and practice in the management of people in an organisation, has evolved and developed into different areas. These disciplines and practices have gone through a process of trial and error, theory building and testing of various concepts by practicing managers and academics (Farnham & Pimlott 1979; Storey 1989; Armstrong 1995). The underlying forces behind the evolution and development of human resource management have been (and still are) mainly environmental, and the quest for knowledge of better ways of acquiring and utilising labour. The changing organisational environment in the marketplace pushed managers to improve efficiency in the production and service delivery processes by increasing their ability to use the best practices of people management at the time. That is, employee management techniques or methods that would improve production, reduce service delivery costs, and at the same time ensure sustained availability of competent staff in the organisation. This introductory chapter is devoted to providing learners with a cursory account of the evolution and development of human resource management and the way it works and influences people management in contemporary organisations.

Therefore, at the end of the chapter, learners should be able to:
- Describe the process of the evolution of human resource management.
- Appreciate the role of different theories in shaping human resource management practice.
- Recognise similarities and differences between personnel and human resource management.
- Examine the role of modern human resource manager in human resource management functions.

Guiding theories in human resource management

Human resource management principles and techniques for people management in competitive organisations are drawn from theories found in different disciplines. Indeed, it is impractical to present all the disciplines and relevant theoretical aspects that have shaped the understanding of human resource management today. Therefore, it is believed that it is only important to give the reader a cursory view of some relevant theories underpinning human resource management and whoever may be interested in knowing more about the genesis and developments of a specific theory may do so by taking extra homework.

Organisation life cycle theory

Cameron & Whetton (1981) advanced organisation life cycle theory which characterises organisational development from formation, growth, maturity, decline and death. According to the theory, the driving force in all these stages is the nature of workforce. At the maturity stage the organisation cannot continue to grow or survive if there is no organisational structure that supports human resource creativity, innovation, teamwork and high performance, which will withstand pressure from competitors.

Role behaviour theory

Role behaviour theory aims to explain and predict the behaviour of individuals and teams in organisations, which, in turn, inform managers for the purposes of decision making, and what steps they take on people management as well as the expected consequences. Some of the key ideas focus on the need to improve the working environment including the resources in order to stimulate new behaviour in employees in order for them to cope with new demands (Prachaska *et al.* 1982), it includes the use of rewards to induce and promote positive work behaviour, and punishments to control negative behaviour (Rogers 1983).

Resource dependency theory

One of the challenges faced by managers during the economic recessions in the 1970s is how organisations can best acquire scarce resources and effectively utilise them in order to remain competitive in the market. The ability to utilise one's own resources including (financial, technological and labour), and acquire more from the external environment was one of the areas of concern in many organisations. The more organisations were able to harness resources, the more competitive they became. Therefore, resources were seen as the essence of organisational power (Emerson 1962). However, overdependence on external resources appeared to be risky due to the uncertainties that cannot be controlled by the organisation (Pfeffer & Solansick 1978). Concerning useful labour, the emphasis shifted to seeing employees as scarce resources that should be acquired effectively, utilised, developed and retained.

Institutional theory

The word 'institution' means different things to different people depending on academic and professional orientation (Peters 2000). However, it is a discipline that combines politics, law, psychology, public administration, and economics amongst other things, in order to explain why certain decisions are made or actions taken and their impact on the organisation. Commons (1931: 648) defines 'institutions' as 'collective action in control, liberation and expansion of individual action'. Collective action covers areas such

as custom, law and procedures. The main objective of collective action is less or greater control of the acts of individuals, which result in either gains or losses in the process of executing joint transactions. Control is about prohibitions of certain acts in such a way that the control of one person or organisation leads to liberty of the others and hence better gains. According to Commons (1931) these institutions establish relationships of rights, duties, no rights, and no duties which influence behaviour of individuals. 'The major role of institutions in society is to reduce uncertainty by establishing a stable (not necessarily efficient) structure to human interaction.' Institutions could be formal, and have explicit rules, contracts, laws, and rights (institutional arrangements) or informal in the sense of social conventions that are not designed by anybody. Therefore organisations should set an appropriate institutional framework that will bind and influence the behaviour of employees towards an organisational commitment to excellence. Also put by Brunsson (1999): 'the process of standardization of procedures affect behaviour'. Employment contracts, performance agreements and other employment related instruments should therefore be seen as useful aspects of human resource management.

Transaction cost theory
Transaction cost theory is based on the economic view of the costs of conducting business transactions. The thesis is that companies will grow if the costs of exchanging resources in the company are cheaper in comparison to competitors (Commons 1934; Coase 1984; Williamson 1998). Such costs include bureaucratic employment structures, procedures and the enforcement of employment contracts. For that matter employment relationships that may lead to high costs of exchange, should be minimised.

Comparative advantage theory
The main architect of comparative advantage theory is the economist David Ricardo who talked of the specialisation and division of labour among nations and firms. Ricardo postulated that nations should produce goods in which they have a domestic comparative advantage over others (Ricardo 1891). Since then, organisations and nations have focused on strengthening internal capacity in order to have more advantages relative to competitors and hence to reduce production and distribution costs per unit. Improving internal capacities include having the best human resources who are best utilised to produce cheaper and better quality goods and services (Porter 1980; Grant 1991).

General systems theory
No organisation can survive without interacting with its environment. Organisations get inputs from the external environment, they are processed and the outputs are released to the external environment, which provides feedback to the organisation. Customers who are part of the environment will give feedback by using different means including value judgment on quality, price, style and fashion. Therefore organisations are seen as systems with components and parts that are related and interconnected in such a manner that failure of a component or part leads to the failure of another (Laszio 1972; Haken 1980; Robbins 1990). The system approach to understanding organisations considers the human resource department as a component of the organisation's system that also has other departments such as accounting, engineering, marketing etc. In order for the organisation to grow and remain competitive, each department, section or unit should support each other. One of the organisation's inputs from the environment is human resources. For example, if an organisation makes an error with its recruitment strategy,

it will have a negative effect on the whole organisation. Similarly, if at the input processing stage, human resources are not utilised in the best possible way, the same will be reflected in the quality and price of goods and services through feedback mechanisms. This may include the failure to sell goods or services at the expected prices.

Human capital theory
Human capital theory was initially well developed by Becker (1964) and it has grown in importance worldwide because it focuses on education and training as a source of capital. It is now widely acknowledged that one of the key explanations for the rapid development of Asian countries in the 1970s and 80s is high investment in human capital (Robert 1991; Psacharopolos & Woodhall 1997). Human capital theory changes the equation that training and development are 'costs the organisation should try to minimise' into training and development as 'returnable investments' which should be part of the organisational investment capital. Therefore, human resource training and development decisions and evaluations have to be done based on clearly developed capital investment models.

Strategic contingency theory
There is a growing body of knowledge stipulating that since an organisation operates and thrives in a complex environment, managers must adopt specific strategies which will maximise gains and minimise risks from the environment (Peter & Waterman 1982; Scott 1992; Robbins 1992). In this premise, the theory contends that there is no one best strategy for managing people in organisations. Overall corporate strategy and the feedback from the environment will dictate the optimal strategies, policies, objectives, activities and tasks in human resource management.

Organisational change theory
Gareth (2009: 291) defines organisational change as the process by which organisations move from their present state to some desired future state to increase their effectiveness. Organisations change in response to many developments taking place in the internal and external environment such as technology, policies, laws, customer tests, fashions and choices that influence peoples' attitudes and behaviour. These developments influence different aspects of human resource management and in response, organisations have to change the way organisational structure, job design, recruitment, utilisation, development, reward and retention are managed (Hersay & Blanchard 1977; Robbins 1992; Johns 1996). The organisational change theory suggests the improvement of organisational change and performance by using diagnostic tools appropriate for the development of effective change strategy in human resource management.

Organisational learning theory
Globalisation has changed knowledge monopoly. Knowledge generated in one part of the world spreads faster than a decade ago. Today, what matters for organisational competitiveness is the ability to learn from emerging knowledge and adapt the learning to suit the organisational environment faster than others. Agyris & Schoen (1978) and Senge (1992) have emphasised the importance of total organisational learning whereby individuals and teams muster knowledge related to their work and the environment and share with common vision, models and strategies for addressing the present and future of the organisation. Therefore, poor organisational learning leads to poor organisational

adaptation to the environment, less competitiveness, which leads inevitably to decline and ultimate collapse.

Comparison
Schuler (2000) has summarised these theories into a more manageable framework (see Table 1.1). This framework enables us to compare the human resource theories and their main objectives.

Table 1.1   Human resource theories

Theories	Human resource lessons/Assumptions/Implications
Resource dependency theory	• Scarcities of resources determine policies and procedures to be adopted by organisations. • Employees are scarce resources, which should be carefully managed.
Competitive advantage theory	• Organisations should capitalise on competitive advantage it has over other organisations • An employee is a rare resource, immutable, non-substitutable, and valuable • In order to gain from competitive advantage, there should be creation and support of organisational culture that ensures effective management of training and performance management functions.
Institutional theory	• Organisational norms, values, attitudes and myths are the sources of organisational failure or success • These need be rationalised in order to ensure effectiveness.
Agency theory	• The employer and employee have a principal-agent relationship. • As there may be disagreement between the two, legal implications have to be carefully considered and, if possible, litigation should be avoided.
General systems theory	• Organisations are complex systems. • Human resource management is a sub system • Failure/success of each component will have overreaching impact to the organisation.
Human capital theory	• It is an economic approach – people are valuable assets. • Invest in people as one does in other assets e.g. machinery.
Organisational life cycle theory	• Organisation grows in stages. Start up, growth, maturity, decline and revival. • Manage human resources according to the stage of growth of the organisation.
Role behaviour theory	• The means used by an organisation to send role information determines role response (behaviour). • Human resource management should focus on improving the role information for employees.
Organisational change theory	• Organisations pass through different forms, levels of quality, and states over time • Human resource management should ensure congruence between stated goals, changes, and performance.
Transaction cost theory	• It is an economic point of view of governance structures in business transactions. • It considers costs of establishment, monitoring, evaluation, and enforcement of exchanges (contracts). • Since managers have limited information for decision making (bounded rationality) before transactions, there must be measures to reduce risks. • Managers should seek opportunities to be used by employees. • Human resource management should minimise loopholes in employment relationships like reviewing contracts, monitor, and ensure compliance to set objectives, targets and standards.
Strategic contingency theory	• Organisations have several strategic typologies to adopt. • The choice of typology depends on organisational environment. • Human resource management should depend on a particular typology chosen.
Organisational learning theory	• The success of an organisation depends on ability to learn • Employees prior knowledge facilitates learning and application of new related learning • Human resource management should facilitate continuous learning

Source: adapted from Schuler (2000).

Theories as stated earlier and summarised in Table 1.1 are useful in shaping debates and professional practice in the process of the evolution and development of human resource management as a discipline as well as a profession. The usefulness of the conclusions reached from these theories will unfold as we go through the process of the evolution of human resource management over the past one hundred years.

The evolution and development of human resource management

Human resource management as a practice happens wherever there is more than one person. It starts at the family level where family members take different roles and responsibilities for the accomplishment of family objectives. The head of the household would harness all available resources including people to find the best in them in order to achieve whatever may be needed or desired. Indeed, the division of labour depends on the philosophies, values and expectations of family members and which are rooted in the wider society, be it a clan, a tribe or religion.

Managing people in an organisational setting is well documented throughout the history of mankind (Munsterberg 1913; Taylor 1960; Cuming 1985). Organisational structures evolved, leadership emerged or was formed, roles and responsibilities were assigned to people, accountability systems were laid down, and rewards and punishments were also provided. In this regard, division of labour, specialisation and accountability were systematically organised to achieve a specific purpose.

However, the documentation of the evolution and development of human resource management practices can be traced back to the booming European economy of the 1900s (Roethlisberg 1939). This economy created the necessary environment for more serious thought on the role of effective people management in the emerging labour market of the time. The economies were preparing for the First World War and its aftermath where industrial production required a mass of skilled, well organised and disciplined labour force. The challenges revolved around mobilisation of resources including people, which led to the evolution and development of four stages in managing labour. The stages were mainly identified by looking at the changing titles of officers responsible for managing the workforce and different roles that were emerging over time. Therefore, although personnel management literature often states particular dates or decades of transformation from one phase to another (Chruden & Sherman 1984; Cuming 1985), as a matter of principle, such dates or decades are more for convenience and reference purposes than being actual historical events. The same recognition is used to provide a picture of the chronology of the evolution and development of human resource management as we see it today. Figure 1.1 displays the stages in the evolution of human resource management.

Welfare stage in industrial age
Historically, the 1900s was a time of increasing technological and economic breakthroughs arising from continued advancement in general and scientific knowledge through creativity and innovations. Indeed, the advancements had serious impact on economic growth and demand for goods and services in Europe and in Germany in particular for the preparations of World War I (Roethlisberg & Dickson 1939). More goods were demanded, and the massive production of goods could be done more efficiently than ever before, under one industrial roof. This was a common phenomenon across

Figure 1.1   Stages in the evolution and development of human resource management

official titles	Welfare officer	Personnel admini-strator	Personnel manager	Personnel/ Human resource manager	Human resource manager	Strategic human resource manager
stages	Employee welfare	Personnel administra-tion	Personnel manage-ment	Personnel / Human resource management	Human resource manage-ment	Strategic human resource manage-ment
decades	1900	1920-1930	1940-1960	1970-1980	1990	2000
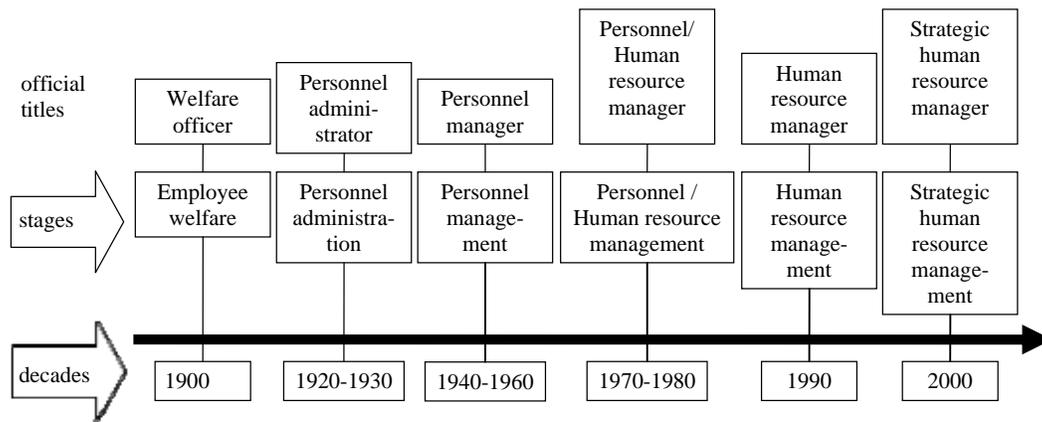
Western Europe particularly in Britain, France, Spain and Italy. For the Germans who were secretly preparing for war, the production of war materials created a chain of industrial networks with forward and backward linkages. Managing the increasing workforce in the emerging complex industrial production systems was an ever-more difficult challenge. The search for solutions, which included how to organise employees and ensure that their welfare was provided for, led to the need for better people management techniques that were not necessarily important only a few years before. Welfare services such as a canteen and other needs required some kind of officer whose sole purpose was to take care of workers. This is the genesis of employees' welfare services in organisations and the famous title of welfare officers we have in some organisations even today (Eilbert 1954; Chruden & Sherman 1984).

Change of focus from welfare to personnel administration
The 1920s and mid 30s are generally regarded as decades of personnel administration. The growing size of organisations and pressure to improve productivity called for the need to recruit, select, train, keep records, appraise, motivate, control, and improve production of job entry level of employees and those in the job as part of job orientation. These administrative tasks were best handled by welfare officers because of their experiences in welfare matters. However, since the roles of welfare officers changed in nature and scope and became more demanding in terms of knowledge, skills and behavioural attributes, the whole situation suggested that the title of welfare officer was not good enough to describe what was actually happening. To address these new dimensions of a welfare job, the title had to change from welfare officer to personnel administrator (Cuming 1985).

Evolution and development of personnel management
This covers the period during and after World War II. In the 1940s and 50s, there was an ever growing role for personnel administration to cope with the rising challenges and demands of the job which included craft, supervisory training and labour disputes that were threatening employees and organisational efficiency. These new dimensions in employee management were exacerbated by developments in academia, professional

managers interested in academics and consultants where efforts were devoted to study behavioural factors in job performance. Such developments include human relations' school, which was pioneered by Elton Mayo and Kurt Lewin, who emphasised on improving the work environment and work groups as a strategy to improve productivity (Rush 1959; Robbins 1990; Torrington *et al*. 2005). Treating employees as human beings rather than working tools was a new doctrine that was revealing other aspects of people management in other phases of personnel management. This period marked a shift of emphasis from managing an individual employee to managing groups/teams in the organisation (Davis 1980). Other contributions were from the work of Abraham Maslow on the human hierarchy of needs and the power of employee's motivation on productivity (Maslow 1970). Later, Chris Argyris and Frederick Herzberg wrote about the concept of employee's satisfaction and the significant impact this concept has had on the organisational practices in improving the quality of work in organisations (Deci & Ryan 1985). The organisation development school driven by Bennis & Schein provided equally useful inputs to personnel practices particularly in areas of effective communication and the need to reduce conflict in the work place (Davis 1980; Walton & McKerzie 1991). Therefore, to suit the fashion of the time, there appeared to be a difference between 'administration' and 'management'. Likewise, there is a difference between 'administrator' and 'manager', where the former appears to be dealing more with routine activities, the latter deals with more strategic issues. There is however an on-going debate in academia on the semantics and the actual substance of personnel jobs.

During the 1950s and 60s personnel management as a professional discipline matured as characterised by most personnel management theories, practices, and processes we know today (Chruden & Sherma 1984; Cuming 1985). In addition to the services provided in the earlier phases, other areas covered in the functions of personnel management, particularly in the 1960s, were organisational development, management development, systematic training and manpower planning. Better processes and techniques of employee selection, training, wages and salary administration and performance appraisal were introduced. The other area was industrial relations in which personnel managers became experts in labour law and represented their organisations in industrial relations disputes (Chruden & Sherman 1984).

Therefore, personnel management as a type of management in organisations has evolved into a distinctive discipline. Perhaps one of the most widely accepted descriptions of the meaning of personnel management is the one given by Michael Armstrong in 1995. This definition is not very different from the ones found in revised editions and other textbooks on human resource management throughout the 2000s. Armstrong (1995) defines personnel management as 'the process and practice of getting people in organization, assessing and rewarding for performance, and developing their full potential for the achievement of organisational objectives'.

By looking at personnel management in this perspective, as may also be noted from other work by the same author, and many other experts including Dessler (2005) and Bhatia (2007) there are many functions that ought to be performed in a designated functional department (personnel department). However, as shall be observed later, these functions are not by themselves necessarily different from those under a human resource management conceptual framework (Storey 1989; Armstrong 1995; Guest 2001).

The personnel functions are summarised and explained below as follows.

- Establishment of the organisational structure

This involves establishing the organisation structure in a way that will enable the realisation of the intended mission, vision, goals, objectives, strategies and tasks. It is like an African saying that 'you scratch your back where your hand can reach'. No single organisational structure can suit all organisations because the suitability of an organisational structure will depend on where the organisation is, and what its future prospects are. If the mission of the organisation involves rapid growth and expansion, a tall bureaucratic structure may not be desirable because such a structure slows the decision making process, which in turn, stifles flexibility, creativity and innovation. A personnel officer who is fundamentally responsible for effective manning levels in the organisation has the mandate to become part of the organisational structure design team.

- Human resourcing

Resourcing is a concept that has emerged with the use of the term 'human resource planning' as we shall see later. It involves a process of enabling the organisation to have the right people, doing the right jobs at the right time. This is in line with the challenges facing managers in staffing organisations. It is about planning for the number and quality of employees required under different job categories and to make sure that staffing process such as recruitment, selection, placement, promotions, transfers and downsizing are effective.

- Managing performance appraisal

The personnel department has to initiate the system, process, techniques and tools of individual, teams and organisational performance measurement. It has to ensure that performance targets for individuals, teams, sections and departments are set and agreed upon and measures to address performance gaps are in place and are working. This is not an easy task because it requires a value judgement about employees. Indeed, there are no other areas of personnel management that make personnel officers more uncomfortable and unpopular than the appraisal function. This is because whatever process or tool is used to appraise staff and reward them accordingly, there is always tacit or explicit dissatisfaction from staff based on the feelings that such decisions were biased. Progress has been made towards improving staff appraisal systems, which will be covered later under performance management.

- Personnel training and development

Since the performance of the organisation depends on the competence of the workforce, training and development are important, not only for the present job but also for the future job and organisation. The head of the personnel department has to design tools for assessing the need for training that will be used to identify training and development gaps and develop effective strategies and programmes for training and developing staff. In most large organisations and more so in government ministries, there are departments and officers responsible for ensuring that personnel training and development functions are carried out effectively.

- Compensation/Rewards management

The words 'compensation' and 'reward' are often used interchangeably in contemporary personnel management. Although in principle, the two concepts may mean the same thing, they have different philosophical roots. Whereas the former is based on the interpretation that work is not necessarily a good thing and hence those who work lose

something which should be compensated, the later considers work positive and something which has to be rewarded depending on the quantity and quality of accomplishment. Therefore, employees need different types of compensations or rewards for the effort they expend on the job and enable the organisation function. It is the duty of the human resource department through the responsible officers to evaluate different types and levels of jobs in order to develop appropriate compensations or rewards in terms of pay and other incentive packages.

- Personnel relations

Relationships between an employer and employee and among employees in the workplace need to be nurtured to avoid conflicts and disputes which will ultimately lead to unproductive behaviour. The personnel department is well placed for this job as it has staff trained in people management particularly in industrial legislation, labour laws and conflict management. Some industrial organisations employ lawyers as industrial relations officers, but qualified personnel officers should be able to perform this role. However, other experts such as lawyers and professional counsellors may be consulted where necessary.

- Other routine personnel administration functions

There are a myriad of other personnel functions, which are basically routine work and constitute day-to-day administrative activities performed by personnel officers depending on the size and scope of the organisation. These functions include but not limited to, health, transport, security and safety, pensions, deaths, and personnel information system.

Change to human resource management

From the late 1970s and early 80s we witnessed many developments and challenges which disturbed the stability of economic, political, technological and academic environment experienced in the 1960s. These challenges have had enormous impacts on people management in organisations perhaps more than at any time in human history.

- Shift in global macro policy framework

The late 1970s and early 80s was an era of neo liberalism in which market forces were a driver of institutional frameworks of nation states and organisations. This was a period when we witnessed strong arguments against direct state involvement in the economy. It is not clear what was the 'chicken' or 'egg' between politicians and academics or who these people, often referred to as 'experts' of the World Bank and the International Monetary Fund are, and what their role in the architecture and birth of neo liberalism and marginalisation of the role of government in economic development is. However, whatever the case may be, both politicians and consultants were important in the doctrine of neo liberalism. One of the foremost advocates of neo liberalism was the former conservative British Prime Minister Margaret Thatcher and her counterpart conservative president of the United States of America Ronald Reagan whose philosophies were known by their names, that is, Thatcherism and Reaganism respectively. They brutally blamed earlier liberal governments for causing the economic crisis of the 70s through excessive government control of economies and overprotection of employees. The privatisation of state owned organisations, relaxation of legislation in favour of the private sector and the urge for profit maximisation became the new agenda and both the desired and required framework for managing organisations and the workforce. Therefore, costs consciousness and the pressure to justify the role of employees in developing and sus-

taining organisations in the market became a challenge. Failure to respond to these challenges through proper personnel management strategies was seen as a slippery slope towards the collapse of companies that had long historical roots of successful business.

- Business competition

The 1980s and early 90s witnessed an uncertain, chaotic and often turbulent business environment. Increased competition from Japan, and other international companies with cheaper but high quality goods was a challenge to American and European organisations. In reaction to the new competition and as a strategy for coping with the crisis, a substantial number of organisations experienced takeovers, mergers, and business closures. These were also accompanied by heavy losses of work, working on part time, the need for individuals to become multi skilled, and the contracting out of some work. Partly as a way of addressing these challenges the role of the personnel specialist had to change from reactive to proactive and from routine to strategic approach to the management of personnel functions so as to be able to match the unpredictable environment.

- Change in customer needs and expectations

A change in customer taste, fashion and quality of goods to reflect their purchase price put more pressure on the organisations to get the best out of their production systems, processes, and employees. This could only be achieved by getting the best people from the labour market, develop, reward, and ensure that they are committed to high quality service to the organisation. In order to achieve these objectives, an enabling environment for employee creativity and innovation became a necessity. This new demand had an impact on recruitment and selection criteria, staff development and reward systems as well as the roles of personnel specialists vis-à-vis line managers in personnel management functions. The role of personnel had to change from that of a doer of personnel functions to that of partner in providing support services to other departments to perform personnel functions.

- Technological change

Competition was also intensified by the organisations that could adopt and adapt flexible specialisation technologies to meet customer needs and expectations. The implications were that organisations had fewer, but better trained people, flexible to cope with rapid technological changes. Continuous learning and adaptation based on teams became a natural area of focus on people management. Information technology destroyed knowledge monopoly. The power of knowledge became how best to use it, rather than who owns it.

- Change of philosophy of employee relations

The power of employees was through legislated trade unions where thousands of employees under the industrial production system held power. Therefore, the power of individual employees in the employment relationship was vested in a collective solidarity. Mass redundancies, less protective role of the state as well as the declining role of trade unions made life more individualistic than collective. The change of employee relations from collectivism to individualism was an automatic consequence of the above changes. Employment relations became more based on arrangements and agreements between the employee and employer as opposed to the use of trade unions and labour legislation.

- Developments in the academia

Building on the knowledge accumulated in previous decades and research that was being conducted particularly in the 1980s and early 1990s, it appeared that organisational

strategy, and strategic approach to managing employees was the best option for responding to challenges facing organisations (Hendry 1995). The Human Resource Management School, advanced by academics from America and Europe, which spearheaded the concept of 'strategic approach' to managing people, became the centre of debates and development of human resource management as a philosophy distinct from personnel management. The Excellence School propounded by Peters & Waterman and their followers on the role of strong organisational cultures and commitment to excellence also has had a remarkable influence on the development of human resource management (Storey 1989). Some areas of corporate management including the size, structure, strategy, culture, product, and organisational life cycle were now included in human resource management (Schuler 2000).

The major issue was how personnel management functions could make an impact on the functional level, as part of supporting other departments, as well as being part of business strategy. Personnel managers had to become partners in the business. As part of improving employees' utilisation, a more rigorous method of assessing the performance of employees in relation to rewards was also developed. The introduction of performance management systems and reward systems based on performance was an indication of changes in personnel management practices.

Within these changes, personnel management was redefined and the concept of 'human resource 'vis-à-vis 'personnel' was adopted, although the debate concerning the differences continues (Storey 1989). However, as may appear in the literature, the difference between 'human resource' and 'personnel' may be clear or unclear (Armstrong 1995). This difference depends on the taste, or on the taste and fashion rather than on what managers do, this is notwithstanding the fact that most academics and managers in organisations use the term human resource management as opposed to personnel management when referring to people management even without making conscious effort to distinguish between the two.

Perhaps the most popular definitions of human resource management are those suggested by Storey and Armstrong because such definitions are based on thorough reviews of earlier works from both American and European human resource management debates. Storey looks at human resource management as:

> … a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an integrated array of cultural, structural and personnel techniques (Storey 1995: 42).

It is worth noting here that the focus of human resource management is on employee management techniques that are directed towards gaining competitive advantage depending on the adopted business or organisational strategy. Armstrong also appreciates the role of strategies but goes further by emphasising the need for robust personnel systems, which will take care of employees (individuals and teams), as valuable assets where investment is crucial. Thus, he defines human resource management:

> … as a strategic and coherent approach to the management of organisations' most valued assets – the people working there who individually and collectively contribute to the achievement of business objectives (Armstrong 1995: 42).

By looking at the various debates in academia and good practices in personnel and human resource management, human resource management may be further defined as a strategic approach and management practice of managing employees so that there is

sustainable achievement of an organisational mission, goals, and objectives. These definitions are conclusively derived from the American and European schools of thought.

The evolution and development of human resource management has relied on two traditions. These are the American, alias Harvard and European under the leadership of British academics, particularly from the University of Lancaster.

The American school alias 'Harvard School'
The works by Boxall (1992), Beer & Spector (1985) and Beer *et al.* (1994) are considered to be some of the main foundations of different concepts and disciplines which shape the scope of human resource management in America, and which were later adopted, adapted, or dropped by other scholars worldwide. Indeed, they represent what is often termed as American school of thought and contribution in the understanding of human resource management in contemporary organisations. The main building blocks are crystallised into four categories. The first involves a focus on stakeholders 'interests, according to stakeholders' theory, organisations that strive to maximise key stakeholders' interests flourish more than those that pursue purely performance-oriented objectives. This argument rests on the fact that organisations exist to serve different stakeholders with different interests but which may not necessarily be explicit. In this case, human resource functions have to maximise the interests of key stakeholders who, in turn, pay back by steering the organisation towards success.

The second category is the balancing of stakeholders interests. This category is linked to the above argument but the focus here is on the need to take specific initiatives to ensure that, although there are stakeholders who matter more than others, if some stakeholders feel that there are some who benefit more than others, they may create tensions, dissatisfactions and ultimately erode commitment. Therefore, human resource managers should ensure employees' interests are balanced with those of other stakeholders.

The third category is positive influence on employees. Employees are central in influencing survival and the growth of an organisation and hence human resource functions should exert positive influence on employees.

Finally, the fourth is strategic approach to managing employees. Organisations will remain competitive if they focus on the organisational strategic issues and their environment. Strategic approach includes formulation of organisational mission, goals, objectives, strategies, and targets. This approach has strongly influenced the now famous strategic human resource management approach, which we shall look into in more detail in chapter 2.

The UK school alias European school
Storey (1989) has described the role of David Guest and Colleagues in shaping human resource management discourses in Europe. These authors consider the following key critical areas of focus in human resource management:
1. The need to marry business and human resource strategies, that is, human resource strategies should be developed and save business strategies.
2. Strong organisational culture for employee commitment. The assumption here is that a committed employee will put in the maximum effort required for the desired organisational performance.
3. Obsession for Quality. In a world of increasing competition, new customer tastes, and choice, no organisation can survive without addressing issues of quality. Quality

will always matter in human resource management and the starting point of this is during recruitment, where an organisation should get the right staff right away.

4. Creativity and innovation. This is a critical factor, which distinguishes one organisation from another in terms of how they respond to the environment. Employees have to be able to come up with new ideas and put them into practice in order to exploit business opportunities.

Current human resource management debates seem to consider these two ways of looking at the basics of human resource management as more complementary rather than pointing to different directions. As a result, human resource philosophies and objectives are anchored on these schools of thought (Storey 1989; Guest 2001).

Human resource management philosophies and objectives

Philosophies of human resource management

The Harvard and British human resource management schools and the two definitions cited from John Storey and Michael Armstrong and others (Terrington & Hall 1991; Farnham & Pimlott 1992) suggest that human resource management is not without philosophy. There are six elements on which human resource management philosophy and practices are based;

First is ownership. Human resource management is and has to be owned and driven by the top management in the interests of the key stakeholders. The stakeholders include shareholders, the managing board, the workers, clients and customers. This is unlike the old tradition in which personnel management functions were mostly vested in designated officers under a personnel department. Under human resource management, the philosophy is that the top management owns and drives the agenda for effective people management in an organisation.

Second, business or organisational strategies form the basis for human resource strategies, and there should be a strategic fit. This opposes putting emphasis on routine activities, reactive decision making and limited vision which seemed to characterise traditional personnel management. The implication is that an organisation cannot have a strategic approach to managing the workforce without organisational and business strategy. Here, an aspect of flexible human resource planning comes in, and the ability to use the best forecasting techniques is a precondition for human resource acquisition, utilisation, development and retention.

Third is considering employees as assets rather than liabilities. Under traditional personnel management philosophy, training and development of employees was quite often seen as a cost that should be avoided whenever possible. Now this doctrine has been turned on its head. Investment in people, like any other capital investment, is necessary for better returns in the future.

Fourth is getting additional value from employees. Employees are capable of producing added value. It is the role of the management to obtain such added value through human resource development and performance management systems. The concept of added value is borrowed from production economics. It stipulates that an employee can be utilised to produce marginal output if properly trained, does the right job and is rewarded accordingly. Work measurement and matching jobs with the right people as well as measuring performance against the set targets and standards stand out clearer under human resource management school of thought.

Fifth is employee commitment. Organisational success comes from the employees' total commitment to the organisational mission, goals, objectives, and values. Employees' understanding of the future of the organisation and their own future in the organisation triggers commitment and hence sustained productivity. It is the task of the management to induce and encourage that commitment.

Sixth is also based on employees' commitment. Building a strong organisational culture gives managers an advantage in stimulating employees' commitment. Effective communication, training, coaching, mentoring and performance management processes are effective tools for building a strong corporate culture.

These philosophies have been accused of being insensitive to the human face of working relationships because they are, in many ways, about tightening the nuts and bolts in every aspect of employment. As a strategy to reduce what seemed to be extreme hard-nosed human resource management philosophies and practices (that is employers were becoming too selfish, individualistic and greedy – trying to maximise whatever possible benefits at the expense of employees), the focus in the 1990s changed somewhat. The direction changed more towards team working, employee empowerment; organisational learning and competence based human resource management. Human resource management debates of the 1990s and 2000s became focused on trying to understand these new concepts and how useful they are in improving human resource management functions in modern organisations. Other areas are the internationalisation of human resource management and the impact of globalisation in human resource management, particularly in the developing world.

Objectives of human resource management
The objectives of human resource management are derived from the philosophies which tie the emergence and development of human resource management together, both as a discipline and profession (Beer & Spector 1985; Cuming 1985; Armstrong; 1995; Dessler 2005).

First, the whole aim was on trying to achieve an organisational mission, vision, goals and objectives using people as valuable resources. Unlike with the traditional personnel management theory whereby employees were seen as instruments needed to accomplish work in organisations, human resource management managers recognise and appreciate the need for putting people at the top of the agenda in achieving organisational objectives. As the power of the organisation depends on the nature of the workforce, putting employees first in all human resource management functions in the organisation and making them feel that they are at the top is seen as a step further in putting the organisation first among competitors.

The second objective concerns the utilisation of staff capacity. Successful organisations are those that can fully utilise the potential of their employees. This manifests itself in different approaches used in job design, recruitment, and placement. This includes redesigning jobs so that related jobs can be done by one person, recruitment of multi-skilled employees, part time work arrangements, sub-contracting etc.

The third objective involves ensuring that employees are committed to their jobs, teams, departments and the entire organisation. Striving for total employee commitment is intended to minimise unnecessary conflicts between the employees and the management that could result in low morale among the employees, high employee turnover and ultimately low productivity. Commitment is fostered by using various strategies includ-

ing employees being nurtured through coaching, mentoring and the provision of lucrative reward.

The fourth objective is to ensure that organisational systems, processes and activities are integrated and synergised through a strong organisational culture. Organisational culture is made up of values, attitudes, norms, myths and practices that is 'how things are done around'. Different categories of jobs, professions and departments are seen as a 'whole' rather than disjointed. Organisational symbols, songs, artefacts etc. are used to foster a culture of uniqueness, which makes employees feel proud of their jobs and the organisation.

The fifth is optimal utilisation of available resources. In the language of economics, resources are always scarce. Organisations cannot succeed if resources (employees, finance, machinery and equipment, energy) are over utilised, underutilised or are utilised at the wrong time or in the wrong place. Each of these scenarios would suggest that there is a waste of resources because some will be easily depleted, unnecessarily leaving them idle or are being used unwisely. In this case, matching resources with performance is a mechanism for monitoring organisational efficiency. Quite often time/activity/outcome and budget schedules are used to match resources with performance. Any observed underutilisation or over utilisation of resources has implications in terms of how the human resources were used and measures are taken accordingly.

The sixth reason for embracing human resource management practices is derived from organisational cybernetics and systems theory whereby the underlying principle is that 'the sum is less than the whole'. From a human resource management perspective, each job, organisational unit, section, department and all categories of staff are seen in their totality. Working together instead of as an individual is a method for improving synergy at all levels. Departmental outdoor training programmes are some of the initiatives used to improve synergy at functional level.

The last but one objective covers the utilities of creativity, innovation, teamwork and high quality management as key drivers in organisational excellence. Matching with changing customer needs and expectations requires the presence of an environment for creativity, innovation, team working and an obsession with quality. These ideas are largely borrowed from Tom Peters and Robert Waterman on an ideal situation for effective organisations in search of excellence, Joseph Schumpeter on the power of creativity and innovation, Joseph Juran, Edwards Deming and Ishikawa Kaoru on the emphasis of 'quality in the first time and zero defects' as part of organisational culture in high quality management. These are cited as key explanations for the excelling of Japanese and other East Asian companies. Decentralisation of decision making to the lowest levels in the organisation structure, adaptation of flatter organisational structures, open office layouts, team building exercises, encouragement, support and reward for innovative ideas, and the use of quality circles in job performance are some of the strategies used to keep the organisation at the cutting edge.

The last objective is to enable managers to be flexible and adapt to changes required in pursuing excellence in human resource management functions. Fast-tracking a change in an organisational environment requires the ability to take prompt decisions and take the right measures before it is too late. Flexibility and adaptation seeks to reduce bureaucracy and inflexible working rules and regulations. What matters most is not 'how the job is done but what is achieved'.

Sharing human resource management functions

The traditional personnel management practice housed personnel functions in the department responsible for personnel due to the dominance of functional specialisation by the departments. Under functional specialisation, managers who were not directly involved in the production line were considered staff managers and their functions were categorised as 'staff functions'. Today, the distinction between line and staff managers seems to be overtaken by events in modern organisations because the concept was based on the assumption that functional specialisation was the best way to manage tasks; this is no longer the emphasis in some organisations today. However, the concept is still in use in some organisations, perhaps because old habits die hard and there is an inability among organisations to develop and manage a sufficiently multi-skilled workforce. Therefore, the use of the concept of line manager here is consistent with current thinking in our organisations. Human resource philosophies and objectives have also implied that human resource management functions can no longer be centralised in any one department. They have to be decentralised to various functional departments under line managers without avoiding duties and responsibilities at the human resource department level. In this case, some of the roles of line managers include the following.

Employee resourcing
Line managers are responsible for developing operational and annual action plans and budgets for their departments. Such plans have human resource management implications in terms of their number and quality of which the line manager should be aware and actively participate in ensuring that the departmental objectives are achieved through people. It is the responsibility of the line manager to make sure that job analysis is effectively done, job descriptions and specifications are clear enough to be able to attract, recruit and select the most appropriate people to fill the available vacancies.

Employee utilisation
Effective employee utilisation is critical, not only for the good of the organisation but also for the good of individual employees and their teams. Underutilised staff is a lost resource to the organisation in terms of opportunity cost because even if the employee has enough work to earn a salary, the added marginal labour value will not be realised. The employee will also not have the advantage of utilising his/her full potential and get extra rewards. However, over utilisation of staff will lead to stress, fatigue, and other health problems or even the risk of loss of life. It is the duty of the line manager to put in place job strategies, objectives and targets, which are challenging enough, but not overstretching the staff ability.

Performance and reward management
This involves setting performance criteria, assessing performance and rewarding accordingly. Without performance assessment, it will be difficult to know whether the department is achieving its objectives or not and to what extent. It is the responsibility of a line manager to sit with employees and sign a performance agreement, which will be used as the basis of individual performance appraisal. The contract itself can be permanent, temporary, part time, but in a performance management system, the rewards are based on performance. This can be in the form of salary increment, renewal of contract, bonus, promotion, training etc.

Training and development
Common wisdom tells us that the owner of the household knows better than the neighbour. Line managers are involved in day-to-day operations of the department. They are expected to know both general and specific knowledge, skills and attitudes required to effectively perform specific tasks by individuals, teams, and the whole department. They are also expected to know the kind of competencies that will be required in the future and help staff develop such competencies through career development programmes.

Handling of other human resource management functions
Other human resource management functions may be routine or occasional and would be part of the jobs of the head of department. These would include coordination, building a departmental team spirit and culture of performance, staff promotions, transfer, leave, managing disputes, taking disciplinary measures and layoffs.

The emphasis that line managers should be responsible and accountable for human resource management in their respective departments does not deny the human resource department its central role in ensuring that strategic objectives of the organisation are achieved through effective people management. Also acknowledged by Terrington & Hall (2005), in working hand in hand with line managers, human resource managers play other important roles, which are not in conflict with what line managers do; such roles include:

- Formulation of human resource strategies

Human resource managers play a pivotal role in developing human resource strategy and policies that fit the organisational and business strategy. This area is explored at length in chapter 2. The strategy will form the framework for different human resource policies (which is also being covered in chapter 3) for use by other managers. The roles of human resource managers are as explained below.

- Provision of guidance to other managers

The human resource manager as an expert is expected to provide guidance to other managers and staff on the interpretation of personnel strategies and policies in various areas which include human resource implications of organisational and business strategies, human resourcing, staff training and development, disputes and grievance handling, employment legislations, health and safety, layoffs etc.

- Facilitation of change management

Organisations pass through various life cycles, which require change and adaptation. Human resource managers should be well placed to facilitate the required changes in terms of design, interpretation of the implications of change and how best they could be managed. They should also be involved in the process of introducing change, including creating staff awareness and putting conditions for facilitating a change process in place.

- Employee empowerment

The concept of power is not value free. It depends on the individual perception of the source of that power and how it is interpreted and used to influence human resource management functions. The employer has many sources of power including the ability to reward and punish. Similarly, employees can reward or punish employers by deciding how and when to use their knowledge, skills and attitudes to build or destroy the organi-

sation. It is the role of the human resource manager to ensure that there is no abuse of power and employees are empowered to make the right decisions on the shop floor in order to create an enabling environment for creativity and innovation.

- Support services to other departments

The human resource department is a place where professionalism in people management is found, thus it should be well prepared and ready to provide support services to other departments as may be required. Some areas include, the design of different instruments for transacting human resources, designing and putting in place the appropriate organisational structure and jobs for each functional area, recruitment and selection, performance management system, training needs assessment, training and development, and employees services including pension, leave, transport, retirement, retrenchment and burial.

Human resource management critiques

Human resource management has become so well established that if you talk about personnel management it seems old fashioned. Yet, there are limitations, which have also triggered questions as to whether the whole debate is not more of an academic pastime rather than utility in practice (Storey 1989; Legge 1992; Schuler 2000). Some of the criticisms are presented below.

Ensuring strategic fit
Knowledge and skills of linking human resource strategy with business strategy are taken for granted. This task is housed in the human resource department whose staff is not necessarily trained in strategic business management. This casts doubts on the ability to establish that link.

Human resource managers may not be perceived as business partners
The doctrine that human resource managers should be seen by fellow managers as partners in business may be wishful thinking rather than what actually happens in practice. According to Schuler (2000), in reality, human resource managers are treated by other managers as a 'second class citizen', whose role is more of a supplier of personnel.

Conflict of roles
The assumption that a human resource manager takes the role of a partner in business implies that he/she should be on the side of the management and hence employees should represent themselves. This scenario increases employees' feeling of isolation and neglect, which can give rise to conflicts and disputes.

Role ambiguity
The assumption that the human resource manager should be a generalist and at the same time be able to handle specific human resource functions, leaves much to be desired with regards to the type of training suitable and efficient in human resource functions.

Subjectivity
The use of other strategies like teamwork, 360 degrees appraisal, and performance based pay increase the use of subjective value judgement about individuals which may

de-motivate some employees and trigger counter disruptive behaviours including rent seeking or 'just please the boss' attitude.

Eight years earlier, Legge (1992) had gone further in criticising the relevance of human resource management theories to the level of almost throwing the whole philosophy out of the window. To him, human resource management poses ambiguities and contradictions such that it does not offer much which is new to academia and practicing managers. It is regarded as similar to personnel management, or a different way of referring to an advanced form of personnel management, a change of emphasis on key employee management issues and others. Table 1.2 presents a few of the areas of scepticism, hence making personnel management (PM) seem similar to human resource management (HRM).

Table 1.2   Similarities personnel management (PM) and human resource management (HRM)

Item	*PM*	*HRM*
Integration of PM/HRM policies with organisational goals	✓	✓
Line management involvement in employee management	✓	✓
Employee motivation and commitment	✓	✓
Adding value	✓	✓

Source: Legge (1992).

Legge's criticisms may contribute to the understanding of where personnel and human resource management meet and therefore help us to understand why some writers in human resource management use the concepts of personnel and human resources management interchangeably. In trying to differentiate personnel management and human resource management, and indeed, based on a critical review of key chapters in Storey's book and other contributors to the development of human resource management in the 1980s, Armstrong (1995) has summarised the comparison between PM and HRM as shown in Table 1.3.

Table 1.3   Differences personnel management (PM) and human resource management (HRM)

Item	*Personnel management*	*Human resource management*
Goals and values	Incremental interventions in attracting, retaining, motivating workers	Strategic focus. competitiveness, profitability, survival, competitive advantage and workforce flexibility
Professionalism	Personnel managers are accountable for employees' matters (for which they are trained)	Line managers are accountable for their staff (they are multi-skilled)
Relations	Limited trust, conflict and differentiation, control oriented	Harmony, mutuality of interests, active employee involvement
Employee management	Narrow in focus, individualised	Broad and team focused
Information and communication	Control information and communication, bureaucratic, secretive	Transparency, objectivity, honesty, trust and commitment

Source: Armstrong (1995).

Shift to strategic human resource management

From the 2000s we witnessed a continuous exploration of the founding concepts of human resource management, particularly the focus on 'strategic fit' and 'strategic integration' in the search for organisational excellence. At least in theory rather than perhaps in practice, strategic human resource management focuses more on the relationship of human resource management with the strategic management of the organisation as opposed to what happens in a human resource department. It embraces management aspects beyond the normal human resource management functions and roles to take on board all macro concerns and strategies for organisational excellence such as quality management, organisational commitment, managing culture, organisational change and development (Agarwala 2009). In essence, strategic human resource management is a more proactive aspect of human resource management. More discussions will be covered in chapter 2, which is devoted to dealing with strategic human resource management.

Experiences from the third world countries

It is common knowledge that with globalisation and the knowledge based economy, it is difficult to say with certainty the extent to which the concepts, theories, principles and practices learned in scholarly human resource management are applicable in the third world environment for the following reasons:

First, the concept of 'third world' or developing country is becoming more and more irrelevant because countries are not homogenous and are therefore difficult to compare. For example, Sri Lanka and Botswana are classified as third world countries but Botswana may have more characteristics featuring in a European or American environment and hence create a better environment for the adoption of more advanced aspects of human resource management than Sri Lanka or than even in a medium sized company in Canada.

Second, organisations in the third world countries are not homogenous either. A public enterprise, government department or agency will by definition have common features of a bureaucratic system where a purely private company will be able to learn faster and adapt to the emerging challenges in human resource management and hence adopting more proactive measures as would any other organisation in a more developed country. In extreme cases, there are organisations operating in developing countries that are indeed branches of multinational corporations and have adapted very advanced forms of human resource management comparable to other branches worldwide. Therefore, the fundamentals of human resource management remain intact. Such examples in Tanzania are Heidelberg Cement Company Ltd, Tanzania Breweries Ltd, Tanzania Leaf Tobacco Limited and PriceWaterhouseCoopers.

Third, some concepts in human resource management may be more theoretical than practical and may only be useful for academic purposes. Therefore, they may not even be applicable in some big organisations in Japan, China or Australia. Such cases will be similar to the subject of debate on the differences between personnel and human resource management or on whether employees are a capital or a resource. Therefore, the main point of discussion will be the way context specific factors influence human resource management in third world countries.

In this regard, there is abundant literature which has confirmed the common knowledge that there is no theory, policy, or management style which may sufficiently guarantee success in people (Adesky 1998; Shivani 2002; Akosa-Saprong 2008). In fact, the idea of being right or wrong in theory or management practice is contentious because there is no universal truth on the best way to achieve results through people. Despite the limitations, it is also well established that the cultural environment which promotes thriftiness, industriousness, discipline, education, harmony, respect for elders, and collective solidarity creates a good environment for the management of human resource functions. However, while that has proven to be correct in some countries in Asia, there are also studies which show that Africa is rich in these values and yet they have not worked well in the continent's favour. Beugre & Offodile (2001) and Khan & Ackers (2004) have examined the Eurocentric assumptions about management and the cultural working environment in organisations in Africa and concluded as follows.

The first Eurocentric assumption is that government and private sector institutions in Africa, like those in Europe or America, can be effectively managed with minimum influence from the external relationships such as family, friends, and political affiliation. This is misleading. African culture promotes family values, patronage and has serious implications on decision-making, choice of management strategy and implementation. For example, in Eritrea, politicisation of the civil service has negatively affected decisions taken by civil servants (Tessema & Soeters 2008). Even regarding the management of private organisations, the separation of business and family life has been proven to be extremely difficult and has negatively affected business performance (Arthur 2007).

The second assumption is that collectivism is bad for organisational performance. The most striking feature of African culture is collectivism. Sharing work and good fortune is part of African culture and goes against individualism and the pursuance of individual interests. In Malawi there is a saying that: *Ubuntu ungamtu mgambunye abantu!* Which means: *You do not live for yourself; you live for others* (Afro-centric Alliance 2001). Collectivism could be strength if people work together and realise a common vision as it is commonly experienced in East Asian countries. However, in Malawi, high performers were ridiculed by colleagues, while it has helped China to be a super power.

Third, is that respect for elders and obedience is not as important as meritocracy. Research by Beugre & Offodile (2001) has found that respect for elders due to their age and ability to reward or punish is common in Africa. However, those who respect also expect favours from the elders. Accordingly, pleasing the boss is preferable to performance. Contrary to this, while this has worked positively in Asia by promoting performance, respect for elders and obedience often work to the detriment of performance in African countries because individual workers feel 'protected' through patronage.

It has also been observed that the African way of thinking and the nature of employment create a dislike of employment which makes employees' close supervision important. Ahiauzu (1999) has linked the African perception of work as torture, as a result of a long history of colonial forced labour and alienation from natural African systems of production. According to Ahiauzu, working for long hours in a controlled environment and strong supervision is incompatible with African culture of freedom and social interaction during work. These are some of the areas that make it necessary to develop an innovative and proactive model for developing human resource management competencies for building organisations in Africa. Therefore, the most important single factor that determines the success or failure of the adoption of western based philosophy of people

management is culture (Hofstede 1980). Resultantly, as a general rule, human resource management principles are modified to suit local conditions or in some extreme cases some organisations are trapped in a personnel administration era.

Review questions

1. Distinguish Human Resource Management from Personnel Management. To what extent are the differences practical?
2. Identify and examine key contributions to the development of human resource management.
3. By using specific examples, discuss the relevance of human resource management functions in the situation of a developing country.

References and recommended reading

ADESKY, F. (1998), *Culture and Development in Africa*. <www.adesky.net/articles> accessed on 1 Oct 2008.

AGARWALA, T. (2009), *Strategic Human Resource Management*. New York: Oxford University Press.

AHIAUZU, A. (1999), *African Industrial Man*. Port Harcourt: CIMRAT.

AKOSA-SARPAONG, F. (2008), *Culture and Development. Promoting the Africa Way*. <www.thepatriotcvvangaurd.com> accessed on 1 Oct 2008.

ARGYRIS, C. (1982), *Reasoning, Learning and Action*. San Francisco: Jossey- Bass.

ARGYRIS, C. & D. SCHON (1978), *Organisational Learning*. Reading. MA: Addison Wesley.

ARMSTRONG, M. (1995), *A Handbook of Personnel Management Practice*. London: Kogan page.

ARTHUR, P. (2007), Development Institutions and Small Scale Enterprise in Ghana. *Journal of Contemporary Africa Studies* 24(3): 417-437.

BECKER, D. (1964), *Human Capital. A Theoretical and Empirical Analysis with Special Reference to Education*. New York: Columbia University Press.

BEER, M. & B. SPECTOR (1985), Corporate Wide Transformation in Human Resource Management. In: R.E. Walton & R.E. Lawrence, eds, *Human Resource Management Trends and Challenges*. Boston: Havard Business School.

BHATIA, S.K. (2007), *Strategic Human Resource Management. Winning through People. Concepts, Practices and Emerging Trends*. New Delhi: Deep and Deep Publication PVT.

BIENEFELD, M. & M. GODFREY (1982), *The Struggle for Development: National Strategy in an International Context*. Chichester: John Wiley.

BRUNSSON, N. (1999), Standardisation as Institutionalisation. In: M. Egeberg & R. Laegreid, eds, *Organising Institutions. Essays in Honour of J. P Olsen*. Oslo: Scandinavian University Press.

CAMERON, K. & D. WHITTON (1981), Perceptions of organisational effectiveness over organisational life cycle. *Administrative Science Quarterly* 523(26): 68-82.

CHRUDEN H. & A. SHERMAN (1984), *Managing Human Resources*. Ohio: South Western Publishing.

COASE, R. (1984), The New Institutional Economics. *Journal of Institutional and Theoretical Economics* 140: 229-231.

COMMONS, R. (1931), Institutions and transaction costs. In: R. Coarse, ed., *The firm, the market and the law*. Chicago: Chicago printing press.

CUMING, M. (1985), *The Theory and Practice of Personnel Management*. London: Heinemann.

DAVIS, L.E. (1980), Individuals and the Organisation. *California Management Review* 22(3): 5-14.

DEBRAH, Y & G. OFORI (2006), Human Resource Development of Professionals in an Emerging Economy: The Case of Tanzanian Construction Industry. *International Journal of Human Resource Management* 17(3): 440-463.

DECI, E.L & R.M. RYAN (1985), *Intrinsic motivation and Self Determination in Human Behaviour*. New York: Plenum.

DESSLER, G. (2005), *Human Resource Management*. Pearson: Prentice Hall.

EILBERT, H. (1959), The Development of Personnel Management in the United States. *Business History Review* 33(3): 345-384.

EMERSON, R.M (1962), Power-dependence relations. *American Sociological Review* 27: 31-40.

FARNHAM, D. & J. PIMLOTT (1992), *Understanding industrial relations*. London: Cassell.

GARETH, R. (2008), *Organisation Theory, Design and Change*. New Delhi: Pearson Education Publishing.

GARY, J. (1996), *Organisation Behaviour. Understanding and Managing Life at Work.* New York: Harper Collins.

GRANT, R. (1991), The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation. *California Management Review*. 33(3): 114-135 .

GUEST, D. (2001), Industrial Relations and Human Resource Management. In: J. Storey, ed., *Human Resource Management. A critical Text*. London: Thomson Learning.

HAKEN, H. (1980), *Synergistics. An Introduction*. Springer: Berlin.

HENDRY, C. (1995), *Human Resource Management. A Strategic Approach to Employment.* London: Butterworth – Heinemann Ltd.

HERSAY, P. & K. BLANCHARD (1977), *Management of Organisation Behaviour. Utilising Human Resources*. Englewood Cliffs: Prentice Hall.

HOFSTEDE, G.R. (1980), *Culture's Consequences: International Differences in Work Relations.* Newbury Park, CA: Sage.

HUCZYNSKI & D. BUCHANAN (2007), *Organization Behaviour. An Introductory Text*. Harlow: Prentice Hall.

KHAN, A.S & P. ACKERS (2004), Neo Pluralism as a Theoretical Framework for Understanding Human Resource Management in Sub Saharan Africa. *International Journal of Human Resource Management* 15(7): 1330-1353.

LASZLO, E. (1972), I*ntroduction to Systems Philosophy*. New York: Garden Beach.

LEGGE, R. (1992), HRM: Rhetoric, Reality and Hidden Agendas. In: J. Storey, ed., *New Perspectives in Human Resources Management*. London: Routledge.

LEVITT, B. & J.G. MARCH (1988), Organisational Learning. *Annual Review of Sociology* 14: 319-340.

LOCKE, E.A. & G.P. LUTHANS (1990), *A Theory of Goal Setting and Task Performance*. Englewood Cliffs: Prentice Hall.

MASLOW, A.H. (1970), *Motivation and Personality*. New York: Harper and Row.

MUNSTERBERG, H. (1913), *Psychology and Industrial Efficiency*. Boston: Houghton Mifflin.

PETERS, G. (2000), *Institutional Theory: Problems and Prospects*. Vienna: Institute of Advanced Studies.

PETERS, T.J & R.H. WATERMAN (1982), *In Search of Excellence.* New York: Harper and Row.

PFEFFER, J. & G.R. SALANSIC (1978), *The External Control of Organisations. A Resource Dependency Perspective.* New York: Harper and Row.

PORTER, M. (1980), *Competitive Strategy: Techniques for Analysing Industries and Competitors*. New York: The Free Press.

PROCHASKA, J.O & C.C. DI CLEMENTE (1992), Stages of Change and Modification of Problem Behaviour. In: M. Hersen, R.M. Eisler & P.M. Miller, eds, *Progress in Behaviour modifications*. Sycamore: Sycamore Press.

RICARDO, D. (1891), *Principles of Political Economy and Taxation*. London: G. Bell.

ROBBINS, S. (1990), *Organization Theory. Structure, Design and Applications*. Englewood Cliffs: Prentice Hall.

ROBERT, B. (1991), Economic Growth in Cross Section of Countries. *Quarterly Journal of Economics* 106(2): 407- 414.

ROETHLISBERG, F.J. & W.J. DICKSON (1939), *Management and the Worker.* Cambridge: Harvard University Press.

ROGERS, E.M. (1983), *Diffusion of innovations*. New York: Free Press.

RUSH, H. (1969), *Behavioural Science: Concepts and Management Application*. New York: National Industrial Conference Board.

SCHULER, R. S. (2000), The Internationalization of Human Resource Management. *Journal of International Management* 6: 239-260

SCHULTZ, W. (1971), *Investment in Human Capital.* New York: The Free Press.

SCOTT, W.R (1992), *Organisations, Rational, Natural and Open Systems*. Englewood Cliffs: Prentice Hall.

SENGE, P.M. (1992), *The Fifth Discipline: The Art and Practice of the Learning Organisation*. London: Century Business.

STOREY, J. (1989), From Personnel Management to Human Resources Management. In: J. Storey, ed., *New Perspectives in Human Resources Management*. London: Routledge.

TAYLOR, F.W. (1960), What is Scientific Management. In: F. Harwood, ed., *Classics in Management*. New York: American Management Association.

TORRINGTON, D., L. HALL & S. TAYLOR (2005), *Human resource management*. Essex: Pearson Education.

WALTON, R.E & R.B. MCKERZIE (1991), *A Behavioural Theory of Labour Negotiations*. Ithaca: IRL Press.

WILLIAMSON, O.E. (1998), Transaction Costs Economics. How it Works, Where it is Headed. *The Economist* 146(1): 23-58.

Long queues in CRDB Bank Ltd, Morogoro

2

Strategic human resource management

Introduction

In chapter 1 it was noted that modern organisations operate in a very competitive environment. The organisations compete for the best human resources, capital, technology, market share etc. This competition is characterised by a continuous change in customer tastes, fashions and needs. In order to cope with such changes and with the struggle to win customers, managers need highly flexible but robust human resource management strategies so that they can pursue, gain and sustain the existing and emerging competitive advantage.

Strategic Human Resource Management (SHRM) is necessary for all types of organisations, that is, public or private, local or foreign, small, medium or large. The only difference lies in the nature and scope of such strategies. In Tanzania for example, we have experienced the development of strategic plans as part of on-going public sector reforms. These plans take human resource management more seriously than has been the case in the past. Most recently, the government has developed potentials for using excellence models from businesses to guide public service delivery. Such models rely heavily on strategic plans. The idea is to inculcate and nurture a culture of excellence in public service delivery through better human resource management. This forms part of the drive to value citizens as customers who demand business like attitudes and services from civil servants. It departs from the tradition in which civil servants were seen as 'rulers' and citizens as 'the ruled'. This departure is explicitly required in human resource strategies in order to create an environment where employees can be fully committed. The private sector has an even greater need for human resource strategies because, as observed earlier, they make a difference in securing a competitive advantage. This chapter intends to highlight the key issues in strategic human resource management and the role of strategic human resource management in business and organisational strategies.

Therefore, at the end of this chapter the reader should be able to:
- Describe the meaning of strategic human resource management and why managers need human resource strategies.
- Explain the relationship between corporate/business strategies and human resource strategies.
- Examine the requirements for effective development and the implementation of human resource strategies.
- Assess the relevance of *strategic fit* in organisational performance.
- Explain challenges facing managers in developing and implementing human resource strategies and how such challenges can be used as opportunities.
- Share some lessons from African organisations.

Strategy and strategic human resource management

Strategic human resource management (SHRM) has attracted the attention of many scholars in human resource management, particularly those who shaped the development of the human resource management concept. Several definitions have been developed but they are not independent of ideas of general strategic management. For the purpose of raising and comparing issues covered in the areas of strategic human resource management, three definitions are offered below.

The first is from Harrison (1993: 36) who defines strategic human resource management as:

> an overall and coherent long term planning and shorter term management, control and monitoring of an organisation's human resources so as to gain from them the maximum added value and best position them to achieve the organisation's corporate goals and mission.

This definition is about decision making and the process involved in terms of putting decisions into action. The main focus here is on planning for human resources, putting management systems in place so that staffing functions maximise the use of people as required by the organisation. In other words, strategic human resource management exists only if the future of the organisation is set and human resource strategies are developed and used to realise the future through the present. An aspect of short-term management control and monitoring is necessary for the realisation of the mission and goals.

Chaturvedi, in Karadjova-Stoer & Mujtaba (2009) consider strategic human resource management as 'linking human resource with strategic goals and objectives in order to improve business performance and develop organisational culture that fosters innovation and flexibility'. This definition is derived from both resource dependency and strategic management theories within the environment where success of the organisation is based on the ability to develop the most robust business strategy, coupled with having the right people to pursue it. However, it is important to note here that the word 'business' also covers transactions for profit.

Therefore, the achievement of the desired future for the organisation is seen in terms of the ability to manage employees as the only resource that can mobilise and manage other resources. Therefore, failure to make the right decisions about people management leads to failure of the future of the organisation.

Walker (1992) is more interested in the means rather than the end of strategic human resource management. The author points to the need for linking such means with the

strategic component of the organisation, thus strategic human resource management is about the methods of aligning the management of human resource with the strategic content of the business.

The general understanding derived from this definition is that staffing functions (recruitment, selection, placement, appraisal, rewards etc), which are used as a means of managing people should be directly linked to the strategic choice of the organisation. Such choice could be growth, survival, merger, closures, diversification etc. Bhatia (2007: xiii) supports the same conceptualisation of linking organisational strategy with people management by defining SHRM as:

> The overall direction the organisation wishes to pursue in order to achieve its goal through people as a strategic resource for the achievement of competitive advantage.

From this perspective, the goal is to generate strategic capability by ensuring that the organisation has talented, skilled, committed, and well-motivated staff.

From the above definitions and scope of strategic human resource management, it is tempting to suggest that as much as it is not possible to come up with a comprehensive definition of strategic human resource management that will not be too wordy and confusing, or too short to give a clear picture of the strategic issues involved, human resource management could also be defined as the process of managing the workforce such that the organisation achieves a sustained competitive advantage over others. Here, market forces are the drivers for strategic decision-making processes and implementation of staffing functions. In this case, strategic human resource management is both a proactive and reactive management process that transcends organisational life span.

Rationale of strategic human resource management

Literature on the development of traditional human resource management for the past thirty years and more has been on the emphasis for a complete shift from traditional human resource management to strategic human resource management. The arguments fit into a widely accepted reason for accepting strategic human resource management as a way forward for corporate excellence (Storey 1989; Quinn 1991; Stewart 2008; Inyang 2010). The main contributions come from debates developed during the moulding of British and American models of human resource management. Therefore, according to these debates, the rationale for SHRM is summarised as follows:

It is an integral part of business strategy
Business strategy is a plan that indicates the direction of the organisation. It brings the organisational vision, mission, policies, goals and objectives together. It can be at the level of the organisation, department or business unit. It is developed based on the knowledge of the organisational environment including strengths, weaknesses, opportunities and threats. Since the organisation will have different strategies including, technological, capital, energy, marketing, finance etc, human resource strategy is one among many strategies but is more important than others because of its human nature.

The link between business strategy and HRM
Any business strategy will have human resource implications which include number, qualifications, working hours, training, pay, conditions of work etc. If, for example, one of the business strategies is to change the line of business after 5 years, then the neces-

sary changes have to be planned as part of human resource strategies including training, layoffs in time, sub-contracting some jobs etc. as the need arises.

Formally declaration of intentions in managing HR
Securing the commitment of employees requires the building of trust on the part of the management. Employees have to be assured of their future in the organisation through some kind of documentation. Human resource strategy is one such useful document; it gives a rough picture of how the management values employees and the reasons as to why employees should be committed to the future of the organisation.

Generating a competitive edge
A competitive edge is generated from the quality and number of staff the organisation has. Quality is measured in terms of the level of competence while the staff numbers depend on the required employee – job ratio and number of working hours. Human resource strategy is a tool used for assisting the organisational process of gaining a competitive edge by recruiting the best people, using the best labour in the most effective way and putting the incentives in place that can retain the best people and develop them so that they, through their knowledge, stand at the forefront of management and labour utilisation.

Partnership between the management and workers
Under SHRM, the director of human resources represents employees as a partner in business. Employees are partners in business in the sense that they have a stake in the organisation that requires the full cooperation of all parties so that, organisational objectives, team objectives as well as individual objectives are realised. A SHRM document is useful in identifying the role of each partner in strategic business performance. Millmore *et al.* (2007) have dealt in detail with the roles of human resource strategy and which are well summarised by Bhatia (2007). These include shaping the mind-set of the management and staff, facilitating the process of decision-making and action to be taken, working on human resource implications of specific strategic decisions and establishing strategies for cost reduction, defining opportunities for better capacity utilisation, and creating future managers by nurturing talent.

Integrating business strategy with human resource strategy

Strategy – is a plan or pattern that integrates an organisation's major goals, policies and action into a cohesive whole (Quinn 1991). By drawing from strategic management literature, Bhatia (2007) looks at strategy in terms of a statement of the direction in which an organisation wants to go and what it wants to become. However, human resources must shape this direction. Therefore, as organisations become strategic, the same strategic decisions on managing people become necessary. Strategic decisions are decisions that determine the overall direction of the organisation. Fombrun *et al.* (1984) regards strategy as a process through which the basic mission and objectives of the organisation are set, and the process through which the organisation uses its resources to achieve its objectives.

Other scholars relate strategy to a competitive advantage. For example, Miller (1989) defines strategy as encompassing those decisions and actions that concern the management of employees at all levels in the business and that are directed towards creating

and sustaining a competitive advantage. Human strategies like production, financial, marketing and others should be integrated with business strategy in order to establish operational linkages. Although strategic integration between business strategy and human resource strategy is desirable, it has not been an easy task. Indeed, American and British firms have experienced disjointed and at many times side-lined human resource strategies in the overall organisational management process (Storey 1992 in Harrison 1993). In assessing the utility of strategic fit to the performance of the organisation and the overall improvement of human resource management functions, Green *et al.* (2006) concludes that the organisations that vertically aligns and horizontally integrates human resource functions and practices, perform better and produce more committed and satisfied staff than is the case with the organisations which do the opposite. Vertical alignment refers to the alignment of human resource practices to the organisational context in order to support specific organisational objectives. Characteristics of vertical alignment include:

- The top management incorporating human resource plans, requirements and activities during the establishment of the organisation's direction,
- Top level managers being trained to integrate all levels of the organisation's management hierarchy and functional departments into the organisation decision making process and
- The human resource department being fully integrated into the strategic planning process.

Horizontal integration is the degree to which specific human resource practices are orchestrated in a coherent and consistent manner to support one another in the best way possible and to integrate with other departments. The following are the characteristics of horizontal integration.

- The human resource department works hard to maintain corporate partnership with individual managers,
- The human resource department regularly checks with other departments to identify organisational training needs and
- The human resource department supports departmental managers in carrying out critical human resource management functions as part of their core functions and activities.

Therefore, the corporate strategy should set the agenda for human resource strategy in the following key areas:

Mission
This concerns setting the future of the organisation. What will the organisation be like, serving which purposes and to what extent? This will provide some indicators on the quantity and quality of staff that will be required to effectively transform the functioning of the organisation to that level. This will form the basis of the human resource mission.

Organisational culture
Organisational culture could mean different things to different people because it depends on individual interpretation. We do not see the world around us in the same way and hence our interpretations of reality are different. An organisation's culture develops itself over a long time. Handy (1993) describes an organisation culture as deep seated

beliefs, values, norms, attitudes about the way work should be organised, authority exercised, people be managed, degree of informalisation, obedience by subordinates, punctuality, adherence to rules and regulations etc. This framework is useful guidance in the process of developing human resource policies, regulations, and procedures in order to avoid possible contradictions between the established organisational culture and people management at lower levels.

Human resourcing

The process of human resource acquisition will depend on business strategy. For example, if new production lines are to be installed in three years' time, there is no doubt that new skills will be required. Plans have to be made including training and recruitment so that there are qualified staff of the right size to manage the new production line. The same will apply to service provision whether in the private or public sector organisations.

Commitment

As we noted in the first chapter, commitment to the organisation cannot start at the bottom of the ladder. Employees have to see, feel, and believe that the top management is committed to making the organisation the best place for them to work. Business strategies have to indicate that top management commitment in order to create enabling environment for human resource management strategies.

Productivity

Productivity is an indicator of how best resources are utilised in the organisation. Business strategy has to set out performance targets, standards and measurements. This will form the basis for developing strategies for acquiring the right skills, numbers and performance management as well as reward systems.

Employee relations

The relationship between the employee and the management as well as the relationships between employees themselves also depends on business strategy. For example, if a business's future is not promising, it will certainly affect working relationships. Strategies have to be developed in order to avoid grievance and disputes that could become very costly to the organisation. Such strategies could include work-sharing arrangements, introducing work shifts, voluntary retirement, part time job arrangements and similar action.

Strategic human resource management model

There are several components that make up SHRM. Each of these blocks has underlying values and assumptions that, in principle, have already been described in chapter 1. However, there are also contentious debates on whether there is any well-grounded model on strategic human resource management based on a specific discipline (Storey 1989; Hendry 1995; Nankervis *et al.* 2000; Ismail & Long 2009; Calisken 2010; Inyang 2010). The major differences are areas of emphasis between business strategies as determinants of human resource strategies and hence aiming at 'strategic fit' on one side or a universal approach to making human resource functions responsive to strategic business requirements. The 'universal approach' or people as resource for gaining a

competitive advantage are based on the 'resource based theory'. This lack of clarity has led to a model that tries to capture important attributes of strategic human resource management model as depicted in Figure 2.1. The figure displays ten main tenets of strategic human resource management which characterise the philosophical nature of strategic people management and what managers and employees ought to put in place and do in order to excel in a competitive business environment. The description for each tenet is provided below.

Figure 2.1   Strategic human resource management model

Making strategic value choices
Although the model suggests ten strategic variables of human resource management that have to be embodied in systems, practices and competencies in order to guide employees as individuals and teams to higher level performance, managers have to focus on the most valuable aspects, depending on the organisational strategy. For example, an organisation that emphasises creativity and innovation will choose and reward employee behaviour that demonstrates risk taking initiatives. That is to say, each of the nine constituents of the model will have different aspects to deal with but managers will have to make decisions and choose systems, processes, programmes or activities with the most strategic value for the individuals, teams and the organisation.

Strategic integration
Since HRM is related to other organisational strategies, integration is not only desirable but also necessary to ensure that human resource management decisions are not made for their own sake. HRM policies and procedures need to be linked with an organisation's strategy, its objectives and its activities so that performance can be judged in terms of the degree of strategic fit between business strategies and human resource strategies.

Employees as most valuable
No organisation can excel without having the right human resources. Experience suggests that human resources are a key factor in attaining a competitive advantage. It

needs to be developed through nurturing, coaching, training, respect and love, care, and encouragement, which are key components of motivation packages. The degree to which the emphasis on staff development of both current and future performance requirements is taken into account depends on the position of the organisation in its life cycle. The premise that human resources are the most valuable of all resources also presupposes that human resource functions cannot be left to personnel departments alone. There is need to place this function to all functional departments with the human resource manager remaining a team leader. Optimal utilisation of this asset requires that there should be deployment of right numbers and skills at the right place at the right time. The old tradition where departmental managers struggled to build their own empires by recruiting and retaining staff no longer holds sway in strategic human resource management.

Emphasis on management of support staff
Along the same logic of valuing human resources, managers are challenged to support staff through various techniques so that the latter can have a sense of belonging, enjoyment from the job, gain confidence in the management, identify with the organisation and feel that they own it. Informal interactions, open door policy, coaching and mentoring, attractive employee welfare schemes are some of the techniques used to support staff and make them feel proud of their work and the organisation.

Strengthening management and employees commitment
Commitment at all levels of the organisational structure depends on the perceptions and attitudes of both the management and employees towards each other. Negative perceptions and attitudes are the source of low morale and lack of interest in both the job and the organisation. For example, if employees feel that management ignores them when the former attempts to exercise their rights, the level of commitment would be low. Similarly, if the management feel that the workers are lazy and too demanding, they are likely to lose commitment in supporting such staff. However, since in principle, strategic human resource management should be the responsibility of top management, any sign of low employee commitment is the result of poor handling of human resource management issues at the top management level.

Employee commitment can be secured through various techniques. Some are ritualised including organisational songs, slogans, attire or informal gatherings such as cocktail parties etc. Employee involvement in the affairs of the organisation through the contribution of ideas, motivation through encouragement, recognition of individual as well as group efforts in accomplishing tasks by rewarding appropriately make a difference in inducing commitment from staff.

Effective communication
Effective communication occurs when a message is received and understood in the same way as the sender intended it. It involves the careful organisation of ideas, assessment of the right mode of transmission and the nature of the receiver. Studies have shown that most problems experienced in people management are due to poor communication. Strategic human resource management appreciates the role of communication as a critical tool in day-to-day human resource management. Open channels of communication that build trust and mutual understanding, helping employees to internalise the

organisation's vision, mission statement, core values, policies, objectives and activities are essential.

Frequent meetings with the top management, departmental and team meetings present the best opportunities for effective communication. Other channels include close interaction between staff and supervisors, billboards, brochures and instruction manuals. Informal communication is very useful in disseminating information if the danger of rumours and gossip is to be contained.

Decentralisation for empowerment
Strategic human resource management calls for a decentralisation of decision making and problem solving at the lowest levels possible in the organisational hierarchy. That is, allow decisions to be made at the very source of activity. Operational staff and teams are the public face of the organisation. Therefore they need power, authority, and motivation to take the right decisions at that level. Organisations with a human resource management culture cannot afford to embarrass themselves in front of a valued customer by failing to conclude business deals simply because a particular manager has to make a minor, unnecessary routine decision.

Flexibility and adaptation
The nature of today's business' success lies in the ability to promptly respond to the unpredictable and fast changing environment. Flexible but robust rules and regulations, flatter organisation structures, preference for a multi-skilled workforce, and use of convertible production technologies are some of the strategies used to improve an organisation's ability to cope with environmental pressure.

Creativity and innovation
SHRM calls for the management and employees to work together and come up with new ideas that can be put into practice so that new business opportunities can be created. With regards to employees' management, creativity and innovation are required in areas such as pay schemes that are internally fair and externally competitive, job enrichment, enlargement, leadership, team building, retraining, and better employment arrangements.

Obsession with quality
In the language of total quality management, the customer is always right and quality is seen in the eyes of customers. In order to produce the best quality goods and provide the best quality services as perceived by the customer when compared to other producers or suppliers, the organisation need staff orientated towards, and a motivation for excellence in quality products and services. Careful recruitment and selection of staff, appropriate training and development programmes, use of quality circles, and performance management systems that reward employees according to contribution are some of the strategies used to build and sustain a culture of quality.

The oval shaped pictorial view of the model and the interaction between variables emphasise the fluidity, complexity and dynamic nature of the SHRM model. For example, effective communication will have a symbiotic multiplier effect on decentralisation, employee commitment, creativity, integration etc. To use the language of cybernetics, the 'whole' is greater than the 'sum' of the variables. At the centre of the model, we have organisational ability to implement each of the requisite strategies. This puts em-

phasis on the 'doing' rather than the 'talking' and therefore, it might be better to have a strategy of limited quality which is well implemented as opposed to having an excellent one which is almost impossible to implement.

Core competencies for effective human resource professionals

In order for human resource managers to play an effective strategic role in the organisation, it is imperative that a set of key competencies are developed. Yeung *et al.* (1996) recommend that competencies in business knowledge, customer focus, credibility and integrity, view of the entire organisation, negotiation, conflict resolutions, and effective communication be developed or sourced. Inyang (2008) goes further by including leadership based competencies which are visionary and ability to learn and multiskill while Ismail & Long (2009) consider consulting and human resource's application of skills as important too. Indeed, the more the list of competencies is extended the more the human resource professionals are able to play more effective roles in the strategic human resource management framework. However, although all these competencies can be developed, some are also natural talents. Therefore, resourcing strategies that include hunting for talents and develop them is one of the strategic aspects of human resource management that is deployed.

Changing from traditional practices to SHRM

Putting strategic human resource management in place and making it effective is a journey that requires a strategic approach and enduring hard work. This is mainly because it is about changing the thinking, perceptions, attitudes, values and the way of doing things. There is no one strategy that can be used to introduce SHRM in all organisations and making it work all depends on the nature of the organisation and the environment.

When selling an idea for introducing strategic human resource management in an organisation, the first question will be: to what extent does the organisation already use traditional human resource management practices? For example, most public organisations in the third world countries are at the level of personnel administration where personnel functions are disjointed, merely supportive and isolated from the corporate goals and objectives (Kamoche *et al.* 2004; Khan & Ackers 2004). In this case, the first attempt should be to create awareness of the need to improve the current practices to the level that will naturally call for a strategic approach to managing people. Where formal traditional human resource management practices are noted, the starting point would be to assess the organisational environment and justify the reasons for changing to a strategic approach. That is to say, there must be a justification for 'changing the way we do things here' in terms of improving organisational competitiveness. It is important to note that if the management and staff do not see the danger of remaining at the level of 'business as usual' and older traditional human resource practices they will not support the change. For example, one should suggest specific innovation and how they give the organisation a competitive advantage, their relevance in addressing strategic issues facing the organisation, the impact on short and long-term organisational performance and coherence with the existing policies and practices.

From the organisational analysis, it may be found that there is no shortage of enemies against bringing change. Managers or employees may be reluctant to accept the new changes due to various reasons such as fearing the implications for their own jobs and

positions. Mobilisation and a 'coalition of the willing' are inevitable. This is where networking and lobbying skills are needed most. Before moving to real implementation, it is important that the focus of SHRM is kept clear and one can see the way it ought to work.

The implementation of SHRM should be conducted cautiously and in a systematic manner. It should not be seen as a project with a limited life span. The impression has to be made from the outset that SHRM is designed to be a way of doing things over the course of an organisation's lifetime. Like any other organisational change, preparation has to be made. These include:

- SHRM manual for guiding the process and referencing sources.
- Companywide sensitisation programmes.
- Mobilisation of resources.
- Time/activity/output schedule.
- Making the key drivers, particularly the senior executives ready.
- Allowing the chief executive to jump start the process to give it momentum.

Keeping a close eye on the implementation process is as important as the preparation itself. This is the task of the human resource director or manager as a leader of SHRM in the organisation. The objective of monitoring is to keep the process on track by taking the right measures including training, coaching, encouragement, continuous communication and mobilisation of more resources. Evaluation of the SHRM may be done at any time when it is felt that results should have been realised. Usually, the results can be seen between one and three years later, depending on the nature of the organisation and the objectives of the SHRM. In many cases, an external consultant is hired to do the job in the hope that he/she will be fair and objective. Whatever the outcomes of the evaluation, efforts are made to reinforce the strengths and overcome limitations by turning them into opportunities.

SHRM in the third world countries

The assessment of strategic human resource management in the third world countries fundamentally questions the application of Western management theories in the context of third world countries. If we have the courage to say that they (Western management theories) are not relevant, are we suggesting that we have different theories? Or we do not have any? Then how do we manage? Is the managing of affairs in this context effective? There are no clear answers to these questions as third world countries are not homogenous either. The degree of relevance SHRM has in these countries depends on the factors indicated below.

Environmental factors
- Economy – the status of poverty
SHRM requires the support of the countrywide economic environment. Poor countries particularly those in Sub Saharan Africa are preoccupied with problems of hunger, general diseases, HIV AIDS pandemic, water shortages and other basic needs. This situation even affects strategic management in most organisations because senior managers who are expected to be drivers are also part of the wider system trying to make ends meet.

- General education and professional skills

The quality of the workforce depends on the general quality of general and professional education of the country. In the poorer countries, the quality of education is lower and as a result it is difficult to get staff of the required levels of competence needed to develop, drive and sustain business strategies. This is one of the reasons that most international firms resort to hiring unnecessarily expensive expatriates to head strategic positions in an organisation.

- Technology

SHRM will work where an organisation is able to acquire the best available technology if the business strategy is beyond mere survival. With the exception of strongly emerging countries, which to some extent may not qualify as being third world countries (Taiwan, Hong Kong, Singapore, South Korea, Malaysia, Thailand and even more recently India) the rest of the countries are technologically dependent on the developed countries. Lack of capital required to acquire modern machinery and equipment has been a major setback in modernising most of the processing industries that are now in the hands of the private sector after many decades of public ownership and mismanagement. In Tanzania, Morogoro Canvas Mill Ltd and Tanzania Portland Cement Company Ltd (Twiga Cement) are cases that illustrate this.

- Infrastructure

One of the main reasons for the failure of poor countries to attract sufficient foreign direct investment is lack of efficient infrastructure - roads, telephone services, electricity, railways, air and water networks. Even if the organisation has excellent business and human resource strategies, with poor infrastructural support, the chance of failure is higher than success. This is a disincentive for devoting time and energy to developing SHRM, particularly in medium and small-scale firms.

- The extent of urbanisation

Organisations located in big cities are more likely to develop and use business strategies than those in semi urban or rural areas. Managers can learn from other firms in the neighbourhood, network, get information on time, obtain a well-educated workforce, and get access to emerging markets etc. Urban centres in poor countries are far less comparable to big cities worldwide. Therefore, it is unrealistic to expect business and human resource management strategies in poor countries to work in the same way as they do in developed countries, let alone the existence of these human resource management strategies in the former.

- Cultural issues

Managing organisations in third world countries is far more influenced by cultural issues than the Western management school of thought on business strategy or human resource strategy was designed to address. After all, the concepts and the language used in human resource management are devoid of cultural diversity, corruption, as well as an obsession for following the rules and regulations (inherited from colonialists) and paternalistic behavioural expectations by society. Others are the meanings attached to concepts such as 'risk', 'deadline', 'quality work' and many more which do not seemingly fit the context of other countries, although there is quick learning and adapting in the form of imitation in order to catch up with the 'civilised society'. It is immoral to use corruption as a means for exercising strategies where there are barriers. For example, circumventing corruption to get a business licence or tax clearance may prove very

costly and at times it may create hostility that may lead to sabotage of the organisation from those in powers of position in government.

There is no doubt that most managers in these countries learned their management styles over a few years of college education but they have learned much more from experience which has nothing to do with managing modern organisations. For some, the only experience was from colonial masters where they were employed as clerks, for others it was through working as public bureaucrats, and for the luckiest ones it was through management of public enterprises (already dead and raised to life by private investors) whereby using the rule of thumb was the underlying management philosophy. For decades, managers have been operating in an environment where coming to work late has become normal, working for two instead of eight hours a day is acceptable, staying around with nothing to do is part of a daily programme, stealing company's money and other resources for selfish ends is perceived as a good way of avoiding poverty and embarrassment at old age… the list is ad infinitum. Therefore, new management concepts cited above and many others such as objectivity, honesty, transparency, and commitment to work are as alien as the operating business environment today. Some emerging powerful organisations have realised this limitation and have resorted to recruiting young university graduates so that they can nurture them and develop an appropriate organisational culture.

Although the fresh blood seems to accommodate these new management concepts, paternalism remains a hard nut to crack because it is an integral part of the society. Human resource strategies may be there but favouritism based on family membership, ties to relatives or other members of ones tribe, regional affiliation, and religion seem to hinder effective recruitment and selection, placement, promotion, transfer, rewards, and all other staffing functions. Too few good employment opportunities, poverty and the growing number of family dependants resulting from the HIV AIDS pandemic exacerbate this situation.

Increasing globalisation is now pushing poor countries and organisations to adapt to the way of thinking and doing that the developed world uses. The main drivers for change are major world institutions including the World Bank, the International Monetary Fund, and the International Finance Capital and Multinational Corporations. These institutions determine and control capital flows to poor countries in the form of conditions including the production of viable strategic business plans.

Some specific human resource management cases from Africa

The general literature on strategic human resource management in Africa is scant and where available, it is not updated and mainly concludes that strategic human resources hardly exist. The major reasons include lack of colonialists' readiness to prepare African managers to think strategically, a culture that does not promote the spirit of creativity, innovation and risk taking. This is coupled with a long history of the dominance of bureaucratic public enterprises and strong political influence and patriotism (Kamoche *et al.* 2004; Budhwar & Debrah 2004). Now the focus is more on institutionalisation of western styles of management through sectoral reforms and the creation of an enabling environment for multinational corporations, which are emerging with some kind of a hybrid management culture.

For example, Swiss port (T) Ltd was established in 2005 as a result of a partnership between the then Dar es Salaam Airport handling Company Ltd of Tanzania and Swiss

port International Ltd. The government owns 49% while Swiss port owns 51% of the shares. The company provides passenger ramps, cargo handling, clearing and forwarding services. The intention of this partnership is to make the company a world class ground handling company that commands high quality services and profitability. The mission is to provide reliable, high quality and cost effective airport ground handling and related services in order to increase shareholders' wealth through a highly motivated workforce.

A study by Winsara (2008) shows that although the company has clear vision, a mission and strategic objectives, there were limited use of the strategic approach to human resource management functions and the use of support instruments. For example, the language used in performance appraisal was difficult for an ordinary employee to grasp. The appraisal form, which is an essential instrument in appraisal, was complicated as it was seemingly designed to meet western standards. The mainstream literature on strategic human resource management emphasises the need to ensure that all employees share and own the organisation vision, mission, and objectives in order to secure employees' commitment. At the Swiss Port, ordinary employees expressed dissatisfaction, as they believed that the strategy of the organisation had nothing to do with what the staff expected. When one employee was asked how satisfied he was with the job, his answer was: 'How can we be satisfied while all the objectives, missions and vision of the organisation are for the benefit of the organisation? No simple objective touches an individual.'

Therefore, having a strategic plan, which does not address its implications in terms of human resource management, is likely to fail because it will fail to secure staff commitment needed to accomplish the intended objectives.

The experience from public service in Botswana suggests that it has a fairly well planned system of linking the strategic plan with performance management. Nyamunga (2006) observes that the introduction of the strategic plan brought some clarity in the planning and service delivery at the ministerial level. However, the following challenges were noted:

- Inadequately defined objectives in some ministries created difficulties in generating appropriate measures because the objectives were interpreted in different ways.
- Unclear links between the strategic objectives and the annual performance plans created a situation where there was more focus on the operational perspectives than the strategic ones and even general staff performance at lower levels.
- In some cases, there were no link between the ministerial strategic plans and departmental strategic plans because the departments developed plans without reference to ministerial plans, and this led to operational conflicts and misplacement of resources.

However, by using the balanced score card, the public service links individual objectives, targets, and performance indicators with ministerial and departmental objectives, targets and outcomes. Although the experience has been more about linking strategic plans with individual plans rather than with human resource management as such, nonetheless it is good development towards better human resource management. Its effectiveness will be evaluated when we look at performance management later. The Botswana experience may be attributed to a long relationship of learning with South Africa where the level of education may be higher and practice more Eurocentric management principles than is common in sub Saharan Africa. Also, Botswana is one of the fastest

developing economies in Africa. Therefore, historical Eurocentric orientation and a fairly healthy economic environment have had a role to play in the success of strategic management in Africa.

Therefore, there is insufficient evidence to conclude that strategic human resource management in Africa is practiced as academics intended. Common practice has been trying to link corporate strategic objectives with isolated human resource management functions, particularly in the area of performance management.

Review questions

1. What is strategic human resource management? Using your organisation as a case, to what extent is the integration of human resource strategies with business strategies practical?
2. Explain how you would introduce strategic human resource management systems in an organisation. Examine the possible challenges.
3. By using your own working experience, comment on the statement that 'the chief executive can support or starve' strategic human resource management in your own organisation.
4. To what extent do you think human resource strategies are relevant to third world organisations? Give examples.

References and recommended reading

ARMSTRONG, M. (1995*), A Handbook of Personnel Management Practice.* London: Kogan page.

BHATIA, S.K. (2007), *Strategic Human Resource Management. Winning through People. Concepts, Practices and Emerging Trends*. New Delhi: Deep and Deep Publication PVT.

BUDHWAR, P. & Y. DEBRAH (2004), *Human resource management in developing countries*. London: Routledge.

CALISKAN, E.N. (2010), The impact of strategic human resource management on organisational performance. *Journal of Naval Science and Engineering* 6(2): 100-116.

GREEN, K.C., D. WHITTEN & B. MEDLIN (2006), The impact of human resource management on firm performance and human resource professionals' work attitude and work performance. *International Journal of Human Resource Management* 17(4): 559-579.

HANDY, C. (1993), *Understanding Organisations*. Penguin: St. Ives Plc.

HARRISON, R. (1993), *Human Resource Management. Issues and Strategies*. New York: Addison Wesley.

HENDRY, C. (1995**),** *Human Resource Management. A Strategic Approach to Employment.* London: Butterworth – Heinemann Ltd.

INYANG, B.J. (2008), Human resource capacity building: An imperative for effective performance in the public service. *MRL Journal* 1(2): 50-64.

INYANG, B.J. (2010), Strategic human resource management. A paradigm shift for achieving sustained competitive advantage in organisation. *International Bulletin of Business Administration* 7: 23-36.

ISMAIL, W. & C. LONG (2009), Analysing the strategic contributions of human resource professionals: A framework for developing future leaders. *Interdisciplinary Journal of Contemporary Research in Business* 1(1): 116 – 135.

KAMOCHE, K.N., Y.A. DEBRAH, F.M. HORTWITZ & G.N. MUUKA (2004), *Managing human resources in Africa.* London & New Delhi: Routledge.

KARADJOVA-STOER, G. & B. MUJTABA (2009), Strategic Human Resource Management and Global Expansions: Lessons from the Euro Disney Challenges in France. *International Business and Economics Research Journal* 8(1): 69-78.

KHAN, A.S. & P. ACKERS (2004), Neo Pluralism as a Theoretical Framework for Understanding Human Resource Management in Sub Saharan Africa. *International Journal of Human Resource Management* 15(7): 1330-1353.

42

MILLMORE, M.P. et al. (2007), *Strategic Human Resource Management. Contemporary Issues.* Essex: FT Prentice-Hall.

NAUKERVIS, A., R. COMPTON & M. BAIRD (2000), *Human Resource Management.* Australia: Nelson Publishing.

NYAMUNGA, M. (2006), *Best practices in public service delivery and their replicability. The case study from Botswana.* African Association of Public Administration and Management (AAPAM) 28th AAPAM Roundtable Conference. Arusha. Unpublished.

PURCELL, J. (1995), Corporate Strategy and its Link with Human Resource Management Strategy. In: J. Storey, ed., *Human Resource Management. A Critical Text.* London: Routledge.

STOREY, J. (1989), From Personnel Management to Human Resources Management. In: J. Storey, ed., *New Perspectives in Human Resources Management.* London: Routledge.

WINSARA, N. (2008), *Performance Review and Appraisal System at the Swiss Port (T) Ltd.* Unpublished.

YEUNG, A., P. WOLCOCK & J. SULLIVAN (1996), Identifying and developing human resource competencies for the future: Keys to sustaining the transformation of human resource functions. *Human Resource Planning* 19(4): 1-10.

3

Human resource policies

Introduction

No formal organisation can exist and function well without formal 'rules of engagement' in managing people. These are general guidelines that express how the management intends to manage people and what is expected of employees in the workplace (Cuming 1985; Armstrong 2006). Such guidelines include human resource policies. Other guidelines could be in the form of memos, circulars, codes of ethics and conduct and standing orders. Policies could be implicitly embodied in the organisation's vision and mission statements or explicitly established in its strategic plan and/or human resource strategic plan. Policies define philosophies and values that the organisations attach to employees. They will express how employees are valued or not valued as a resource, management position with regards to decision making in staffing matters and roles to be played by each stakeholder in the employment relationship. Without policies that are explicit and known to both the management and staff, there are dangers of arbitrary decision-making that can de-motivate both managers and staff and hinder the whole organisation's performance. This chapter dwells on the human resource policy as a separate topic in human resource management in order to give it the weight it deserves as a tool in guiding human resource decisions in an organisation. The chapter will cover a number of important areas in understanding why managers and employees need policies, key human resource management functions that require explicit policies, and how policies are developed and implemented. The chapter emphasises the fact that having a policy, which cannot be effectively implemented or used effectively, is as good as having none; thus it is even better not to have any policy all together.

Therefore, at the end of the chapter the learner should be able to:
- Explain the role of human resource policies in human resource management functions.
- Describe the human resource policy-making process.
- Develop effective human resource policy for an organization.
- Examine challenges of introducing human resource policy in an organisation.

The importance of human resource policies

As managers, before considering any human resource policy, it is important to pose a number of questions which have to be answered by the managers themselves because developing human resource policy to address specific areas of human resource management is an investment which, in principle should have positive returns in terms of facilitating decision making and creating a motivating environment for the employee. However, despite the fact that this topic is important for people management in organisations, a cursory review of the coverage of human resource policies as a distinct topic in the mainstream literature of human resource management studies show inadequacies in terms of scope and content (Cuming 1985; Beach & Dale 1985; Armstrong 2006). One of the reasons seems to be that policies, when defined as guidelines, are implicitly covered in separate topics such as strategic human resource management, human resource plans, performance and reward management and so on. However, where human resource policies are discussed, the best arguments for establishing human resource policies are:

First, human resource policies help managers to ensure that people management is in line with corporate values. It is not an easy task to solicit employees' commitment to the organisation if what is contained in the corporate vision, mission, and values is not further developed and put across in such a way that both managers and employees feel that the organisation is not just paying lip service. Indeed, human resource policy is useful in judging the extent to which the consistency between the declared philosophy in people management at the strategic level and the day-to-day management of human resources in terms of decisions and activities at operational level is sustained.

Second, is about ensuring that human resource management decisions are made consistently. Managing employees is about decision-making and implementation of human resource intents in the whole spectrum of the terms and conditions of employment Human resource policies provide a reference and guidance for avoiding inconsistent decision making by substantive managers or those who make decisions in similar matters and thus affecting different employees over time. This builds confidence and trust between managers and staff.

Third, is to minimise inequality in the treatment of employees. Although the mere presence of human resource policies cannot guarantee equality in the treatment of employees in various areas such as training, employment benefits or gender, lack of specific policies can create even more disparity between employees. It becomes difficult for employees to demand equal treatment when there are anomalies and when there are no clear definitions and criteria for judging equality.

Fourth, human resource policies facilitate decentralisation, delegation and local empowerment. Staffing decision making can be delegated to lower levels of management without the risk of the wrong decisions being taken because the policy will provide guidance on how certain issues or problems on staffing should be handled. The human resource policy document becomes the source of power and authority for those entrusted with the execution of duties affecting employee's work and welfare.

Formulating human resource policies

In an ideal situation, it is strongly recommended that an organisation formulates human resource policies that will cover all human resource management functions. These include: recruitment, selection, performance management, training and development, pay,

promotion, and redundancies (Beach & Dale 1985). Emphasis on the forming of policies is common in large and medium size organisations in developed countries and less if at all present in organisations in poor countries. The formulation of policies covering almost all the aspects of human resource management functions or just a selection of a few areas like training and development depends on a number of factors, including lack of top management's appreciation of the need for policies and resource constraints such as technical expertise and finance.

The formulation of human resource policies requires thorough preparation and commitment to provide the necessary impetus for the preparation of the policy document, its implementation and continuous review (Cherrington 1995). In fact, it is better to have no policy at all than having one that is not implementable as it will be a potential source of conflict between the management and staff and could seriously hinder productivity. Some organisations may have the expertise and financial resources required but may not have the time to go through the task of preparing human resource policies. As a result, consultants are engaged to do the job alone or in collaboration with some technical staff from within the organisation, particularly the human resource specialist. Regardless of whether the policy is formulated by the organisation or consultancy firm, some basic procedures and processes need to be followed. Figure 3.1 summarises the salient features.

Figure 3.1   Formulation and implementation of human resource policy
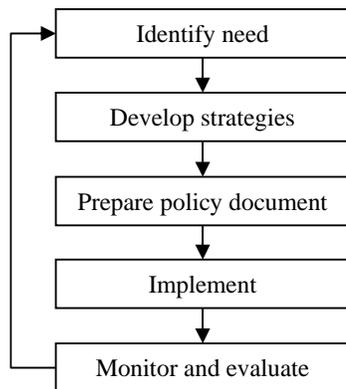
Source: Cherrington (1995).

Identifying the need
The process of identifying the need for a particular HRP should emanate from the review of the organisational vision, mission, goals, strategies, objectives and activities on the one hand, and human resource strategies (if available) on the other. These sources may explicitly or implicitly provide the necessary starting point for building arguments for a particular HRP. For example, if one of the statements observed says that 'the organisation strives to excel in error free products', it means that there should be particular policy guidelines for human resource recruitment, rewards, retention and development in order to ensure the availability of staff of the quality and the size capable of producing error free products.

Developing appropriate strategies

Effective human resource polices will also depend on the ability to identify and use appropriate strategies to establish the foundation for generating relevant human resource policy documents. Such strategies include:

- Seeking top management opinion and support.

Human resource managers as partners in human resource functions have an obligation to seek support from the top management in order to get the necessary resources and commitment. For example, a policy on certain financial incentives will affect the budget and the wage bill while the interest of the top management is to reduce costs. To win top management support and commitment requires a well written proposal, strong and convincing arguments and sometimes lobbying. Early management inputs to the policy will reduce resistance at later stages.

- Seeking middle level management opinion

Middle level managers are the implementers of policies. For instance, implementing a particular component of health policy could lead to a higher workload for the remaining staff; some kind of reward may be required in order to keep work performance at the same level. Therefore, the implementation of one policy may affect another policy or create room for the improvement of other policies. When such effects are noted early enough, it becomes easier to foresee policy consequences and provide some policy clauses to cover such possible policy overlaps or shortfalls.

- Assessing awareness and the level of policy desirability

The introduction of any policy in an organisation will change the way employees see their relationship with their employer. Some employees may feel that the policy is not good enough because it does not sufficiently take care of their interests. Despite the fact that this perception may be incorrect, it still affects the way the policy is received by staff, as well as the ability of the policy to meet the intended objectives. Opinion surveys can be used to assess employees' awareness of policy gaps and the extent to which a particular area of human resource functions require policy or policy instruments.

- Assessing other factors

There are a number of other factors that may facilitate or hinder the adoption and effectiveness of the day-to-day implementation of the expected policy. This will cover resources, legal issues, trade unions and the working culture.

Drafting policy document

The above strategies will provide the necessary data and information for drafting the policy document. Usually, the policy document will have a number of sections that point to specific aspects of the policy. Such sections may include:

- Policy title

The title of the policy has to be clear, focused, short and without ambiguity. It has to reflect the contents of the policy itself.

- Definition of key terms

Any policy will have specific terms, concepts or acronyms that have to be clearly defined so that all key stakeholders including management and staff will clearly understand what it means. This will minimise conflicts that may arise out from misinterpretation and misunderstanding.

- Purpose

The best way to establish the purpose of a policy is to ask the question. 'What would happen if the organisation did not have that particular policy in place? The policy has to be outcome based. That is, what will be achieved at the end of the day if the policy is well implemented? Usually, the purpose is established from the review of the strategic plan by using specific tools such as stakeholders' analysis, problem tree, or mapping.

- Relevant sections of the policy

Since the policy will aim at addressing specific aspects of particular staffing functions, each of the aspects have to be sufficiently covered by giving specific policy statements, roles and responsibilities, of each of the key stakeholders', rewards and sanctions.

- Annexes

Usually annexes are in the form of policy instruments or references to particular sections of certain relevant laws. For example, well designed forms for filling in (if required), extracts from employment law.

The qualities of a well drafted policy are many and cannot be adequately covered here. However, there are some general principles that could be used to differentiate between a strong and weak human resource policy:

1. It has to be linked to corporate mission, values, objectives and strategies of the organisation. For example, if the organisation mission is to excel in the production of quality products in a particular industry, a policy on remuneration should show how it could attract, motivate and retain the best people.
2. It has to complement other policies in addressing human resource management issues. It is natural to see for example, a training policy complementing a promotion policy because training will provide the necessary competencies required for higher positions.
3. It has to be flexible but robust enough to match the changing business environment. It may be unrealistic to think that a policy will sufficiently cover certain aspects of human resource management functions at all times. In order to give managers some flexibility in decision making, it is important that there are some policy provisions to help managers make sensible decisions without faulting the fundamentals.
4. It has to be realistic and implementable. Unrealistic policy may raise unrealistic hopes, it may look futile if implemented and may even demotivate staff. It is important that before a policy is approved, its utility is assessed by looking at the real working environment and other intervening factors.
5. It has to be clear, unambiguous, and objective. Lack of clarity and the use of ambiguous concepts, verbs and phrases create room for misinterpretation of the same policy by different managers in the same organisation. The consequences may include lack of consistency in handling policy issues and subjectivity in treating individual members of staff.
6. It has to be accessible to all staff. A policy document has to be available for reading, discussion and referencing for all employees. If the organisation has a library or lounge, it will be useful to display some copies of the policy for reading.
7. It has to be open to continuous review and improvement. For organisations with strategic plans, operational plans and annual action plans, such plans may include review of human resource policies. The reviews have to be participatory in order to ensure that all key stakeholders give their opinions on the appreciation or limitation

of the policy or sections of it. The spirit should be one of continuous improvement rather than criticism.

Therefore, to ensure that a policy meets the criteria described above, the draft policy document has to be discussed by all key stakeholders including general workers, trade unions, employers' associations, and all levels of management. Stakeholder involvement at this stage is a critical factor for not only improving the quality of the policy itself but also, and more importantly, for its smooth implementation as it will create a sense of ownership for all the parties involved.

Policy implementation
The modality and pace of the implementation of the policy will depend upon many factors including the extent to which the need for the policy is established, strategies used to involve different stakeholders during preparations and the technical quality of the policy document. The most successful organisations implement policies after a series of sensitisation seminars and workshops covering top, middle and lower level management as well as employees and employees' associations. This helps to create a common understanding and a sense of ownership for all key stakeholders. While policy implementation will mainly be the responsibility of line managers, the human resource department will provide support and technical services.

Monitoring and evaluation
Policies are there to assist organisations and not vice versa. Continuous monitoring and evaluation is necessary in order to remove rigidity that may match the emerging situation and needs. For example, a change in organisational vision, mission and objectives, or a change of government policies and laws related to employment relationships or the labour market may make it necessary to look back at human resource policies and see how they may better assist both the organisation and the employees.

Specific human resource policies

Recruitment and selection policy
Recruitment and selection form part of the process of attracting and obtaining suitable employees for the organisation. This is a crucial stage in staffing function because it determines the quality of human resources that the organisation will have. It is usually a long process that starts with advertising for vacant posts, receiving applications, short listing the most qualified applicants, and selecting the best candidates by using various selection techniques.

A clear policy on when and how recruitment and selection will be conducted is important for the management, staff and the applicants because of the potential dangers of subjectivity.

Much can be achieved through clear policy statements on each aspect of recruitment and selection process. Some of the gains are well described by Cole (1997), who says that recruitment and selection policy helps the organisation to:
- Provide guidance on how and when jobs will be advertised.
- Provide guidance on how selection will be conducted.
- State priorities for consideration.
- Instruct on how disputes are to be handled.

- Indicate the effect on other policies in the organisation.

These benefits are likely to be achieved if specific principles are used in stating recruitment and selection policy. These are:
- Defining the key concepts in the policy.
- Stating the rationale for the policy.
- Adhering to the principal legislations of the country.
- Focusing on appointment based on merit.
- Adhering to fairness on recruitment and selection (equal opportunity).
- Considering cost effectiveness in the recruitment and selection process.
- Attracting and selecting the most valuable employees.
- Taking into account the role of the management, the human resource department, selection panel, and the job applicants in the recruitment and selection process.

The principles for effective recruitment policy could be numerous depending on the nature and size of the organisation. For example, the Mzumbe University policy on recruitment and selection (2008) embraces the philosophy of diverse human resources in higher learning institutions. The teaching staff need be highly trained and should be able to perform the core business of the University, which is training, research, publications and extension services. Therefore, the criteria for recruitment and selection are different from the non-academic staff.

Human resource training and development policy
Human resource training and development policy should be an explicit statement of intention of and commitment to continuous training and development of human resources in order to maximise their potential in both current and future jobs. The following is an example of a policy statement derived from the Tanzanian public service training and development policy before reforms.

> It is the aim of the T & D policy to ensure that all employees are assisted in developing themselves in order to excel in their competencies and make the best possible contribution to the achievement of company objectives.

Some of the general objectives for the policy may be stated followed by specific policy statements for more focus and clarity. The following statements are provided as examples.

General objective 1: *Draw up a training plan with reference to company objectives.*
Specific policy   All training decisions must have a basis in organisational objectives.

General objective 2: *Involve managers in Training Needs Analysis and setting training objective.*
Specific policy   Training Needs Analysis which should guide decisions for employee training shall be conducted by line managers under the guidance and support of the department of human resources.

General objective 3: *Provide all potential employees with training opportunities.*
Specific policy   The organisation will assist all potential employees in securing training opportunities on the basis of fairness and merit.

General objective 4:	*Have a specialist training department.*
Specific policy	All training matters will be handled by the training department.

General objective 5:	*Provide induction training for new employees.*
Specific policy	All newly appointed employees shall receive induction training in the first week of work.

General objective 6:	*Train based on the budget available.*
Specific policy	No training shall be conducted if the available budget does not allow it. If such training is absolutely necessary, the training officer shall hand over the case to a higher authority for consideration.

General objective 7:	*Continue to pay full salaries for a limited period*
Specific policy	All employees who will attend a long course for more than one year will be entitled full salary for a maximum of three years. After three years the training officer can immediately withhold salary.

Training and development policies should cover all the issues that may arise in the course of planning for training and execution. It is not possible to mention them all here. However, common sense tells us that areas like criteria for employee selection, preference for the type of training, benefits to trainees, internal trainers, training evaluation, failure to complete training as required, etc. are important.

Reward policy
Before employees join organisations, they ask themselves several questions such as how much they would be rewarded for the work and whether the job will meet their expectations. Furthermore, the organisation has to show, at least in principal that it is not 'a too demanding sort' and paying too little attention to rewarding accordingly. As many authors would agree (Armstrong 1995; Harris 2005; McKenna & Beach 2002; Torrington *et al.* 2005) reward policy provides guidelines for decisions and action in a number of areas including:
- Consideration for market rate pay.
- Internal and external equality.
- Merit pay.
- Incentive.

Therefore, the objectives for devising remuneration policies are many but at least they are meant to achieve the following:
- To attract sufficient suitable employees.
- To encourage retention of effective employees.
- To obtain optimal performance from employees.
- To encourage employees to improve their performance.
- To have sufficient flexibility to reward high performers and deal with poor performers.

To operate within the framework of current employment legislation and national economic policy where relevant:
- To operate at minimum cost.

- To ensure that jobs of equivalent value to the organisation are rewarded equally.
- To ensure that employees feel justifiably rewarded for the jobs they do.

These are broad policy objectives that are likely to be supported by most managers. Their conversion into practice will depend on the relative priorities accorded to them in the light of organisational circumstances. For example, a company struggling for survival will place greater emphasis on operating at minimum cost and paying the lowest possible wages, rather than the one planning for attraction and retention of employees who feel justifiably rewarded for their efforts.

According to its policy objectives, management is likely to be concerned with three issues in the establishment of fair pay:

- Fair wages or salary – to ensure that what is paid is fair in comparison to payments received by other employees within the organisation, to ensure that pay is fair in comparison to other employers in similar organisations and in comparable jobs.
- Ensure that methods of payment encourage effective performance and commitment by individuals or work groups.

Reward management policies have to emanate from and be based on a number of factors as indicated in Figure 3.1. The arrows indicate an upward relationship between the boxes. The implication here is that any policy statement in the upper boxes has to be justified by information gathered in the preceding boxes. This implies that the reward policy is not static. It has to be reviewed from time to time as the organisation's internal and external environment changes.

Health and safety
Health and safety policy is a general statement that declares the management's intention, means and guidelines for the protection of the organisation's employees from hazards at work. Health and safety policy should emphasise the following:

- The importance of safety for the employee and the public,
- Safety as precedence over expediency,
- The role of managers, team leaders and employees in the development and implementation of health and safety procedures, and
- Compliance with health and safety legislation.

There are several components of a health and safety policy that cover different aspects of health and safety for workers. The key components are as follows:

- The role of each part in the management of health and safety.
- Procedures for reporting accidents, illness and safety hazards.
- The precautions to be taken when handling or processing dangerous substances.
- Monitoring & maintaining high standards of hygiene.
- Training, coaching, and mentoring programmes on health and safety.
- Rules on working habits.
- Safety inspections, provision and use of personal protective equipment.

There are different types of health hazards in the work place. These include:

- Physical – heat, radiation, noise, and vibration.
- Chemical – Dust, poisonous gases, and toxic chemicals.

- Biological – Insects, fungi, and bacteria.
- Stress – Work, physical and chemical environment.

Each country has specific laws and regulations that regulate health and safety in the workplace. It is important that managers and employees are aware of them and ensure they are observed.

Equal opportunity
Equal opportunity means that members of a protected group or class must be employed without being subjected to various forms of unfair discrimination. The discrimination could be based on race, gender, age, or disability. Since the 1960s, governments in Europe and America have been passing various policies and laws against all forms of discriminatory employment practices.

Equal opportunity policies may affect all components of the employment process in an organisation, including recruitment, selection, training, promotion, transfer, pay and others like leave and housing etc. The rationale for equal opportunity revolves around the following:
- Maximising employees' potential will improve performance.
- Compliance with the constitution and other legislation.
- The need to have a proportional labour force that represents all of the community.

Table 3.2 Equal opportunities in human resource activities

Human resource management issues	Caution	Gender consideration	Implications
Job analysis	Ensure good practice in selection criteria	Be aware of men/women's / disabled jobs	Avoid gender/disability sensitive criteria
Recruitment and selection	Ensure good practice is used	Be aware of gender/disability criteria	Avoid gender/disability sensitive criteria
Performance appraisal	Ensure good practice is used	Be aware that women and men have different styles of performance	Consider background Avoid gender sensitive comments
Reward management	Ensure good practice is used	Be aware of equal rewards systems	Recognise background Consider gender specific needs
Training and development	Open access	Recognise different patterns of participations in learning Recognise flexibility	Allow for flexibility to accommodate gender and disability special needs
Industrial relations	Ensure representation in trade unions	Be aware gender/ disability issues are important	Ensure fair representation

Equal employment opportunity and affirmative action
Affirmative action is a step further than equal employment opportunities. Dessler (2005) emphasises that in affirmative action the employer has to take decisive measures in staffing functions to protect minority groups, people with disabilities or females in the organisation. In order to make such measures realistic and achievable, there should be a policy on equal employment opportunity, an officer responsible for its implementation, broad organisational awareness creation, implementation and continuous reviews.

In Tanzania, 54% of the labour force is made up of women. Despite the fact that the national employment policy 1997 advocates equal rights of employment for women,

local authority departments dealing with gender equality consistently face challenges due to lack of resources and are therefore unable to bring gender issues to the fore-ground. The target is for 30% of the positions in top leadership to be held by women.

The Mzumbe University policy on gender development (2008) expresses the university aspiration to achieve gender balance in employment and students' enrolment. In terms of employment, the target is to reach the ratio of 35:50 in employment by 2012 and 50:50 in students' enrolment.

Managing diversity

Despite growing concern for the promotion of equal opportunities, there is also a shift in emphasis to managing diversity which appears, at least in theory, to focus on policies which will lead to valuing and recognising a wide range of differences and use them for the good of individual employees and the organisation (Foster & Harris 2005). So inequality is seen as an opportunity that should be exploited.

1.   Retirement policy

Retirement is a natural way of employees leaving the organisation. On some occasions, the organisation may need the services of retired staff. Retirement policy allows the management to enter into a contractual agreement with retirees for employment purposes when it is clearly established that doing so would be in the best interests of the organisation.

The policy will state, among others, that there should be an identification of retired staff to be employed and that the process of employing such staff is initiated. For example, 'upon request, the department of human resources will provide a list of eligible employees who qualify for reemployment' or: 'The line manager intending to continue utilising the services of retiring staff has to seek the consent of the staff concerned before initiating these contractual agreements and that such a process has to begin well before the actual date of retirement'.

The policy might also state that the top management be advised of the department's intention and reasons for employing retired staff and requests consideration and approval of higher organs for such an application. The policy may state that 'the mandate for approval of employment of retired staff lies with the governing body'. The terms and conditions of employment usually stipulate thus:

- 'Employees who are employed in the category of retirees are not eligible for company benefits other than those explicitly stated in the employment agreement.'
- Or 'no more than 5% of the total departmental workforce may be made up of retirees.'
- All these policy statements help managers to make informed and consistent decisions in all matters regarding the reemployment of retired staff for the organisation as well as avoiding frequent and unnecessary questions from staff since the policy will be an open document.

2.   Lay off policy

In the same way that sometimes employees are required by the organisation, there are other circumstances where, for reasons such as a fall in demand, the organisation does not need those same employees. Lay off policy enables the organisation to implement a reduction in the workforce according to uniform criteria, known to both employees and

management, when it is necessary. The decision to implement layoffs should be free from all types of discrimination.

Some areas for consideration in the development and implementation of lay off policy include the requirement that all opportunities to avoid layoffs be taken. This includes work reorganisation, demotion in lieu of layoffs, shift work, part time, volunteers for early retirement, and leave without pay. The following are some of the policy statements:

> 'Hourly positions involving the same duties in the organisational units and job classifications shall be discontinued before any salaried employee is made redundant.'
> 'Employees considered for lay off shall fill in a 'redundancy notification form' that will be used by these employees to secure preferential treatment when they apply for a job in this organisation and for which they have minimal qualification.'

Consideration of employees identified for lay off to receive certain benefits such as, preference for reemployment when future opportunities arise, retraining support so that they can develop a self-employed career. A policy statement could state that:

> 'Classified employees in positions considered for redundancy will be considered for placement and lay off benefits according to the provision of this policy.'

Procedure for layoffs. The policy will guide the procedures to be used in carrying out redundancies. This will cover the review of the organisation and job positions to satisfy the need for redundancies, identification and putting in place of all the benefits for the affected employees, setting the modalities for informing the employees and implementation of the layoff process. One example of the policy statements is:

'Before implementing a lay off decision, the organisation must:
- Determine whether the entire organisation or certain designated work units are going to be affected.
- Designate business functions to be eliminated or reassigned.
- Review all vacant positions to identify valid vacancies for possible placement.
- There shall be no unfair treatment in layoffs.
- There shall be fair compensation.

Responsible organs for staff lay-off. It is important that the different organs' roles in laying off be clearly stated in order to avoid ambiguity and a tendency for avoiding responsibility. For example, a statement could say

The Directorate of Human Resources with the assistance from other directorates will;
- Identify positions and duties to be eliminated using steps provided in this policy and;
- Inform the management of the situation so that further decisions may be made.

The scope of policy statements regarding lay off is unlimited in human resource management. Indeed, it must cover as many details of the issues affecting both the organisation and management as possible in order to avoid unnecessary disputes that could land the organisation in a costly judicial process.

- Other areas for human resource policies

There are as many areas where human resource policies could be developed as there are human resource functions. It is up to managers to decide which areas are critical and requires policy directives, although in any case having policy is better than having none, even in what might seem to be trivial issues in day-to-day human resource management. This is because there may be cost implications if policy guidance is lacking. Some of

the areas that call for a policy statement include promotion, transfer, demotion, employees transport, death, dismissal, employee relations, and information technology.

However, a word of caution is important here. Policies should not be taken as just something good for the organisation and end there. There should be proper preparation and commitment to meeting policy demands particularly where resources are required. Otherwise, policies that cannot be implemented put the organisation at the risk of frustrating not only the employees but also the officers in charge of execution. This is fertile ground for low morale and productivity in the organisation.

The regulatory framework of health and safety in Tanzania

The United Republic of Tanzania factories ordinance cap. 297 of 1950 and subsidiary legislation defines the concepts of health and hazard and instruct the factories to take measures to ensure a good health, safety, and welfare of employees. According to the law, the following guidelines and directives are permitted:

Health
Factories should ensure cleanliness, good ventilation, lighting, drainage, and 10 cubic metres of space per person in a room.

The section on health deals with the protection of workers from mechanical and chemical hazards including general safety requirements, moving machines, lifting, and equipment such as cranes, chains, and ropes. It also provides guidance on putting precautions in places where dangerous fumes may be present, corrosive or dangerous liquids may be found, as well as fire prevention.

Welfare
This section is about provision of welfare for employees in factories including the supply of drinking water, washing facilities, accommodation for clothing and first aid services.

Health, safety and welfare
This covers the removal of dust particles, and prohibiting taking meals in the work place. The law also defines offences, penalties and legal proceedings in case of non-compliance.

Employment policy at the CRDB Bank (Tanzania) Ltd

CRDB Bank Ltd has an employee promotion policy that links promotion to fulfilling specific conditions, including good performance for a period not less than 3 years. Specific considerations are merit, seniority, performance, and discipline at work, relationships with colleagues and moral and cultural behaviour. As a matter of procedure at the bank branch level, the recommendation for promotion originates from the head of department to the director of retail banking who also gives a recommendation to the director of human resource management. The final decision is made by the managing director. Therefore, what matters most are the employees' performance and the relationship with the head of department and general staff.

Housing policy at the Tanzania Tobacco Processors Ltd

Tanzania Tobacco Processors Ltd has developed human resource policies that touch almost all aspects of human resource management. One such policy is on housing. The objective of the policy is to ensure full employee commitment to the organisation by creating a conducive living environment. For details see the Appendix 3.1 at the end of the chapter.

Training policy at the Uganda public service

According to Muwanga (2009), the government of Uganda developed human resource training policy under the public service reform initiative because training was not good enough. The following were the indicators:
1. Training provision was on an adhoc basis,
2. Training designed to meet individual wants rather than needs,
3. The desired output of most training provided was paper qualifications,
4. Training was awarded to those already well trained and qualified,
5. Training emphasised more on theory than on practical knowledge,
6. Training was provided to isolated individuals, and did not change procedures and practices at the work place,
7. Training was often treated as a reward or supplement to salary,
8. Formal conventional training was the first or the only option,
9. The training function in public service lacked coordination,
10. A few cadres had career development training milestones to guide monitoring,
11. Training was often low on a ministry's list of priorities and therefore under-funded,
12. Training budgets were often being re-allocated,
13. Training was largely supply driven, and
14. Training was not evaluated.

Therefore, the objective of training policy was to ensure that:
1. Training is provided in a planned manner,
2. Training meets the agreed organisational and individual performance needs,
3. Training was mainly focused on acquisition of competencies aimed towards improving performance on the job,
4. Training is awarded to those who need to improve performance,
5. Emphasis is on practice, performance, and competence,
6. Where possible, training would be provided to teams of people from the same organisation to achieve the critical mass of human resource that can support the application of learning at the work place,
7. There is a clear division the of roles and responsibilities and regular liaisons between ministries/local government and other organs responsible for training in public service,
8. That all teams have career development training milestones,
9. Priority for training will be increased and sustained to ensure continuous learning and development in public service,
10. Training funds are protected from re-allocation,
11. Training is largely demand driven, and
12. Training is evaluated.

The task of developing the policy was assigned to consultants who worked hand in hand with government officials through meetings, focus group discussions, and interviews. The draft policy document passed through various processes and government organs for discussion, improvement, and approval as follows:

- Discussion of the draft policy with different stakeholders,
- Review of the draft policy to take into account the issues raised by stakeholders,
- Discussion of the revised draft policy by senior management in the ministry of public service,
- Preparation and presentation of cabinet memorandum,
- Revision of policy to take into account cabinet recommendations,
- Approval of policy by cabinet,
- Issuing a memo on policy to the public service for implementation,
- A clear institutional framework for managing staff training and development was established. That is the ministry of public service, line ministries, departments, and local governments,
- Establishment of training committees in each public service entity,
- Establishment of professional development committees for each team to cater for professional development needs e.g. engineers, HR, and legal etc,
- Designated training liaison officer in each entity,
- Emphasis on the role of chief executives and line manager,
- Highlight on the obligations of government officers,
- Listing of training categories including induction/orientation, performance improvement, professional development and pre-retirement,
- Encouraging increased use of non-conventional training and development methods e.g. coaching, delegation, mentoring, taskforce activities, attachments, study visits, rotation and transfers, e-learning etc.
- Bonding for 3 years following completion of long term training
- Evaluation of training, before during and after.

In order to ensure effective implementation of the policy, a number of strategies were adopted;
1. Issuing guidelines on implementation;
2. Sensitisation of stakeholders;
3. Development of systems and tools including a competence dictionary, the interactive and result oriented performance appraisal scheme, competence profiling for each job, incorporating human resource development issues in quality assurance, continuous monitoring and evaluation.

Review questions

1. What is human resource policy? Explain how human resource policies relate to strategic human resource management in organisations.
2. By using one human resource policy in your organisation, explain how such a policy should be developed.
3. By making reference to factory ordinance cap 297 of 1950 and other relevant legislation, explain the challenges facing managers in ensuring health and safety of employees.

58

References and recommended reading

ARMSTRONG, M. (1995), *Personnel Management Practice*. London: Kogan page.

CERTO, S. (1992), *Modern Management, Diversity, Quality, Ethics and Global Environment.* London: Allyn and Bacon.

CHERRINGTON, D. (1995), *The Management of Human Resource*. London: Ally & Baccon.

COLE, G.A. (1997), *Personnel Management.* Goshport: Ashford Colours.

CRDB BANK LTD (2007), *Personnel Manual.* Unpublished.

CUMING, M. (1985), *The Theory and Practice of Personnel Management*. London: Heinemann.

DESSLER, G. (2005), *Human Resource Management*. Pearson: Prentice Hall.

FOSTER, C. & L. HARRIS (2005), From Equal Opportunities to Diversity Management. In: J. Leopold, L. Harris, & T. Watson, eds, *The Strategic Managing of Human Resources*. New York: FT Prentice Hall.

FROST, P. (1995), *Managerial Reality.* London: Harper Collins.

HARRIS, L. (2005), Reward Strategies and paying for contribution. In: J. Leopold, L. Harris & T. Watson, eds, *The Strategic Managing of Human Resources*. New York: FT Prentice Hall.

MCKENNAN, E. & N. BEACH (2002): *Human Resource Management. A Concise Analysis.* New York: FT Prentice Hall.

MUWANGA, A (2009), *Formulating a Human Resource Development Policy for the Public Service. The Experience of Uganda*. APSHRM Workshop. Unpublished.

MZUMBE UNIVERSITY (2008), *Mzumbe University policy on gender development.* Mzumbe Book Project.

MZUMBE UNIVERSITY (2008), *Mzumbe University Staff Recruitment and Selection Guidelines.* Mzumbe Book Project.

UNITED REPUBLIC OF TANZANIA (1950), *Factories Ordinance Cap 297, and other pieces of legislations.* Dar es Salaam. Government Printer.

Appendix 3.1 Housing Policy and Procedure for Tanzania Tobacco Processors Ltd.

PROCEDURE NO:		*DEPARTMENT*
HR – 11		HUMAN RE-
	HOUSING POLICY AND PROCEDURE.	SOURCES
ISSUE NO: 1		DATE: 15/12/2006
REVISION NO:		PAGES 254

1.0 OBJECTIVE:

To quickly and efficiently provide company employees with accommodation so as to secure their commitment to their work and ensure that they live in conducive environment.

2.0 POLICY

2.1 The company shall endeavour, as far as possible to provide employees with reasonable company accommodation at reasonable rent. It cannot, however accept any obligation to provide housing for all employees

2.2 It shall also maintain a limited number of rented houses in places, where there are no company houses and where it has failed to provide reasonable accommodation for senior management staff on the approval of the Managing Director.

2.3 Where the company is not in a position of providing a house to an employee it shall pay a housing allowance. It shall also provide furniture and appliances to senior management living in company houses (where necessary).

2.4 Where the company is not in a position to provide a house to a transferred or a new employee, it shall pay the employee a subsistence allowance until when he/she secures a house subject to a maximum of 30 days.

3.0 PROCEDURE

3.1 Housing entitlement:

The company has graded the employees into 'entitled' and 'eligible' reflecting their positions in the company (for the purpose of house allocation).

3.1.1   The group 'entitled' covers management staff from grade AJM upwards.

3.1.2   The company is obliged to provide company accommodation to all 'entitled' employees who live in Morogoro. It shall also provide accommodation to 'eligible' employees when accommodation is available depending on the nature of the job.

3.1.3   Where the husband and wife work for the company and are both entitled to a company house, only one of them will be allocated a house.

3.2   House classification:

It has equally graded the company houses to reflect the employee categories as appears below:

Grade 1 houses: These are houses for Senior management staff. Houses earmarked for this category are Kaunda Road and Kingalu Road houses.

Grade II houses: These are houses for Management staff. Houses earmarked for this category are Seng'ondo Road and Kihimbwa Road houses

Grade III houses: These are houses for Senior Officers of grade BO and BSO. Houses earmarked for this category are Rwagasore Road flats

Grade IV houses: These are houses for Officers of grade CSS and BJ0. Houses for this category are station Road flats.

Grade V houses: These are houses for Supervisors and Secretaries of grade CF and D. Houses for this Category are Kiwanja cha ndege houses

4.0 CONDITIONS

4.1   An applicant shall fill an application form as provided by Annex 1 to occupy a company house and submit to the TTPL Human Resources Manager. In case of new appointees and transferees the HR Officer of respective company shall apply the house on their behalf.

4.2   The Human Resources Manager shall identify an appropriate house in accordance to employee's entitlement and forward the application with recommendations with a list of vacant houses to the Housing committee chairperson. The housing committee shall be made up of 4 members; Director and Sales Executive – Chairperson, Production Manager, Group Financial Controller and Group Human Resources Manager.

4.3   The Housing committee chairperson shall notify the Human Resources Manager once the house is allocated by filling in the appropriate place on the house application form. The Human Resources Manager shall issue an allocation letter to the applicant and notify the Utilities Officer of the allocation and when the house is to be occupied. The Utilities Officer will make necessary refurbishment of the house and update/prepare an inventory list (where necessary and as shall be provided by the contract of employment).

4.4   The employee and the utilities Officer shall make inspection to general condition of the premises and surroundings, fixture, fittings, furniture and appliances to produce a joint signed report at the time of occupying and vacation of the house.

4.4.1   The company shall make further periodic inspections at least once in every four months to establish the state of premise cleanliness, fixture & fittings, appliances etc.

4.4.2   The company reserves the right to make inspection of the premises at any time when need arise.

4.4.3   The occupant must report major problems that occur to the house in between inspection periods to the Utilities Officer.

4.4.4   The occupant shall also sign a declaration of being held responsible for any damages to the premises and contents that are caused through negligence and for settling of outstanding water and electricity bills when vacating the house.

4.5   Things listed in the inspection report at the time of occupying a house, and any additional ones provided thereafter, shall be maintained in good condition, neither shall the occupant move any of these to another house or place unless prior approval is granted by the MD.

4.6   The occupant shall be responsible for maintaining the cleanliness of the premises and the nearby surroundings. All activities, which involve erection of sheds and cultivation, shall be carried out beyond a distance of ten (10) meters from the house with the exception of flower gardens.

4.7   The premise shall be used for residential dwelling by employee's immediate family only. No one shall sublet any part of the premises, carry on any business, thereon, use as a place for public entertainment of otherwise profit from hi/her tenancy without first obtaining written permission from the MD.

4.8   No alterations or additions to the premises shall be effected without the prior written consent of the MD, and shall at his own cost make good any damages caused by his/her or any one of the family member.

4.9   On termination of the employee's employment, for any reason whatsoever, the employee shall be obliged to vacate the premises within one month from the date of termination/dismissal unless stated otherwise.

4.10   The outgoing occupant shall be held responsible for any loss or damage to the premises and contents save those attributable to fair wear and tear.

4.11   An equivalent amount of 15% will be added to the employee's basic salary as a benefit in kind for the purpose of determining the taxable income of the individual for rent. It shall be the responsibility of the employee to make payments for water and electricity as required.

4.12   A housing allowance of 15% of employee's basic salary will be paid to those employees who are not accommodated in company housing.

5.0   PENALTY

Anyone who will not observe these conditions will be liable for disciplinary penalties in accordance with company disciplinary procedure.

6.0   EFFECTIVE DATE

This procedure shall come into effect on this day of 1st January 2007

APPROVED BY:

SIGNATURE -----------------------   DATE ---------
MANAGING DIRECTOR TTPL

SIGNATURE -----------------------   DATE ---------
MANAGING DIRECTOR TLTC

4

Employee resourcing

'The head of a business must assure himself that his managers, clerks and foremen are the right men for their work, and are doing their work well'
(Alfred Marshall 1890)

Introduction

No government or organisation can afford to have too many people working as it is a cost that needs to be controlled. Similarly, no government or organisation can perform well if there are not enough, well trained and motivated workers. With the current trend of globalisation, governments and organisations require the ability to respond to human resource requirements and challenges at all times. There are no any other ways governments and organisations can be effective in production and service delivery without conscious development and commitment to effective employee resourcing. This is not an easy task because employee resourcing is a continuous process, which requires careful decision making, strong commitment and use of enormously scarce resources including information, time, and money. However, although administrators and managers may find it unrealistic to develop and utilise human resource plans that can effectively ensure that staffing functions are properly done (because of the above mentioned constraints); experience has shown that treating employees as capital and hence developing appropriate measures for acquisition, placement, and retention will always pay.

Therefore, at the end of this chapter, learners should be able to:
- Explain why the government or any organisation has to plan for human resources.
- Know the status of human resource planning in a given ministry/department or organization.
- Describe the human resource planning process, the challenges faced and how to overcome them.
- Acquire techniques for resolving budgetary constraints conflicts in HRP.

Employee resourcing as innovation in people management

Employee resourcing is a phrase in human resource management that has been in continuous development since the 1990s within human resource management. It is a philosophical shift from manpower planning, which actually had more to do with quantitative aspects of manpower and qualitative concerns of employees as scarce resources, rather than just power to be acquired and utilised. In this regard, McKennan & Beach (2002: 116) looks at employee resourcing as the process of acquiring and utilising human resources in the organisation which involves a number of activities to ensure that there is sufficient quantity and quality of human resources available to meet organisational objectives. Developing the same argument, Price (2007) has raised some important points about employee resourcing in saying that resourcing is a strategic approach to managing people by minimising costs, maximising employee value and obtaining the correct combination of behavioural attributes for the job and the organisation.

There are two main theories that provide the understanding of employee resourcing. The first is the resource dependency theory. The thesis of this theory is that employees are a scarce resource that should be carefully acquired, developed and retained. The second is the human capital theory that considers employees as capital because of their individual, group, and organisational knowledge they possess and is a strong base for competitive advantage. The two theories cement the argument that rational administrators and managers cannot overestimate the importance of strategic acquisition, utilisation, development and retention of valuable scarce resource/capital. Strategic human resource management in people management is the process of acquiring employees and starts with human resource planning. Therefore, the following section will cover some critical issues in human resource planning process.

What is human resource planning?

Armstrong (2003) defines human resource planning (HRP) as a 'both quantitative and qualitative process of ensuring that the organisation has the right people at the right time doing the right job'. The emphasis is on employee competencies and their stability rather than the precision of the numbers obtained through rigorous forecasting techniques. Furthermore, Pattanayak (2006) considers HRP as a process of analysing an organisation's human resource needs under changing conditions, and developing the solutions necessary for satisfying those needs. Therefore, an organisational mission, goals, objectives, strategies and policies must guide HRP.

The focus of HRP is on the following:
1. To have the right skills and jobs at the right time,
2. To forecast the types of human resources needed,
3. To ensure replacements will be available and be prepared to fill vacant posts,
4. To ensure recruitment policies meet the present and future number of jobs and qualities,
5. To ensure that there is effective utilisation of human resources,
6. Facilitate personnel procedures for the present and future jobs e.g. recruitment, placement, training, career planning etc.

Human resource planning model

There are various models in HRP although seemingly they aim to achieve the same objective of ensuring that the organisation has effective means to acquire, utilise, reward, develop and retain staff. Some models are inclined to traditional manpower planning (Walker 1980; De Cenzo & Robbins 1998; Pattanayak 2006) while others are more fashionable in reflecting current thinking in HRM (Ivancevich 2004; Torrington *et al.* 2005). However, for the purpose of convenience the model by Ivancevich is used here as pictured in Figure 4.1.

Figure 4.1   Human resource planning model
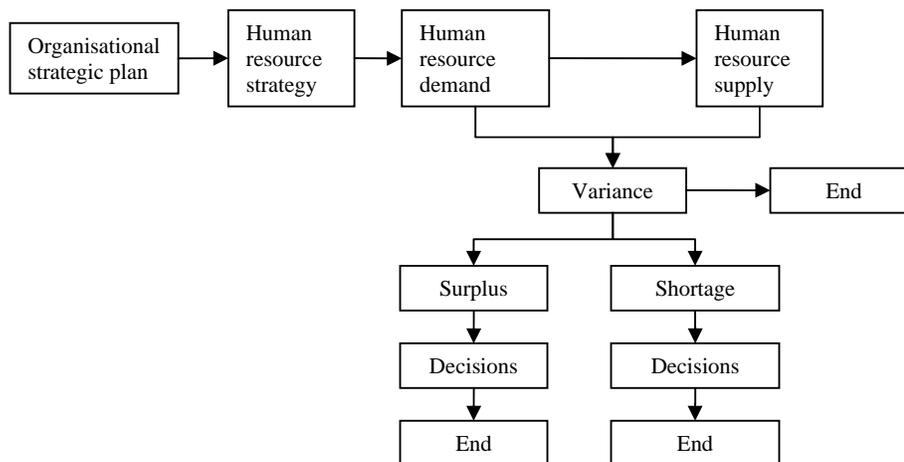
Source: adapted from Ivancevich (2004).

The model begins with the review of an organisational strategic plan or corporate business strategy, which tells about the future of the organisation in terms of vertical or horizontal growth in business or service volume as expected in the mission, goals and objectives. For example, for the private sector, the future of the business may lie with growth, survival, mergers, closing down, or diversifying. The business strategy will be followed with the question on whether human resources will be required and what the best resourcing strategy is. Price (2007) has proposed three types of resourcing strategies namely, reallocation of tasks among employees, promotions and transfers and lastly, recruitment. The success of the first strategy will depend much on the extent to which the organisation has staff with multiple attributes capable of handling different tasks. The second strategy is about reallocating available human resources to positions and places where they are best put to work. That is, vertical and horizontal staff movement. This is common in many organisations and becomes very successful if the organisation has a strong career and succession plan and job rotation systems in place. Recruitment and selection from within and outside the organisation is often used as strategy for filling human resource gaps. This strategy is fully covered in chapter 5. Therefore, human resource strategy will involve a number of steps in decision making, which primarily, will aim to close the gap between human resource demand and supply as indicated by the arrows. If there is more demand than supply, then decisions have to be made regarding resourcing strategies described above. If there is surplus, it means

strategies to reduce human resource available have to follow, including layoffs, use of part time staff or early retirement.

The planning scenario will involve a number of processes and activities including the assessment of the present and future environments of an organisation in the context of plans and human resource implications and the economic, political and social factors such as population, labour market trends, technology, legislation, financial markets, and investments.

Labour market analysis trends in human resource turnover will help to determine the strength and ability of an organisation to retain staff. For example, high turnover demotivates others and it is costly, not only in terms of recruitment, but also because the organisations may be left with poor performers. However, some level of turnover is healthy because the organisation will be able to attract new ideas from outside, which are essential for creativity and innovation.

Labour turnover is measured by using different methods depending on the type of question that needs to be answered (Torrington *et al*. 2005) has summarised the following methods:

- Labour turnover index: The percentage of leavers over the average number of employees.
- Survival Rate: percentage of the original employees' cohort who have survived for several years.
- Half-life index: the number of years of cohort to survive by half.
- Stability index: Tendencies for the older job cohort to remain in the organization.

Labour demand forecast examines the present and future needs (looking at the activities and budgets, current inventory of staff, known waste, and human resource programmes). Depending on the organisation's vision, mission, goals and objectives, human resource managers will use these findings to forecast and plan how such demand will be met.

Labour supply forecast deals with the identification of the existing human resources, the likely effect of changing working conditions if any, and sources of internal and external labour supply. The data from labour demand and supply forecast are compared and decisions are made in the process of human resource planning.

Human resource plans are prepared using various methods to assist in decision making. The most common methods are managerial judgment (top, middle, lower levels) by banking on the power, authority and responsibility conferred to their positions, and the use of more scientific methods such as ratio trend analysis between different categories of employees. Another is to compare the present and future activity levels and budgets and work study by determining man hours and hence the total number of people in each and with reference to:

- Areas where there is underutilization.
- Areas where there is overstaffing.
- Number and competence levels required.
- Available opportunities from internal and external sources.

Human resource plans will depend on environmental analysis. In this case, a number of questions have to be answered. For example:

1. To what extent is the work environment conducive for attracting quality job seekers?

2. Does the organisation have an effective system for effective human resource utilisation?
3. To what extent do employees feel proud of their jobs and the organisation?

HR plans must also be supported by evidence from operational effectiveness analysis. This will include to what extent an employee is utilised, employees' productivity and readiness to respond to a changing environment through flexible work schedules.

The development of human resource plans will focus on resourcing, retention, development, utilisation, work flexibility, downsizing, and productivity strategies. If a government or an organisation ignores human resource planning, this will have serious problems in attracting and retaining the desired staff, being caught up in shortages/surpluses, failing to competitively respond to the environment and failing to utilise and develop staff to meet present and future demand.

Given the above importance of HRP, administrators and managers have reasons to take a step back and reflect on the status of manpower in their organisations.

Levels of human resource planning

Human resource planning could be at the national, ministerial, sectoral, organisational and departmental levels.

At the national level, it is important to know the pool of human resource available and the one that will be required in the distant future because a nation cannot develop without having the right people, both in numbers and skills. The same applies to ministries, sectors, and organisations. HRP is a means to match demand and supply of the labour force. At the national level, the following approach is useful.

- Consider the annual economic sectors' growth for the planning period e.g. 5 years,
- Review the stock of labour in the base year. Primary, secondary, colleges, universities, professionals e.g. doctors, engineers, accountants etc.
- Translate the annual economic growth in terms of labour requirement
- Consider the attrition rate due to retirement, deaths etc,
- Consider the number of people leaving schools, colleges etc. The starting point is to look at the school enrolment and transition to different universities and training in other institutions and years of graduation,
- Monitor the unemployment rate,
- Fill the gap between demand and supply by proposing action to be taken at certain times in the planning stage. Planning propositions may include emphasis on training in certain disciplines; controlling attrition rate, which may be a result of HIV Aids through national campaigns, or altering the retirement age.

HRP at specific ministries or sectors will by and large use the above approaches but under the influence of both internal and external factors influencing the ministry or sector. For example, if it is planning for the agricultural sector, although having a rough picture of the macro and micro economic environment is important, focus should be more on agriculture and other closely related sectors.

Assessing the status of human resource planning

You might be employed in a ministry, local authority; NGO, private organisation etc. and you would like to know how well you are doing in terms of HRP. The following instruments, outlined in Table 4.1, may be used as a checklist.

Table 4.1   Human resource planning barometer

	Questions	Answer			Indicator/ Measure/ Risks
		Yes	No	Do not know	
1	Do you know your organisational / department / Project objectives and targets to be achieved by 30th June, 2011?				
2	Do you know how many employees will be needed in each job category to achieve the above objectives and targets?				
3	Do you know knowledge, skills and competencies required by the employees to achieve the above objectives and targets?				
4	Will the existing human resources meet the identified needs?				
5	Is recruitment necessary?				
		Provide Month and Year			
6	If the answer in the above question is YES when recruitment should be done?				
		Describe			
7	Is training and development needed? If the answer is YES, when, by who and where?				
8	If numbers are to be reduced to cut costs or because of lower levels of activity, what is the best way to do it?				
		Identify if any			
9	What other 'people' implications are there which affect productivity and commitment?				

The checklist can be as long as desirable. If most of the questions do not have genuine and specific answers and perhaps ending up in the 'do not know' category, extra effort on HRP agenda is needed. It is important that the indicators or measurements are quantitative as much as possible in order to be able to more precisely assess the outcome of the planning intervention. However, this does not put aside possibilities of having good qualitative indicators or measurements. In any case, planning is about decision making with limited information. This advises some kind of caution for managers so that they calculate the risks involved in such decisions, including motivation or demotivation of some members of staff who may not be happy with unfavourable decisions.

Practical issues in human resource planning

Human Resource Plans will cover policy issues, human resource areas, objectives and targets as shown in Table 4.2. All the elements shown in the table, and many others that may be necessary, should be implemented with flexibility. A mechanism should be put in place to provide feedback on the status and modifications on the plans on weekly or quarterly basis.

Table 4.2   Human resource planning matrix

Policy areas	Human resource areas	Objectives and targets
Productivity management	Systems and procedures, job designs, motivation, technology	Increase per capita workload for project staff by 10%
Management of human resources	Recruitment	- 5 fully trained nurses by June 2012
	Promotion	- 15 staff in grade B to be promoted to Grade A by June, 2012
	Transfer	- No more than 5% of staff will be allowed to transfer by December, 2011
	Retirement	- 10 staff who reach retirement age by December, 2011 be offered one year employment contract
	Redundancy	- 20 staff to be offered terms for voluntary redundancy at least 12 months before they are required to depart
Management of training and development	Initial training	- At quarterly intervals in 2011, fully trained clinical officers recruited from the labour market to be given one week training on the role of Roman Catholic health projects in spiritual life.
	Skills upgrading	- 5 Doctors to be retrained in a three month course in parasitology by June 2012
	Management development	- 15 project coordinators to be identified for promotion to senior management in December 2011 and individual development plans to be agreed by June 2012
The management of environmental factors	Remuneration and benefits	- 5% pay rise to be awarded to all staff by July, 2011 provide 5% of the monthly salary as hardship allowance
	Conditions of service	- Introduce 2 year rather than 1 year terms of employment contract by January, 2012
	Management of staff relations	- Introduce a staff-management meeting every 3 months by December, 2011
Accommodation and equipment	Plans to ensure that accommodation and equipment provisions are coordinated with personnel plans	1 modern X - Ray machine to be purchased by June 2011

Sources of human resource planning data

What type of information is necessary for human resource planning and where do you get it? The data for human resource planning is obtained from different sources but mainly from the organisation and individuals. The data from the organisation includes, vision, mission, strategies, objectives, activities, resources and the time scale of the strategic plan. The individual employee data covers, the name, date of birth, permanent address, gender, marital status, academic qualifications, professional qualifications, training, job location and the history of their career development as well as current status. Other useful data will include reward packages, terms of service, and working environment. Baseline data on these areas will be useful not only in forecasting demand and supply but also in supporting specific decisions to be made and strategies to be adopted in the implementation of the human resource plan.

Human resource planning and budgeting

If human resource planning is to be effective, an extensive exchange of information will be needed between line management, personnel specialists, financial managers and sen-

ior managers. Systems and procedures have to be established to ensure that this happens and to encourage the cyclical exchange of information on which sound staffing decisions can be based.

Underlying the process of information exchange is the need to ensure that decisions affecting human resources fully take into account the resources available in the organisation, as laid out in the budget. There is a presumption that human resource planning is only likely to be effective if budgetary guidelines and constraints are incorporated in the plans. To understand how this integration is to be achieved, it is necessary to look at the human resource demand forecasts within the organisation.

Decentralised human resource demand forecasting

'The bottom up' approach to demand forecasting is fully aligned to decentralised decision making in the organisation, which is what management theorists say is so important in establishing commitment and motivation on the part of the managers (Robins 1992). The essence of the approach is that once organisational goals have been translated into unit objectives, the managers in charge of those units are left to determine those personnel requirements themselves. The strength of this approach is that managers are best placed to know the current working practices, technology used and performance levels that can be achieved, and therefore forecast demand.

The next stage in the 'bottom up' approach in human resource planning is for the entire organisation to be involved in the whole process. There is a distinct possibility that the level of staff requirement, as determined by managers throughout the organisation, is to be aggregated into one set of data. However, there is a distinct possibility that when integration happens, given the absence of certain preconditions for the level of staff requirement, the organisation risks having an unaffordable excess of human resources. The following weaknesses on the part of managers contribute to this situation:

- Human resource assessment based on personal preferences rather than job requirements.
- Entrenchment of the existing work practices and procedures instead of looking for better ways of improving productivity.
- Difficulties in assessing the performance of administrative staff.
- The tendency to overstate staff requirements for contingency purposes.

Centralised human resource demand forecasting

Quite often organisations respond to the above tendencies by adopting a 'top down approach'. The advantage of this approach has been its ability to produce forecasts of staffing requirements using specialists reporting directly to senior management. These forecasts have inevitably been in line with what senior management has wanted in terms of resource availability, as seen at the start of the planning period. The weaknesses of the approach however, include the following:

- Exaggeration of budgetary constraints.
- Non-involvement of line managers in planning and hence failure to get their commitment.
- Reactive staffing.

Addressing the differences

In order to prevent a conflict of interests as seen in the bottom up versus top down arguments, top management could allow a combination of both approaches in establishing a demand forecast. The approach could allow managers a degree of freedom in contributing their own views to the combined forecast, but in the end adjusting this forecast to meet the requirements of the top management. The other option is that some of the forecasts submitted by managers are disregarded. However, there are negative aspects to this approach, which include:

- Destroying the confidence of managers.
- Having insufficient consideration of priorities.

A more positive approach is for the managers to prepare and agree amongst all the key stakeholders on the criteria (participatory) that will be applied in the budgetary cycle to make the demand forecast affordable for the organisation. Such criteria should meet the needs of top management to maintain overall budgetary control while allowing line managers as much flexibility as possible in meeting the needs of their own management situations. The examples include:

- A criterion that administrative staff costs do not exceed 20% of the total staff costs.
- Staff costs do not exceed 60% of the total costs.
- Staff costs do not exceed 40% of the value added.
- Flexibility to diverge from the rule will only be reached through consensus.

The participatory approach is useful in many ways such as:

- Increased awareness by lower management of top management needs.
- Increased awareness of top management of lower management needs.
- Greater tendency for self-control.
- Mutual awareness of the limitations of imposed rules.
- Less reliance on imposed rules to control lower management.
- Cooperation in achieving a mutually acceptable outcome even though adjustments to submitted proposals may be necessary.

It appears that, at face value, organisations cannot do without human resource planning. However, some critics take the opinion that human resource planning has limited utility to the organisation.

Human resource planning in Tanzania's public service

Economic growth is usually the major driver of human resource planning because it signals demands for human resources and calls for the supply of the same. Similarly, the Tanzanian economic growth of 6% per annum and the opportunities emerging from the East African labour market, were addressed by looking at the supply side of human resource planning by taking measures to expand and improve the quality of primary, secondary, tertiary and university education. Following the expansion of the educational system, the country experienced human resources surpluses in lower levels but acute shortages remain in the middle and higher level professions. In response to this, the government stopped the traditional practice of 'allocating'' graduates to public institutions. The employment and labour laws (2007) directs all employers to recruit staff by

using competitive procedures and criteria. Therefore, the market forces play a bigger role in linking human resource planning efforts to the demand for human resources.

Except in a few isolated cases, human resource planning in most African countries is not given much priority when compared to other functions such as recruitment and selection or training. Therefore, the scope for learning how human resource planning is done based on the classical concepts of human resource demand and supply forecasting is limited. In this case like most other countries, little has been done in Tanzania beyond preparation of papers to facilitate human resource planning in public service. Yambesi (2009) provides a map and description of some initiatives related to human resource planning strategies and process in the public service and the expected outcomes. According to the author, as a general rule, the Tanzanian government is conscious of the role of effective human resource management in public service performance and the link between human resource planning, strategic plans and human resource competencies. The emphasis on human resource planning is well articulated in the institutional reforms including public service reform programme II (PSRP) that led to the establishment of the human resource planning unit within PO-PSM. MDAs institutionalise the human resource planning and prepare medium term human resource plans (MTHRPs) as part of medium term strategic plans. A human resource planning manual has been produced to guide MDAs in the preparation of HRPs. The focus has also been on decentralising human resource planning to conform to the philosophy of decentralisation by devolution (D by D) under the local government reform programme II that gives more power, authority and responsibility to the lower levels of government. In this case, ministries, departments and agencies (MDAs) are required to pursue HR planning independently while the mother ministry (President's office, public service management (PO-PSM) provides guidance and facilitates the process if needed.

Therefore, in terms of levels, human resource planning is supposed to be done at the national, sectoral, and within specific organisations under the public service. In order to facilitate this process, the government of Tanzania has embarked on a programme to undertake a national human resource survey as part of a regional study in the East African Community. The study aims at supporting the government's intentions of preparing a human capital data base which would facilitate the provision of data and information about human capital development. The results of national HR survey will be a crucial input in the preparation of a human capital development strategy. The planning commission spearheads national HR planning and strategy formulation. Apart from the human resource planning at sectoral and organisational levels, some MDAs have taken steps to prepare sectoral specific human resource plans. For example, the ministry of health and social welfare has established and maintained a fully-fledged human resource planning section and many studies on human resource needs in the health sector of Tanzania have been accomplished.

The main conclusions here are that there is a critical shortage of supply of specialised human resources compared to demand. The major human resource strategies adopted in reducing the gap is massive training and retraining and engaging retired staff on contractual employment agreements. On the side of training, the major setback has been inadequacy of qualified students interested in health care related disciplines and professions. Lack of interest is largely attributed to long years of education, a difficult working environment, long hours of work and lower levels of rewards compared to what can be gained from social science related disciplines. Lower reward packages have also resulted in a significant number of healthcare personnel leaving the country for jobs else-

where and for those remaining behind taking part time jobs in private health service providers or starting their own small businesses. This has also reduced the number of hours and commitment of healthcare personnel to provide health care services in government hospitals.

Review questions

1. Explain the role of human resource manager in human resource planning.
2. Managers in both public and private organisations in African countries may not be interested in HRP. Discuss.
3. Organisations can still perform well without systematic human resource planning. Comment.

References and recommended reading

COOK, M. (1993), *Personnel Selection and Productivity*, London: Wiley.

DE CENZO, D. & S. ROBINS (1998), *Personnel/Human Resource Management.* New Delhi: Prentice Hall.

DEBRAH, Y. & G. OFORI (2006), Human Resource Development of Professionals in an Emerging Economy: The Case of Tanzanian Construction Industry. *International Journal of Human Resource Management* 17(3): 440-463

DESSLER, G. (2005), *Human Resource Management*. Pearson: Prentice Hall.

DESSLER, G. & B. VARKKEY (2009), *Human resource management.* New York: Prentice Hall.

MCKENNA, E. & N. BEACH (2008), *Human resource planning. A Concise analysis*: Sussex: Pearson Education Ltd.

PATTANAYAK, B. (2006), *Human Resource Management*. New Delhi: Prentice Hall.

PRICE, A. (2007), *Human Resource Management in a Business Context.* South Western: Cegage Learning.

SMITH, M. & R. IVAN (1993), *The Theory and Practice of Systematic Staff Selection.* London: Macmillian.

TORRINGTON, D., L. HALL & S. TAYLOR (2007), *Human Resource Management*. London: Prentice Hall.

WALKER, J. (1980), *Human Resource Planning* New York: McGraw-Hill.

YAMBESI, G. (2006), *Human resource planning and development: The case of Tanzania*. Unpublished.

Office of MORUWASA, the Morogoro Urban Water Supply and Sewerage Authority

5

Recruitment and selection

Introduction

In chapter 4 we saw that the main objective of human resource planning in organisations is to ensure that we have the right people doing the right jobs at the right time. HRP helps to develop plans for matching demand with supply. Such plans include recruitment and selection. If managers are not careful in developing the best strategies for recruiting and selecting staff, it is likely that the organisation will fail to perform because the available jobs are being carried out by the wrong people and whose removal would be costly. At the end of the chapter learners should be able to:

- Develop appropriate job descriptions and specifications for specific jobs,
- Develop an appropriate strategy for recruitment and selection,
- Conduct effective employment interviews, and
- Establish an effective induction programme.

The basis for recruitment and selection

Recruitment and selection is the process of getting human resources into organisations' departments, sections and jobs (McKenna & Beach 2008). Venkatesh & Jyothi (2009: 83) use what might be an even more useful definition of recruitment that is about the art of discovering and procuring potential applicants for actual and anticipated vacancies in the organisation. This definition has introduced the concept of 'art' which is about the soft skills of management, some of which might be a natural talent of some managers or acquired through specialised training. The use of the word 'discover' emphasises that effective recruitment is a process that involves exploration and that will require specialised methods and techniques, short of which no 'discovery' of potential people for the job can be made. Usually, recruitment and selection depends on the organisation's policy guiding recruitment and selection as already noted in chapter 3. Noe *et al.* (2007) have added important policy issues that have to be considered during the planning of recruitment and selection that are linked to the organisation's position in terms of a number of factors. These are for example, recruiting internal staff as opposed to exter-

nal, the possibility of recruiting somebody who will be paid above the market rate, issues of job security and termination as well as the extent to which the organisation's image should be portrayed in advertisements because this will influence the quality of job applicants and ultimately recruitment. There cannot be any recruitment and selection of employees without going through a process of exploring the organisation, the job to be filled, and the required person.

The recruitment and selection processes starts with organisational analysis. This is the process of evaluating the total organisation, its objectives, human resources, effectiveness and internal environment. The most useful data and information is obtained from the corporate strategic plan or human resource strategy if available. Other sources are monthly or quarterly reports, management meetings decisions, government policies and laws, market trends and global patterns.

The next step is job analysis. This is the process of analysing and listing the tasks that are included in the job, all the steps taken to perform the different tasks and all the requirements the respective tasks put upon the jobholder. The data on the nature of the job and requirements can be obtained from the available human resource manuals, job descriptions, making enquiries from departmental and section managers or supervisors, the person doing the job and moving around to observe how the job is done.

The final step is individual analysis. This involves performance appraisal of individuals doing the job in order to compare individual knowledge, skills and competence requirements in relation to the job objectives and possible potential for development.

Job description and person specification

The output of job analysis is the job description and specification. Job description is a process of describing the job to be performed. The main contents are the job purpose and the job tasks and responsibilities. A sample of job description template is given in Table 5.1 but in order to get the real picture of a classical job description format and contents drawn from a very successful private company in Tanzania, see Appendix 5.1.

Table 5.1   A sample of job description form

Name of the organisation	
Department	Section
Job title	Job grade
Job location: Country, Region, District, Project	
Reporting to(Title)	
Subordinate (Title)	
Job purpose:	
Main tasks and responsibilities:	
Salary and other reward packages:	

Job specification involves a definition of qualifications, experiences and competencies required by the jobholder and any other necessary information on the special demands made by the job such as physical conditions, unusual hours or travel away from home. Job specification sets out terms and conditions of employment such as pay, employee benefits, leave etc. Table 5.2 gives an example of a person specification template.

Table 5.2   A sample of person specification form

Name of the organisation	
Academic and professional qualifications	
Career experience	
Functional competencies	
Essential	Desirable
Behavioural competences	
Essential	Desirable
Potential talents for development	

Recruitment and selection process

Managers responsible for recruitment and selection should be clear on the type of employees they are looking for. Lack of clarity may lead to poor selection criteria and may result in the wrong person being recruited for the job. Based on research, Bates *et al.* (2008) have linked job requirement and the level of the quality of the job as presented in Table 5.3.

Table 5.3   The relationship between competencies and job quality

Criteria	Job quality in %			
	High	Medium	Low	Total
Specific technical skills	25	16	13	19
Generic skills	15	19	20	17
Level of qualification	9	13	9	10
Experience	7	7	1	5
Motivation/attitude	41	45	56	47
Others	1	0	1	1
Do not know	0	0	2	1
Total	88	31	71	0

Source: Bates *et al.* (2008).

The data in the table suggests that what matters most in terms of the quality of the job are motivation and attitude of the work followed by technical skills. The argument is that a demotivated employee may produce poorer quality work when compared to motivated staff with a positive attitude towards work. Indeed, the level of qualifications and

experience rank lower than expected. However, searching for a combination of various attributes from job applicants is what should be the focus of employers.

Attracting candidates

Attracting candidates is primarily a matter of identifying, evaluating and using the most appropriate sources for getting applicants. However, in cases where there are difficulties in getting the right applicants, there might be a need to conduct organisational analysis. It is important to know the strengths and weaknesses of your organisation including reputation, pay, and employee benefits and working conditions, attractiveness of the job, location, security of employment, career prospects, etc.

Sources of applicants

As a matter of principle, applicants within the organisation should be given an equal opportunity to compete with external applicants for any post that becomes vacant. The methods that are used for recruitment include advertisements, the use of recruitment agencies and consultants, executive search consultants, internet and educational establishments. The method used will depend on experience, time available, resources, nature of the organisation and the job.

Sorting out applications

The normal procedure to sort out applications is as follows:
- All applicants are listed in a standard control sheet.
- Each component of the application criteria is awarded a point.
- There should be weighting and ranking of the applicants according to points scored.
- Short listing those qualifying for an interview.
- Preparing an interview programme.
- Inviting interviewees using a standard letter. Inform those who did not qualify.

Interviewing

The next step is to interview the applicants. There are many specific characteristics of this phase.

Types of interviews
- Individual interviews.

This involves face to face discussion and provides the best opportunity for the establishment of close contact between the interviewer and the candidate.

- Interviewing panels.

This is a situation where two or more people gather together to interview one person. The panel will include a human resource specialist and line manager. Panel interviews help to develop a common consensus about the candidate through discussions amongst panel members and hence reduce superficial biases.

- Selection boards.

These are more formal, and usually larger interviewing panels convened by an official body because there are a number of parties interested in the selection decision.

Preparation for interview

During the preparation for an interview, one must know what he/she wants to achieve from the interview. One needs to set objectives that can be reasonably achieved by the interview and that are directly related to the job description and specification.

- Preparation.
- Inform the candidate, organise the interview, decide on who will conduct it, the venue to be used for the interview – this should be comfortable, the process of interviewing, decision making and feedback.

The essential skill of conducting interviews is the skill of asking good questions. The following sections provide guidance on how to conduct interviews.

Conducting the interview

The actual interview involves asking questions, seeking feedback and recording in the manner that can be used to make decisions. The management of the interview process is as important as the interview itself. This will involve structuring the interview questions and the pattern and style of asking questions based on specific criteria and job requirements, managing the climate, exchanging views and controlling the interview to avoid going into issues which have limited relation with the job or the person. The chair of the interview panel should have the necessary skills of conducting meetings, which include time management, keeping focus and the ability to summarise conclusions.

The questions to be used and the way to be asked make a difference in the effectiveness of the interview. The following questions may be useful:

Open questions begin with words such as 'why', 'how', 'what' etc., or phrases such as 'tell me about …'

Questions which start in this way invite the interviewee to answer them in his or her own words.

Open questions are useful for finding out information about the interviewee's experience, views, and opinions.

Closed questions invite short answers such as 'yes' or 'no'. They begin with phrases such as 'are you …?' Or 'is it ….' And words such as 'which' or 'when'.

Closed questions are useful for checking facts, but may discourage the interviewee from giving fuller explanations of those facts.

Probing questions can be used to explore a particular topic in more detail. Probing questions may start with phrases like 'tell me more about …'. Or 'what did you mean when you said'. Or 'give me an example of …'.

These questions are very useful for going beyond a superficial understanding of the information that an interviewee provides.

Leading questions indicate the answer, which the interviewer expects to hear. Leading questions often begin with phrases such as 'I assume that …' or 'would you agree that …'. By asking leading questions you risk biasing the information you receive from the interviewee.

Loaded questions imply that the interviewer is judging or criticising the interviewee. It may be the tone of voice in which the question is asked that indicates this or it may be the actual words used, for example 'why on earth did you decide to do that …'. Asking loaded questions also risks biasing the information you receive.

Double headed questions are where several questions are strung together e.g. 'What are your main duties in your present job, and which duties do you like best …'. These types of questions might confuse the interviewee and it may mean that he or she answers only one part of

the question. To avoid this it is better to ask several separate questions and to give the interviewee a chance to answer each one in turn.

Multiple choice questions offer the interviewee a choice of answers. For instance, 'Did you decide to apply for this job because you want a career in local government …?' The choice of answers given by the interviewee may not include the answer that he/she wants to give, but he or she may feel pressurised to choose one of the answers suggested.

Self-assessment questions are questions in which the interviewee is asked to 'sell' him or herself to the interviewer. Examples of this sort of question would be 'Tell me why you're the best person for this job …', or 'What makes you think that you can do this job …' An interviewee may answer this kind of question poorly but he/she may in fact have all the skills and abilities necessary to do the job. It is up to the interviewer to assess the interviewee's suitability for the job. One cannot rely on the interviewee to do this for him/her.

Hypothetical questions are the ones that pose imaginary situations for the interviewee, and then the interviewer asks the interviewee questions about the imaginary situation; for example, 'Imagine that you have a very angry caller on the telephone, what you would do ...?' Hypothetical questions rely on the interviewee's ability to imagine the situation, and then to imagine how he or she would react in that situation.

More reliable information can be gained from questions about actions that the interviewee actually took in situations that the interviewee has actually experienced.

Using the Star Model to conduct interview

One of the interview techniques is by using the STAR model. S - Situation, T - Task, A - Action and R - Result. Under this model, only specific questions are asked so as to enable or lead the assessor to understand the past behaviour of the candidate and which can assist in predicting the candidate's future behaviour. Theoretical questions such as 'What would you do or what will you do …?' are avoided under the STAR model, so as to enable the assessors to get the right candidate. This is because candidates with good speaking skills, those who use polished language and are convincing may not necessarily be the right candidates.

Therefore:

S -   SITUATION: What was the situation one faced in the past? One has to precisely analyse the situation.

T -   TASK: What was his/her task/job? What were you supposed or expected to do?

A -   ACTION: What did you do?

R -   RESULT: What was expected of you? What was the result?

Making decision

We have seen that it is desirable to use a scoring scheme at both the short listing and the final selection stages. This leads to the question, 'What should the status of the scores be?' 'Are they an aid to selection, or are they the selection in themselves?' Some literature overwhelmingly indicates that the latter alternative is the most preferable. For most selectors, it goes against the grain to make an appointment in this mechanical way, but to allow selectors the discretion to override scores simply gives them scope to make arbitrary appointments based on bias. The human resource practitioner should use his or her influence to encourage other selectors to take their scores seriously.

Other approaches to selection

Ability tests

While the format that has been considered in the discussion is systematic and will lead to an improvement in the quality of appointments, it has inherent limitations and possesses limited capacity for improvement. If the quality of selection must improve further, then a different approach has to be adopted.

What different approaches are available? First, the practitioner should consider the use of published tests. There is a great deal of research which shows that a good test of ability is the best single predictor of job performance, irrespective of the particular job for which the test is being used.

The ability test should have the following characteristics:
1. Should be sensitive enough to be able to discriminate candidates.
2. It has to be standardised. Reflect the general population.
3. Reliability – measures the same thing consistently.
4. Validity – measures what ought to be measured.

Examples of tests
- Intelligence test

In theory the test is meant to measure intelligence. It is usually expressed in the form of intelligence quotients (1QS) but due to disagreement on the meaning of intelligence, intelligence tests are often used to measure how the individual fairs in the test compared to the general population.

- Aptitude tests

An aptitude test is used to predict the potentials an individual has to perform a job or specific tasks within a job. The test covers numerical, clerical, mechanical, problem solving etc.

- Personality tests

Various tests are developed to measure behaviour that indicates individual interests, values, and behaviour that may be required. For example, the behaviour required of a policeman may be different from that required of a sales clerk.

Assessment centres

In order to improve the quality of data for making a decision on the best candidate for the job, multiple selection techniques are now used. It is common practice for competitive organisations to use assessment centres run by professionals to facilitate selection and recruitment process. In terms of conceptualisation, Cascio & Aguinis (2005), Swanson & Foster (2005) and Dessler (2010) have put it that the assessment centre is a method and not a place as some may think. It is a method that consists of standardised multiple assessment techniques for the evaluation of job applicants, particularly for managerial posts, by involving multiple assessors. Usually it is a one to two days assessment that may include simulation exercises involving between 10 to 12 candidates subjected to what is considered closest to the real working environment. Therefore, assessment centres assist the whole selection process by giving candidates virtual experience of the job while testing them on work-related activities as individuals and teams. Assessors

use the assessment results of each candidate, compare one against another, and predict the best performer for the real job for the present and in the future.

Developing assessment tools
The power of the tools used to predict performance and the potentials of managers and leaders in the future is a major reason for using assessment centres. Each behavioural indicator for a specific competence or talent for a job has a specific tool of assessment. For example, written exercise is useful in assessing conceptual and written communication skills while team exercises assess personal assertiveness, teamwork, interpersonal effectiveness and drive for results. Therefore, different tools will be developed to cover several assessment techniques including simulations. These have high validity as they are designed to replicate the kinds of tasks we complete in our daily work. These tools will have to be standardised to provide objective prediction of performance in a current job, which serves as a good indicator of future potential. For example, in Tanzania, key result area 5 of phase 11 of the public service reform programme (2008-2012) expresses the government intention, strategies and challenges in the management of public servants in the process of improving public service delivery. In terms of improving human resources, one of the government's planned outcomes is to ensure that recruitment processes result in the selection of the best available candidates, and appointments and promotions are based on merit.

Referring to leadership, key result area six of the public service reform phase 11 emphasises the importance and need for strategies, required interventions and expected outcomes of leadership in public service. It shows that ministries, departments and agencies (MDAs) have different leadership cadre for different roles with different responsibilities depending on the level and functional responsibilities. Therefore, in terms of recruitment, the assessment centres for leadership position such as those of commissioners, directors, and permanent secretaries will emphasise the different aspects of leadership qualities depending on the leaders' position and the required competencies.

Essential leadership capabilities in the Tanzania public service, which were emphasised by His Excellence President Jakaya Kikwete as quoted by the key result area 6 of the public service reform phase 11 are 8, which are summarised as follows:
- Able to lead by example.
- Able to use powers prudently.
- Able to abide by laws, rules and regulations.
- Demonstrate strong public relations skills.
- Able to act promptly when required.
- Be innovative.
- Able to instil a spirit of self-reliance.
- Ability to build team spirit between the government and the citizenry.

Each of the above attributes will require systematic unpacking in order to be able to provide specific observable indicators that will predict the presence or non-presence of such qualities. For example, it will be difficult to make a judgement on whether the job applicant is a 'law abider' or not if we cannot design specific tools to establish whether it's true or not in the same way in which we may test integrity, honesty and fair judgement. With this background, assessors will benchmark aggregated competencies and talents from the results of assessment techniques for each job applicant against the

above criteria and also rank each candidate in order to select the best person for the particular leadership position.
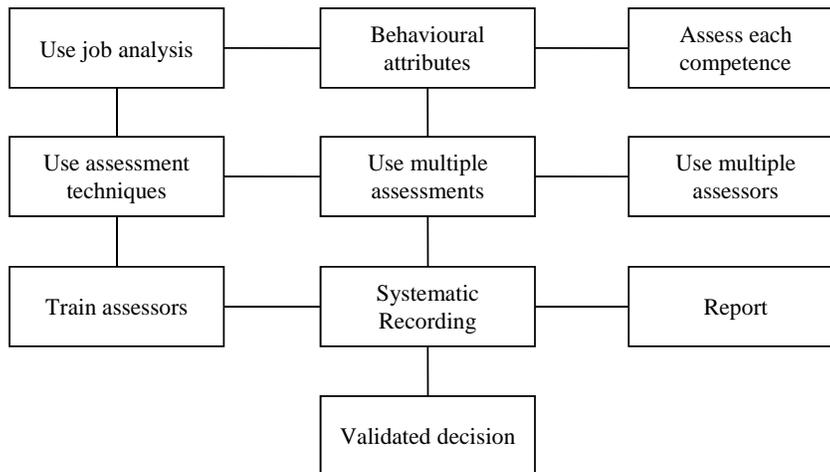
Training assessors

Competencies of assessors are as important as the assessment techniques and processes. Competencies of assessors have to be developed through capacity building programmes if the organisation wishes to run its own assessment centres. However, even where assessors are hired as consultants, comprehensive understanding of the organisation, and more importantly the nature and scope of the job for which the assessment centres apply, is necessary. This will help assessors to pick up all technical and behavioural competencies demonstrated by individual job applicants during exercises and match them with the actual job requirement within the framework of the organisation. Therefore, since assessors have to make decisions about which person to recruit through rating what they see, hear, observe and feel, about job seekers, they have to have competencies, not only in the techniques of assessing candidates, but also on how the criteria were developed and why certain methods and techniques are used in assessing job applicants. Knowledge of how to evaluate jobs, job descriptions, specifications, preparation and use of different assessment methods and techniques such as interviews, setting and use of questionnaires in conducting psychometric tests will create an opportunity for more informed decisions about the candidates. Others assessment techniques involve more face to face communication as they are designed to replicate the kinds of tasks we complete in our daily work, such as conducting meetings, writing reports, giving presentations, using emails, conducting performance reviews, meeting clients, and so on, which should be part of assessment, depending on the job requirements.

Principles of effective assessment in assessment centres.

Human resource managers, professionals or staff working in assessment centres should be aware that the effectiveness of this selection method depends on the extent to which specific principles guiding the entire recruitment and selection process are applied. Figure 5.1 displays the main blocks underpinning the principles. From the figure we can conclude that if ten key areas of assessment centres are closely followed, the results of the selection process will be effective in terms of ensuring that the most talented and competent job applicant is considered for recruitment. The starting point is job analysis, which establishes the nature of the job (tasks, activities, responsibilities, and accountabilities) which will also determine associated required talents and competencies defining behavioural attributes for best performance. Each job applicant participating in the assessment centres will be assessed. Some of the assessment techniques, which may be used, are simulation exercises, tests, interviews, questionnaires, games and case law. One assessment technique may be more important than the other depending on the nature of the job and the position applied for. For example, case law is more important for the job of company secretary than a written test is because while a test will measure the understanding of legal concepts, principles and issues, a case will require the ability to use such knowledge in practice. However, as noted earlier, multiple assessment techniques are important because each technique will compliment or validate the other and hence improve the reliability of the conclusions reached for each candidate. The assessment has to be done by more than one assessor in ordered to reduce personal bias. Usually, five assessors will be adequate. The importance of training assessors does not

Figure 5.1   Components of effective assessment in assessment centres

```
┌─────────────────┐   ┌─────────────────┐   ┌─────────────────┐
│ Use job analysis│───│   Behavioural   │───│   Assess each   │
│                 │   │   attributes    │   │   competence    │
└─────────────────┘   └─────────────────┘   └─────────────────┘
         │                     │
┌─────────────────┐   ┌─────────────────┐   ┌─────────────────┐
│ Use assessment  │───│  Use multiple   │───│  Use multiple   │
│   techniques    │   │   assessments   │   │    assessors    │
└─────────────────┘   └─────────────────┘   └─────────────────┘
         │                     │
┌─────────────────┐   ┌─────────────────┐   ┌─────────────────┐
│  Train assessors│───│   Systematic    │───│     Report      │
│                 │   │   Recording     │   │                 │
└─────────────────┘   └─────────────────┘   └─────────────────┘
                              │
                      ┌─────────────────┐
                      │Validated decision│
                      └─────────────────┘
```

Source: adapted from Swanson & Foster (2005).

need to be emphasised again here. The task of assessing job applicants is technical and requires a thorough understanding of the job and the assessment techniques or tools. Therefore, the more assessors are familiar and experienced with assessment centres, the better the quality of the assessment. There is no firm rule on who should be part of the team of assessors. However, gender, race, seniority, experience are some of the criteria for appointing assessors. Recording the transactions made in the assessment centres is as important as the assessment itself. Each observation made regarding each competence demonstrated has to be systematically recorded on a well-designed form that will rate or rank the presence or non-presence of a certain competence in an individual in relation to a specific aspect of the job. Using tapes, that can be replayed later, can help to illustrate what areas may require more questioning or testing. Criteria for making a decision regarding each job application are made based on the aggregation of the results from each assessor. A decision based on these aggregates is sufficiently valid to recommend some individuals for employment. Where divergences on key areas of assessment are noted among assessors, a consensus has to be reached by using criteria that will be accepted by all. Where differences may still exist, recommendations will be submitted to the management for a final decision on who should be recruited based on the face value of the results as well as management wisdom. Finally, Figure 5.1 suggests that the ten principles of effective assessment centres are interlinked and interconnected because of the symbiotic and synergetic influence of each principle in the entire assessment centre.

References and confirmation of employment
References are useful for the purpose of confirming factual information obtained from the application letter and an opinion concerning the applicant taken from the interview and other selection methods used. A provisional offer may be given to the applicant that depends on satisfactory references being obtained.

Induction

This is the process of receiving and welcoming employees when they first join a company. The aims are:

- To smoothen the preliminary stages for a better start up.
- To establish a favourable attitude to the organisation.
- To obtain effective output as early as possible.

An officer should conduct the induction process having sufficient information about the company, and which may include the history, products/services, organisation and management etc. At the level of the department, the responsible manager should do the job. This will give the new employee a positive image of the company or organisation. The manager will hand the employee over to the section head/supervisor for more details.

Follow-up

The follow-up induction is done in order to find out how well the new employee is doing. It is a feedback for the selection process.

Experiences from the African public sector

Although in principle, staff recruitment and selection is expected to be rational and systematic, in Africa, factors beyond the nature of the job and procedural requirements seem to matter in recruitment and selection criteria. Many studies including (Akinnusi 1991; Gardner 1996; Kamoche *et al.* 2005; Budhwar & Debrah 2004) have confirmed that many organisations have some kind of formal recruitment and selection procedures but positions that do not exist are filled through recruitment based on friendship and relations orchestrated through favouritism, bribery, and nepotism. It is also common for vacancies to be created by targeting specific individuals and jobs end up being filled even without advertisement or they are advertised in a manner that many competitors fail to notice. However, these observations do not fail to recognise that African countries and organisations are not homogeneous and hence there are few exceptions to the rule, particularly the foreign based organisations which, by and large, use mother countries' human resource management practices, as noted in some specific cases in this book.

Human resource recruitment and selection in the Tanzanian public service

Recruitment and selection in Tanzanian public service is governed by the Public Service Employment Policy (1999), Public Service Act No.8 of 2002, Public Service Regulations 2003, Public Service Schemes 2003, Employment Guidelines, Establishment Circulars and Scheme of Service for each cadre. Some of the policy provisions include recognition that employment has to be through open competition.

Shangali (2009) has described the process of recruitment and selection in the Tanzanian public sector in a systematic manner that is quite elaborate. Job vacancies have to be advertised internally and externally through newspapers, which are widely circulated in order to ensure that all possible job applicants get the opportunity to apply for the job. The policy provides for the establishment of selection criteria that will ensure the balance between academic or professional qualifications and other competencies including, talent, experience, track record and future potential.

The public service act no.8 of 2002 as amended by act no.18 of 2007 and the public service regulations of 2003 and public service scheme of service 2003, together with other government directives like employment guidelines, establishment circulars and scheme of service provide power, authority and responsibility to appoint and confirm public servants to the President, chief executive officers, the minister responsible for local government authorities, local government authorities and the department of teachers service of the public service commission. The acts stipulate the main actors in the recruitment and selection in the public service as follows:

The first is the President's office, public service management (PO-PSM) which is responsible for controlling personnel emolument budget in the public service, through approval, offering permits and facilitating the mobility of labour among employers.

Second are the employers (appointing authorities) who are charged with the function of preparation of personnel emoluments, applying employment permit from PO-PSM and filling the posts through open and competitive recruitment procedures.

The third is the President's office public service commission that, as a regulatory body, prepares and distributes the appointment guideline to the appointing authorities which set standards for merit based recruitment and selection. The commission also has the role of ensuring that the public institutions adhere to the prescribed rules, regulations and procedures governing the merit based recruitment and selection procedures.

Recruitment and selection procedures
Vacancies in the public organisations come into existence through the reduction or creation of new posts.

The starting point is budgeting. The appointing authority has to budget for the posts under the personnel emoluments (PE). Ministries, departments and agencies (MDAs), and local government authorities (LGAs) and regional secretariats prepare the personnel emoluments (PE) budgets that reflect the actual requirements of human resources, and the budget guidelines and ceilings. Budget guideline on PE is set by both the ministry of finance (MoF) and the PO-PSM.

The appointing authority/employer should request permission from PO-PSM to fill a vacancy or establish a new post. The appointing authorities apply for the permits through the approved establishment, and the PO-PSM grants the approval via the approved establishment and wage bill. The approved permit is valid for duration of 3 months.

Once permission is given, the employer must observe the following procedures for recruiting and selecting.

The first is to advertise. The advertisement has to be through at least three newspapers with wide coverage. The advertisement should outline the qualifications, duties and responsibilities, remuneration, the type of application and the deadline.

The second is the short listing. After receiving the applications, the short listing is done through the established selection criteria that merge the qualifications and skills with the experience and personal attributes of the candidate as stipulated by type of service for each department.

The third is interviewing. Appointing authorities establish an adhoc committee in the case of ministries, independent departments and regional secretariats while the employment board appointed by local government authorities is responsible for recruitment. One of the members of the adhoc committee is a representative of the President's office – public service commission. The role of the representative is to ensure that the

recruitment procedure abides by the law and is fair. The roles of these boards and adhoc committees include reviewing interview questions, ranking and conducting the interview, and presenting the names of successful candidates to the appointing authority. After the appointing authorities have received the results of the interview from the employment board or adhoc committee, it will appoint the qualified candidates, suitable for the post, followed by:

- Conducting a medical check.
- Completion of appointment letter.
- Collecting of personal details.
- Entry into the payroll.

Challenges

Recruitment and selection practices associated with filling vacant posts in the public service reveal that some of MDAs do not manage to fill some of the vacant posts approved due to reasons which include:

- Failure by some appointing authorities to advertise vacant posts in at least three newspapers as directed by the law because of high costs. This leads to few candidates applying for the posts. As a result, open competition to acquire the most highly qualified candidate is compromised.
- Filling jobs in peripheral areas. Some candidates prefer not to work in the periphery workstations or regions, hence they do not apply for the job or some successful candidates do not report to the workstation.
- Rare professional cadres. Some technical professionals are hard to come by and hence creating strong competition between public and private sector is difficult. Since some jobs in the private sector are more rewarding than in the public sector it becomes difficult to get qualified candidates and even if selected, they do not take up the offer. Therefore, some job vacancies are very difficult to fill.
- Filling senior positions in the public service. The public service act was amended and, among other things, stipulates that all senior positions in the public service be filled through the internal source. However, the number of experienced senior officers in the public service is very low and it is becoming difficult to fill in senior vacant posts after natural attrition.
- Long and cumbersome procedure. Experience has shown that the open recruitment process is very long from the permit application to the filling of the post. The process is expensive, but on the other hand, it takes a lot for time of responsible officers and hence affects other duties and programmes.
- Lack of information technology skills in managing recruitment and selection. In most cases, many candidates apply for jobs while the system used for shortlisting is manual and time consuming. Therefore, it becomes a very difficult and lengthy process to assess each applicant fairly particularly when there is time pressure and at times when some members of the panel have special interest in some job applicants.
- Adherence to procedures and criteria. One of the primary roles of the PO – PSC is to monitor and ensure that every appointing authority fully adheres to the prescribed rules and procedures governing recruitment and selection. Normally, the public service commission, through human resource compliance inspection systems, conducts a routine inspection of appointing authorities however; it will also act when it receives complaints from individuals or a higher authority regarding malpractice.

Despite inspections, there are still cases of non-compliance to procedures, which include:

- The appointing authorities' failure to define properly the required qualifications, experience, skills and personal attributes.
- Poor record keeping such as a list of applicants, record of shortlisted candidates, employment permit and interview score sheet/ results.
- In some of the posts the candidates shortlisted for interview do not meet the minimum qualifications for the post. This leads to the recruitment of the wrong candidates.
- Some of the appointing authorities are not able to inform all the interviewed candidates of interview's outcome.

Although these limitations seem to amount to a lack of knowledge and skills to conduct effective recruitment and selection, or lack of accountability, given the common knowledge that staff recruitment in African countries is driven by corruption, favouritism and personal relationships, one cannot ignore the fact that Tanzania faces the same problem.

Review questions

1. Effective employee recruitment and selection is necessary for the competitiveness of organisations. However, failure to prepare for smooth recruitment processes is the most common pitfall in public service in Africa and more so in Tanzania. Discuss.
2. Interviews are commonly used in selecting the best suitable candidate for the job. However, the best job applicant is not necessarily offered the job. Comment.
3. Recruitment and selection in public service in African countries depends more on who you know than what you know. Use cases to justify this statement.

References and recommended reading

AKINUSSI, D.M. (1991), Personnel management in Africa: A comparative analysis of Ghana, Kenya and Nigeria. In: C. Brewsler & S. Tyson, eds, *International comparison in Human resource management.* London: Pitsman.

ARMSTRONG, M. (1995), *A Handbook of Personnel Management Practice*. London: Kogan page.

ARMSTRONG, M. (2006), *A handbook of human resource management practice*. London: Kogan Page.

BATES, P., H. JOHNSON & J. CLIFFORD (2008), *Recruitment and training aiming large national employers*. Institute of Employment Studies. Learning and Skills Council.

CASCIO, W. & H. AGUINIS (2005), *Applied psychology in human resource management*. New Jersey: Pearson International Edition.

DESSLER, G. (2010), *Human resource management*. New York: Pearson.

GARDNER, K. (1996), Managing in different cultures: The case of Ghana. In: B. Towers, ed., *The Handbook of Human Resource Management*. Oxford: Blackwell.

KAMOCHE, K.N., Y.A. DEBRAH, F.M. HORTWITZ & G. MUUKA (2004), *Managing human resources in Africa*. London and New Delhi: Routledge.

NOE, R., J. HOLLENBECK, B. GERHART & P. WRIGHT (2007), *Human Resource Management*. Boston: Mc GrawHill.

SHANGALI, T. (2009), *Recruitment and Selection in Public Service. The case of Tanzania*. CAPAM conference on governance excellence: Managing human potential, Ausha, Tanzania.

SWANSON, T. & S. FOSTER (2005), A practical guide to conducting assessment centres, In: S.E. Condrey, ed., *A handbook of human resource management in Government*. San Francisco: Jossey-Bass.

UNITED REPUBLIC OF TANZANIA (1999), *The Management and Employment Policy*. Dar es Salaam: President's Office Civil Service Department.

UNITED REPUBLIC OF TANZANIA (2003), *Public Service Scheme*. Dar es Salaam: Government Printer.

VENKANTESH, D.N. & P. JYOTHI (2009), *Human Resource Management*. New Delhi: Oxford University Press.

Appendix 5.1   Job description from Tanzania Tobacco Processing Ltd.

JOB TITLE: **MECHANICAL ENGINEER**

REPORTS TO: ENGINEERING MANAGER

FUNCTION: Engineering

LOCATION: TTPL PREMISES / Morogoro

PURPOSE STATEMENT

Responsible for the effective management and operation of the mechanical portion of the Engineering Department, plant equipment and buildings.

ORGANISATIONAL STRUCTURE

- Superior 1st level   Engineering Manager
- Job holder   Mechanical Engineer
- Subordinate 1st level   Mechanical Foreman
- Subordinate 1st level   Fabrication Supervisor
- Subordinate 1st level   Machine Shop Supervisor

PRINCIPLE ACCOUNTABILITIES

1. Ensures the cost effective running of the mechanical aspect of all company plant and machinery.
2. Keeps in constant liaison and co-operates with the Electrical Engineer, Utilities Superintendent, Stores, Procurement, as well as all members of the Production Department for proper interaction between departments and sections.
2. Ensures that the preventative and predictive maintenance program for the mechanical quotient of the factory is maintained and improved. Ensures that reporting is done on a regular basis and as required.
3. Monitors and maintains correct staffing levels. Ensures that training, appraisals and training needs are met.
4. Plans for future requirements, upgrades and needs of the Mechanical Engineering Department.
5. Maintains the company's policies on health and safety, housekeeping and discipline. Promotes the required safe working environment within the Engineering Department and all other company areas.
6. Motivates and encourages the motivation of all Mechanical Engineering staff and the interaction of all departments with Engineering.

7. Whatever and whenever is requested and agreed.

Additional information

1. Environment
   The working environment may vary dependent on the location; it may in the open or in a building. Conditions may also vary and in relation to the location assessed you will be issued with the appropriate protective wear which you will be required to wear.
2. Knowledge, Skills & Experience
   Requires a certificate or diploma in Mechanical Engineering, Advanced Diploma, or FTC with acceptable trade/industrial experience. Experience and knowledge of managerial skills and administration abilities. Knowledge of modern industrial preventative maintenance systems is essential as well as being fully computer literate.
3. Key Success Factors
   Maintains discipline and moral in the departmental staff. Will strive to meet set factory efficiency targets.
4. Working Relationships
   Will respect his direct supervisor and will channel any complaint or problem through him. Will respect and carry out any reasonable request from any of his superiors.

Additional Comment

    Duties and responsibilities:
- Carries out repairs and maintenance / tobacco machines, equipment and tools.
- Prepares repair and maintenance reports weekly
- Incharge of maintenance staff in a shift
- Undertakes repairs, maintenance of machines, tools, trucks, tractors, vehicles and necessary modification to the plant machinery aimed at improving quality of tobacco.
- Researches and manufactures possible plant appliance-s
- Plans and organises on the job training programme and work schedule.
- Plans, directs and co-ordinates proper and accurate implementation of the Mechanical / Electrical and Civil works.
- Writes regular reports of his / her duties.
- Plans maintenance programme and schedules and ensures constant production, efficient use of personnel, material tools and equipment and machinery.
- Shall be the Chief Advisor to the Technical Service Manager
- Assesses requirement of spare parts and other materials required for the prepare condition of machines and buildings.

Tobacco Processors Ltd, Morogoro

6

Performance management

Introduction

Performance management has evolved from the growing demand in organisations for better people management in order to realise better results. The emphasis has shifted from what employees are supposed to do, to what they are expected to achieve – results. Employees' output is a critical issue because it determines how much an employee is worth to the organisation. This topic lays the foundation for skills development and management of the employee performance process. Therefore, at the end of the chapter learners should be able to:

- Analyse the key issues in the performance management system.
- Introduce and manage performance management systems in an organization.
- Examine the strengths and challenges of performance contracting.

The meaning of performance management

No understanding of the meaning of performance management is complete without focus on the management process, which aims at ensuring continuous individual, team and organisational performance. Although the mainstream literature on performance management is not short of good definitions on performance management, it is difficult to resist the power of the definition commonly used by Michael Armstrong who is one of the most renowned human resource management experts. In his view, performance management is a process owned and driven by line management that aims at getting better results from the organisation, teams, and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements (Armstrong 2008: 1)

The key words in this definition are:
1. An agreed framework of planned goals, standards and attribute/competence requirements – the basis of performance management is an agreement between the

manager and the individual on expectations in relation to each of these headings. Performance management is largely about managing such expectations.

2. A process – performance management is not just a system of forms and procedures. It is about the action, which people take to achieve the day-to-day delivery of results and manage performance improvements in themselves and others.

3. Shared understanding – to improve performance, individuals need to have a shared understanding about how high levels of performance and competence look like and how they should work towards it.

4. An approach to managing and developing people – performance management is focused on three things. First, how managers and team leaders work effectively with those around them. Second, how individuals work with their managers and with their teams and third, how individuals can develop to improve their knowledge, skills and expertise (their attributes) and their levels of competence and performance.

5. Achievement – ultimately, performance management is about the achievement of job-related success for individuals so that they can make the best use of their abilities, realise their potentials and maximise their contribution to the success of the organisation.

6. Owned and driven by line managers – performance management is a natural process of management, not a procedure forced onto line managers by top management and the personnel department.

Therefore, performance management should be seen as a collective responsibility of employees and employers to ensure that there is continuous improvement in the tasks, activities and jobs that are agreed upon for achieving the organisation's vision, mission, goals and objectives.

The environment for the evolution and development of performance management

Performance management emerged in the late 1980s partly as a reaction to the negative aspects of merit rating, management by objectives and performance appraisal but also the growing knowledge on the experiences and lessons learned from strategic management and strategic aspects of human resource management (Torrington *et al.* 2005; Leopold *et al.* 2005; Hook & Foot 2008; Armstrong 2008). Factors that made performance management the best option for achieving individual and organisational objectives are summarised into a number of key areas in human resource management:

- Increasing competition between businesses and the drive to cut down costs by improving employee efficiency and effectiveness through better utilisation.
- The decline of the power of trade unions noted in chapter 1 also led to the change in working relationships. Individuals had to negotiate for a job and demonstrate how best they could support the organisation in realising specific objectives and targets. This formed the basis of performance agreement.
- The acceptance of human resource management (HRM) as a strategic approach in people management driven mainly by the American school. The strategic approach to employee management brought line managers closer in developing performance management strategies in their departments.

- Knowledge emerging from different theories including systems theory whereby performance depends on how each of the components of production systems was effectively managed. Human resources were seen as one of the key components of the system, which had to be well managed.
- The recognition of the importance of continuous improvement through learning and adaptation as part of the qualities of excellent organisations. Therefore, the emphasis shifted from performance appraisal, which is provide feedback on what could already have gone wrong to creating enabling environment for better and better performance as dictated by the business environment.
- The increased stress on achieving commitment by integrating organisational and individual goals and hence reducing the feeling of 'us' against 'them'.
- The recognition that academic qualifications and experiences were not main drivers for excellent organisations' talents and competencies, which should be explored, nurtured and developed during the job performance process.
- A realisation that managing performance was the concern of everyone in the organisation, and not just managers. Total employees' commitment to the organisational tasks, activities, processes, targets and objectives through performance agreements as part of partnerships between the line managers, staff managers and employees became the way to remain competitive.

Theoretical and conceptual framework for performance management

Performance management as a system which constitute tools for effective management of organisational performance is grounded in many theories but here the focus is on goal setting and systems theories because they also provide a useful framework for managing performance (Locke & Luthans 1990). Goal setting theory predicts that employees will be motivated to work harder if:

- The organisation provides challenging but attainable goals.
- If goals and objectives are made specific enough for the employee to understand.
- If the employee participates in setting the goals and objectives.
- If the employee has a benchmark from previous performance objectives to compare with expected performance.
- Employees receive frequent feedback on their performance so they can improve.

Systems theory analyses employee performance in terms of a process that involves inputs, process, outputs and outcomes (Bacal 1999; Marchand & Raymond 2007; Armstrong 2008).

- Inputs: the skills, knowledge and expertise individuals bring to their jobs (their attributes).
- Process: how individuals carry out their work – the talents and behavioural competencies they use in order to fulfil their responsibilities.
- Outputs: the measurable results achieved by individuals according to the level of performance they demonstrate in carrying out their tasks.
- Outcomes: the impact of what has been achieved by the performance of individuals on the results of their teams, departments, units or functions and ultimately the organisation. This is their contribution, which is the ultimate measure of their effectiveness in their jobs.

However, despite guidance on the main principles of performance management, every organisation has to introduce performance management systems of their own to suit their needs. The framework the theory stipulates will only help to form the basis on which managers, individuals and teams should enter into performance agreements and evaluations. The theories help to form the logical link between corporate strategic plans and how individuals fit in realising the same through operational, annual action plans and activities. Thus, performance management system will cover:

1. Aspects of corporate vision, mission and values as they are linked to strategic business objectives and to the desired performance management system.

2. The establishment of performance agreements and plans. Agreement of accountabilities, tasks, objectives, knowledge, skill and competence requirements as part of goal setting, within the context of employment contracts. See Appendix 6.1 on the open performance appraisal form for the Tanzania public service. Agreement on work plans and personal development and performance improvement action plans (these can form part of a performance agreement).

3. Continuous management of performance throughout the year. This is a process of getting regular feedback daily, weekly, and monthly.

4. Formal performance reviews. This covers the preparation by the manager and the individual for the formal review at the middle of the year (usually in January) and the annual performance review (at the end of June). The mid and annual performance appraisals are technical activities which require thorough preparation on the part of the employee and immediate supervisor.

5. Development and training. This involves formal development and training programmes prompted by the performance review. Less formal development throughout the year should take place in the form of coaching, counselling, on-the-job training and self-development activities (self-managed learning)

6. Rating. Although rating or ranking performance is common in any formal performance appraisal, in which different measurement instruments including the likert scale of 1-5 points or grading ranging from A - D are used, this is not an ideal performance management method because the subjectivity of the technique may overshadow the importance of focusing on performance improvement more than on measurement.

7. Performance related pay. Performance related pay (PRP) – is again not always associated with performance management, but because an increasing number of organisations are introducing PRP, the link between performance, as measured by a performance management process, and pay is becoming more common. However, decisions on PRP may be made at a separate time from the performance review so as not to prejudice the essential developmental nature of the performance management process.

8. Performance measurement. This involves any process, which includes the collection and analysis of outcome or performance data, providing comparative information for assessing the progress towards the achievement of specific objectives (Marchand & Raymond 2007). It can be done at the level of the individual task, department, organisation and country. For example, individual measurement may take place through the annual performance appraisal process. Measurement at the country level includes methods such as budget analysis, annual balance of payments figures etc. Performance measurement is an overall description for a wide range of activities and processes, which are used by a huge variety of people for different reasons. Accord-

ingly, there are macro and micro measures; macro measures relate to very high level activities and include things such as the rate of inflation, the balance of payments figures, and the government's revenue. Micro measures relate to smaller and more specific activities, such as the turnover of one bank, stock exchange trading for one day and sales of one commodity. The performance measure is the result of the collection process in terms of the raw data collected. Examples here include the numbers of pupils in a primary school, the numbers of hospital beds in a hospital or the number of civil servants in a ministry.

9. Performance indicators/measures. These are the products of the analysis and comparison of performance data. They are the indication of trends and changes in performance. For example, there may be a policy objective to introduce universal primary education. A performance management system could be introduced to measure the achievement of this objective. The measure of performance would be the number of pupils in primary education in a given year. A Performance indicator is the comparative analysis, which can be derived from the performance measure.

10. Continuous improvement. This is a management culture that is based on the belief that improvements in performance can be achieved each year, and standards and targets are adjusted for each year accordingly. This may not be appropriate or realistic in many public sector environments where the demand for services is open ended, but resources are finite.

11. Results oriented management. These are names of particular techniques, which are used to introduce performance management methods to a process or activity. They are based on defining the levels of desired performance and output.

Benefits of performance measurement

The benefits of introducing performance management are:
- It encourages rigorous objective and target setting.
- It ensures regular performance review and detection of areas for improvement.
- It can identify problem areas or poor performance and intervene in time.
- It provides a basis for resource allocation based on targets, activities, outputs, and outcome priorities.
- It provides evidence for the appraisal of individuals; that is, was what expected to be achieved actually realised?
- It can demonstrate whether value for money is being achieved and indicates what measures should be taken.
- It focuses on outputs rather than inputs. The results are more important than what went into the inputs and the process of production or service delivery.
- It increases awareness of production or service delivery and also increases greater participation in policy choices in areas where performance can be measured.
- It can help to inform policy decisions by demonstrating the impact of different choices.
- It improves accountability for the resources, power, and authority granted to perform.

Public sector performance measurement

Performance measurement in the public sector is different from that of the private sector. They include issues such as:

Democratic decision-making
Democratic decision-making means that many more people are involved in the decision process and it is not the function of performance measurement to question policy. The role is more related to highlighting areas where expenditure has not been effective in achieving a policy aim.

Public accountability
The use of public funds obtained by compulsory levy places a greater responsibility on policy implementers to demonstrate the effective use of such funds. This differs from a private sector operation, which involves a much smaller group of stakeholders.

Policy making processes
Making decisions is a slower and more consultative process than in the private sector. It may take much longer to change the focus of an activity in an attempt to improve performance.

No clear measure of effectiveness
In the private sector, profit generation and levels of customer satisfaction are used as a proxy or measures of effectiveness. The public sector does not have such an all-embracing and clearly accepted measure of success. This often leads to the development of much larger number of performance measures to judge performance in a number of different ways.

Lack of competition
In public service, there are sometimes limits to the extent to which performance can be proven, as there is limited competitive pressure for improvement. This situation is changing in some countries with the introduction of competitive tendering for some government services.

Difficulties in measuring effectiveness
The public sector deals with a great many social, human and economic issues, which can be very hard to measure. For example, how do you judge the effectiveness of expenditure of defence activities and equipment? Has the expenditure been effective if there have been no invasions! This is just as problematic as for things such as healthcare and education expenditure where it is almost impossible to determine the effectiveness of different options for service provision, as there are so many non-controllable costs.

Unlimited demands on finite resources
In any country, the potential demand for public services will outweigh the resources available to fund those demands. Therefore, even measuring performance may sound futile.

The limited lifetime of a government
Governments have limited time in power, depending on the election cycle. The political process means that the government, and therefore the policies may change on a regular basis so that an individual policy may not be in place for long enough for it to begin to have any real impact.

Practical implications
The differences in the nature of the public services create the following practical difficulties:
1. It is much harder to establish accurate measures of efficiency.
2. The results need to be more widely circulated and explained to different stakeholders with diverse interests than is the case in the private sector. For example, the results on agricultural policy touch all aspects of the economy and affects different stakeholders differently.
3. There may be disputes about the results as a product of the political process or other environmental factors like an improvement in the weather conditions.

Characteristics of a good measure of performance

A good performance measurement will satisfy the following criteria:

It is appropriate for the objective it is meant to assess
It should be designed to produce information that indicates progress made towards the objective in a meaningful way. It has to measure what it is supposed to be measured.

The chain of cause and effect should be clearly established to eliminate erroneous results
For example, a decline in the number of hospital visits may be caused by improvements in the public health infrastructure or a change in climate, rather than by increased efficiency in medical treatment and diagnosis.

The effort and expense involved in data collection should be justified
The costs of data collection and analysis should be far outweighed by the benefits of measurement. This is about economic efficiency.

It should be focused on an activity which can be controlled
There is no point in setting a standard that cannot be controlled. For example, the supply of electricity to a country may depend on the rains available, which a country cannot control.

It should be clearly defined and specified
There should be no scope for error or ambiguity in what it means by, let's say, 'improvement' or 'better'. There must be a benchmark.

It should relate to a specific time period
The time period chosen should be appropriate to the activity being carried out.
For example, one cannot effectively measure the success of a new policy within a month because the indicators might be just temporary.

It should not create performance disincentives
A performance measure should not be too demanding because it may encourage people to cut corners or change their behaviour simply to meet that target. This is tantamount to cheating.

The continued validity of the measurements should be regularly assessed
It is often useful to use a variety of measurements. This is especially true in major activity areas, in order to eliminate the chance of error or misleading results caused by other factors.

Features of performance indicators

The most powerful type of indicator is something that can be expressed numerically, either as pure numbers or percentages. The more simple the indicator, the more effective it is (Noe *et al.* 2007; Colin 2005). Indicators should be related to the objective they are measuring.

Formats for presentation
Formats include lists of figures, graphs, charts, or league tables. The clearer and more eye-catching the presentation is, the stronger the message. Different formats may be used to display the same measurements.

Types of comparison
- Comparisons over time within the same activity area e.g. comparing this year with the previous year.
- Comparisons between different units performing the same function e.g. hospital admissions across the country.
- Comparing the target to what is actually happening.
- International comparisons.
- Comparisons with other activities intended to achieve the same objective.
- Qualitative or quantitative.

Examples
- Objective: The objective of the customer service unit is to reduce customer complaints by 5% each year.
- Standard: Establish the number for the benchmark year, and determine the level at which the numbers of complaints are acceptable.
- Measure: Collect data on the number of complaints received by the department each year; calculate the total number of complaints.
- Indicators: Compare the actual figures against those in the previous year. Calculate the percentage improvement by department and overall. Identify those areas, which have met or exceeded the target. Identify those areas, which have not met that target and seek explanations.

Presentation
1. Graph showing the relationship between the actual number and the target.
2. Pie chart to show overall distribution of complaints by department.
3. Explain the corrective measures, which will be taken in problem areas.

Key issues

The following key issues should be remembered:

- The costs of collecting and calculating a performance indicator should be fully justified in terms of the benefits it will deliver in the management of information.
- There is no point measuring something that cannot be controlled or changed.
- There should always be a basis for choosing which results to compare.
- The number of systems and processes that need to be put in place to implement a performance management system.
- The means to define targets enable a calculation to take place, and facilitate meaningful discussions about the results.

Introducing performance management

The introduction of performance management requires the following preparation:

- Clear strategy and performance objectives,
- Action plans containing ideas regarding the activities to be carried out to achieve the objectives,
- Resource allocation plans (levels of staff, money, and equipment to be devoted to each activity),
- Performance standards or targets for each activity or objective,
- Measurement systems and data collection systems, which record the relevant information,
- Clear reporting timetables and reporting hierarchy,
- Clear allocation of responsibilities for each objective,
- Objectives based performance appraisal at the individual or group level,
- An agreed process for publishing, distributing, reviewing and responding to results,
- A receptive performance management culture,
- Rewards or sanctions for performance.

It would be either very difficult or unproductive to try to introduce performance management without these systems and processes being in place. The strategy, objectives and policy provide the framework for performance measurement. They define what is important to the organisation and therefore, what needs to be measured and controlled. Examples of documentation include mission statement, strategic plan, operational plans, policy documents, divisional business plans, action plans and resource allocation plans, which provide details of the means, which will be used to perform the activity and therefore provide the basis of the cost of provision.

Examples of documentation include unit business plans policy focus document, product or service plans, budget papers, staff structures and roles, detailed staff plans and job descriptions, capital investment plans, equipment allocations, and vehicle allocations.

The measurement systems provide the raw data for analysis, but it should be designed in a way that the information is recorded and presented in the required format. For example, this may include an individual time recording system, which allocates staff time, and therefore costs of specific activities and reports information on that basis. Examples include financial accounting systems, budgetary control systems, management account-

ing systems, inventory control, stock records, staff time sheets, payroll records, sales and production records, user numbers/customer data and service delivery records.

The reporting timetable, responsibilities, individual objective setting, rewards and sanctions are the means by which accountability and responsibility are defined. These provide the focus and the motivation for individuals to take responsibility for performance in the areas to which they are allocated. They provide the systems to reward employees for achievement but punish them for non-achievement. Examples are annual reporting and committee timetable, budget preparation, publication of results, staff appraisal process, annual strategic planning process and award of bonuses, promotions, and salary reviews.

The existence of formal arrangements for publication and follow up provides a focus for this to happen. Publication generates interest, which should lead to comment and follow up. The performance management culture relates to the acceptance by all concerned that they are required to perform and be accountable for their actions and their use of the organisation's resources. It is an environment in which people are responsible and accountable for their actions and in which they accept this as legitimate.

Result based management and performance contract

Result based management is an approach to performance improvement which has its roots in the management control system. This is a management strategy that responds to performance improvement needs in the public service based on customer satisfaction and value for money. It involves target setting, performance planning, monitoring and reporting and performance appraisal. OECD (1999) defines a performance contract as a range of management instruments used to define responsibility and expectations between parties to achieve mutually agreed results. Therefore, performance contracting is used as a management tool to help the public sector executives and policy makers to define responsibilities and expectations between the contracting parties to achieve common mutually agreed goals. Governments and agencies have used this tool extensively in an attempt to improve public service delivery (Kobia 2006). The experience in Kenya is useful in this regard.

Performance contracting in Kenya

Kenya introduced performance contracting in 2003 (Kobia 2006). In 2003, the government appointed a contracts steering committee to spearhead the introduction and implementation of performance contracts. After the implementation of the performance contract, a study conducted by Kobia (2006) covering 223 public servants in ministries shows the following:

1. Employees' awareness of the goal of performance contracting: Seventy two percent of the employees summed up the goal as improving performance/enhancing efficiency and effectiveness in service delivery in a transparent and accountable manner. A further 74% of the employees said their ministries had signed the second (2006/7) performance contract with the government. The employees indicated that majority of the participants were using the performance contract.

2. Development of strategic plan: The Strategic plan is a critical management tool in performance contracting. Eighty six percent indicated that their ministries had developed strategic plans and 79% indicated that they had departmental work plan,

while 56% indicated that they had developed an individual work plan in line with their ministry performance contract.

3. Development of service charter: A service charter is an agreement of what the organisation promises to do to satisfy their customers. Sixty seven percent said that their ministries had developed the service charter.

4. Training on performance contracting: 75% had not received training and 74% said they would require further training on all aspects of performance contracting.

5. The importance of performance contract: 64% felt that the performance contract has helped to improve communication with the public while 66% agreed that the performance contract would increase accountability among public officers. An overwhelming majority (77%) of the respondents felt that performance contracts had introduced a good setting of the individual job expectations and staff performance plans. Seventy four percent felt that as a result of performance contracts, performance targets are equally distributed throughout their departments. Again, the same percentage of the respondents indicated that with the introduction of performance contracts, public servants are increasingly seeking and acquiring more skills and diversifying in order to remain on the job. Sixty percent of the respondents indicated that with the implementation of performance of contracts, public servants were more involved in decision making, felt evaluation of the performance is done equally, they knew where to seek assistance concerning the targets and it has assisted in understanding government policy documents. However, 62% of the staff surveyed do not have the adequate resources they need to meet their targets. Generally, the employees showed satisfaction with performance contract (see Table 6.1).

Table 6.1   Employees perception of the job

Criteria	%
The job is satisfying	55.7
The job increased creativity	55.4
The job is challenging	66.4
The job is interesting	53.2
Employee feels more responsible	57.9
The job gives a sense of accomplishment	56.4
Job performance is better	75.7

Source: Kobia (2006)

The results in Table 6.1 indicate that the employees' perceptions regarding performance contracting are positive and support the objectives of performance contracting objectives.

Employees perceptions on areas of improvement
It was unusual that only 25 of the 280 employees in the department/questioned/surveyed had signed the performance contract. Some of the problems experienced during the implementation of the performance contract include lack of adequate resources; resources not being released on time, some performance targets being highly ambitious and unplanned transfer of staff. Continuous training on performance contracting and allocation

of adequate resources, development of reward systems for performers, increase of salaries, and improving teamwork are critical in performance contracting.

There are a number of lessons from the Kenyan experience which help to understand the necessary conditions for introduction and management of effective performance management system in the public service:

- A solid legal framework that sets out the basic premises and the status of the contract may avoid ad hoc and fragmented solutions. The arrangements referred to above lacked the legal capacity for enforcement. Sanctions can be questioned. Seven senior officers from Kenya Revenue Authority sought legal redress after having their jobs were terminated as a result of not meeting their performance targets.
- Stability of resources enhances the motivating effect of the contract. When resources are not available or made available too late, employees are frustrated and their morale is negatively affected.
- The top political leadership must respect the operational autonomy of the contracted organisations/ministries.
- Knowledge of strategic planning, development of work plans and monitoring capacities among the staff are central to the success of performance contracting. The management support and their technical knowledge are also important.
- Contract management should be accompanied by performance-oriented change in the public service structure and management culture. Culture that empowers staff to embrace and manage change is necessary. Management instruments, focusing on performance and costs in the field of human resources and financial management should be developed in an integrated manner.
- There is need for a good definition of outputs and solid performance measures. This requires a well-defined training programme for the public servants to support implementation.
- Other instruments of control such as quality service charters and regulations concerning transparency and accountability must complement performance contracting. Performance contracting tends to emphasise competition between members of staff to meet their targets. Competition, if not well controlled, may bring conflicts of values hence interfere with the organisation's culture.
- Performance contracting is not a substitute for poor management. Performance contracting will only succeed where the best management practices are practiced. Top management's key competencies and its participatory approach to decision making are crucial.
- There should be regular overall evaluations and audits of benefits and drawbacks of the implemented contract in order to learn from experiences. Differences in implementing in different contexts may provide different learning experiences.
- The early years of implementing personal performance contracting were difficult for both staff and management. A degree of tolerance from the management may sustain the momentum. Mistakes are likely to be made but it is critical to draw lessons for innovation and creativity for future improvements in performance.

Therefore, as a general rule, performance management in African organisations is influenced by local cultural orientations. Nzelibe (1989) discusses various experiences in human resource management and cultural challenges in Africa. One of the aspects is performance management whereby the subordinates are not expected to openly challenge the superior and often the latter are required to receive instructions without ques-

tions, even if it is about doing a job not related to the organisation. The existence of the culture of forgiveness permitted bad performers to continue work as observed by Gardner (1996) '… regardless of the seriousness of the transgression, whether theft or drunkenness at work, once the transgressor goes to beg for forgiveness should be forgiven… at times a politician is used to mediate' (Gardner 1996: 496). This culture waters down the whole idea of enforcement of performance appraisal. The same observations on the influence of cultural and political dimensions on employee productivity are well addressed by Kamoche *et al.* (2004).

Some of the other reasons as to why managers do not take performance management seriously include a failure to take further steps towards rewarding or punishing. For example, if the organisation cannot improve work through better training due to lack of funds or cannot increase remuneration as recognition of excellent performance, the effectiveness of performance assessment is watered down. In the worst case scenario, when an employee has to be fired, the legal process is lengthy and demanding for managers to justify such decisions in the eyes of the law. In Tanzania, the employment and labour relations act 2007 defines the terms and conditions for the termination of employment due to poor performance, which makes it very difficult for the employer to comply, as presented in Appendix 6.2.

Review questions

1. What is performance management?
2. Describe how you would introduce performance management in an organisation.
3. Discuss the strengths and weaknesses of performance management systems in the third world organisations.
4. Explain how you would measure work performance.
5. Examine the main lessons from performance contract in Kenya.

References and recommended reading

ARMSTRONG, M. (2008), *Performance Management. Key Strategies and Practical Guidelines.* London: Kogan page.

BACAL, R. (1999), *Performance Management.* New York: McGrawHill.

BUDHWAR, P & Y. DEBRAH (2004), *Human Resource Management in Developing Countries.* London: Routledge.

COLIN, F. (2005), Performance Management and Performing Management. In: J. Leopold, L. Harris & T Watson, eds, *The Strategic Managing of Human Resources.* Harlow: FT Prentice Hall.

DADA, J. (2006), *Motivating the Public Service for Improved Service Delivery in Nigeria.* 28th African Association of Public Administration and Management Roundtable. Arusha: Unpublished.

DESSLER, G. (2005), *Human Resource Management.* Pearson: Prentice Hall.

GARDNER, K (1996), Managing in different cultures: The case of Ghana. In: B. Towers, ed., The *Handbook of Human Resource Management.* Oxford: Blackwell.

KAMOCHE, K.N., Y.A. DEBRAH, F.M. HORTWITZ & G.N. MUUKA (2004), *Managing human resources in Africa.* London and New Delhi: Routledge.

KOBIA, M. (2006), *The Kenyan experience with performance contracting.* 28th AAPAM annual roundtable conference. 4th-8th December 2006.

LOCKE, E.A & G.P. LUTHANS (1990), *A Theory of Goal Setting and Task Performance.* Englewood Cliffs: Prentice Hall.

MARCHAND, M. & L. RAYMOND (2007), Researching Performance Measurement Systems. An Information Systems Perspective. *International Journal of Operations and Production Management* 28(7): 664-686.

OECD (1999), *In search of Results. Performance Management practice.* Paris: OECD.

STOREY, D. (1995), *Human Resource Management*. London: Routledge.

TORRINGTON, D., L. HALL & S. TAYLOR (2005), *Human resource management*. New York: FT Prentice Hall.

UNITED REPUBLIC OF TANZANIA (2007), *Employment and Labour Law Act, 2007*. Dar es Salaam: Government Printer.

Appendix 6.1   Tanzania Public Service Open Performance Appraisal Form

NOTES ON HOW TO FILL THIS FORM:

1. This Form must be filled by all employees in the Public Service Institutions. For principal officers and above, at the end of the year, once fully completed, the original should be sent to the Permanent Secretary (Establishments), duplicate to the respective Head of organisation and triplicate to the public servant concerned. All other employees (senior officers and below) original copy should be sent to the Chief Executive Officer of the organization, duplicate to the parent ministry of the specific cadre and the triplicate to the public servant concerned.
2. Where appropriate, each box shall carry only one letter or figure. Letters to be in capitals.
3. Personal/Agreed objectives are derived from the Organisation's work plan (Strategic plan, Annual operating plans or Action plans) and are expected to be implemented in the current year.
4. Sections 2, 3 and 4 of this Form shall be filled by the Appraisee in consultation with the Supervisor and sections 5-6 in the presence of a third party if necessary.
5. Please note that appraisals that are rated as 1 are the best performers and appraisals rated as 5 are the worst performers. These should be brought to the attention of top management and usually to the attention of the Chief Executive Officer of their respective Organisation.

SECTION 1: PERSONAL INFORMATION

Vote Code [   ]   Check Number [   ]

Vote Description

Sub Vote [   ]   Present Station [   ]

Sub-vote description

	M	F
Gender		

Name in Full [   ] [   ] [   ]

Surname   First name   Middle name   Gender

Academic Qualification [   ]

108

Duty Post

Substantive Post

Date of First
Appointment

D	D	M	M	Y	Y	Y	Y

Date of Ap-
pointment to
present post

D	D	M	M	Y	Y	Y	Y

Salary Scale

Period served
under Present
Supervisor

*No.of
Months*

Date of
Birth

D	D	M	M	Y	Y	Y	Y

Terms of Ser-
vice

DD= Day, MM= Month, YYYY= Year, F= Female, Male= Male

SECTION 2: PERFORMANCE AGREEMENT

To be filled by the Appraisee in consultation with the Supervisor

2.1 S/N	2.2 Agreed Objectives	2.3 Agreed Performance Targets	2.4 Agreed Performance Criteria	2.5 Agreed Resources

2.6 Appraisee   2.7 Supervisor

……………………………. ……………….. ……………………………..

……………………

Name (in capital letters)   Signed   Name (in capital letters)   Signed

Date…………………………... Date…………………………

SECTION 3: MID-YEAR REVIEW (DECEMBER ....)

To be filled by the Appraissee in Consultation with the Supervisor

3.1 S/N	3.2 Agreed Objectives (As per Section 2)	3.3 Progress Towards Target	3.4 Factors Affecting Performance

SECTION 4:   REVISED OBJECTIVES (if any)

4.1 S/N	4.2 Agreed Revised Objective(s)	4.3 Agreed Performance Targets	4.4 Agreed Performance Criteria	4.5 Agreed Resources

4.6 Appraisee   4.7 Supervisor

……………………………. ……………... ……………………………..
……………………

Name (in capital letters)   Signed   Name (in capital letters)   Signed

Date………………………. Date…………………………

SECTION 5: ANNUAL PERFORMANCE REVIEW & APPRAISAL (JUNE ………………)

To be filled by the Appraisee and the Supervisor

5.1 S/N	5.2 Agreed Objective(s)	5.3 Progress made	5.4 Rated Mark		
			App-raisee	Super visor	Agreed Mark
Overall Performance Mark: *This should reflect the overall performance and achievement of agreed objectives in Section 5.*					

Rating:
1 = Outstanding performance 2 = Performance above average 3 = Average performance
4 = Poor performance 5 = Very poor performance

SECTION 6: ATTRIBUTES OF GOOD PERFORMANCE
To be filled by the Appraisee and the Supervisor

6.1 S/N	6.2 MAIN FACTORS	6.3 QUALITY ATTRIBUTE	6.4 RATED MARK		
			Appraisee	Supervisor	Agreed Mark
1	WORKING RELATIONSHIPS	Ability to work in team			
		Ability to get on with other staff			
		Ability to gain respect from others			
2	COMMUNICATION AND LISTENING	Ability to express in writing			
		Ability to express orally			
		Ability to listen and comprehend			
		Ability to train and develop subordinates			
3	MANAGEMENT AND LEADERSHIP	Ability to plan and organize			
		Ability to lead, motivate and resolve conflicts			
		Ability to initiate and innovate			
4	PERFOMANCE IN TERMS OF QUALITY	Ability to deliver accurate and high quality output timely			
		Ability for resilience and persistence			
5	PERFORMANCE IN TERMS OF QUANTITY	Ability to meet demand			
		Ability to handle extra work			
6	RESPONSIBILITY AND JUDGEMENT	Ability to accept and fulfil responsibility			
		Ability to make right decisions			
7	CUSTOMER FOCUS	Ability to respond well to the customer			
8	LOYALTY	Ability to demonstrate follower ship skills			
		Ability to provide ongoing support to supervisor(s)			
		Ability to comply with lawful instructions of supervisors			
9	INTEGRITY	Ability to devote working time exclusively to work related duties			
		Ability to provide quality services without need for any inducements			
		Ability to apply knowledge abilities to benefit Government and not for personal gains			
Overall Performance Section 6					

SECTION 7: OVERALL PERFORMANCE (AVERAGE OF SECTIONS 5 & 6)

COMMENTS BY APPRAISEE (if any): _____

_____

_____

_____

_____   _____

_____   **Date**

  Name of Appraisee Signature

COMMENTS BY OBSERVER (if any): _____

_____

_____

_____

_____   _____

                                                     Date

SECTION 8: EMPLOYEE REWARDS/DEVELOPMENTAL MEASURES/SANCTIONS

The supervisor will recommend the most appropriate reward, developmental measures or sanctions against the appraise in accordance to the level of agreed performance targets.

Appendix 6.2   Employee termination on poor performance

The following sections of the Tanzania Employment and Labour Law 2007 provide the legal framework for an employer who wishes to fire staff based on poor performance.

17 - (1) Any employer, arbitrator or judge who determines whether a termination for poor work performance is fair shall consider;
- (a) whether or not the employee failed to meet a performance standard;
- (b) whether the employee was aware, or could reasonably be expected to have been aware, of the required performance standard
- (c) whether the performance standards are reasonably be expected to have been aware of the required performance standard;
- (d) the reasons why the employee failed to meet the standard; and
- (e) whether the employee was afforded a fair opportunity to meet the performance standard.

(2) Although the employer has the managerial prerogative to set performance standards, the standards shall not be unreasonable.

(3) Proof of poor work performance is a question of fact to be determined on a balance of probabilities.

18 - (1) The employer shall investigate the reasons for unsatisfactory performance. This shall reveal the extent to which is caused by the employee.

(2) The employer shall give appropriate guidance, instruction or training, if necessary, to an employee before terminating the employee for poor work performance.

(3) The employee shall be given a reasonable time to improve for the purpose of this sub-rule, a reasonable time shall depend on the nature of the job, the extent of the poor performance, status of the employee, length of service, the employee's past performance record.

(4) Where the employee continues to perform unsatisfactorily, the employer shall warn the employee that employment may be terminated if there is no improvement.

(5) An opportunity to improve may be dispensed with if –the employee is a manager or senior employee whose knowledge and experience qualify him to judge whether he is meeting the standards set by the employer degree of professional skill that is required is so high that the potential consequences of the smallest departure from that high standard are so serious that even an isolated instance of failure to meet the standard may justify termination.

(6) Prior to finalizing a decision to terminate the employment of an employee for poor work performance, the employer shall call a meeting with the employee, who shall be allowed to have a fellow employee or trade union representative present to provide assistance.

(7) At the meeting, the employer shall outline reasons for action to be taken and allow the employee and/or the representative to make representations, before finalizing a decision.

(8) The employer shall consider any representations made and, if these are not accepted, explain why.

(9) The outcome of the meeting shall be communicated to the employer in writing, with brief reasons.

Reward systems management

Introduction

When people decide to take up a job, there are various factors they consider such as working conditions, the reputation of the organisation, training opportunities, and security of tenure and perhaps most importantly, reward for the job, that is, how the attractive the job is in terms of monetary and non-monetary compensation. Although the attractiveness of the reward package depends on personal perceptions, the higher the reward the better the chance of attracting, utilising, and retaining the best human resource in the organisation. This chapter provides a general overview of reward systems in an organisation and how managers can use different strategies and techniques to reward employees as part of the efforts to improve employees' commitment.

Therefore, at the end of the topic, the learner is expected to:
- Recognise and appreciate various types of rewards.
- Be aware of factors which determine pay packages.
- Use job evaluation methods to determine pay.
- Appreciate the role of effective rreward methods in improving job performance.

Reward management

Under HRM philosophy, rewards are financial and non-financial means used in order to get the best effort and commitment from the employee as a partner in business. As observed by McKenna & Beach (2002), and rightly so, that while the financial aspect of rewards relates to extrinsic motivation meant for the satisfaction of basic needs of life, the non-financial rewards are more intrinsic, in that, they are meant for the satisfaction of psychological needs including job variety and challenging people, achievement, recognition, employee development and involvement in determining the affairs of the organisation. These ideas are well developed by various motivation theories including Maslow's hierarchy of needs and Herzberg's two factor and expectancy theories (Bratton & Gold 2007). Armstrong in all of his works on HRM takes the position that reward

management is the design, implementation, maintenance, communication and evolution of reward processes, which helps organisations to achieve high performance. Other scholars with American influence or 'personnel management' use the term 'employee compensation pay system' (Gomez-Mejia *et al. 2005*; Dessler 2005).

Reward systems are put in place in order to improve an organisation's performance. The assumption is that reward packages motivate employees for total commitment to the organisation's effectiveness. Since the organisation's high performance also depends on significant improvement in all its aspects, there are also other specific objectives when rewarding employees, which can be subdivided into the categories of the organisation, individual, employees and teams and also employee representatives (Trade Unions).

At the level of the organisation, reward management is expected to:
- Help the organisation recruit the required number and quality of staff.
- Employees have their needs and expectations from the employer with regards to pay. This includes the demands of the job, market rates elsewhere, comparison to other jobs, pay in the organisation and the cost of living. The employer rewards staff in order to meet these expectations and hence make them feel that they are justly rewarded.
- Harmony in the work place cannot be ensured if there is a conflict between employees through their trade unions and management when demanding better pay and working conditions. Conflicts are counterproductive to performance. Better pay also means better relationships with trade unions and less conflict.

Reward systems

Although many scholars use the phrase reward system to mean compensation packages for the recognition of the job done and the way they are provided, Bratton & Gold (2007) who are well supported by BPP Learning Media (2009) conceptualise reward systems as a mixture of extrinsic and intrinsic rewards provided by the employer. It also includes the integrated policies, processes, practices and administrative procedures for implementing the system within the framework of the human resource strategy and the total organisation's system. This understanding of the reward system is critical in designing effective human resource reward packages and in particular, the recognition that the institutional framework that supports rewards is crucial in the employees' perception of the quality and quantity of the reward provided. Armstrong (1995) has provided a detailed description of rewards, their purpose and how they are expected to encourage employees' commitment to the job and the overall organisation's performance. The description covers both the financial and non-financial aspects of rewards.

Financial
- Wages and Salaries. Wages refer to total emolument paid to a worker for contribution to the organisation. Wages are paid weekly or fortnightly. Deductions are made for non-attendance while salary is paid monthly, and expressed as an annual figure. It is unlikely to deduct for non-attendance in some days or hours although deductions are becoming increasingly common in multinational companies operating in Tanzania.

- Wages could be paid as piece rate (upon finishing the agreed piece work) or time rate based on the number of hours.
- Incentives: payments made for the achievement of the previously set and agreed targets – result oriented.
- Bonus rewards for the successful performance and paid out as a lump sum. Paid for recognition of outstanding performance – result oriented.
- Additional allowance – e.g. responsibility.
- Premium – paid due to inconveniences, shifts, etc.
- Overtime – paid for extra time spent.
- Competence pay – paid due to achievement of defined levels of competence.
- Profit sharing based on profit generated.

Non-financial rewards (intrinsic and extrinsic rewards)
Although there is a general consensus in the literature that the task done by a worker can be the source of reward, there are also those who believe that the environment within which a task is performed can be a source of reward. For decades, now the centre of the debate is the extent to which intrinsic and extrinsic motivation are a source of rewards for different professions and staff. Intrinsic rewards are attached to the direct relationship between the work and the task done including the feeling of achievement, accomplishment, challenges met and competence derived from performing the job. On the other hand, extrinsic rewards are achieved through motivation from factors outside the job itself. Apart from financial rewards, as already explained, the others are fringe benefits, company policies, supervision, office and a comfortable working environment.

Pay structure
The development of an effective pay structure is not an easy task because it involves systematic data collection, careful analysis and interpretation and prudent decision making (Redman & Wilkinson 2009). It involves the following processes:
1. Selecting an area of industry, a firm or an organisation. Listing key jobs and positions common to most firms in the survey for comparison.
2. Preparing a schedule of information required, for example, salaries, scale/grades, supplementary pay etc.
3. Collecting data through instruments such as interviews, questionnaires and suchlike.
4. Compiling the data for each job.

Factors for consideration
- Ability to pay: An organisation cannot afford to pay more than what is earned from labour, total costs of production and the profit margin.
- Cost of living: This is based on the cost of living index usually computed by a country. Sometimes, indices may be computed based on the data collected from the area where the organisation is located.
- Government regulations: Government policies and regulations on income do change from time to time. Organisations cannot afford to go against national policies and laws on minimum wage and employees' entitlements to retirement benefits.
- Internal and external Equity: Salaries and wages have to be seen to be fair for each employee working in the organisation depending on the job category, rank and competencies required and disposed.

- The power of collective bargaining: In countries and organisations where trade unions are strong, they tend to influence the reward systems. However, with increasing contract based employment, the power of trade unions in collective bargaining has decreased.
- Demand and supply for labour: Like any other factor of production, when the labour supply is scarce, it also becomes expensive and hence the employers who can reward more are the only ones who would be able to recruit and retain. In an ideal situation, the pay package should strike a balance between the employee and employer expectations. However, although common sense would dictate that rational means should be used to reward staff, quite often decisions on rewarding, particularly in public service, depend on a rule of thumb even if salary commissions may have been created to advise the government on the pay structure.
- Job evaluation: It appears quite logical that fairness in rewarding job should be the most important concern of employers and employees. The fairness can mostly be achieved by objective evaluation of the worthiness of a particular job relative to others and hence reward accordingly. ACAS (1984) has defined job evaluation quite well saying that it is concerned with assessing the relative demands of different jobs within an organisation in order to provide the basis for comparing jobs and hence pay.

There are different job evaluation methods, some of which are highly judgemental while others are more systematic and rational, although some kind of value judgement is not easy to eliminate completely (Torrington *et al.* 2005; Hook & Foot 2008. The most common job evaluation methods are:

- Job ranking. Comparing the job as whole rather than different aspects of the job. For example, a job of a senior economist with procurement manager or chief internal auditor.
- Job grading/classification. In this case, jobs are assigned grades e.g. A, B, C etc. by taking into account key skills, competencies and responsibilities required by the job to be done effectively.
- Grade. A job may be the one with just simple tasks which do not require higher education or experience.
- Skill-based evaluation. This is a method that grades jobs according to the level of skills or expertise required in performing those jobs. The method focuses on individuals and the inputs they are capable of providing. Therefore, skills compared between different jobs are the main decisive factors in determining the worthiness of a particular job against another.
- Competence Approach (Harris 2005). Measuring the size of jobs by preference to the level of competence required for the accomplishment of performance and which include attributes such as:
  - Ability and willingness,
  - Leadership,
  - Innovation,
  - Creativity,
  - Risk taking,
  - Team working, and

- Other personal traits necessary for performing jobs.[1]

- Market pricing. This is basically a micro economic approach to determining the value of labour under the principle of the free market where the forces of demand and supply determine the value of products and services. In this case, the higher the supply of labour the lower the demand and hence the lower the price and vice versa. Therefore, market pricing relates internal rates of pay to market rates.

- Point factor rating. This is an analytical method of job evaluation, which is more systematic and job centred than the other methods. For example, in a manual job the main important factors could be centred around knowledge and skills, effort, responsibility and working environment with the following sub components for consideration: level of education, working experience, initiative, physical strength, mental engagement, supervision, use of plant and equipment, safety, extent of hazard and noise environment (ACAS 1984).

These ten job factors could be considered in a chart ranging from '0' to '120'. Where 0 is no factor present for the job, and 120 implying that the factor is fully present in the job and hence it matters for the job by one hundred percent. Table 7.1 summarises the evaluation.

Table 7.1   Job factor analysis

Job factor	The degree to which the factor is present							
Knowledge/Skill	1	2	3	4	5	6	7	8
1. Education	15	30	45	60	75	90	-	-
2. Experience	20	40	60	80	90	100	-	-
3. Initiative effort	15	30	45	60	75	90	105	120
4. Physical	10	20	30	40	50	-	-	-
5. Mental responsibility	5	10	15	20	25	30	35	40
6. Supervision	5	10	15	20	25	30	35	40
7. Equipment	5	10	15	20	25	-	-	-
8. Safety working conditions	5	10	15	20	25	-	-	-
9. Hazardous	5	10	15	20	-	-	-	-
10. Noise/dirt	10	20	30	40	50	-	-	-

Source: adapted from Cole (1997).

Data in Table 7.1 suggest a scenario whereby some aspects of the job under job factor are more important for the performance of a particular job category than in other jobs and hence should be more rated and weighted than other aspects. For example, when the job of let say artisan is split into 4 factors and eight levels as exemplified in the column rows, and each level having a different need of a certain factor, we can predict that for an artisan *initiative* under *knowledge category* is very important and it should be rated very high (120) which is the maximum. Where there are no scores, it means that particular factor at that specific level is not important for the performance of that job. All these factors can be weighed for different categories of jobs. The job with the highest weight should also deserve the highest reward package and vice versa. Of course, before

---

1.   More details on job competencies and how they are identified and used are covered in chapter 10.

the decision to reward is taken, other factors presented in the previous sections should be considered.

Reward management in Tanzania

In a Tanzanian situation, we could use a job in the accounting profession as an example, where the lowest level of job category would be that of accounts clerk (ASSVI) moving through career progression to the level of principal accountant (ASS1) (see Table 7.2). The hypothetical salary structure indicated in the table only covers the job evaluation aspect of salary determination as computed in Table 7.1. Other factors have to be considered including benefits outside monthly salaries and wages.

Table 7.2   Design of salary structure

Job title/Position	Job factors	Salary scale code[2]	Minimum salary in Tshs per month	Annual increment	Maximum salary
Principal Accountant	Job weight	ASSI	1,500,000	120,000	1,860,000
Senior Accountant	Job weight	ASSII	1,300,000	90,000	1660,000
Accounts Officer	Job weight	ASIII	1,100,000	70,,000	1,310,000
Accountant	Job weight	ASIV	900,000	50,000	1,050,000
Accounts Assistant	Job weight	ASSV	700,000	30,000	790,000
Accounts Clerk	Job weight	ASSVI	500,000	20,000	560,000

Rewards at the Barclays Bank (Tanzania) Ltd

Barclays (T) is part of the global Barclays Group offering retail, and corporate banking, merchant carts, small and medium term financing, wealth management products and services. It has more than 750 employees serving 32,750 customers and clients across key regions in Tanzania.

The company pays good salaries and other attractive incentive packages including accelerated promotions and bonuses. Employees are given a target that is to be met within a month. For instance, in the retail department, each employee has a target of opening eleven accounts and process 7 loans worth 28m or more. If one reaches the target in six months, he/she is entitled to promotion.

In the 2006/07 financial year, the highest achieving employee performed 12 times the expected target in the loan processing centre and was paid two million Tanzania Shillings as bonus.

Salaries and benefits at the British Petroleum (Tanzania) Ltd

British Petroleum (T) Ltd is an affiliate BP International. In 1970 the government of Tanzania floated 50% of its shares in order to enter into a partnership with Shell & BP. In 1982, BP bought the floated shares and became BP (T) Ltd which is now a private company dealing with wholesale and retail marketing and trade in petroleum, lubricants, liquefied gas, solar equipment and specialties. It owns 92% of the market share in the aviation industry.

---

2.   ASS: Accounts Salary Scale

Despite good salaries and other incentives, the company offers 300,000 Tanzanian Shillings (Tshs) per month to her employees as meal allowance, 15% of salary as housing benefit, and for emergencies.

Employees are members of BP provident fund where employees contribute 5% and BP contributes 7.5% of the monthly salary.

Monetary and non-monetary rewards at Tanga Cement Company Ltd

Tanga Cement Co. Ltd is a private company dealing with cement production and distribution in Tanzania. The company provides the following monetary and material rewards:
1. Burial Assistance of Tshs 500,000
2. Longevity award ranging from two to five tonnes of cement or equivalent. This award goes to employees who have served the company for a long period starting from two years and above.
3. Retirement award of forty tonnes of cement or equivalent
4. December allowance of 40,000 Tshs for Christmas and end of year celebrations
5. Family party during festivals

The major reason as to why organisations increase rewards in terms of salaries and other incentives is because it is assumed that money increases job satisfaction, motivates and hence leads to better performance. However, studies conducted mostly in developed countries for the past 50 years have tried different aspects of motivation and have not yet come to any conclusive results regarding the value of money as a reward for all categories of staff. A study in Tanzania and Uganda also shows that it is not exclusively money that matters when encouraging employees to put more effort into their jobs.

Salary as reward at Tanzania Tobacco Processors Ltd

Tanzania Tobacco Processors Ltd (TTPL) is a private company wholly owned by Universal Leaf Tobacco of the USA. Although the company is one of the leading and highest rewarding companies in the country, when asked about the value of different aspects of reward in a job, it was surprising to note that salary was not considered to be as significant as one would have expected as shown in Table 7.3. A quick glance at the table shows that respect to the employee, recognition for the work done, well designed job and distribution of responsibilities are the leading causes of employees' satisfaction and source of motivation. Therefore, employees seem to get reward from the job itself (intrinsic), which is common in the mainstream literature on motivational theories (BPP

Table 7.3 Determinants of employees' motivation

Factor	% of employees motivated
Respect	95
Recognition	95
Allowances	24
Working facilities	19
Transparency	19
Salary and overtime	10
Job design and distribution of responsibility	75

Learning Media Ltd 2009). One of the reasons why money is not a significant motivator could be that since employees are fairly well paid, there are fewer worries about financial security and the ability to satisfy basic needs.

Rewards improvements in the Tanzania Public Service

Through the public service reform programme the government of Tanzania has recognised the importance of pay and incentives in the process of improving public service delivery by adopting a medium term pay policy (MTPP). The purpose was to guide pay in ministries, departments, agencies (MDAs), regional secretariats (RSs) and local government authorities (LGAs). The policy was implemented through the medium term pay reform strategy (MTPRS) that covered:

- The adoption of a medium term target salary structure to increase pay to all public servants and to propose annual salary adjustments,
- Job evaluation and grading in order to link pay with performance and
- The adoption of the selective accelerated salary enhancement (SASE) scheme which targeted salary increase to key professional, technical and managerial personnel whose efforts were critical to the improvement of service delivery and other public service reform outputs.

The results were significant. Average monthly salary went up from 75,560 in 2000 to 214,180 Tanzanian shillings in 2006. This was equivalent to an annual increase of 10.2%. The actual wages in July 2006 were 96.5% of the levels wanted by the MTPRS targets while 65% of all eligible public servants received salaries equal to or in excess of their targeted levels. The SASE scheme supported recruitment, retention and motivation of essential staff. Despite these achievements, there is still the concern in the public service that salaries are low compared to the private sector. This affects staff recruitment, retention and performance. In order to improve the situation, the public service reform programme II (2008/2012) aims to improve salaries by developing and implementing the central performance based rewards and incentives system. It also intended to review the planning and budgeting framework to allow for flexibility between personnel emolument (PE), other charges (OCs) and development budget resources.

Money as a reward and motivator in Uganda

A study conducted by Mukoma (2008) provides very interesting results on whether employers should be worried about salaries and other incentives as a key to improved employee satisfaction and motivation. The summary of results from seventeen randomly selected organisations covering a sample of 396 top and low level employees are displayed in Table 7.4.

The table shows that money is the leading motivating reward (59%) followed by career development (21%), and the nature of the job (14%). There were also exceptions where money did not appear as the first or second level reward. The results from the Voice of Toro, Uganda Martyrs University, International Resource Company and Skyline Signs Uganda are such exceptions. For the Voice of Toro, the explanation was the presence of low salaries and availability of career development. In Uganda Matters

University, the nature of job scored (84%) and career development (80%) while pay was only (67%). However, the lower level staff ranked money as the number one motivator compared to top level employees who were mainly priests and nuns and who were trained and oriented towards intrinsic motivators, learning, trust, respect and commitment. Staff at the International Resource Company were more motivated by productivity and career development (75%), and the provision of realistic policies and good administration (75%) followed by monetary benefits (58%). However, the bottom level employees were more motivated by money than the top level employees. The results from Sky Line Signs Uganda were seen to be influenced by the civil war, which deprived people of love, comfort and a friendly environment. Also, employees had low levels of education (90%) that required high levels of coaching and mentoring, which in any case requires friendly company policies and a friendly attitude from colleagues. However, money was ranked number 3.

Table 7.4   Money as a source of motivation

Organisation	Industry	Most motivating rewards	
		Rank 1	Rank 2
MTN Uganda	Mobile Phone	Money	Career development
Centenary Bank	Banking	Money	Career development
New Vision	Print Media	Career development	Money
Uganda Debt Network	NGO	Nature of the Job	Money
Namugunga Girls Primary	Primary Education	Money	Employee contract
Voice of Toro	Radio Transmission	Career development	Nature of the job
Umeme Company Ltd	Electricity	Money	Career development
Posta Uganda	Courier	Money	Status
Uganda Martyrs University	Higher Education	Nature of the job	Career development
Asea Beown Boveri Ltd (U)	Merchandising Power and Automotive Technologies	Money	Career development
International Resource Company	NGO	Career development	Policies
Aggregate Ltd	Cottage	Money	Employee contract
Total Uganda	Fuel Station	Money	Career development
Lubiri Secondary School	Secondary Education	Money	Career development
Skyline Signs Uganda	Design	Employee relationship	Company policies
Nyakatonzi Growers	Coffee Export	Money	Company policies
Rural Credit Finance Ltd	Micro Finance	Company policies	Money

Source: Mukokoma (2008)

In other organisations where money was not ranked as the first motivator, the results were mainly from top level management. The major reason was that although employees in the top level management were very well paid, the job was too demanding to allow for time to participate in social activities, to take care of families and spend their money in a way that they wanted to.

Therefore, like other studies, Uganda's case confirms that rewarding employees through monetary means is important and indeed companies should put emphasis on it.

However, this is not enough and may not be important in all organisations for all categories of staff. However, if money, career development and a good job are combined the impact is very significant, although it does not mean that job performance will necessarily improve because there are other factors which affect job performance which are difficult to capture in a single study.

Linking motivation with job performance in Nigeria

A study by Dada (2006) covering five hundred (500) respondents drawn randomly from various middle and senior level training programmes for five years at the administrative staff colleges of Nigeria has the following to say as to why they do work as indicated in Table 7.5. The data in this table demonstrate that 85% of the employees look for jobs in order to get basic needs in life, which is well articulated in Maslow's' hierarchy of needs. This was followed by the need to meet commitments in society, which constitutes part of the higher order of needs in Maslow's analysis. The important factors that motivate staff are displayed in Table 7.6.

Data in Table 7.6 show that 43.4% of the employees would consider the improvement of total employee welfare as more motivating to work than just salaries and wages (28.7%). The welfare package includes the provision of a loan scheme for housing, cars, children's education allowance, furniture allowance, provision of staff bus and staff

Table 7.5   Reasons for seeking employment

Why do people search employment?	Percentage
Earn a living	85
Contribute to the society	50
Self-fulfilment	25
Meet family responsibilities	20

Source: Mukokoma (2008)

Table 7.6   Salaries and wages as motivators towards work performance

Why do employees work?	Percentage
Improved welfare package	43.4
Salary/Wages	28.7
Good and stimulating work environment	18
Enhanced training	18
Responsibility and challenge	10.0
Efficient promotion process	9.5
Good interpersonal relationships	9.5
Timely payment of salary	8.6
Availability of working materials	7.4
Enhanced payment scheme	7.4
Job security	7.4
Organisation's good will	5.6
Recognition of skills	5.6
Involvement in decision making	5.6
Superior leadership style	5.6
Realistic succession plan	5.6
Annual leave	5.6

Source: Dada (2006)

quarters, staff recreation centre, free health care, self-development schemes, dress allowance and miscellaneous allowances to cover social and recreational club membership.

Although better salaries and wages would usually improve the welfare package, it was not clear why there were such significant differences. One possibility is that it is very difficult for an employer to pay a salary worth the value of the total welfare package. The third rank was given to both a good working environment and training (18%) each. A good working environment was important, particularly in public offices where office space, tables, chairs, fans, air conditioning unites and toilets were deficient. Training was also important, partly because most public service institutions conduct unsystematic training, which is often based on corruption and favouritism. Therefore, assurance of individual career development plans was a significant motivator and indeed rewarding.

Review questions

1. What is reward management?
2. Discuss the main factors that determine payment structure in an organisation.
3. Examine the benefits and challenges of performance related pay.

References and recommended reading

ACAS (1984), *Job Evaluation*. London: Advisory Conciliation and Arbitration Services.

BPP LEARNING MEDIA LTD (2009), *Human Resource Management.* New Delhi: Viva Books.

BRATTON, J. & J. GOLD (2007), *Human Resource Management. Theory and Practice.* Palgrave: McMillan.

CONDREY, S.E. (2005), *A Handbook of Human Resource Management in Government.* San Francisco: John Wiley and Sons.

COLE, G.A. (1997), *Personnel Management: Theory and Practice*. Gosport: Ashford Colour Press.

DADA, J. (2006), *Motivating the public service for improved service delivery in Nigeria.* 28th African Association of Public Administration and Management Roundtable. Arusha: Unpublished.

DESSLER, G. (2005), *Human Resource Management*. New Jersey: Pearson Prentice Hall.

FOOT, M & C. HOOK (2008), *Introducing Human Resource Management*. Harlow: FT Prentice Hall.

HARRIS, L. (2005), Reward Strategies and Paying for Contribution. In: J. Leopold, L. Harris & T. Watson, eds, *The Strategic Managing of Human Resources*. Harlow: FT Prentice Hall.

MUKOKOMA, M. (2008), Motivation Dilemma: A Case of Uganda. *Mtafiti Mwafrika* 20: 1-91.

TORRINGTON, D. L. HALL & S. TAYLOR (2005), *Human resource managemen.* New York: FT Prentice Hall.

Management at Morogoro municipal council

8

Human resource development

Introduction

Human resource or employees are the most dynamic and usually the most expensive of all the organisation's resources. They need to be supported and nurtured if they are to achieve their full potential, both for themselves and for the organisation. As a manager/administrator one is responsible for the performance of all of his/her staff and he/she should be actively involved in the process of identifying and attempting to satisfy their training needs. However, as Torrington *et al.* (2005) rightly argue, any success in human resource development owes much to the extent to which such success is linked with corporate strategy. At the end of this topic learners should be able to:

- Appreciate the role of training in job performance specifically with regards to the following.
- Describe the training needs assessment process.
- Choose appropriate training and development methods for your staff.
- Appreciate the role of management in career development.

Education, training and development

A frequently asked question is 'What is the difference between training and development or between education and training?' Usually the difference is based on the theoretical paradigm one wishes to use to justify for training or education (Mankin 2009). For example, in human capital theory Becker (1964) propounds that although education and training are not the same in terms of scope and strategy used both help organisations to derive economic value from employees as a result of knowledge, skills and experience. What makes the two concepts different can be observed from the following definitions and descriptions.

Education
This is basic instruction in knowledge and skills designed to enable people to make the most of life in general. It is personal, broadly based and tends to be classroom based and

non-participatory. The instruction provided in schools to the population as a whole is usually what is meant by education (Holton & Yamkovenko 2008). Therefore, education tends to focus on the acquisition of knowledge.

Training

Dessler (2005) defines training as methods used to give employees skills they need to perform their jobs. Therefore, training implies preparing an employee for an occupation or specific skills. In this case, it has to be narrow in its focus and be for the job, rather than personally oriented.

Training is usually provided to adults and is aimed at producing an improvement in performance at work, by addressing weaknesses in knowledge, skills, or attitudes. It tends to be more practically focussed and can take place in a variety of environments and concerned with the acquisition of knowledge, skills and attitudes.

Development

Usually education refers to the broadest view of knowledge and skills acquisition (Mankin 2009). It is more career-orientated than job-oriented and is concerned with the longer term development and potential of the individual.

Managers look at employees as adaptable resources with a variety of skills and places within the organisation and are concerned with giving the individual the right mix of skills, experiences and contacts to enable them to achieve their full potential. Education tends to be a matter for the community and government to deal with.

Training and development are traditionally the matters for the concern of individual organisations based on their specific needs. However, there are overlaps where the government intervenes to provide support for training sections of the population in certain widely needed skills. For example, skills enhancement courses for the long-term unemployed in developed countries to re-train them for new industries or needs.

Rationale for training

The best way to answer the question why organisations should train people is to answer the question what will happen if they are not well trained. Training becomes important if there are deficiencies that should be addressed through training, or if there are changes in the organisation which have to be put in place by having well trained employees. Training is required if there is a change in technology, working conditions, products, inadequate performance, shortage of staff.

Training has many advantages for the individual, the department and the organisation because it is expected to provide a skilled pool of human resources, improvement of existing skills, an increase in knowledge and experience of employees, improve employees' motivation, job performance, customer service, and personal growth and opportunity for career development.

Training needs analysis (TNA)

A training need is any shortfall between the knowledge, skills and attitudes of the employee vis-à-vis what is required by the job, or the demands of organisational change. Training needs are discrepancies between identifiable shortfalls in knowledge, attitudes or skills. A training needs analysis is a systematic process by which training needs are investigated and consolidated to provide the basis for the training programme.

These 'things' are usually associated with the organisation, departmental or individual performance. Some useful indicators for training needs analysis include the following:

- Legislation or policy changes – this puts new demands on the human resource in terms of skills/competencies.
- Lack of basic skills – an assessment of the skill level of staff vis-à-vis the job requirements may be the evidence of a need.
- Poor performance – appraisal may reveal gaps in the performance of an individual or organisation
- New technology – the emergence of new technology may render the skills of current staff redundant and hence a human resource development need arises.
- Customer requests – the enlightened consumer is putting demands on public servants who may be ill equipped to provide the demanded service.
- New products/services – the emergence of new products/services requires that the human resources be adequately prepared to cope.
- Higher performance standards – high performance standards have emerged due to new technology, globalisation and an enlightened and demanding consumer.
- New jobs – this may be due to promotion, recruitment or the creation of new structures that lead to the emergence of new jobs.
- Career progression requirements – where there is a defined career growth path that calls for the acquisition of competencies as one develops a career.

Levels of training needs
Training needs analysis is done on three levels (Gomez-Mejia 2007). These are:

- Organisational level needs – changes of the mandate of state agency, and expectations of consumers through surveys may reveal a need for organisations to change the behaviour of service providers or retooling them.
- Task analysis needs (job analysis) – skill required to perform a given task could help to determine the needs of the current jobholders.
- Person analysis needs – the competencies of current jobholders could also be assessed to determine their suitability for their jobs.

Therefore, in principle no training should take place unless it is commercially justifiable (the benefits exceed the costs), and it complements the strategy of the organisation.

Training should answer the following questions:

- What skill gaps are there in the organisation?
- Which problems can be solved by training?
- What are the appropriate non-training solutions?
- What will happen if no training is provided?
- What would be the best way to provide the training?

Carrying out a training needs analysis is a task for an experienced trainer, but it also requires a good understanding of what goes on in the job and what the management is thinking.

Training needs analysis also requires excellent listening and analytical skills. It is an art, not a science to balance all the competing needs and interests.

Training needs analysis (TNA)
Training needs analysis is a four-step process involving:
- Finding out what the job requires.
- Sources of information are interviews, surveys, observations, job descriptions, and internal or national occupational standards.
- Finding out what is happening at present.
- Fact finding and analysis based on review of appraisal forms, performance against standards, performance compared to previous years.
- Analyse areas where weaknesses exist and their impact on performance.
- Identify the skills gap.
- Finding out what is needed to fix the gap.
- Separate the training from other elements such as poor supervision and recruitment problems, poor motivation or practical obstacles.
- Devising a plan.
- Agree on the kinds of training that will have real benefits.
- Decide on the training approach to be used.
- Develop core training for key groups of staff.
- Ensure that the training will be supported by other operational procedures such as the performance appraisal system and standard working arrangements.
- Prioritise activities according to need and potential payback.

Summary
The process of identifying and specifying training needs is a specialist activity that should be done by training professionals in close consultation with colleagues.

It is likely that a full scale TNA will only need to be done every three years or so, unless there is a significant organisational change or an unacceptable decline in performance. A good needs analysis exercise should produce a training plan for the organisation that meets all the needs of different groups of staff for the medium term. Whether the management has the funds and the commitment to implement the plan is another matter.

As a manager of staff, one should play a role in the identification of training needs by talking to staff about their own needs and the problems they have in their jobs.

Systematic training model

The systematic training model (Mckenna & Beech 2002; Mankin 2009) sets out the process to be used in the task of ensuring that training and development initiatives are successful. It is a step-by step process (see Figure 8.1). The scope of human resource training and development activities depends on the corporate strategy and policies of the organisation as well as the availability of funds. Training itself is a process summarised below:
1. Deciding on the organisation's approach towards training at the most basic level. For example, does the organisation hope to recruit staff that are already appropriately qualified for the job? Or does the organisation want to make a significant investment in training?
2. Developing the training policy and strategy as the framework for training activities.
3. Identifying training needs.

Figure 8.1   Systematic training

```
          ┌──────────────────────────────────┐
       ┌─►│        Corporate strategy        │
       │  └──────────────────┬───────────────┘
       │                     ▼
       │  ┌──────────────────────────────────┐
       │  │     Training needs analysis      │
       │  └──────────────────┬───────────────┘
       │                     ▼
       │  ┌──────────────────────────────────┐
       │  │   Identification of learning     │
       │  │         requirements             │
       │  └──────────────────┬───────────────┘
       │                     ▼
       │  ┌──────────────────────────────────┐
       │  │      Planning for training       │
       │  └──────────────────┬───────────────┘
       │                     ▼
       │  ┌──────────────────────────────────┐
       │  │       Implement training         │
       │  └──────────────────┬───────────────┘
       │                     ▼
       │  ┌──────────────────────────────────┐
       └──│            Evaluate              │
          └──────────────────────────────────┘
```
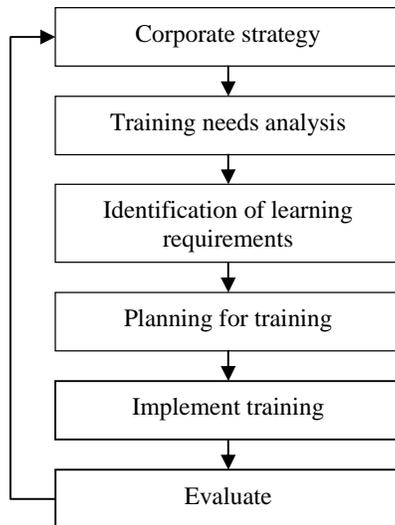
4. Planning and designing the training. This involves deciding on how and when the training will be delivered, setting budgets, deciding on training objectives, writing the content and designing evaluation methods.
5. Implementing the training. This is usually a joint activity involving both training specialists and their line management colleagues who may have the required specialist knowledge.
6. Evaluation: This involves reviewing the outcomes of training and feeding these results back into the planning process.

Some organisations carry out many specialised activities, which require extensive training, and others respond to specific training needs on an ad hoc basis. The majority of organisations see training as an essential activity and have a positive training and development policy.

Types and approaches to training and development

There are many different ways of delivering training. When a training need is identified, one of the most important decisions to make is how the training will be delivered. There are a number of different decisions one needs to make, and can be done by answering the following questions:
- Which type of training would be most effective with this target group and the subject to be trained?
- Which of the different types of training can we afford?

Each approach you choose will have advantages and disadvantages (Gomez-Mejia *et al*. 2007). It is the task of the human resource managers in collaboration with the particular functional manager(s) to decide on the best approach from an available list.

Table 8.1   Types of training and development

Types of training	Advantages	Disadvantages
Classroom Training	- Can use a mixture of training methods. - Gets a learner out of the normal work environment, allowing them to focus their attention on the learning. - Provides an opportunity to clarify difficult issues and concepts by instructors. - Allows instructors to provide feedback on the success of the course and any instructional difficulties in the design.	- Constrained by the needs of the business and cost: trainees and instructors have to get together each time you run an event away from their normal workplace. - Requires trained instructors. - Not necessarily available when learners need it most. - Needs the same entry level for all learners.
Self-training	- Allows training to be given exactly when it is needed. - Can be inexpensive to administer once developed. - Is portable. - Can incorporate other training methods such as videos and audio tapes.	- Is very difficult to design and write. The designer must have significant design experience. Self-study materials take more time to design than materials for traditional courses. - Bores people easily - eyes cover the material but the mind may not. - Is difficult to obtain feedback on the success of the training. - There are limits to the needs that can be met through self-training.
On the job training	- Allows learners to learn while they work. - Allows learners to see the relevance of the learning for their work. - Is easy to get feedback on the success of the learning.	- Suffers from the fact that most people are very poor coaches of others. - Gives the designer less control over the learning. - Methods, skills and attitudes of trainers are likely to vary considerably. - Wastes money, as trainees make mistakes .
Bought in training	- Needs no development time and an almost immediate response to training needs. - May be cheaper than designing and running your own courses.	- May not meet the actual needs of the learners. - May need significant tailoring for your organisation.

The role of training managers in training and development function

Training and development managers have to work with other managers to:
- Develop training strategies, programmes, activities and budgets,
- Conduct training needs analysis and develop a framework for training decisions,
- Develop proposals on how training needs should be identified and justified,
- Identify external training sources,
- Advise on external training approaches,
- Organise internal courses and training programmes and activities,
- Participate in training managers, supervisors and mentors in their training responsibilities,

- Provide guidance to individuals in the preparation and implementation of personal career development plans, and
- Monitor and evaluate the effectiveness of training programmes.

Evaluation of training

- Meaning and methods: Evaluation is an attempt to obtain information (feedback) on the effects of training programmes, and to assess the value of the training in the light of that information available. We answer the question: How far has the training has achieved its purpose? This is not an easy task because it requires effort, resources, and skills to separate the effects of training on the job performance from other potential environmental factors. As a result, few organisations have the courage to do thorough training evaluation (Macdonald & Hite 2005). However, when evaluation is done thoroughly it must cover five levels (Kirkpatrick 1959).
- Reactionary: It is used to assess the worthiness of the training, trainers and contents
- Learning: New knowledge, skills, changes of attitude.
- Job behaviour. Measures the extent to which trainers have applied their learning to the job.
- Organisational unit: It assesses the effect of changes in the trainee behaviour as part of the organisation where they are employed.
- Ultimate value evaluation: We assess how the organisation as a whole has benefited from the training whether its profitability, survival or growth has improved or not.

Transfer of leaning

It has already been emphasised at the beginning of the chapter that the main reason for organisations to invest in human resource development is to improve job and organisational performance through knowledge, skills and attitudes change. In other words, if trainees cannot transfer the learning acquired and make use of it in the actual job and organisation's working environment, the training and learning are not useful because they do not address the expected learning needs for the individual neither for the job nor the organisation. Holton *et al*. (1997) define transfer of learning as the degree to which trainees apply knowledge, skills and attitudes they gain from training to their jobs. The extent to which the transfer of learning can take place is often informed by common elements theory (Butterfield & Nelson 1989), which propounds that the more the learning and actual working situations are related to the learners, the more the transfer of learning takes place. So, in order to ensure that the learning is relevant and can be applied in a normal working situation, trainers have tried to do preparatory work including:

- Training needs analysis.
- Development of the training proposal and joint approval by the management and trainers.
- Getting feedback on learners' expectations.
- Designing teaching aids which reflect the work situation as much as possible.
- Designing exams, cases, simulations and other tests for learning that are as practical as possible.
- Facilitating learners in preparations of transfer plans.

Therefore, the transfer of learning has to be systematically planned before training is conducted, during training and thereafter. This has to involve learners, trainers and supervisors. Usually action plans or transfer plans described activities and tasks to be done at different periods, the role of learners, supervisors, co-workers and even trainers as a follow-up exercise. Creating an enabling transfer climate for learners is one of the key pre-requisites for the effective transfer of learning. Enos *et al.* (2003) say that transfer climate is made up of perceptions and interpretations of conditions and processes within the organisation which promote or inhibit transfer. The implication here is that if there are perceived difficulties in the working environment, such as a non-supportive organisational structure, culture, lack of tools and equipment, lack of incentive to perform, lack of learning enforcement mechanisms or any other barrier, the transfer of learning will be limited. Therefore, investments in transfer of learning through creating an enabling environment are as important as the training itself.

Career development

Theoretical perspective
There are many models that guide the understanding of career development. However, all of them are centred on individual motivation to pursue certain career paths and proactive approaches to learn and adapt to new situations within the changing environment in one lifetime (Carbery & Garavan 2007). However, one cannot lose sight of the excellent work done by Edgar Schein in developing the career anchor theory (Schein 1996). According to Schein, career anchor is a personal attribute that enables an individual to make career decisions and stick to them even under difficult career circumstances. In this regard, there are eight career anchors, which are:

- Security. Job security is one of the criteria people use to pursue certain job careers. For example, in developing countries, one of the reasons why many people chose to pursue career in the public service as compared to private sector is security of tenure and a clear career path.
- Autonomy. Some kind of autonomy in performing work is intrinsically rewarding. This also explains why some individuals may prefer self-employment.
- Technical and functional competencies. Mastering ones job is itself rewarding because it creates a sense of recognition and status from colleagues and the management. Therefore, a person may have desire and the motivation to achieve the highest levels of technical and professional competencies in a particular field and hence grow along that career.
- Creativity. Some people are more creative than others and when they are exposed to jobs that are routine, with less opportunity to manoeuvre, they become bored and are likely to change career given an opportunity.
- Feeling a sense of service to others. Some jobs give employees less exposure to the recipients of their services, the consumers. This is typical of scientific careers where a person may be tied to a laboratory for hours, months and years. Persons with the urge to serve others may not find such jobs attractive enough like, let's say, a social worker or a teacher.
- Challenging job. Some careers pose more challenges than others. I remember that when I was doing my 'O' level studies, some students felt great when they could solve complex questions in additional mathematics, physics and chemistry. In fact, other subjects such as history and languages were seen as less challenging and

relevant for 'less brainy' students. Most of these students ended up pursuing science related disciplines and hence have anchored their career life in science although today they may not feel that their jobs are challenging enough. One of the reasons why some people are ready to sacrifice their social life to achieve scientific discovery is the drive for achievement through a challenging job.

- Lifestyle. Every human being has a lifestyle preference and may not be willing to lose that through career choices. For example, a person may prefer to pursue a less rewarding job career with flexibility to have more time to stay with their family than have a better rewarded job.
- Management competence. Some people make better managers than others because they have managerial attributes which are either inherent or learned. Therefore, motivation to play a managerial role in an organisation tends to influence career choices and the development of some people.

Rationale for career development

It is becoming increasingly clear that an organisation's competitive advantage lies in its people. In the global economy of the 2000s the effective development of human resources – employees' skills, creativity, and commitment – will spell the difference between organisational success and failure. Taken collectively, successful individual careers help create successful organisations and shape the economic prospects of a nation. Careers provide organisations with a way to channel people into needed areas and to develop their skills so that they can continue to perform much needed organisational functions. When done right, both employers and employees also gain. Careers provide the chance to gain experiences and jobs that offer valuable rewards and develop competencies that lead to more opportunities and a brighter future. Indeed, it is now well established that career development should be part of the strategic human resource management and be linked to business strategy (McDonald & Hite 2005). Therefore, managers should create enough opportunities and support systems to develop and sustain career development programmes.

Stages in career development

Johns (1996) with his extensive and well-articulated approach to career development defines a career as an evolving sequence of work activities and positions that individuals experience over time, as well as the associated attitudes, knowledge, and competencies that develop throughout one's life. This same notion is shared by Morrison & Hall (2002) and Torrington *et al.* (2005), in which a career is seen to involve life stages from childhood to adulthood. The pattern for career development in a lifetime is presented in Table 8.2.

Career stages seem to tell something close to reality in our own life. This starts from primary school, and proceeds to secondary, college and finally university. However, depending on the level of education one wants to attain or the opportunity available, in some cases employees may be stuck in some stages. Sometimes people may even change career at later stages in pursuit of what might be the available career opportunity rather than what is wished for. Initially a career as a concept has also been used to mean advancement of senior employees up the organisational ladder. However, as more features of strategic human resource management influence policy choices on people management, career advancement is becoming more of a concern for individuals than for

Table 8.2   Stages in career development

Approximate age range	Career stage and characteristics
16-28	Exploration. Explore various occupations and test out an initial occupational identity. Develop skills, establish a social network and mentor relationship, and cope with the emotional demands of an early career.
22-42	Establishment. Become an individual contributor with a specific area of expertise. Work through work versus non work conflicts and develop a plan for achieving career goals.
32-55	Advancement and maintenance. Focus on achieving career goals and maintaining organisational progress. Revise career plan in light of progress. Re-determine the relative importance of work and non-work roles. For many, the top position in their career becomes evident, and few promotions are likely. Become a mentor.
55- Retirement	Late career. Usually the highest position has been reached, and people have started to shift more energy into non-work pursuits. Their main source of contribution is breadth of knowledge and experience. Mentoring can continue throughout this stage.

Source: Johns (1996).

organisations (Simonsen 1997; Morrison & Hall 2002; Torrington *et al*. 2005). Therefore, viewed as a formal approach in human resource management in organisation, career development has to be an on-going and formalised process and activity of improving employee competencies.

Organisations should have many programmes and policies for managing human resources (Morrison & Hall 2002). These programmes accomplish things such as recruitment and selection of new employees, training, and compensation. Traditionally, these programmes provide narrow focus on the short-term matching of employees to current jobs. If human resource programmes focus on the long-term development of 'human capital' and anticipate future job transitions employees should experience, then those efforts will pay off in ways that contribute to both individual and organisational success.

New model of career development

There are on-going debates regarding the relevance of career development in organisations today and the main criticisms are levied at the increasingly unpredictable employment relationships arising from:

- High unemployment due to limited job opportunities and availability of 'readymade' human resources in the job market as a result of a knowledge based economy.
- Job losses as a result of mergers, acquisitions and business closures.
- Increasing preferences for part time and contract jobs and less secure job tenures.
- More simplified work process through automation.

These developments have shifted the traditional career development equation to more flexible and dynamic approaches that define different roles for individuals and organisations in career management (Jarvis 2003; McDonald & Hite 2003). Jarvis (2003) has proposed the following differences between the traditional career development model and the emerging one as indicated in Table 8.3.

Table 8.3   The differences between the old and new career development models

S/N	Old model	New model
1	You have an office	You have a virtual space
2	Success is found on the career ladder	Success is found in valued skills
3	The power of position is used to get a job done	Influence is used to get a job done
4	Influence as a manager	Influence as a leader
5	Job gives entitlements	Marketability gives entitlements
6	Loyalty to the company matters	Loyalty to work and yourself matters
7	You enjoy salaries and benefits	You enjoy contracts and fees
8	You have job security	You have personal freedom and control
9	You get identity from the job and position	You get identity from contribution to work, family and community
10	You pay attention to bosses and managers	You pay attention to clients and customers
11	We have employees	We have vendors, entrepreneurs, team members
12	You will have retirement	You will have second career- Self employment

Source: Jarvis (2003).

The comparison between career changes depict a situation where the relationship between employees and employers and the expectations have changed, suggesting that individuals are more responsible for managing their own careers than the organisation although the role of the organisation is still important in terms of providing career guidance, information, mentoring, coaching and opportunity for advancement.

African experience in general

As a general observation, human resource development in Africa has taken more prominence than any other area of human resource functions. Since independence, African countries started capacity building programmes to develop local staff as part of the strategy to become self-sufficient in human resources. However, the type of training was basically Eurocentric and not compatible with the local cultural, political and economic development environment. After the economic hardships in the 1980s and the major reform programmes in the 1990s, under the support of the World Bank, there were massive retrenchment programmes to get rid of excessive human resources and at the same time control recruitment and build the capacity of the remaining staff. This has been the trend throughout the 1990s. However, throughout the 2000s the volume of labour force has been increasing and the staff training and development has continued to take the lion's share of capacity building grants in both central and local government authorities. However, the control of recruitment in the 1990s did paralyse succession planning, which has led to a lack of sufficiently experienced staff to take up senior positions in most public institutions, particularly in Tanzania. Nonetheless, as some scholars (Kamoche *et al.* 2004) observed, even after the public service reforms of the 1990s and 2000s, training is usually done without systematic training needs analysis, as it's seen as a reward rather than a need and hence subjected to favouritism, corruption and use of managerial judgment on the type of training, place, trainer and selection of staff for training. Even where some employees aspire towards developing their careers, lack of an enabling environment and attractive reward systems stifle individual motivation for career development. A study conducted in the Tanzanian construction industry (Ofori & Debrah 2005) reveals many constraints to career development, including lack of institu-

tionalised training programmes for managers and professional staff, poor remuneration and lack of career opportunities. For professional engineers, training and development in soft skills (entrepreneurship, business management and managerial skills) were critical for an effective construction industry. However, human resource development managers in purely private organisations, particularly multinationals, use specific strategies to develop human resources, which are as good as those in home countries.

Specific cases from Tanzania

British Petroleum Tanzania (BP (T) Ltd)
This is a private company dealing with wholesale marketing, and trade in petroleum, petroleum gas lubricants, solar equipment, and related products and services.
The company has a career development and succession plan.
- There is employees' assessment of learning needs on entry to the organisation,
- There is generic training for all employees,
- There is learning and development progression,
- All employees complete identified learning needs, and
- There is an emphasis on having multiple skills.

Before conducting training employees are evaluated in order to set the benchmark for evaluation after training. A structured questionnaire instrument with a scale of 1-5 should be used to assess employees' level of knowledge and skills acquired and the general perception on the quality of the training programme in terms of influencing the actual job performance. The questionnaire is followed by an observation of the actual performance of individuals by the supervisor, which helps to make judgments in relation to the company objectives.

TAN Roads Tanzania
TAN Roads Tanzania is an executive agency established by the government of Tanzania under the ministry of works and infrastructure. The main objective is to ensure that national road networks and bridges are constructed and maintained. The agency works with the private sector in the process of procuring goods and services for feasibility studies, roads and bridges' construction and maintenance. The training and development of employees are mainly done through career development whereby the emphasis is on traditional formal training, promotion based on performance, seminars on different areas including budgeting, good governance and strategic planning. Seventy percent of employees have career counselling and career plans.

Coca Cola Company Ltd (Kwanza Bottlers)
Historically, this company was established by a Greek business (Aris Cassolis) in 1952 under the name of Tanganyika Bottlers Ltd. After the union between Tanganyika and Zanzibar in 1964, the company changed name into Tanzania Bottlers Ltd. In 1995, it entered into a partnership with South African Breweries and now it is at the peak of its performance producing different beverages including Coca Cola, Coke light, Fanta, Sprite, Dasani and those falling under the Krest and Sparletta groups. The Coca Cola Company Ltd uses a job evaluation committee to assess training needs. Training is focused on the following key areas:
- General knowledge and skills required to perform specific tasks.

- Human relations skills. Know how to work with and through people within and outside the Coca Cola company
- Breadth of general management – planning, organising, directing and monitoring
- Problem solving and decision making – creative thinking required by a jobholder to analyse data and make decisions in relation to the job and organisation's environment.
- Power, authority, responsibility and accountability for jobs and positions.
- Magnitude, order and scale of activities and impact on the organisation in monetary terms, freedom and extent of control and the impact of the job and the end results.

Human resource development in Nigeria

Traditional approaches to HRD
Like many African countries, for some time Nigeria had practiced traditional human resource development. Apart from formal training in different technical and managerial areas, the process includes an induction course at the entry point of the service and at other levels of career advancement, job enrichment and enlargement, on the job training, coaching, counselling and mentoring. Other traditional practices include, understudying, periodic deployment, the pool system in offering opportunities in different contexts for officers to face fresh challenges in their jobs in order to enable them to widen their breadth of knowledge and experience.

Improvements on the traditional approaches to human resource development
The emerging emphasis in HRD is on balancing the requirements for individual and organisational development, requiring new methods of dealing with issues of capacity development in the public service. The emphasis is on building knowledge and expert based organisations through the creation of an enabling environment for the acquisition, sharing and management of knowledge, involving networking and collaboration, with colleagues, external partners and other relevant parties. It involves more flexibility in organisational systems, through a shift from hierarchical to multiple accountability (professional and 360 degrees), as well as a more adaptive system that encourages knowledge generation, knowledge leadership, professionalism, innovation, initiative taking, and greater communication across all levels of the service. Efforts are now focused towards the use of information and communication technologies (ICT) to support individual learning. The identification of functional and behavioural competencies and developing employees along these competencies has been of more interest in the recent years.

New initiatives
- Revitalisation of induction schemes as a vital component of staff development in the federal civil service. Newly appointed permanent secretaries are the latest beneficiaries of this revitalisation in order to adequately prepare them to effectively execute the responsibilities of their new offices.
- Going back to the basics. There is an increasing use of the well tested and cost-effective traditional methods of staff development such as coaching, counselling, mentoring, and recruitment based on merit.
- Re-orientation of the officers on the need for taking responsibility for their own career development outside of the opportunities provided by the federal civil service.

- Review of organisational structures, systems, and procedures for the creation of an enabling environment for the emergence of both transformational and knowledge leadership.
- Introduction of competency-based annual mandatory training for all officers in the service, including permanent secretaries from 2010.
- Development of a new human resource (HR) management policy framework including professionalization of the human resource management function in the civil service, development of a new performance management system, and review of the training policy.
- Deployment of e-learning facilities for training.
- Strengthening of the existing public sector training institutions.
- Inauguration of the public service institute as Nigeria's premier executive training institution and policy think-tank support for the government.
- Restructuring of the office of the head of the civil service of the federation for the injection of fresh ideas in the area of HR planning and management.
- Service-wide roll out of the integrated payroll and personnel information system from 2009 to, among others, provide reliable and up to date records for HR planning and management.
- Review of the pool system to ensure job and skills fit, including the creation of additional desks in selected ministries for the career management of officers in the professional cadre;
- Implementation of the public sector ethics and integrity at work for the development of ethical competencies in the service. Also through the use of an integrity demonstration DVD to answer questions of ethics that have arisen in the course of their duties at work.
- Ensuring a value-based service through the development of a shared vision, entitled 'statement of our commitment and purpose' based on four core values of stewardship, trust, engagement, and professionalism.

Human resource audit for training and development in South Africa

South Africa, which is far ahead in terms of human resource management compared to Sub Saharan countries, has taken some initiatives to develop a model for human resource audit for human resource development (Clark 2009). The South African cabinet took the decision that all public service departments should apply a uniform skills audit process in an effort to gain an understanding of the nationally integrated processes that have been decided upon by cabinet and to eliminate duplication and waste of resources within the public service. This decision emphasised the importance of having a single uniform and co-coordinated approach to a skills audit system that will be utilised within the entire public service. To facilitate the process, the government used human resource (HR Connect model) to implement a sustainable and consistent skills audit process applicable across national and provincial departments irrespective of size, location or functions. It is a systems approach for dealing with the process of defining and collecting skills information by utilising a common reference framework of profiling occupations within a skills audit approach. It maps out employer/organisational skills requirements (competencies and outputs) and identifies which skills employees need for the improved management of the supply/demand equilibrium in real time.

Therefore, HR connect was introduced to build capacity in the departments to implement the process of human resource development, compile competence profiles for departments and indicate and report on the capacity of the government organs to deliver the policies. The model was able to link organisational structures and job titles, unique job profiles, unique individual employees. Profiles were printed and distributed in more than 36,000 forms, a weekly cycle for data corrections and newly identified jobs.

This model appears to be useful in handling bulk data and other countries with problems of managing human resource data may use it.

Review questions

1. What is training need?
2. Examine the process of conducting training needs analysis.
3. Discuss the role of line managers in training.
4. By using a familiar case, suggest ways of improving career development in African organisations.

References and recommended reading

ADHIKARY, M. (2008), *Emerging human resource development.* New Delhi: Deep and Deep Publications PVT.

ARMSTRONG, M. (1995), *A Handbook of Personnel Management Practice.* London: Kogan page.

ARTHUR, M.B. & D. ROUSSEAU (1996), A New Career Lexicon for the 21st Century. *The Academy of Management Executive.* 4(10): 28-39.

BECKER, D. (1964), *Human Capital. A Theoretical and Empirical Analysis with Special Reference to Education.* New York: Columbia University Press.

BELL, A. (2003), Informal Learning and the Transfer of Learning: How Managers Develop Proficiency. *Human Resource Development Quarterly* 14(4): 369-387.

BUTTERFIELD, E.C. & G.D. NELSON (1989), Theory and Practice of Teaching for Transfer. *Educational Technology Research and Development* 3(37): 5-38.

CARBERY, R. & T. CARAVAN (2007), Conceptualizing the Participation of Manages in Career Focused Learning and Development. A Framework. *Human Resource Development Review* 6(4): 394-418.

CLARK, C. (2009), *Analysing Human Resource Development Needs in Public Service. The Experience from South Africa*. Department of Public Service and Administration. Unpublished.

DEBRAH, Y. & G. OFORI (2005), Emerging managerial competencies of professionals in the Tanzanian construction industry. *The International Journal of Human Resource Management* 16(8): 1401-1441.

DESSLER, G. (2005), *Human Resource Management*. New Jersey: Pearson Prentice Hall.

GOMEZ-MEJIA, L., D. BALKIN & R. CARDY (2007), *Managing Human Resources*. New Delhi: PHI Learning.

HOLTON, E., R. BATES, D. SEYLE & M. GARVAKHO (1997), Towards Construct Validation of a Transfer Climate Instrument. *Human Resource Development Quarterly* 8(2): 95-154.

HOLTON, E. & B. YAMKOVENKO (2008), Strategic Intellectual Capita: A defining Paradigm for Human Resource Development? *Human Resource Development Review* 7(3): 270-291.

JARVIS, P.S. (2003), *Career Management Paradigm Shift: Prosperity for Citizens, Windfalls for Governments*. NATCON Papers.

JOHNS, G. (1996) *Organisational behaviour. Understanding and managing life at work.* Harper Collins. College Publishers.

KAMOCHE, K.N., Y.A. DEBRAH, F.M. HORTWITZ & G.N. MUUKA (2004), *Managing human resources in Africa*. New Delhi: Routledge.

KIRKPATRICK, D. (1959), Techniques for Evaluating Training Programs. *Journal of the American Society of Training Directors* 13 (3): 21-26.

MCDONALD, K. & L. HITE (2003), Reviving the relevance of career development in human resource development. *Human Resource Development Review* 4(4): 418-439.

142

MORRISON, R.F. & D.T. HALL (2002), Career Adaptability. In: H.D. Hall, ed., *Careers in and out of Organisations*. Thousand Oaks: Sage.

SCHAIN, E. (1996), Career Anchors Revisited: Implications for Career Development in the 21st Century. *The Academy of Management Executive* 10(4): 80-89.

SHERMAN, A. (1998), *Managing Human Resources*. Cincinnati: South Western College.

SIMONSEN, P. (1997), *Promoting a Development Culture in Your Organisation*. Palo Altur: Davies Black.

STOREY, D. (1995), *Human Resource Management*. London: Routledge.

TORRINGTON, D., L. HALL & S. TAYLOR (2005), *Human Resource Management.* New York: Prentice Hall.

9

Employee relations

Introduction

When employees join organisations, they have their own needs and expectations from the employer and colleagues in the workplace. Similarly, when an employer recruits staff, the former has certain needs and expectations, which have to be met by the latter. Mutual agreement on defining needs and expectations of each stakeholder may be reached through joint agreement between the employee and the employer or through collective agreement with the use of trade unions.

Foot & Hook (2008) have stipulated important rights of the employer and employee in the employment relationship. In this regard, the employer has the right to control work performance, integrate employees in the organisation's structure and management system, and create an environment of mutual trust, confidence and supply of enough and reasonable work. In exchange, the employee is expected to obey lawful and reasonable orders, maintain fidelity and work with due diligence and care. The laws of the land usually govern these relationships and expectations and where breaches are made, leading to conflicts of interests and grievances, legal remedies have to be sought from a court of law. This chapter is devoted to examining key issues involved in employee relations, where the employee or employees' representative and the employer or employers' representative and the state are the key players. Therefore, at the end of the chapter, the learners should be able to:

- Examine the rationale for the management of employee/employer and state relationships.
- Explain the basic principles in grievance and discipline management.
- Make use of employment laws to manage grievance and discipline in organizations.
- Make use of worker participation strategies in human resource management.

Theoretical framework of employee relations

Employee relations have a tradition in industrial relations that emerged and grew alongside the growth in industrial production in Europe. The formation of masses of people

working in factories and industries under strict rules and poor working conditions called for collective action on the part of workers as well as state intervention as a referee. Therefore, employee relations as a discipline is the study of relationships between employees, employees and employers and their associations and the state in relation to goals, values attitudes and behaviour. It is about the interaction between employees and trade unions, employer associations and the state through various policies and labour law as well as processes and of the provision of remedies where certain actors are aggrieved. Therefore, the key actors are the employer or employers' associations who, in isolation or collectively, work together in order to defend their interests against the employees or the state. There are also employees or employee representatives (trade unions) whereby employees defend their interests alone or through trade unions. The objective of trade unions includes the regulation of the relationship between workers and employers/employers' associations. Unity is used as a source of bargaining power. The state is the regulator of employment, employment conditions, and welfare through formulation and execution of policies and procedures for mediation.

The understanding of employment relationships and the dynamics involved is well established in four categories of theories which help us to develop a framework in which we investigate and explain various employee issues (Farnham & Pimlott 1992). For example, how should an employee react if mistreated or what attitude should employers take towards employees and vice versa.

Unitarist theory

The theory focuses on the unity of interests between the management and employees. According to this theory, the management is supposed to form the direction of the organisation and communicate it to the employees for compliance. The theory holds the following assumptions; that there should be employee compliance with a common objective and there is no need for a conflict of interests because employees and employers have good reason to coexist. Therefore, trade unions have no room to highlight differences with the management.

Conflict/pluralist theory

Conflict theory is the opposite of the unitarist theory. The theory conceives an organisation as a place where there are divergent interests because there are different actors with different needs and expectations. A conflict of interests is inevitable because people belong to different teams that may have goals and objectives that conflict with the organisation. Since these actors display various sources of authority, foci of loyalty and even interests, the implication is that the management has to strike a balance between the goals and interests of the organisation and those of the employees. Management strategies such as decentralisation and employees' participation in management decisions are in line with the recognition of the power of the pluralist approach to improving organisational effectiveness.

Social action theory

Farnham & Pimlott (1992: 9) define social action as 'behaviour of having subjective meaning for individual actors'. The theory focuses on understanding the particular action employees take in situations concerning the relationship with the management rather than on just observing explicit behaviour in employment relationships because people perceive the world differently. Meanings are derived from the social environ-

ment we live in that is made up of goals, norms, values, attitudes, expectations and the situation as we interact with other people. Therefore, according to the theory, action we observe in employment relationships has a subjective meaning. For example, the subordinate may comply with instructions given by a superior not necessarily because he/she believes or accepts to be a good thing to comply with but because of other motives including avoiding conflict with their boss.

Systems theory (Dunlop)
The use of the systems theory in employment relationships has its genesis in physical sciences where objects are defined in terms of their constituent parts. Systems theory as a concept refers to a unified set of aggregates of interacting components or parts that are interrelated and interdependent to the extent that a change in one part of the system affects the other parts of the whole to which they belong. The components of the system in industrial relations are managers and their representatives, managerial employees and their representatives, and third party agencies such as the courts, police and the prisons. The environment shapes the values and interactions of an industrial relationship system. The characteristics of the environment include technology, which affects the skills and size of the workforce, markets and resource constraints, which impinge on the actors and the laws and the distribution of power in the wider community, which includes the extent to which the community can question the government or take industrial action such as strikes. It also includes the ideology which is a body of common ideas that define the role and place of each actor and that defines the ideas that each actor holds towards the place and function of others in the system. Each actor in the employment relationships system may have their own ideologies but they must be compatible with each other in order to coexist as a system.

Marxist theory
This is a Marxist-Leninist outlook towards the relationship between employers and employees in an organisation. The theory starts with the premise that labour is the essence of human beings' fulfilment. But under the capitalist method of production workers are forced into an unequal relationship with owners of capital (employers and owners of organisations). However, since the worker cannot survive without work, has to sell his/her labour power (sell competencies) to the owners of means of production (machinery, tools, files, office) through exploitative arrangements. Work becomes punishment. Therefore, conflict between employers and employees is inevitable. The solution is for the worker to struggle to be free from the chains of exploitation, humiliation and worthlessness.

A unifying psychological theory of employee-employer relations

Although we have seen that there are different theories guiding the understanding of industrial relationships, all in all, the work of Chris Argyris in 1960s on psychological contracts is highly informative (Guest 2001). According to the theory, employees and employers enter into a psychological contract in which they establish an implicit set of obligations and expectations concerning what an individual and the organisation is expected to give and receive from each other. However, since individuals and the organisation operate in a system, the psychological contract is also determined by a number of factors as shown in Figure 9.1.

Figure 9.1 A model of psychological contract

Antecedents	The state of contract	Consequences
1. Organisational climate 2. Human resource practices 3. Trade unionism membership 4. Individual experiences 5. Individual expectations	1. Faireness 2. Trust 3. Delivery	1. Positive employ-ment relations 2. Job statisfatcion 3. Motivation 4. Commitment
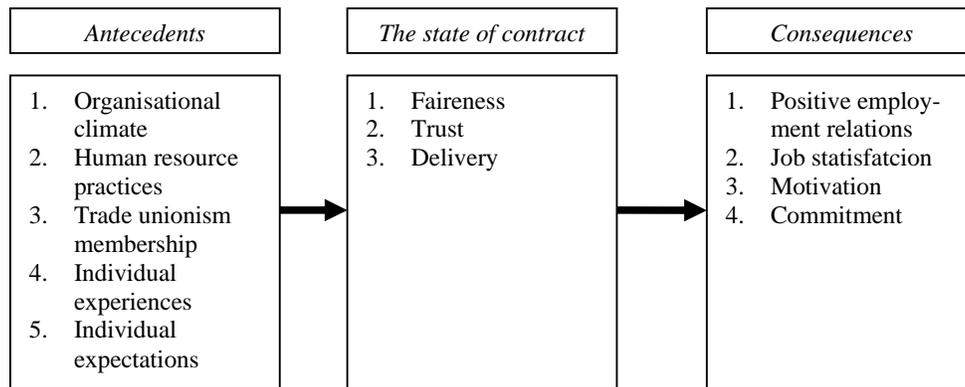
Source: Guest (2001).

The arrows in Figure 9.1 show the antecedents that influence the extent to which the psychological contract is fair, trustworthy and is delivered to each party. The outcome of the enabling environment is a win-win situation for all parties manifested through good relationships, motivation, job satisfaction and commitment to the organisation's success.

Work regulations

When employees join organisations they are bound by different regulations. Regulations help to establish a common standard of behaviour to be upheld by all parties in the relationship. Working relationships in organisations are regulated by various regulative frameworks.

Employer regulations
The employer regulations consist of rules and codes of conduct in the workplace. They are found in manuals, standing orders and other directives and circulars. They include civil service regulations, parastatal service regulations and private business regulations. The employer has the managerial right to make these regulations.

Employee – employer work regulations
The employer – employee regulations are made jointly. They are created through a process of collective bargaining involving trade unions because of differences in interest, objectives, values, and attitudes. The objective is to establish a level playing field in the employment relationship. The process is called bargaining because each side is able to apply pressure such as strikes or termination of the contract of service.

Statutory regulations
These are laws and regulations made by the government to regulate employment. The state makes regulations through the responsible ministry. A problem is identified, for example, by an organisation or through collective bargaining and it is brought to the attention of the responsible ministry. The ministry uses experts to draft a law. The draft is presented to the cabinet or similar organ. In the case of Tanzania, the draft is sent to

the parliamentary committee for scrutiny to make a bill. The bill is discussed in the national assembly. If passed, it is sent to the President for approval. When the bill is approved it becomes an act. The act can now be used as law. Regulatory legislation is categorised into three main areas. The first is protective regulations, which are mainly concerned with the protection of employees' rights. They include the security of employment act 1964, industrial court of Tanzania act 1967, work-man's compensation act, cap 263, severance allowance act 1962, and regulations of wages and terms of employment ordinance cap 300. The second category concerns grievance handling.

These regulations are used when there is a grievance or dispute between the employer and the employee. The regulations include the permanent labour tribunal act 1967, factories act 1991, the public service (negotiating machinery) act 2003 and the employment and labour law act 2007. The third category are regulations designed to establish specific institutions to keep relations in the organisations harmonious, they include the pensions ordinance cap 371 and the national social security fund act 1997.

Grievance and discipline at the working place

In the employment contract, employees as well as the employers have basic rights and obligations to meet in order to maintain a harmonious working relationship and co-existence. However, if there are grievances and a lack of discipline, the organisation and employees cannot effectively meet their obligations. Grievance and discipline management are means for resolving differences in working relationships. There are many concepts used in literature that govern the main issues in discipline management. For example, Torrington & Hall (1991) provide useful explanations of important key concepts in discipline and grievance management in organisations, which we need to share here.

Discipline
This is a regulation of human activity to produce a controlled performance. For example, time keeping, attendance, performance according to standard etc. In an organisation, discipline is shaped by the nature of the organisation (production, service delivery, location, history, local or foreign, big or small) organisational culture including management style, values and norms. These factors determine how events, situations or procedures that affect parties are perceived and interpreted. For example, a bureaucratic organisation with dozens of rules and regulations is likely to create an environment for the development of grievances and indiscipline than is the case with more decentralised structure with flexible working regulations.

Grievance
Grievance is a complaint that has been formally presented to the management representative or union official. It arises from dissatisfaction and complaint. The grievance may be reported in writing or verbally. What is important is the complainant's intention to pursue the matter officially.

Complaint
This is a spoken or written dissatisfaction that is brought to the attention of the supervisor or a team leader. The dissatisfaction could lie in matters related to performance, pay, and conditions of work or just relationships at the workplace.

Dissatisfaction

Anything that disturbs an employee causes dissatisfaction and will affect working morale, teamwork, commitment, and job performance. If for some reason employees are dissatisfied but cannot report the matter through the official channel to ensure remedies are sought, then a situation such as this can potentially lead to serious performance problems.

Framework of organisation of justice in an organisation

The framework that defines and determines matters on discipline and grievances and how such matters are handled is important in setting a harmonious working environment in an organisation. Six areas are important, which are shown in Figure 9.2.

Figure 9.2   Six frameworks of organisation of justice
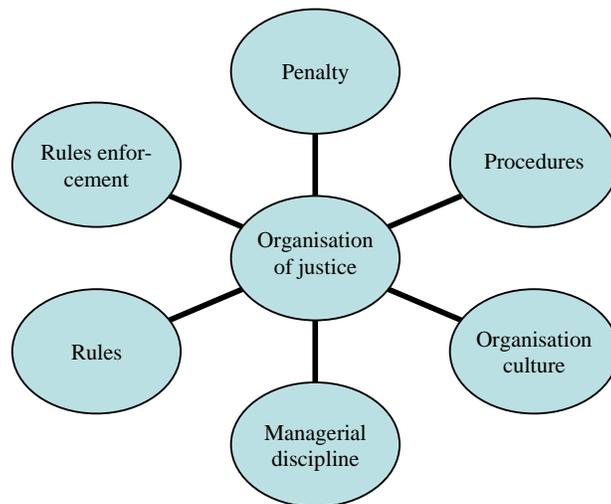
Source: Torrington & Hall (1991).

As seen in Figure 9.2, the framework of organisation of justice constitutes rules that define what is acceptable and what is not acceptable. For example, negligence, insubordination, theft etc. is not acceptable behaviour. Organisational culture includes many things but is all about 'how we do things here' including management style (democratic, autocratic, laissez faire), norms, habits, attitudes and practices. In this case, the organisation's culture may determine what dissatisfies employees and whether it will be a grievance or disciplinary matter. Therefore, organisations with strong positive cultures are unlikely to nurture indiscipline and grievance. Enforcement of rules and regulations is also important because lack of enforcement is as ineffective as lack of rules.

Once parties enter into the contract of employment they have an obligation to define rules of engagement and the ultimate enforcement. Management has also a very big role to play in ensuring peace and harmony and commitment to the common cause. Therefore, discipline in executing managerial functions will influence the nature of discipline and grievance and whether they are successfully handled or not. Leadership and mana-

gerial skills are crucial in this aspect. Procedures and sequences of managing grievance and discipline may promote or hinder the process of seeking justice for the aggrieved party. In other words, justice delayed is justice denied. Managers should only put procedures in place that are necessary and be made clear to all parties involved in the disciplinary procedure and grievance handling. Penalty is a negative reward given to the party that caused indiscipline and grievance. It is a result of the enforcement of rules and regulations. If all these key areas are put in place correctly there will be mutual satisfaction between the employee and employer.

Grievance management procedure

Managers and employees have to be aware that the grievance management procedure must be guided by principles of fairness, consistency, and transparency, the procedure should provide room for employee representation, and avoid red tape and delays. The procedure has to start with the immediate superior of the aggrieved employee and if the latter is not satisfied, the matter is referred to the senior manager for a hearing. If there is continued dissatisfaction, there must be an ability to appeal. Grievance management through counselling by a superior can be very effective if well managed. If the manager is not sure of the ability to conduct effective counselling, it is better not to do it because it may fuel the problem. The following are some of the basic tips in counselling:

- Listen with intelligence and sympathy. Avoid frequent interruption because you may lose an opportunity to hear a point or discourage the employee from speaking.
- Define the problem. Encourage the subordinate to define the problem himself/herself. Listen carefully and pose some directing questions at the end. If you feel that the problem is clear, then summarise it. For example, is that what you mean?
- Stay alert and flexible. Plan the meeting ahead and decide how you will manage it. The plan has to define what has to be achieved through counselling and how it should be achieved.
- Observe behaviour. Take care of the body language. Remember that actions speak louder than words and you can learn a lot from facial expressions, the tone of your voice, and eye contact rather than just relying on what is said.
- Conclude the meeting. Try to get the subordinate to summarise the problem and suggest a solution. You may pose a question like … what would you say disturbs you? How do you think you could overcome this disturbance?

Discipline management

In the case of grievance management, when managers take disciplinary action against employees they should be aware of the principles of natural justice, these are usually codified in the employment and labour laws of the country (see for example Appendices 9.1 and 9.2). The following key points summarise what should be considered:

1. Employees should know the standard of performance they are expected to achieve and the rules to which they are expected to conform.
2. They should be given a clear indication of where they are failing or where they are breaking the rules.
3. Except in cases of gross misconduct they (employees) should be given an opportunity to improve before disciplinary action is taken against them.

Therefore, managers should consider the role of the law and exceptions where applicable in each action taken and the legal consequences. In principle, disciplinary procedures should be designed for improving employee's personal conduct rather than imposing sanctions. Most guidelines on the best procedures for handling disciplinary matters are based on the principles of natural justice (Dale & Beach 1985; Torrington & Hall 1991; Gosh 2002; Bhatia 2006), which can be summarised as follows:

1. Procedures should be in writing in order to ensure consistency and reliability.
2. Specify to whom they apply. Some procedures could be applicable to specific categories of staff. For example, the nature of the job of the lower cadre staff may not require procedures that will end up at the highest organ of the organisation.
3. Ensure matters can be dealt with quickly. Some disciplinary matters such as fighting or theft will require immediate action rather than just a misunderstanding between the superior and subordinate.
4. Indicate the disciplinary action that may be taken. It is important that employees know the actions that could be taken against them when they breach certain codes of conduct, this way they are not taken by surprise when penalties are carried out.
5. Specify the levels of management that have the authority to take the various forms of disciplinary action. Some levels of disciplinary action may be decentralised to the lower management or branch level while others have to be decided by a higher level authority.
6. Ensure employees are informed of the complaints against them and are given an opportunity to be heard. Usually, employees are summoned and asked to explain and or respond in writing to allegations that may be directed against them.
7. Allow support from a trade union representative or a fellow employee.
8. Except in cases of gross misconduct, ensure that no employee is dismissed for a first breach of discipline.
9. Ensure that disciplinary action is not taken until the case has been carefully investigated. Evidence has to be the basis for disciplinary action. Without enough evidence, which cannot be disputed by a court of law, managers may find they made a mistake and subsequently lose cases, which can cost the organisation dearly.
10. Ensure that individuals are given an explanation for any penalty imposed. This is one of the employees' rights. The explanation will be the basis for acceptance or appeal in case of dissatisfaction.
11. Provide a right of appeal and specify the procedure to be followed. The procedure has to be fair and practical depending on the nature of the matter and organisational environment. If the procedure is overly bureaucratic and subjective, it may lead to the breach of the principles of natural justice and become unacceptable.

More often, the breach of organisational rules and regulations has been a source of disciplinary action. The breach of rules can be significantly reduced if employees know the rules, why they should abide by them and the disciplinary consequences if they do not. This is normally done during employee induction, where they go through the orientation to the organisation, department and job. If new rules or labour laws are made, employees should be made aware of these developments.

The role of human resource manager in discipline and grievance management

Human resource managers are professionals in people management and have an important role to play in working together with line managers to ensure that an organisation remains a peaceful and enjoyable place to work. Some of the important roles are:

- Work with line managers to devise and negotiate the employees the procedural framework for the management of discipline and grievances.
- Work with line managers to provide counselling and problem solving supports services.
- Ensure fair management of grievances and discipline by all parties involved.
- Facilitate the process of reconciliation, where parties are aggrieved, and have to come to the table to forget about the past and start new working relationships.
- Ensure that all employees are aware of grievance and disciplinary matters, how they affect the organisation and the mechanisms that are in place to handle grievance and disciplinary matters.

Workers participation in management

Worker participation in management is a mechanism used to control decisions and authority in the workplace. Employees are 'able to participate directly in decision making process in an organisation as a way to safeguarding their interests' (Simon 1983: 55). Monnapa (2008) has emphasised that in essence, employers cannot do away with putting in place workers participation mechanisms because they fear trade unions and disruption of work. Through worker participation, employers and employees are able to:

- Improve the quality of workers' life in the job by helping to humanise it, work becomes natural and enjoyable,
- Jointly put a framework forward for the effective utilisation of the workforce,
- Jointly defend and promote workers interests and
- Jointly improve employers and workers commitment to the organisation's performance.

The extent to which workers participate in an organisation will depend on workers' readiness to participate and extent to which the situation can allow workers to participate in managerial functions. workers' participation in management can be achieved through individual employee integration in the decision making process through suggestion schemes, delegation of power and authority to lower level management and job enrichment by combining tasks where employees are given certain power and authority to make certain decisions about their jobs. Worker participation can also take place at the departmental or section level where employees participate in meetings. The other mechanism for workers participation is through collective representation by using workers representatives from their associations or trade unions.

Trade unionism and collective bargaining

Trade unionism
According to Farnham & Pimlott (1992), a trade union is an association of wage earners for the purpose of maintaining or improving the conditions of their work. Trade union-

ism is usually associated with the development of industrial production in Europe in the early nineteenth century and the need for workers to join forces to fight for their interests against suppression by employers and owners of factories. These 'interests' are not homogenous. Every employee has a reason why he/she would join a trade union. A study by Waddington & Whiston (1992) found diverse opinions in trying to find out why employees joined trade unions in Britain. The results are presented in Table 9.1.

Table 9.1   Reasons for joining trade unions

Reason	%
Support in difficulties	72
Improve pay conditions	36
Belief that it is a good thing	16
Free legal advice	15
Because others are members	14

Source: Waddington & Whiston (1992).

Support in difficulties seems to be the major driving force behind employees joining trade unions. The implication is that if employees believe that the risk of difficulties in employment is small their commitment to the trade union will also be weak. The extent to which employees can get support in difficulties will depend on the power of the trade union to influence the employers to create such support systems. Weak membership commitment reduces the number of employees who will join trade unions and remain active, and therefore the power of the trade union to influence management is diminished.

Trade unions have become a force to reckon with, particularly in the British labour market as well as politics. Indeed the Labour party originated from the trade union movement. As could be recalled from chapter 1, in the 1950s and 1960s we witnessed the power of fully fledged trade unions through powerful negotiations with employers, which in many ways led to destructive strikes and business closures. However, the power of trade unions has been declining over years. Since late the 1970s and particularly in the 1980s we saw the weakening of the role of trade unions as a regulatory mechanism in the workplace. The following reasons explain this diminishing power:

1. Economic recession, which led to bankruptcies, mergers and acquisitions, contracting out and privatisation. Since the power of trade unions depends on how many members it has, bankruptcies led to lay- offs of many employees, which weakened trade unions.
2. Challenges of welfare policies versus market led economy particularly in Britain under Margaret Thatcher. Criticisms were levelled at, among others, union's restrictive practices, over manning, overpriced wages, low productivity per workers, poor quality work and products.
3. Measures to review the economy included new policies, employment and trade union acts that gave management more power to manage their organisations.
4. Management strengthened while trade unions weakened. This was a result of less government intervention.

5. The emergence of performance related pay, employee commitment and cultural change also changed the way trade unions are perceived and used in employment relationships.
6. Using human resource management techniques to meet employees' demands by side-lining trade union representatives.
7. Less government intervention and hence more control of employees by the organisations' management.

Collective bargaining

Collective bargaining is a process of negotiations between the employer associations and employee associations with the objective of reaching an agreement on the terms and conditions of employment. The objective of collective bargaining is to ensure that the contents of agreements between employers and employees are maintained; create an enabling environment for better productivity and avoid more work disruptions that result from conflicts, provide better cooperation, as well as fair and reasonable protection of both employees and employers. There are conditions necessary for the emergence of effective collective bargaining:

- The parties must be sufficiently well organised. Workers should be aware of the importance of trade unions and freely join them. Similarly, the employers have to have some kind of organisation such as a member of employers' associations.
- Employers should recognise trade unions as parties in the negotiation process. Opposition, hostility and restrictive regulation will stifle collective bargaining. Collective agreements are not usually legally binding unless parties decide them to be. Therefore, they are more good will agreements rather than enforceable contractual obligations.

Labour laws of particular countries usually prescribe the nature of collective bargaining and the process, which in many ways is similar across countries because such laws address the same fundamentals of employment relationships. For specific regulations pertaining to collective bargaining in Tanzania, see Appendix 9.2.

The genesis of workers participation in management in Tanzania

The history of workers participation in management in Tanzania dates back to 1968. This is when the first Tanzanian President Mwalimu Julius Kambarage Nyerere visited China and witnessed the power of socialist based worker participation in industrial production. He was particularly impressed by the way Chinese workers felt that they owned factories, which led to a sense of pride and total commitment. Two years later 1970 he issued Presidential Circular No. 1, which stipulated that:

> The top management must have an attitude which regards the workers and the lower levels of management as partners in common enterprise, and not just as tools like the machines they work with.
> There must be provision of workers to be represented on bodies which consider matters of production, sales, and the general organization of the enterprise, and give the workers a greater and more direct responsibility in production (par. 5 of the circular).

The circular led to the formation of the workers education committee and workers council which must represent workers in decision making, including approval of organisational annual plans and budgets. Nyerere's idea was to:

- Give workers social class power that would make managers and workers regard themselves as belonging to the same enterprise and avoid conflicts of interests. Workers and the heads of sections and department should be partners in the enterprise. This could be in setting performance targets, assessing performance, setting strategies etc.
- Provide workers opportunities for involvement in deciding their own affairs.
- Improve efficiency through motivation stemming from the feeling of a sense of ownership, pride and satisfaction.

Workers participation at the National Social Security Fund

The national social security fund in Tanzania was established by the national social security fund act 28 of 1997 after the transformation of the national provident fund. The tasks of the NSSF are to register all liable employers and employees and collect all the contributions accounting for money collected, investing and paying out benefits to the members as per the provisions of the act.

Vision
NSSF envisions maintaining its position as a leading provider of social security in Tanzania on the basis of internationally recognised social insurance principles.

Mission
Commitment to meeting members' evolving needs and expectations through the utilisation of dedicated HR and modern technology through reflecting world development changes.

Workers participation
Eighty seven percent of the 16 NSSF employees interviewed had the feeling that the process of workers participation in decision making was not effective because their suggestions were not considered by the management as effective in decision making.

They were involved in minor issues such as selection of the best worker of the year for workers' day celebrations in May every year. There were also cases where employees were able to give their views and reach some kind of agreement. However, there were feelings of dissatisfaction with the way meetings were managed including manipulation and use of rules that would favour the management rather than the employees who were not involved in major decisions such as training and promotions.

Grievance handing
The organisation uses grievance handling procedures as guided by the security of employment act 1964 as amended in 2002. Although the law is clear on the procedures to use and on the rights and obligations of the parties in grievance, the procedure and the process is time consuming and costly. For example, an employee taking the company to a court of law demanding to be re-employed and for compensation after unreasonable termination can be re-engaged after three or five years of struggle years.

Workers participation at Tanzania Tobacco Processors Ltd

Tanzania Tobacco Processors Ltd has a good system of workers participation in management on matters that affect their employment and the company. Seventy five percent of the staff felt that workers participation in the management and decision making was effective and there was more appreciation to participation on matters related to working conditions by 77%. However, 90% of the employees interviewed expressed dissatisfaction with the criteria followed on salary determination.

Employee disciplinary procedure at the Coca Cola Kwanza Ltd

Disciplinary matters at the Coca Cola Kwanza Ltd are handled using company policies and regulations and a disciplinary code of conduct that was adopted from security of employment act. When an employee breaches a code of conduct, the matter is brought to the disciplinary panel for hearing. The composition of the panel depends on the seniority of the staff involved. The panel does however usually consist of the chair (who is usually the company industrial relations manager), the manager in charge of the business where the code was breached, the key stakeholders affected such as the sales in charge. If it were a car accident, the fleet and procurement managers would also be involved. The major determinant of the panel composition is the nature of the disciplinary matter.

Staff disciplinary procedures at local authorities in Tanzania

Disciplinary matters of staff working in local authorities are regulated by a number of laws, regulations and guidelines. These are:
- The United Republic of Tanzania Standing Orders 1994
- Public Service Act 2002
- Public Service Regulations 2003
- Employment and Labour Relations Act 2004
- The Public Service Disciplinary Code of Good Practice 2007
- Employment and Labour Relations Code of Good Practice 2007

These legal instruments seem to be enough, if not more than what may be required for a clearer understanding for use by officials and staff who are not professional lawyers. It is observed that despite the good intention of having a comprehensive legal framework to guide disciplinary matters in local authorities, studies show that there are more barriers than there is assistance in the whole process of ensuring justice is carried out. For example, a study conducted by Makoninde (2010) shows that in Babati District Council, 67% of the employees had no adequate legal knowledge of disciplinary procedures. Other barriers were language (63%) because the laws and regulations are written in English while most people speak Kiswahili, violation of disciplinary procedures (48%), influence from politicians (33%), and corruption (30%). These limitations contributed to a 98% success rate of all employees' appeals against disciplinary actions taken against them. The major reasons for successful appeals were:
- Breach of regulation 44(3) and schedule II Part A of the public service regulations 2003, which demands that charges for disciplinary matters be accompanied with the statement of offence.

- Statement of offences were signed by unauthorised officials
- Inquiries and decisions were made outside committee meetings
- Penalties were given by unauthorised officials
- General breach of the principles of natural justice including opportunity to be informed and heard (Makoninde 2010: 49).

Therefore, discipline management is an issue that required intervention in a wider sense not only at Babati District Council but perhaps also throughout the whole country. All local authorities in Tanzania use the same legal framework in employee discipline management and Babati District Council does not have special characteristics, which may suggest that other local authorities fare better. So, continuous efforts to build capacities of officials, and awareness creation strategies for employees are some of the initiatives that have begun.

Regulatory framework for collective bargaining in Tanzania

Collective bargaining between an employee and employer is governed by the employment and labour laws regulation 2007. Part V is entirely devoted to terms, conditions and procedures for collective bargaining; including the role of trade unions (see Appendix 9.1). Section 54 - (1) of the regulation instructs collective bargaining as being in good faith by requiring the parties to explore issues with an open mind and with the intention of reaching an agreement.

Section (2) gives conditions for bargaining in good faith as:
1. Respecting the representatives of the parties,
2. Preparing for negotiations in advance, which entails developing proposals and securing mandates for those proposals,
3. Maintaining consistent representation during the negotiation process, unless there are good reasons for not doing so,
4. Being punctual for all meetings,
5. Presenting any proposals made, and
6. Duly considering proposals made by the other party and, if not accepted, giving reasons for rejecting them.

Similarly, the law outlines indicators that show bargaining without good faith (see Section 3 in Appendix 9.1). Section 55 (1) enumerates matters of collective bargaining to be:
1. Wages, salaries and other forms of remuneration,
2. Terms and conditions of employment,
3. Allowances and employment benefits, employment policies and practices concerning the recruitment, appointment, training, transfer, promotion, suspension, discipline and termination of employees,
4. The collective bargaining relationship including:
5. Organisational rights,
6. Negotiation and dispute procedures,
7. Grievance, disciplinary and termination of employment procedures, and
8. Any other areas agreed upon.

Review questions

1. To what extent do you think that regulation governing the employment relationship is applicable and relevant in African organisations?
2. With the increasing role of modern human resource management in organisations, employment relationships are more individual than collective. Discuss.
3. Examine the characteristics of fair disciplinary action.

References and recommended reading

BHATIA, S.K & A. AHMAD (2006), *Human Resource Management. A Comparative Advantage*. New Delhi: Deep and Deep Publications PVT Ltd.

FARNHAM, D. & J. PIMLOTT (1992), *Understanding industrial relations*. London: Cassell.

GOSH, B. (2002), *Human Resource Development and Management.* New Delhi: Vikas Publishing House.

GUEST, D. (2001), Industrial Relations and Human Resource Management. In: J. Storey, ed., *Human Resource Management. A Critical Text*. London: Thomson Learning.

HOOK, C & M. FOOT (2008), *Introducing human resource management*. New York: Prentice Hall.

MAKONINDE, R. (2010), *An Examination of the Factors Influencing the Application of Employees Disciplinary Procedures at Work Place.* Morogoro: Mzumbe University.

MONNAPA, A. (2008), *Industrial Relations.* New Delhi: Tata McGrawHill Publishing.

SIMON, H.A. (1983), What is industrial democracy?. *Challenge* 25(6): 31-40

TORRINGTON, D. & L. HALL (1991), *Personnel management. A new approach.* New York: Prentice Hall.

TORRINGTON, D., L. HALL & S. TAYLOR (2005), *Human resource management*. Essex: Pearson Education.

UNITED REPUBLIC OF TANZANIA (1991), *Factories Act 1991*. Dar es Salaam: Government printer.

UNITED REPUBLIC OF TANZANIA (2002), *Security of Employment Act 1964-2002 Cap 387*. Dar es Salaam: Government printer.

UNITED REPUBLIC OF TANZANIA (2002), *Industrial court of Tanzania Act 1967-2002 Cap 60*. Dar es Salaam: Government printer.

UNITED REPUBLIC OF TANZANIA (2003), *Public Service (Negotiating Machinery) Act and Regulations.* Dar es Salaam: Government printer.

UNITED REPUBLIC OF TANZANIA (2007), *Employment and Labour Relations Act, and Regulations 2007*. Dar es Salaam: Government printer.

WADDINGTON, J. & C. WHITSTON (1997), Why Do People Join Unions in a Period of Membership Decline?. *British Journal of Industrial Relations* 35(4): 515-546.

Appendix 9.1   Collective bargaining

PART V of the Tanzania Employment and Labour Relations Act, and Regulations, 2007

49.–   (1) The purpose of these Rules, is to guide trade unions, employers and their associations on how to exercise their rights and give effect to their obligations to bargain collectively by –
- summarising the important provisions of the law; and
- providing guidelines on good practice.
(2) Employees, employers, trade unions, employer's organisations, mediators, arbitrators, assessors, Judges and officials in the Ministry on interpreting or applying the law shall take the Rules into account.
(3) The provisions of these Rules do not impose any hard and fast obligations on any party; the legal obligation may be to justify a departure from the provisions of a Rule.
(4) A party may depart from these provisions if circumstances warrant it, but it have to justify the departure.
(5) Subject to sub-rule (4), justification for departure may be –
- the size of the employer, if employer with only one employee would not be expected to enter into a recognition agreement;
- the nature or location of the employer's premises may justify special rules in respect of organizational rights, there may have to be special rules regulating trade union access where the employees reside on the premises: or
- the nature of the employer's business there may have to be special rules regulating trade union access to high security premises such as a diamond mine.
(6) Resolution of labour disputes may be solved through negotiation and collective bargaining.
(7) Collective bargaining may take place at one workplace or at a number of workplaces, and may involve one employer, a number of employers or an employers' association.
(8) A trade union that represents the majority of employees is entitled to be recognized as the exclusive bargaining agent.
(9) A collective agreement may determine the bargaining unit in a manner that is different to the rules suggested in this Rule, but the agreement may not do away the right to be recognized as the exclusive bargaining agent.

50. –   (1) All employer or employer's association shall recognise trade union as a collective bargaining agent of its employees.
(2) A recognized trade union engages with the employer or employers' association with the following objectives to –
  (a)   represent employees in their dealings with their employer; negotiate and conclude collective agreements, and
  (b)   prevent and resolve labour disputes.

(3) A bargaining unit or a recognized constituency may be restricted to the trade union's members or it may be for specific categories of employees with similar economic or business interests, in which employees with similar agree on an appropriate bargaining unit.

(4) It is only trade union entitled to represent the employees in the bargaining and where if two unions together represent the majority of the employees in the bargaining unit and they seek recognition jointly as the exclusive bargaining agent, the exclusivity shall apply to both trade unions.

(5) Members of senior management who by virtue of their position are responsible for determining policy on behalf of the employer and who are authorized to conclude collective agreements on behalf of the employer shall not be member of a trade union.

(6) Nothing in the Act prevents registered trade unions, on the one hand, and employers or employer associations, on the other, from establishing their own collective bargaining arrangements by collective agreement.

(7) An employer may recognize a registered trade union without the union being a majority. Provided that if the bargaining unit attains majority membership, all employees including those who are not belonging to the trade union shall be members of the trade union.

(8) The facts identified to assist unions, employers, mediators, arbitrators and the courts in determining an appropriate bargaining unit are the following:
   - the wishes of the party;
   - the bargaining history of the party;
   - the size and significant of membership of union organization in certain categories of employees
   - the employees shares similar terms of employment or similar conditions of work, that points to a single bargaining unit;
   - the employer has separate workplaces and the terms and conditions are left to the discretion of the managers of those workplaces, which points to separate bargaining units. If however the decisions are made at head office, that points to a single unit;
   - the employer's operations effectively divided into separate business (pointing to separate bargaining units) or is it one streamlined operating to a single unit); and
   - An employer has several separate places of work close together that points to a single unit. But if the places of work are far away from each other or in different towns, that points to separate bargaining units.

(9) A material breach includes –
   (a) the refusal to negotiate in good faith;
   (b) the refusal or failure to comply with an arbitration award or an order of the Labour Court;
   (c) the refusal to comply with a collective agreement.

54. – (1) Bargaining in good faith requires the parties to explore issues with an open mind and with the intention to reach an agreement.

(2) Subject to sub-rule (2), conduct is consistent with bargaining in good faith in
   (a) respecting the representatives of the parties
   (b) preparing for negotiations in advance; which entails developing proposals and securing mandates for those proposals;

    (c)   retaining consistent representation during the negotiation process, unless there are good reasons for not doing so

    (d)   attending meetings timely;

    (e)   motivating any proposals made

    (f)   considering proposals made by the other party and, if not accepted, give reasons why they are not accepted.

(3) Where parties cannot be completed to reach agreement, conduct which leads to an inference that the party concerned has no genuine desire to reach agreement may, constitute bargaining in bad faith. Bargaining in bad faith may be inferred from the conduct.

    (a)   making grossly unreasonable demands

    (b)   refusing without good reason to make concessions;

    (c)   refusing to disclose relevant information that is reasonably required for collective bargaining

    (d)   being insulting, derogatory or abusive in negotiations

    (e)   delaying negotiations unnecessarily

    (f)   imposing unreasonable conditions for negotiations to proceed;

    (g)   by-passing the representatives of the parties in the collective bargaining process;

    (h)   engaging in unilateral action such as the unilateral alternation of terms and conditions or industrial action before negotiations have been exhausted.

(4) Negotiations are exhausted if both parties agree or one party declares deadlock after

    (a)   the party has genuinely sought to reach agreement but failed to do so after a reasonable period;

    (b)   the other party conducts itself in a manner from which it may be inferred that it no longer wishes to bargain; and

    (c)   the other party bargains in bad faith

(5) A party that bargains in bad faith may not rely on its own conduct to terminate the bargaining process and declare deadlock.

(6) Where the innocent party does not declare a deadlock, the defaulting party may not implement its proposals or engage in industrial action.

(7) Any party in the beginning process may refer the dispute concerning a failure to bargain in good faith to the Commission for mediation.

(8) Where the dispute is not settled through mediation, the dispute may be referred to the Labour Court for its decision.

(9) Where a party bargains in bad faith, the other party need not continue negotiations and its duty to bargain in good faith is met.

55. –   (1) Subject to the provisions of Section 68 of the Act, bargaining matters include

    (a)   wages, salaries and other forms of remuneration;

    (b)   terms and conditions of employment;

    (c)   allowances and employment benefits;

    (d)   employment policies and practices concerning the recruitment, appointment, training, transfer, promotion, suspension, discipline and termination of employees;

    (e)   the collective bargaining relationship including;

    (i)   organizational rights;
    (ii)   negotiation and dispute procedures;
    (iii) grievance, disciplinary and termination of employment
           procedures; and
    (iv)   any other agreed matters
(2) Terms and conditions of employment shall include-
    (a)   the terms stated or implied in a contract or employment such as the
           hours of work, leave, duration, notice periods; and
    (b)   the conditions normally associated with employment such as rules
           regulating behaviour in the workplace, canteen facilities, health and
           safety.
(3) The greater involvement of the trade union in employer's decisions that
    affect employees carries with it the additional responsibilities of co-
    operation and confidentiality.
(4) Where however the decision may have an employment related consequence
    such as retrenchment, the employer shall negotiate or consult with the
    union over the employment related consequences.
(5) The following information may be relevant in negotiations –
    (a)   remuneration and benefits issues: –
           (i)   reward policies and systems
           (ii)   job evaluation systems and grading criteria
           (iii) earnings according to grade, department, workplace, sex, race,
                  casual workers, giving if appropriate the distributions and
                  make-up of remuneration showing any additions to the basic
                  rate;
           (v)   the normal wage bills; and
           (vi)   details of fringe benefits and total labour costs;
    (b)   Conditions of service issues: –
           (i)   policies on recruitment, redeployment, redundancy, training,
                  affirmative action, promotion and appraisal systems; and
           (ii)   health, welfare and safety matters
    (c)   Performance issues –
           (i)   productivity and efficiency records
           (ii)   savings from increased productivity and output
           (iii) return on capital invested; and
           (iv)   sales and state of order book
    (d)   Labour force issues: –
           (i)   number of employees analysed according to grade, department,
                  location, age, sex, race or any other appropriate criterion;
           (ii)   labour turnover
           (iii) absenteeism;
           (iv)   overtime, short-time;
           (v)   lay-offs;
           (vi)   planned changes in work methods, materials or equipment; and
           (vii) available manpower plans

Appendix 9.2   Strikes and lockouts in collective bargaining

PART IV of the Tanzania Employment and Labour Relations Act, and Regulations, 2007

39. – (1) The role of strikes and lockouts in collective bargaining as the core for employer and employees is to resolve matters of mutual interest and lock themselves without outside interference.
(2) Although a measure of last resort, strikes and lockouts are forms of lawfully sanctioned economic pressure in order to resolve disputes of interest between employers and their employees. A strike and lockout are temporary applications of pressure in the collective bargaining process. Their purpose is not to unnecessarily damage the organization.

40. – (1) The object of a strike or lockout is to settle a dispute and shall come to an end if the dispute that gave rise to it is settled.
(2) The dispute may be settled by an agreed compromise or a return to work. An agreed compromise normally shall take the form of a collective agreement.

41. – (1) The subject matter of a lawful strike or lockout is limited to disputes of interest only, although it is not normally permissible to strike or lockout in respect of disputes of interest in an essential service. Those disputes are referred to compulsory arbitration, if mediation fails.
(2) Subject to sub-rule (1), a dispute of interest on the other hand is a dispute over labour matter in respect of which an employee does not have an enforceable legal right and the employee is trying to establish that right by getting agreement from the employer.
(3) For the purpose of this Part, a complaint is defined as a dispute arising from the application, interpretation or implementation of an agreement or contract with an employee, a collective agreement, a provision of the Act or any other administered by the Minister of which a dispute of right or a complaint concerns those labour matters that shall be decided by arbitration or the Labour Court provided that, where an employer refuses to give the wage increase demanded by the employee, a dispute over that refusal is a dispute of interest and may only be resolved by an agreement that may be induced by the resort to industrial action.
(4) Dispute of interest may be: a dispute over a new collective agreement or the renewal of an agreement;
   (a)   a dispute over what next year's wages are going to be;
   (b)   a dispute over shorter working hours or higher overtime rates; or
   (c)   a dispute over a new retrenchment procedure or recruitment policy
(5) Dispute of right or a complaint may be the –
   (a)   failure to pay an agreed wage;
   (b)   to failure to comply with a provision of an employment contract;
   (c)   breach of a collective agreement; or
   (d)   contravention of the Act

10

Talent and competency based human resource management

Introduction

The organisational life cycle theory postulates that organisations grow, reach maturity, decline and die (Cameron & Whitton 1981). However, owners, shareholders and managers want their organisations to continue to grow indefinitely. At least in theory, organisations may continue to grow, mature and avoid decline and death if they can sustainably adopt management models that keep the organisation competitive. With regards to people management, McClelland (1973) and Peters & Waterman (1982) suggest that managers seeking to keep their business competitive will always strive to attract, utilise, and retain the most talented and competent staff in order to continuously keep the organisation vibrant and prosperous. However, the rigidity of routine laden personnel management and an inadequate emphasis on talent and competencies under the human resource management school has led to some advances in search of the best approaches to managing human capital by filling in gaps in traditional human resource management principles, techniques and practices.

This chapter provides a brief overview of talent and competency based human resource management and how it differs from the traditional human resource management in terms of approach and technique. Therefore, at the end of this chapter the learner will be able to:
- Examine the main distinguishing features of traditional human resource management from talent and competency based human resource management.
- Use various models to develop employee competency profiles.
- Design competency based instruments for the implementation of human resource management functions in organisations.

Conceptualisation of talent and competence

Talent and competence based human resource management is an approach to managing people that incorporates talent and competency criteria in decision making, choice of techniques and activities affecting different areas of human resource management functions and practices.

What is talent?

Shoemaker (1994) in Shoemaker & Jonker (2005: 506) defines 'talent as above average gift-ness towards a task through which an employee creates added value in his or her work'. The implication is that, within the context of organisations, jobs and tasks, talent is a gift which an employee may or may not have and will define the extent to which organisations can excel through excellently done jobs and tasks. That excellence has to come from employees with excellent talents. This perspective would suggest that 'talent' is something that belongs to an individual and which has to be explored, developed and utilised by managers. The task of the manager is to identify individuals with 'exceptional gifts' or those with potential attract and reorient them to fit the organisational context. Similarly, Buckingham (2006) looks at a talent as something that has to be valuable to the performance of the individual and an organisation. However, he avoids the use of the word 'gift', perhaps because someone may 'lack' a 'clearly observable gift' but possesses the potential for development, one which can lead to rediscovering one's own talents (gifts), to develop and utilise them. Therefore, he defines talent as 'a recurring pattern of thought, feeling or behaviour that can be productively applied'. For Buckingham, a talent has to be felt or observed. It is like an artist who can demonstrate that art in speaking, writing, or playing etc. Once someone has that certain talent for art, no one can take it from him or her. However, since it is possible for talent to be developed through training and development, undoubtedly, employers would hunt for rare talents, nurture, and develop them in order to give their organisations a competitive edge.

Rothwell & Kazanas (1993) recommend that organisations manage talents strategically by adopting a holistic approach. This will involve a process of linking business/organisational strategy with a clear talent management strategy. The talent management system will involve talent identification, attraction, development and rewarding appropriately. The main indicator of an effective talent management system is the business'/organisation's achievements in terms of results.

What is competence?

The concept 'competence' has been used in general management for many decades to describe a set of attributes that lead to an employee performing better than others. Such attributes constitute 'talents'. The limitations of personnel management as a discipline and profession of people management during the late 1960s and 1970s and the evolution of human resource management philosophy in the 1980s have adapted and developed the concept of competence in human resource management more professionally. It is now common knowledge that human resource management becomes more effective when a competence framework and technique is used (Horton 2000).

Spencer & Spencer (1993: 9) define competency as 'an underlying characteristic of an individual that is causally related to criterion referenced as effective or superior performance in a job or situation'. This definition suggests that particular individual personality characteristics define what a person is and predict what he or she can do and

achieve in a particular job, and such characteristics differentiate the potential performance of one person from another. The Aristotelian philosophy of 'for every effect there is a cause', can be seen in a job situation, that good or bad job performance is caused by individual jobholders who possess specific characteristics related to the job requirement.

Therefore, competency is related to the outcomes that define effective performance. These are the aspects of the job where a person is competent; this involves things such as preparing an audit or chairing a meeting. People demonstrate competence by applying their competencies within the work environment. This means that competency is observable behaviour carried out in order to achieve the desired outcomes. In other words, it is this behaviour that underpins successful performance. For example, a successful artist should be able to entertain the audience. The ability to entertain in a specific manner constitutes ones competencies. Therefore, competence can be described as a mixture of skills, related to knowledge, qualifications and attributes in order to do a job or task. A competence will have standards that can be described as generally accepted levels or specifications of performance which set out those skills, knowledge and attitudes required to operate effectively.

Spencer & Spencer (1993) distinguish five characteristics of competences under what they call the 'Iceberg Model' that are critical for understanding the whole of competency based human resource management. The core competencies are invisible while the rest are visible. The invisible competencies are motives and traits and self-concepts. The motives are the distinctive behavioural drives that explain why an individual takes certain actions related to performance, which are not necessarily taken by another individual. The most successful leaders and managers tend to possess an urge for continuous improvement through setting demanding strategic objectives and constantly striving to achieve them. The key driving force is a sense of achievement and fulfilment. Traits are inborn physical characteristics that are required in certain jobs more than others. For example, physical appearance and eye contact matters for employees working on a customer care desk more than shop floor workers who may require more physical strength. Self-concept is what determines what we think and our own value judgement. It involves perceptions, attitudes, values and feelings. Positive self-concept is a characteristic defining successful job holders in terms of confidence, creativity, decision making, risk taking and team leading. The second category of competencies is knowledge and skills, which are visible because they are usually developed through education, training and development and can be assessed by examinations, unlike the first category, which is more intrinsic.

The desired attribute is typically what is required to provide a professional service to the citizen - client. Proficiency levels for technical and functional competencies describe the output and outcomes produced according to a proficiency scale (scale of expertise) that describes what is needed on the job using a range of designated proficiency indicators, such as quality, speed, efficiency and application etc. These exist within certain work and organisational constraints (e.g. equipment and other job aids).

The behavioural indicators for each proficiency level will include what the person does when displaying the competency. It is behaviour, action or psychomotor response that an observer can see or expect to see. Although the genesis of the concept of competence is not very clear, it started to appear more often in the 1970s when, in 1973, a psychologist David McClelland published his article in the American Psychologist Journal 'Testing for Competencies rather than for Intelligence'. In his article, the author postulates that behavioural traits and characteristics were much more effective than aptitude

tests in determining who was successful in job performance. Such traits and characteristics were able to distinguish a superior from an average performer. However, it is rather unrealistic to list, explain or describe all behavioural characteristics that define with precision what 'competence' is, mainly because some competencies possessed by a person may affect job performance but may not be clearly observable.

Boyatzis (1982) developed a model of organisational performance by taking on board employee competence, job design and the organisational context. The organisational environment includes the economy, social, political, industry, strategic positioning and competition. Fundamentally, there are three types of competencies.

- Core competencies. Core competence forms the basis of organisational strategic direction. It is what makes the organisation different from others and hence allows it to perform better than the competitors. Core competencies constitute underlying attributes, skills, knowledge, motives, perceptions and attitudes that make the organisation what it is and what it stands for. Core competencies are institutionalised and should usually be possessed by all the employees. These competencies are absolutely necessary for achieving results in the job and the organisation. The core competencies would include being hard working, having a positive attitude towards work, quality result orientation and commitment to the work.

- Leadership and managerial competencies. These are behavioural characteristics that are necessary for successful managing and leading the organisation through individuals and teams to achieve the defined vision, mission and objectives. They include having vision, creativity and innovation, strategic thinking, communication and influence.

- Functional Competencies. These are job specific competencies required to perform a task. For example, a tailor has to be competent in tailoring, and an accountant has to be competent in preparing final accounts.

Competence framework

According to Boyatzis (1982) competence framework is a total collection of clusters, competencies and behavioural indicators. Figure 10.1 displays a competence framework structure.

Figure 10.1 Competence framework
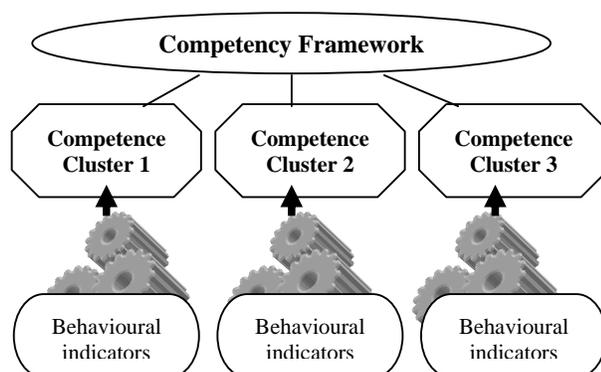
Source: adapted from Boyatzis (1982).

Figure 10.1 presents three levels that form the competence framework. These are behavioural indicators and competence clusters. Behavioural indicators are examples of effective behaviour that can be observed while a collection of closely related competencies form competence clusters.

Developing competency profiles

There are three main methods that may be used to develop competence profiles (Briscoe & Hall 1999). The first one is through research. Using behavioural interviews, the exemplary performers in a particular job may be asked to give examples of critical behavioural incidents that are critical for the success of a job they perform. These behaviours will be used to form competence clusters and frameworks for the job. For example, an employee may be asked to describe the job, role played, how he/she behaved and what was achieved. It is good practice to use a consultant to conduct the study in order to reduce bias that may be caused by lack of objective self-reflection and assessment when using one's own staff. Spencer & Spencer (1993) provide the following research guideline in competence-based type of researches:

- Definition of the criteria for effective performance.
- Identification of a criterion sample for data collection (groups of performers for comparison).
- Data collection.
- Data analysis.
- Competence modelling.
- Model validation.
- Preparations for application.

The collected data can be clustered into primary and secondary competencies and associated indicators (Emilian 2003). The second approach is through organisational development strategies (OD). This is a strategic approach for directing the organisation towards certain strategic goals that necessitate the formation and development of an appropriate set of competencies that will drive the organisational performance towards the desired future. In response to the successful 1960 Soviet mission of sending a man into space the Americans made it their strategy and objective to send a man to the moon and back again safely. This intention led to the acquisition and development of talents and competencies for the mission that were not available at the time. Today, the American scientists are leading in outer space explorations. The third approach is value based. The normative cultural values of the organisation may be used to derive a new set of competences. For example, a culture of creativity and innovation will call for competencies and behavioural indicators in creativity and innovation.

Key concepts in competency based human resource management

Castilo & Rumesh (2006) have compiled a list of key concepts from various sources that are useful in establishing a common understanding of the language of competency in human resource management. Some of these are also discussed by Spencer & Spencer (1993) and Rothwell & Kazanas (1993). These are:

- Competence identification. This is a process of discovering job competencies that are essential for a job and the organisation.
- Competency model. This is the result of competence identification. A competence model is a description of job competencies for an identifiable group such as job category, a department or an occupation.
- Competency modelling. This is the process of writing out the results of competency identification by describing the characteristics of ideal performers.
- Competency assessment. This is the process of comparing individuals in a job category, occupational group, department, industry or an organisation to the competency model that has been developed for that targeted group. While assessment dwells on 'what is' the model answers the question 'what should be'.
- Exemplary performer. An exemplary performer is the most productive performer in a job. Usually they routinely customise their work agenda. Exemplary performers have the following strong tendencies:
  1. Seek out the data and documentation needed but is unknown to others,
  2. Create highly effective job aids,
  3. Have a passion for the work they do, and
  4. Are willing to do more than is required.

Competence based human resource management (CBHRM)

This is an approach that takes on board competency principles, techniques and practices in the whole spectrum of human resource management functions. This includes the following functions:

Employee resourcing.
Resourcing strategies under a CBHRM focus on the specific value of human capital and how it should be acquired and retained. The organisational strategic plan is used to identify the talents and competencies required. Therefore, recruitment and selection strategies focus on talents and competencies rather than certificates of qualification, and experience. For example, if the organisational strategy is to achieve results through teams rather than an individual effort, the recruitment and selection process will focus on competencies for teamwork and team development. Talent and competency based recruitment and selection is the use of talents and competencies criteria as the basis for decisions regarding recruitment and selection. Spencer & Spencer (1993) have suggested important steps in the process for effective competence based recruitment and selection. They are:

- Development of competence models for recruitment and selection.
- Determination of selection methods.
- Training of assessors.
- Assess job applicants.
- Validate the assessment methods.
- Development of a database for future use.

The superiority of competency based recruitment and selection models over traditional human resource management is well summarised by Kumar (2006) on his notes on the essentials of talent and competency management that where he says that under normal

traditional human resource management, before recruitment and selection, the human resource manager would do the following:

- Clarify the position to be filled through job analysis that, in principle, depends on data from human resource plans, policies and strategies. However, since a significant number of organisations do not have robust updated plans policies and strategies, the exercise tends to be less effective.
- Review job description and specification. Job description tells us what the jobholder will be expected to do or achieve. However, it does not give more information on what attributes should be possessed by the candidate in order to perform at a superior level. Job specifications focus on qualifications and experiences that cannot predict future performance, which is essentially determined by the possession of specific talents and competencies.
- Identify sources of recruitment. Since sources of recruitment are usually colleges, labour market and from within the organisation, it is difficult to know the best sources to target if the competencies required for a particular job are not clear.
- Attract applicants through internal and external advertisement. Competencies for superior performance are usually rare and difficult to attract and retain. If competencies are well established and known, managers will have a better strategy for attracting the best candidates.
- Use selection techniques that identify the candidates with qualities that match most with job description and specification. Since job descriptions and specifications cannot predict performance, even the best selection techniques for that purpose cannot be reliable. Some selection techniques are best suited for the exploration and identification of particular talents and competencies, which cannot be found with generalised tools. For example, a combination of attributes such as communication, leadership skills, risk taking and drive for achievement can best be explored by the use of assessment centres rather than interviews or written tests.

According to Kumar (2006), contrary to the limitations of the traditional approach, competency based recruitment and selection has the following advantages:

- Competency based recruitment and selection helps to attract candidates who have characteristics that are difficult to acquire through solely training and development. Brans & Hondegem (2005) have found that while under traditional recruitment and selection educational knowledge and titles were considered very useful, the same are of little value in predicting best performers.
- Job applicants are able to outline, explain and demonstrate their qualifications and experiences in terms of competencies.
- Competency approach provides line and staff management with opportunities to jointly plan for the future development of talents and competencies.

Experiences of how effective or not the competency framework is, varies the world over. For example, in Malaysian public service, recruitment starts with the identification of competencies required by a specific job or job categories followed by the development of competence based selection techniques which cover the application form, advertisement, behavioural interview, tests, simulations and assessment centres (Azmi 2010).

Human resource training and development
The common approach in employee training and development under HRM is identifying training needs and designing training to fill knowledge, skills and attitudes gaps. Advances in knowledge management have made a significant difference between the point where training needs are identified, and the point where the opportunity to learn arises. CBHRM focuses on learning as a continuous process of improving the key characteristics of employees. The guides for what needs to be improved are the characteristics of best performers.

Competence based performance management (CBPM)
The difference between CBHRM and the traditional performance management approach may not be clear in organisations where performance systems are anchored to the organisation's vision, mission and strategic approach in managing people. However, where decisions are based on mid and annual year appraisals and ratings, CBHRM proves itself superior since the process of performance management involves a process of improving competencies that have a direct link to organisational goals and objectives within the wider context of the organisation.

CBHRM approach defines performance management as a systematic process of improving and sustaining the performance of human resources throughout an organisation. This includes acknowledging that human resource competence is a performance driver and has to be multidisciplinary and uses an integrated approach to competence assessment and development.

The limitations of traditional PMS

Traditional PMS uses the performance appraisal approach, which is open to bias and there are concerns that it does not accurately reflect an individual's performance capability.

CBPM encourages frank and non-adversarial communication between employees and their managers on performing work aligned to their competencies. Employees' work results are aligned with the achievement of the organisation's strategic objectives. It affords the opportunity to identify and develop much needed competencies and establishes a work environment where the roles, relationships and responsibilities of both managers and employees are well defined, as indicated in Figure 10.2.

The arrows in Figure 10.2 show that the major differences between CBPM and traditional performance systems is that the individual job competence requirements are based on organisational and functional competencies that are necessary for the corporate mission, goals, objectives and strategies. Therefore, the concern of managers is the extent to which individual competencies are displayed and linked to superior job performance. Therefore, areas of improvement will target specific talents and competencies. Similarly, employee reward and development strategies and activities are tied to talents and competencies identified and assessed during review and appraisal.

The establishment of individual job performance and the limitations of job descriptions
There are key differences between the traditional human resource recruitment and selection process, and that of the competency based processes. Different authors have documented their experiences and practices, which are well summarised by Kumar (2006):

Figure 10.2   Competence based performance management
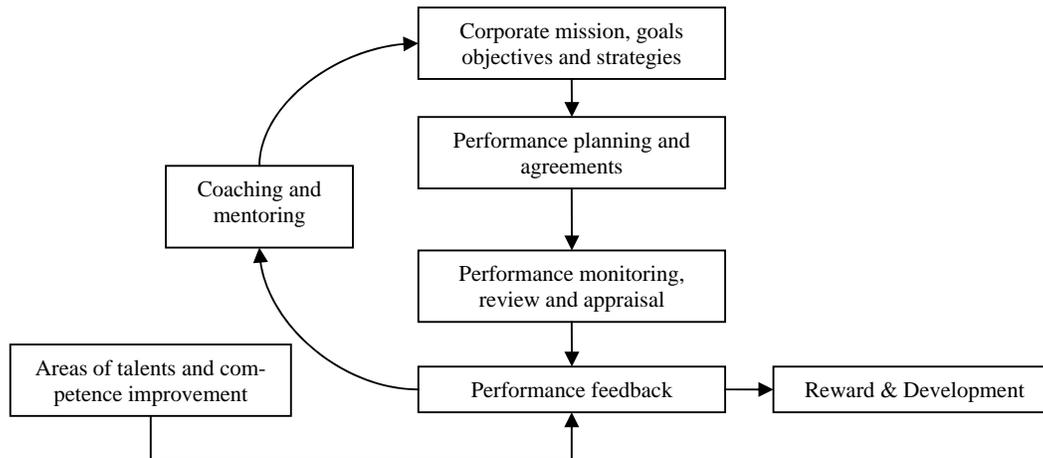
- Under the traditional approach, job descriptions tend to focus on activities or responsibilities instead of measurable outcomes or results.
- The traditional approach does not take the abstract requirements of the job into account, which compromises customer satisfaction, and cannot be written quickly enough to keep up with work changes.
- Under competence based human resource management, individual performance is determined by comparing the outputs or results with the expectations of those who receive or use the outputs. The internal and external customer is the ultimate decision maker.

Reward management

Although some organisations may use performance related pay systems to reward their employees, in practice, once an employee accomplishes what was expected, more often than not the reward is given regardless of the ability to measure the outcome. The CBHRM system rewards employees based on their ability to demonstrate specific competencies in accomplishing key tasks and responsibilities. Spencer & Spencer (1993: 305) define competency based pay as compensation for individual characteristics, for skills or competencies over and above general pay for the job in the organisation. Therefore, the performance benchmark is the exemplary performer. Therefore, employees continuously strive to improve competencies related to specific behaviour, tasks, activities and jobs in order to be rewarded accordingly.

Human resource development

Development is any means used to narrow the gap between a competency model and an individual who has been assessed. However, advances in learning organisations focus on continuous learning and development as a strategy towards organisational competitiveness. Human resource development hinges on developing knowledge, skills and attitudes mostly for managerial jobs as part of planning for the replacement of a manager. There is little to no attention paid to matching individuals with organisational

competencies. As a result, employees may be developed but cannot cope with the organisational competence as it was not suited to them. CBHRM emphasises developing core, functional and technical competencies in an integrated manner. In this case, training and development needs are identified in terms of talents and competencies and alternative courses of action are developed and implemented, based on the extent to which they can cost effectively minimise learning gaps. The major differences between CBHRM and traditional HRM are explained briefly by Kumar (2006) and are summarised in Table 10.1.

Table 10.1 Differences and similarities between CBHRM and HRM

S/N	Areas of comparison	HRM	CBHRM
1	Role of HR function	Ensures compliance.	Achieves breakthrough competitive advantage.
2	Employee sourcing	Concentrates on head count. Assumes education, qualification and experience is equivalent to the ability to perform work.	Concentrates on talents and value HR brings to the organisation. Compares applicants talents to competency models to ensure high quality work is performed.
3	Employee training	Builds employee knowledge, skills and attitudes to conform with organisations' expectations.	Builds individual competencies in line with exemplary performance to continually enhance organisational performance.
4	Performance management	Keeps costs to a minimum while providing performance feedback on their existing work output to individuals.	Increases productivity by providing feedback to individuals to help them move towards exemplary performance.
5	Employee reward process	Attracts and retains people who perform the work of the organisation.	Attracts and retains people whose measurable contribution demonstrates their ability to perform their very best.
6	Employee development	The process is vague or ambiguous.	The process is designed to help individuals discover their own competencies, help the organisation to discover the talent available for it to be cultivated.

Source: Kumar (2006).

Competencies for human resource professionals
Based on South African experience, Clark (2009) has identified desired attributes for generic human resource (HR) competencies in a South African situation. A desired attribute is a generic requirement applicable to all HR practitioners and describes the ideal attribute to be displayed by all HRM practitioners, irrespective of their position.

However, due to the complexity of competency frameworks, such attributes do not seem to be distinctly different from global experiences and trends.

Implementing a competency framework for human resource management
Usually, for the effective use of competency based human resource management, the development of organisational tailor made functional competencies for human resource job is important. The following are the important competency clusters:

Generic competencies
    a) Professional ethics,
    b) People skills, and
    c) Emotional intelligence/Cognitive personality profile.

Functional competency clusters.
   a) Business/operational strategy translation and alignment of HR management strategies,
   b) Talent management,
   c) HR administration,
   d) HR information and knowledge management,
   e) HR research and process development, and
   f) HR monitoring, evaluation and reporting.

The evolving competence approach to managing people in organisations has created the opportunity to identify key competencies required for effective human resource managers. Research conducted by Ulrich (1998) in Redman & Wilkinson (2009) shows the relative importance of some competencies over others in Table 10.2.

Table 10.2   Professional competencies in human resource management

Competence profile	% of relative importance of effectiveness
Personal credibility	27
Ability to manage change	22
Ability to manage culture	19
Knowledge of human resource practices	17
Understanding of business	14

Source: Redman & Wilkinson (2009).

A close look at the competence profiles reveals that such profiles mostly focus on leadership qualities. Managing people is about influencing others and that the influence has to come out of personal credibility, trust and a sense of commitment. This will explain why personal credibility comes at the top. Ability to manage change is next because effective human resource management goes hand in hand with creativity and innovation. New strategies, procedures, and practices, which will require both managers and employees to move out of their comfort zones through continuous learning, have to be adopted. Ability to manage and internalise changes is critical for a human resource officer. Since change management involves creating new aspects of the organisation's culture, ability to manage culture is also ranked relatively high. Human resource knowledge is also important but is ranked lower than other attributes because of the current shift of emphasis from what employees 'know' to what they are 'able to do' effectively.

The experience from West Sussex County Council

West Sussex County Council is one of the organisations that changed from using the traditional human resource management approach to recruitment and selection to competence based (Farnham & Stevens 2000). Traditionally, the council used the following recruitment and selection procedures and processes:
* Approval was sought from the top management.
* Line managers provide job descriptions and specifications.
* Job descriptions and specifications are fine-tuned by the personnel department.

- Drafts for job advertisements are jointly developed between the human resource officer and line managers.
- Information and application packs are sent to job applicants by human resource officers.
- Job applications are received by the human resource department and sent to line managers for short listing.
- The human resource officer and line managers arrange job interviews.
- Human resource department notifies candidates.
- A panel of interviewers is jointly formed with the line managers.
- Interview is jointly conducted.
- Reference from previous employers is sought and feedback is given to those who were successful and unsuccessful.
- Induction and job placement.

Observed limitations

Although the procedures and processes seemed sufficient, they had inherent limitations, and therefore required improvement (Farnham & Stevens 2000). Some of the limitations were typical of experiences common in traditional personnel management and human resource management the gap of which competence approach tries to fill and yet not good enough.

a) There was insufficient guidance and training for those who were involved in recruitment and selection.
b) There was lack of efficiency in terms of time, resources which led to poor the quality of the interview results.
c) There was inadequate guidance on the composition and operation of the interview panel.
d) There was too much emphasis on the results of interview for determining the quality of the candidates.

There were also differences in the interpretations of roles between human resource officers and line managers that had to be addressed. Other areas also needed improvement:

a) Line managers felt that the recruitment and selection function was owned by the personnel department.
b) Those in the personnel department perceived their role as one of supporting line managers and ensuring conformity .
c) Job descriptions were archaic, rigid and inaccurate .
d) The need to focus more on job families.
e) Need for consistency in layout and content.
f) The existing forms were too general. They did not provide opportunities to discuss competencies, how they are acquired and how they could be applied in the job sought.
g) Short listing was mostly done by one manager and hence subject to bias.
h) Tendencies to compare and rate job applicants with each other rather than specific criteria.
i) Tendencies to use references for fact check than assessing the suitability of job applicant.

The drive to competency based staff recruitment and selection

The adoption of competence based human resource recruitment and selection came as a result of the organisation's development project, which aimed at improving the organisation's strategy, functions and processes. With regards to recruitment and selection, the project created an enabling environment for the introduction of multi method assessment centres for job applicants, use of evidence based selection techniques and a competence based training strategy. The following elements of competences were used to improve the content, process and procedure of recruitment and selection.

- Instead of using a rigid form to record job descriptions and specifications, recruitment forms for interviews were redesigned and used as templates to be used differently depending on the competencies sought.
- Key stakeholders (heads of departments where the post was held, supervisors and other related staff and human resource officers) were involved in the interview.
- Information from interviews was further used for talent and competence development through career development programmes.
- Staff involved in recruitment were trained on how to design exercises for capturing personal and job attributes from candidates.

Therefore, according to Farnham & Stevens (2000), with the introduction of the competence based recruitment and selection system, West Sussex County Council was able to review job descriptions and specifications to reflect talents, competence requirements and behavioural indicators of different job categories and develop resource packs for all job applicants. Their other achievement was the establishment of the superior method of assessment centres rather than just traditional interviews. The West Sussex County Council experience demonstrates the application of different competency modelling approaches (Spencer & Spencer 1993; Rothwell & Kazanas 1998; Dubois 1993) but shows remarkable flexibility in competency modelling. That is, the Sussex model does not seem to closely follow the processes required in developing theoretically and methodologically sound competency models. See for example, detailed guidelines from Rothwell & Kazanas (1998 and a summary paper on competency movement by Rothwell & Lindholm 1999). However, for an organisation deep rooted in the tradition of personnel management, the Sussex case was successful and paved the way for better models in the future. Similarly, organisations need not start with complex models in order to be successful, incremental strategies may also be sufficient.

The experience from Tanzania Breweries Ltd

Tanzania Breweries Ltd which is a branch of South African Breweries, a conglomerate of SAB Miller International uses competence based human resource management models and tools in employee recruitment and selection, performance, reward, and career development. This is embodied in the corporate strategic planning and budgeting where the human resource manager is seen as a strategy partner for other managers. Talents and competencies for each job category are defined, matched with job seekers, and potential is developed through systematic career planning through the support of its own college based in South Africa. Job rotations, secondments to subsidiary companies abroad are also some of the strategies used to develop employee talents and competencies.

Review questions

1. The notion that competency based human resource management as a breakthrough in human resource management is more theoretical than practical. Discuss.
2. What is competency modelling? By using your own organisational experience, advise on how to develop competence profile for a specific job.
3. Organisations without strong foundations of performance management systems should not consider a competence based performance management system as a strategy for improving employee performance. Comment on this statement.

References and recommended reading

AZMI, I.A.G. (2010), Competency Based Human Resource Practices in Malaysian Public Sector Organisations. *African Journal of Business Management* 4(2): 235-241.

BECKER, B., M. HUSELID & D. ULRICH (2001), *The human resource scorecard. Linking people, strategy and performance.* Boston: Harvard University Press.

BOYATZIS, R. (1982), *The Competent manager: A Model for effective performance*. New York: Wiley and Sons.

BRANS, M. & A. HONDEGHEM (2005), Competency Frameworks in the Belgian Government: Causes, Constructions and Contents. *Public Administration* 83(4): 823-837.

BRISCOE, J. & D.T. HALL (1999), An Alternative approach and new guidelines for practice. *Organisational Dynamics* 28(2): 37-52

CAMERON, K. & D. WHITTON (1981), Perceptions of organisational effectiveness over organisational life cycle. *Administrative Science Quarterly* 26(523): 68-82.

CASTILO, M.A. & RUMESH, K. (2005), Strategic Talent Management *Certified Talent and Competency Professional Programme*. ARTIDO International-ITD. Unpublished.

CLARK, C. (2009), *Analysing human resource development needs in public service. The experience from South Africa*. Department of Public Service and Administration. Unpublished.

DUBOIS, D.D. (1993), *Competency Based Performance Improvement. A Strategy for Organisational Change.* Amherst: Human Resource Development Press.

EMILIAN, M. (2003), Linking Leaders' Beliefs to their Behaviours and Competencies. *Management Decision* 41(9): 893-910.

FARNHAM, D. & A. STEVENS (2000), Developing and implementing competence based recruitment and selection in a social services department. A case study of West Sussex County Council. *The International Journal of Public Sector Management* 13(4): 369-382.

HALE, R. & P. WHITLAM (2009), *Target setting and goal achievement*. New Delhi: Kogan Page.

HORTON, S. (2000), Introduction. The Competency Movement: Its Origins and Impact on the Public Sector. *International Journal of Public Sector Management* 4(13): 306-318.

KUMAR, R. (2006), *Essentials of Talent and Competency Management. Certified Talent and Competency Professional Programme*. ARTIDO International-ITD.

MCCLELLAND, D.C. (1973), Testing for competence rather than for "intelligence". *American Psychologist* Januari: 1-14.

PETERS, T. J. & R.H. WATERMAN (1982), *In Search of Excellence.* New York: Harper and Row.

PRAHALAD, C. & G. HAMEL (1990), The core competences of the corporation. *Harvard Business Review* 68(3): 79-91.

SCHOEMAKER, M. & J. JONKER (2005), Managing intangible assets: An essay on organising contemporary organisations based upon identity, competencies and networks. *Journal of Management Development* 24(6): 506-518.

SPENCER, L.M. & S.M. SPENCER (1993), *Competence at Work: Models for Superior Performance*. New York. John Willey and Sons.

REDMAN, T. & A. WILKINSON (2009), *Contemporary human resource management*. Essex: Pearson Education Ltd.

ROBERTS, G. (1997), *Recruitment and selection: A competence approach*. London: IPD.

ROTHWELL, W. & H. KAZANAS (1998), *Mastering Instructional Design Process. A Systematic Approach*. San Francisco: Jossey Bass.

Rothwell, W. & J. Lindholm (1999), Competency Identification, Modelling and Assessment in the USA. *International Journal of Training and Development* 3(2): 90-105.

Varkkey, B. & G. Dessler (2010), *Human resource management*. New York: Pearson Prentice Hall.

Whilddett, S. & S. Hollyforde (1999), *The competence handbook*. London: IPD.

Worskhop of MORUWASA, the Morogoro Urban Water Supply and Sewerage Authority

<div align="right">

11

</div>

International human resource management

Introduction

Increasing competition in global business has created new challenges for multinational corporations (MCs) on how human resources are best managed. Globalisation has also meant that international business has to be managed in a diverse multicultural environment comprised of different infrastructural systems, levels of economic development, religions, values, ideologies, education, and social structures (Hollenbeck & Wright 2007). However, even domestic organisations cannot operate without the influence of globalisation, which calls for an adjustment of 'the way things are done at home' in order to remain competitive within a global context.

   Therefore, international diversity and globalisation are key drivers of international human resource management (IHRM). Schuler (2000) puts it in the right context as he argues that the complexities of operating in different countries and employing different national categories of workers is the key element that distinguishes domestic from international human resource management. This chapter is devoted to addressing human resource management issues at the international level and their influence on the way human resource functions should be handled and their implications in international business competitiveness.

By the end of the chapter, the learner should be able to:
- Distinguish domestic from international human resource management,
- Examine the international environmental factors that affect human resource functions,
- Establish a link between international human resource management and MCs competitiveness and
- Appreciate techniques for handling challenges of managing a multicultural workforce.

The concept and reasons for IHRM

Over the past two decades we have witnessed major organisational changes worldwide such as mergers, acquisitions, and partnerships in order to face the international business environment in a more competitive manner. These changes have led to the opening up of branches abroad where both local people and foreign expatriates work together. These changes have given rise to international human resource management, which entails performing human resource functions by taking international diversity on board in socio economic development, culture, religion, ideologies, values, social structure and expectations in order to gain a competitive advantage. Michael Armstrong looks at IHRM as 'the process of employing, developing and rewarding people in international or global organisations' (Armstrong 2006: 99). In this regard, it is observed that there are several factors that have pushed for the need to have IHRM as a distinct field within in HRM. These are:

The increasing globalisation and growth of multinational corporations.
Today, geographical distances between one continent and country and another is no longer a problem. We are virtually living in a global village where improvement in science and technology has drastically reduced market information barriers. Market information from one continent or country to another can be obtained within a minute of clicking a button on a computer connected to the internet. This has immeasurably contributed to increasing awareness of new markets, formation of more MNCs and at the same time stiffer competition at a global level.

Ability to manage multicultural workforce as it influences performance.
Going international also means accepting the rules of the game in international business. Such rules include the ability to manage a workforce with different backgrounds under the same roof through strategies that optimise diversity in order to produce goods and services that can compete both locally and internationally. Studies in large American firms have shown that organisations with a multicultural workforce (Whites, Mexicans, Afro Americans, Indians, and Japanese) were performing far better than those without.

Shortage of managers with competence to manage MNCs.
The demand for knowledge, skills and the right attitude for international jobs has been increasing over the years. International managerial jobs require multiskilled staff. It is difficult to get those people because knowledge and training in international business operations in a multidisciplinary approach is still new relative to the historical traditions of specialised training which focused on specific disciplines and professions.

It is expensive to fail in international business
It is a very expensive and risky endeavour to establish an international business because of the initial and operational capital requirements as well as the possibility of a change in the political or economic environment. Human resources as the manager of other resources can cause the success or failure of a business. For example, unqualified marketing staff can potentially cause the loss of market share and a damage of reputation to overseas customers. This cannot be tolerated. Therefore precautions have to be taken right from recruitment level.

The experience of expatriate failures

Lessons from earlier expatriates who were assigned jobs abroad have also had an impact in the development of IHRM. Frustration due to the inability to cope with the demands of a multicultural workforce and community led to many resignations and pressure for research and training in diversity and coping strategies.

Salient features of IHRM

Torrington (1994 in Armstrong 1997), identified seven features that characterise IHRM.

1. Cosmopolitan nature of the employees. That is, employees tend to be either members of high level elite who work as coordinators or expatriates; they are constantly on the move between one country to another.
2. Culture. There are major differences in their cultural backgrounds.
3. Rewards. There are differences in pay and other benefits between international and local staff.
4. Communication. Effective communication is maintained between the metropolitan and peripheral offices. There is a wide use of multilingual media communication.
5. Consultancy as modus of operandi. In most cases, international staff are brought in to provide local consultancy needs.
6. Focus on competency. There are specific efforts to develop different ranges and levels of competence for staff in order to match global demands.
7. Coordination. There are strategies to bring together and closely manage different functions across borders.

International diversity and IHRM

As was noted in the introductory part of this chapter, countries and their people are different. Such differences have implications on what can and cannot be done and even how to do it in people management. For the purpose of simplicity, these diversities are organised into three main blocks: economic, human capital, and culture (Leopold *et al.* 2005). These factors explain the extent to which human resource management functions may take different forms and encounter challenges depending on the seriousness of the impact of such factors.

Economy

The level of economic development of a particular country is determined by many factors, including the gross domestic product (GDP), the rate of inflation, the extent of infrastructural development (roads, electricity, telephone, railway network), the extent of poverty in the majority of the population etc. In the 1970s and 80s, there was a strong dichotomy between the so called developed and underdeveloped countries. The former constituted most European countries, Russia, North America, Australia and Japan, while the latter referred to Asian, African and Latin American countries. In the 2000s, a serious ambiguity was observed in this dichotomy. Some economic analysts were afraid to call China, North Korea, Thailand, Malaysia and some others 'developing countries' because of vast developments levels reached by such countries in the last two decades; whereas Africa, on the other hand, continued to be seen as being deeply rooted in the mire of poverty in various forms. Due to low levels of development, international human resource managers working in poor countries (mostly in Sub Saharan Africa and

the Caribbean) face peculiar challenges, which are by and large different from those experienced by their colleagues elsewhere. For example, high inflation would usually affect staff purchasing power and hence the need to continuously adjust salaries. Unreliable supply of electricity would usually cause frustrations not only in production but also in ability to communicate or live in a comfortable home. Widespread poverty in the community may lead to local staff spending a substantial part of their salaries and benefits on supporting those in the neighbourhood and relatives thus reducing their consumption basket. This may trigger undesirable consequences including theft, corruption, and engagement in moonlighting activities at the expense of the organisation. There are a myriad of cause and effect relationships between low level of economic development, effectiveness in human resource functions and performance of MNCs.

Human capital
The quality of primary education, vocational training, university education, and professional training varies across countries. It is not possible for a poor country to afford the luxury of quality education of an international standing for a sizeable proportion of the workforce, let alone basic literacy. Difficulties in recruiting local staff with sufficient competence in communication, numerical, and computer skills are some of the manifestations of low quality of education in poor countries. There are also cases where poor countries have excelled in some disciplines attracting recruitment from world class MNCs. India is a case in point where it has some of the most renowned specialists in medicine and computer science. Even where the country has strong human capital, language barriers have a strong correlation with employees' ability to display his/her levels of competence. Differences in the quality and number of qualified local staff have unnecessarily led to the employment of expensive expatriates, which also complicates other human resource functions.

Culture
Beach & McKenna (2002) describe culture as constituting values, attitudes, beliefs, assumptions, action, and procedures that people adopt in their life. Cultural orientation is a result of historical development of society within a certain environment. Employees are drawn from different cultural environments and therefore see the world in different ways. Religion and social structures are major influences on cultural diversity across the globe. Table 11.1 displays the main tenets of national culture.

Table 11.1   The nature of diversity in national culture

Communication	Beliefs	Social
Language	Religious	The power of kinship
Dialects	Taboos	Nationalism
Media	Rituals	Social classes
	Holidays	

Beliefs, communication and social structures are key areas that make up culture and distinguish one society from another, as do employees' attitudes and values from one country to another. These major building blocks of national culture are well developed by various researchers worldwide. The most outstanding work is that of Hofstede

(1980) which identified cultural dimensions that affect international organisations. These were later put into dualities (Bento & Ferreira 1992), and were adapted by Schuler (2000) and are hereby re-adapted as shown in Figure 11.1.

Figure 11.1 Cultural dimensions in IHRM

Duality dimensions of culture	
Equality	Inequality
Certainty	Uncertainty
Controllability	Uncontrollabil-
Individualism	Collectivism
Materialism	Personalisation
Time conscious	Laissez faire
Risk taking	Risk averse
Need for achievement	Complacency

E F F E C T S

Differences in:
1. Defining effective manager
2. Providing face to face feedback
3. Readiness to accept international assignments
4. Expectations of manger/subordinate relationships
5. Pay systems and concept of justice
6. Approach to the organisational restructuring and strategic dynamics
7. Meaning of time deadline
8. Meaning of good performance

Source: adapted from Schuler (2000).

Figure 11.1 depicts dual dimensions of culture depending on continent; country and organisation have effects on perceptions and interpretations of organisational effectiveness as shown by the arrow. These differences are sources of challenges in human resource management in internationally based organisations or those that interact with international firms. Therefore, as well advanced by Sparrow & Hiltrop (1997), international human resource management concentrates on functions and activities in relation to relocation, orientation, and translation of services to help employees adapt to a new international environment. In this case, the human resource department overseas must be responsive to the cultural, political and legal environment of the host country. However, the bigger the cultural differences, the more complex managing people in an international setting becomes. Sometimes foreign staff have to be assisted in adapting to the situation rather making human resource functions flexible to the level desired by all international staff, as it may not be realistic.

Sources of human resources in an international organisation

The sources of human resources in international organisations are expatriates, host countries and third parties (Scullion 1995; Gomez-Mejia *et al*. 2009). There are several advantages with each source of human resources as shown in Table 11.2.

Table 11.2   The relevance of expatriates, host and home country staff

Host country	Home country	Third party country
1. Less cost	Competence	Broad experience
2. Preference by host country	Greater control	International outlook
3. Knowledge of the environment	Experience	Experience
4. No language barrier	Barrier	Multilingual

Source: Scullion (1995).

Data in Table 11.2 suggests that depending on whether the country is a host, home or third party to the staff, there are advantages and preferences assigned to each scenario. For example, for a host country, domestic staff will be cheaper than foreign and hence more preferred but they may not be as competent and experienced. Similarly, the host country will have greater control over local staff but will miss the gains of an international outlook from foreign staff.

International human resources management activities

Recruitment and selection

Recruitment for international human resources should allow opportunities for people outside the country to get information and apply. The media could be international magazines and websites. Prior to advertisement, permit to recruit from abroad has to be sought from the government. Selection criteria differ across cultures. Although merit is dominant, some countries like India consider things like family ties, religion, social status etc. as being important.

In the selection process one needs to consider the job requirement and the cultural issues that require adaptation. Where the job involves frequent contact with the local community – the local person will be preferred as long as he/she has the minimum qualifications. In selecting expatriates, core skills should be considered. These include among others:

1. Multidimensional perspective – product, industry functional, company, environmental experience.
2. Proficiency in line management positions.
3. Prudent decision making skills.
4. Resourcefulness – skills in getting self-known.
5. Cultural adaptability.
6. Cultural sensitivity – ability to live with diverse culture.
7. Team leading.
8. Physical fitness and mental maturity.
9. Having vision.
10. Ability to manage change.

Training and development

Skills necessary for a global manager will include language proficiency, management of diversity, cultural issues in management, interpersonal relations, team building and current issues in economics, politics, technology, marketing and the like.

Performance appraisal

In order to meet the requirements and expectations of each stakeholder, the 360 degree approach should be used. This states that it is good practice to get assessment from peers, subordinates, clients, associates and all other people who have contact with the staff including their own manager at the home country if staff are working in a foreign company branch.

Rewarding

As noted earlier, there is no perfect way to reward staff because of individual differences and other reasons depending on the context. Usually, when monetary rewards are used, domestic factors such as the cost of living and the alien working environment are considered one of the stress factors which should be rewarded. Therefore, managers need to be cautious with the motivational use of incentives and rewards in foreign countries. Matching rewards with what is considered acceptable in the culture of that member of staff, this includes piece/hour rates, seniority, and legislation,

Industrial relations

The management of industrial relations differs from country to country, especially in the following areas:
1. The scope, degree and extent of legislation,
2. The power of trade unions,
3. The extent to which the government can effectively intervene and
4. Management being committed to worker participation in management.

In this case, the management of industrial relations will be greatly influenced by the degree to which the organisation is international and the number and positions of expatriates. Therefore, there is a need to reconcile the differences with a common sense. Some organisations use laws applying in their own home countries with limited flexibility in the host country. When in doubt, embassies of the home country or the ministry of foreign or internal affairs should be consulted.

Experiences from Equatorial Guinea, Angola and Mozambique

Equatorial Guinea, Angola and Mozambique offer good insights, as described by Redman & Wilkinson (2009) on the human resource management challenges facing African countries when multinational companies are involved. In Equatorial Guinea, multinationals in the oil sector including ExxonMobil and Schlumberger use expatriates in almost all technical and managerial positions, this is largely thanks to the poor education system that does not prepare local people with technical and managerial competencies required. Lack of skills has also frustrated the establishment of refineries in this country. As a result, crude oil is shipped directly to the USA for further processing. This has denied the country not only industrial growth through linkages but also the opportunity to employ the local people thus generating income and economic growth. Where recruitment is conducted locally to cover very low positions that are mostly labour based, the job is contracted to the labour bureau, which is controlled by the ruling family that is also in charge of pay and discipline. Thus, human resource spill over effects which should occur as a result of internal business including opportunities for learning from other nationals, career development, and better rewards are almost non-existent. The

case suggests that the way companies operate is almost like in America. The major difference is just geographical location.

Angola is a different story because multinationals in the oil sector have recruited Angolans in most of the technical and managerial positions due to the availability of the required competencies (Redman & Wilkinson 1999). These achievements were a result of an earlier government decision to train Angolans abroad in different disciplines, including engineering. This has helped the multinational companies to reduce the labour costs of employing expatriates and also open up industrial linkages with the oil production. This is a case of a win – win situation in international human resource management.

In Mozambique, where local people are employed and have a big role to play in decision making on human resource management, human resource functions are highly influenced by cultural factors common in Africa. This includes networking in recruitment, use of informal training, poor pay, informal concessions between managers and staff, willingness to adjust working conditions to suit individual interests, willingness to provide leaves at short notice, and pay salaries in advance when in difficulties. However, in a good number of foreign companies, particularly South African, human resource practices are advanced but moderated to take care of the local environment without jeopardising performance and profits. Therefore, these three cases give credit to the role of the domestic environment in determining the extent to which host organisations and countries can gain or lose from globalisation in human resource management. In these cases political and cultural factors seem to be predominant.

Coca Cola Kwanza Tanzania Ltd

Coca Cola Kwanza is a subsidiary of South African Breweries Company Ltd and has adopted human resource management policies similar to those that apply in South Africa, and their branches in other countries including Kenya, Uganda, Ethiopia, Namibia, Mozambique, Vietnam, and Singapore. It is noted that human resource laws in these countries matched with South African laws or were reviewed to accommodate legal requirements of foreign companies. This was a necessary step for attracting foreign direct investment. For example, the Tanzanian employment and labour law of 2007 has all the necessary legal provisions applicable anywhere in the world. In terms of human resource management functions, there are flexibilities. For example, while the government regulations would state that pay for employee transport during leave should consider the place of birth, in Coca Cola Kwanza, all employees are paid a flat rate of Tshs 135,000. Salaries are based on performance and the cost of living, standard of living of a particular country and the rate of inflation are taken into consideration. For example, in Tanzania, the minimum salary is Tshs 150,000 per month. Depending on the extent to which the employee is able to exceed performance targets, the salary can be increased incrementally up to Tshs 300,000 per month for the same employee.

Review questions

1. What do you understand by the phrase 'International human resource management'?
2. Examine the factors that influence the management of human resources in multi-national corporations.
3. Identify and examine the necessary skills required for an international job.

References and recommended reading

ARMSTRONG, M. (2006), *A Handbook of Personnel Management Practice*. London: Kogan page.

DESLLER, G. (2005), *Human Resource Management*. New Jersey: Pearson Prentice Hall.

GOMEZ-MEJIA, L., D. BALKIN & R. CARDY (2007), *Managing Human Resources*. New Delhi: PHI Learning.

LEOPOLD, J., L. HARRIS & T. WATSON (2005), *The Strategic Managing of Human Resources*. Harlow: FT Prentice Hall.

NOE, R., J. HOLLENBECK, B. GERHART & P. WRIGHT (2007), *Human Resource Management*. Boston: Mc GrawHill.

REDMAN, T. & A. WILKINSON (2009), *Contemporary human resource management*. Essex: Pearson Education Ltd.

SCHULER, R. S. (2000), The Internationalization of Human Resource Management. *Journal of International Management* 6: 239-260.

SCULLION, H. (1995), International Human Resources Management. In: J. Storey, ed., *Human Resource Management*. London: Routledge.

SHERMAN, A. (1998), *Managing Human Resources*. Cincinnati: South-western College.

CRDB Bank, Morogoro branch

Recruitment and performance appraisal in the public sector

'Leaders should be bound only by rules that would lead to success.'
(Machiavelli, 1469-1527)

Introduction

For the past decade or so, academics, civil servants and politicians have been working together towards building human resource capacity for better human resource performance in Africa (McCourt 2001; URT 2004; Debrah & Ofori 2005; Michael 2005; Kiragu & Mutahaba 2006). Discussions often point out the challenges facing human resource management in Africa. Recruitment and performance appraisal functions in the public sector are some of the key areas of concern and that are still valid today and will continue to be so with limited improvement in the coming decade (McCourt 2001; Michael 2005; Awortwi & Vondee 2007; Mulikita 2007).

The chapter is a contribution to the above noted on-going efforts and discussions on improving human resource management in Africa. It examines the emerging discrepancy between the expectations of employee recruitment and open performance appraisal. The argument that runs through the chapter is that upon first glance, the recruitment and performance appraisal processes in the public sector in Tanzania, as it might be in Sub Saharan Africa, seem to be fairly generic in terms of objectives and methodology. However, the process has remained with little or no relevance to the job performance or even at times has become detrimental to job performance itself. As a way forward, an alternative model is proposed which provides lessons for African countries. The data on which the chapter is based was drawn from recruitment and performance management practices of 9 ministries, 5 local authorities and 3 executive agencies in Tanzania from 2005 to 2008. The study was made from a sample size of 250 top, middle and lower level civil servants. The intention of this investigation was to explore the preparation, processes and techniques of getting people into organisations and per-

formance appraisal practices. More importantly, the critical issues were on the way employee-employer expectations were captured in writing job descriptions and specifications, job performance indicators, and the diversity in terms of expectations of both job seekers and employers. The analytical tools used here are mainly content and discourse.

Therefore, at the end of the chapter, the learner should:
- Be aware of the implications of poorly developed staff recruitment strategy on open performance appraisal,
- Be able to develop an effective recruitment and selection strategy, and
- Be able to develop an effective performance management tool.

Theoretical framework and the position in Africa

Managing employee-employer expectations for improved organisational performance by focusing on recruitment and performance appraisal has its origin in many theories, here three will be examined further. The first one is planned behaviour theory (Sheera & Orbell 1998) where the emphasis is on the quality of the messages employers send to employees including job descriptions, specifications and performance appraisal. The guiding philosophy is that wrong messages (through communication) give rise to the wrong expectations. Therefore, messages that create wrong expectations in recruitment and performance appraisal practices should be avoided.

The second theory in understanding expectations in recruitment and performance appraisal is institutionalism (Lado & Wilson 1994). This theory asserts that managing employee-employer expectations (as portrayed in attitudes, values) in a formalised and objective manner, as part of the organisational culture, is essential for encouraging strong employee commitment to the organisational mission, goals, and objectives. The third one is human capital theory (Schuler 2000). Schuler says that organisations cannot get the best from employees without investing in areas where their needs and expectations lie.

These theories are not only useful in understanding how best to recruit and appraise employees but also the challenges we face in improving human resource management in Africa. Indeed, directly, or indirectly, the on-going reforms in the civil service are a reflection of the recognition of the powers of these theories (and many others) in the search for the best alternatives in developing a strong and sustainable workforce.

As we go on reforming the civil service in Africa, we have already documented evidence on the status of human resource management. As for recruitment and performance appraisal, there is plenty of evidence suggesting that African countries have managed to institutionalise recruitment and appraisal systems in human resource management policies and legislation (Kamoche *et al.* 2004, Hassan 2007). However, there are also criticisms that although recruitment and performance appraisal practices are more systematic and fairer than was the case a decade ago, the differences between the formal view and wishes about recruitment and appraisal and the actual practices are worrisome because of substantial deviations from good practices

Incidences of following recruitment procedure as a justification for recruitment rather than the means of ensuring that organisations acquire the best human resources have remained a problem (Aryee 2004; Beugre 2004; Wong-Ramgutty 2004). Poor development and use of job descriptions and ineffective performance appraisals systems are also noted in sub Saharan Africa (Mpabanga 2004; Ahmhidie 2004). The main prob-

lems concern vague and misrepresentative job descriptions and specifications, poor links between job descriptions, specification, selection tools and the job requirement in the present and in the future. One of the research findings shows that fifty seven percent of staff in one of the local authorities had not read their job descriptions although they had jobs to perform (Hassan 2007). However, reading job descriptions may not add value to what they do because of the mismatch between what they do and what they are officially employed to do.

There are also negative attitudes among employees and employers on the content, processes, objectivity, and usefulness of performance appraisals. Tanzania shares the same experiences, which this chapter further elaborates. It focuses more on these limitations not necessarily in terms of the differences between what is done as opposed to what ought to be done, but rather the often forgotten mismatch between the reality and expectations of both employers and employees as an inbuilt process in recruitment and open performance appraisals. The following section is devoted to exploring the mismatch.

The link between recruitment and open performance appraisals

Institutional framework for recruitment and appraisal
Before we look at the mismatch between recruitment and performance appraisals, it is worth highlighting the institutional framework that guides the process. In Tanzania, recruitment and performance appraisal are guided by several regulations. These are: public service management and employment policy 1999, public service act no. 8 of 2002, presidential circular no 1 of 1998. Others are the public service regulations 2003 (government notice 168) and public service scheme 2003 and the guidelines on the employment practices in the public service no. 1 2004. The employment committee in the ministry, local authority or executive agency is responsible for ensuring that there is competitive and fair recruitment procedure and practice. Therefore, the process of appraisal is conventional in terms of procedures and instruments used to get people into the public office. These include job vacancy creation, advertisement, short listing, and selection. It is also important to note that fairness here does not mean that other problems raised in other African countries are lacking. It is fair in the sense that there are better formal procedures and guidelines used compared to before the reforms, which is a step forward.

On performance management, the government uses performance management technique abbreviated as OPRAS (Open Performance Review and Appraisal System) in order to monitor and assess individual job performance. It is a contract between the employer and employee to deliver quality services to the people. The thrust is on performance improvement based on joint problem solving rather than evaluation and control, although at the end there are also 'carrots and sticks'. Whilst this technique is plausible, there are problems such as a lack of serious preparation for the appraisals, negative attitudes towards the utility of the exercise, and lack of serious commitment for some key staff in the appraisal work.

Recruitment
The starting point in exploring the mismatch between employee recruitment and open performance appraisal expectations is to answer two related questions. The first one is why does a public office need to recruit? The answer to this question may seem simple

and obvious; however, it is a very difficult one. For example, most employers share the opinion that the reason for recruitment is to fill a vacant post. Although this is true, there is always a danger of underestimating the meaning of vacancy, the indicators for a vacant post or the vacancy itself. Most officials in the public service thought that recruitment is done in order to replace former job occupiers who were no longer there due to:

1. Deaths
2. Retirement
3. Transfer
4. Promotion
5. Dismissals
6. Resignations

This is a fair answer for a bureaucrat who has limited time to do critical analytical work. Even the literature on human resource management in Africa does not seem to suggest that there are significantly better justifications for why the public office recruits except in situations where a new office or project is opened. It is important to note that all these reasons given here are just symptoms of possibilities of the existence of vacancies and not measures of the presence of vacancies. The need for recruitment should be based on the quantity and quality of the job and the requirements for the jobholder now and in the future and not on the number of employees the organisation is supposed to have. Recruitment based on what the establishment indicates, as is practice in the public sector, can be misleading. When you recruit when you are not supposed to, or recruit a person for the job which is not there, or you are not sure of the critical competencies required and worse still, you cannot pay the employee well you find yourself sliding away from good practices in human resource recruitment and selection. It is time you started nurturing the mismatch between employee-employer expectations in employment relationships.

A review of the 17 cases shows that more than seventy five of the job advertisements have serious limitations in what the jobs aimed to achieve, or should achieve, and critical knowledge, skills and competencies required. In some cases, the reward part of the advert creates negative expectations for job seekers because the whole message is 'asking a lot but not ready to reward accordingly'. The implication is that since employment is a contract of give and take, both employers and employees cannot be expected to ask each other what was not expected in the initial terms and conditions of employment. This is where the second question comes in - why do people apply for certain jobs? What are their expectations? Data in Table 12.1 gives a general picture.

Table 12.1 Job seekers expectations

SN	Employee recruitment expectations	%
1	Relatively fair pay	90
2	Opportunities for career development	60
3	Good working environment	60
4	Security of employment	70
5	Location of the organisation	75
6	Be able to solve family problems	55
	Average	69.5

Data in Table 12.1 suggests that job seekers have high expectations on rewards and the working environment. Where employees' expectations through job adverts are high, it is a problem because if such expectations cannot be met in the real job situation it leads to employees' dissatisfaction, low morale, and poor performance. Even where expectations during recruitment were low, as from the very beginning there were no high expectations from both the employer and the employee, not much will be expected in terms of real job performance.

Unfortunately, due to the way most selection interviews are conducted and the contents of the questions designed, it hardly gives an opportunity to obtain data that would reconcile employee-employer expectations in an objective manner. Where it is possible to reconcile such expectations, it does not appear to be in the interest of both the job seeker and the employer where job opportunities are scarce and better qualified people do not apply for the job. However, even where expected, those who sit on the interview panels have clear expectations of the job and the organisation they represent, some studies show that sixty nine of the respondents do not believe that members of panels are well practiced in interviews and they conduct them poorly (Mushi 2008).

The limitations on recruitment have a negative effect on performance appraisal because of perceptions gaps in what is or should be expected of the employee and the employer after employment. Data in Table 12.2 show that most employees do not have their expectations met when they join the public service.

Table 12.2   Employee dissatisfaction with jobs and organisations

S/N	Having expectations met after recruitment	% dissatisfied
1	Relatively fair remuneration[1]	88.2
2	Equal reward for equal job	70.0
3	Good working facilities	61.8
4	Enough and enjoyable job	86.1
5	The future of the job and the organisation is bright	72.0
6	Career development	52.0
7	Good transport	67.6
8	Effective communication	68.0
	Average	70.2

Data in Table 12.2 shows that more than seventy of the employees reported that the jobs and organisations did not meet their expectations and therefore they were very dissatisfied. Dissatisfaction in the job and the organisation due to failure to meet preconceived expectations during recruitment is a strong reason for poor performance in the public sector.

Open performance review and appraisal system
A review of the open performance review and appraisal model in Tanzania (OPRAS) reveals that it is part of the performance management system (URT 2004). Ministries, departments and agencies would create strategic, operational and action plans as highlighted in the national reform agenda within the new public management conceptual

---

1.   The ongoing reforms include salary improvements. The target was already 86.1% (URT 2004) and still not satisfied. Currently, there is presidential commission advising on best pay packages

framework. This facilitates the establishment of client service charters. These are prom-ises made by public servants to the citizens to behave in a particular way and to meet a series of self-imposed standards that meet the public's expectations. These standards are typically found in terms of quality, quantity, and timeliness of service delivery. This helps to formulate service charter performance standards and targets, and the means to achieve them. To operationalize OPRAS, each superior would sit with the subordinate at the beginning of the year to sign performance contract that would form the basis of the appraisal. The OPRAS system in Tanzania is shown in Figure 12.1.

Figure 12.1   Performance appraisal and review system in Tanzania
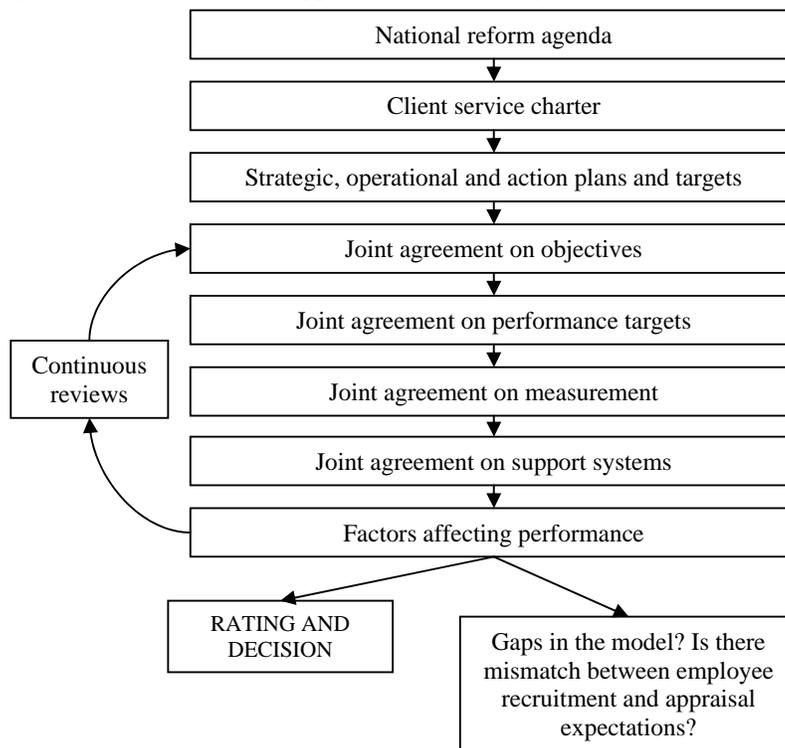
Source: constructed from guidelines and practices in Tanzanian public service.

The emphasis in this model is on the power of the participatory approach in developing and managing job performance systems in the public service. The phrase 'joint agree-ment' seen in this model is common in any performance management discourse. How-ever, although the phrase sounds powerful and indeed convincing, we also need to be cautions of the meaning and implications for the superior and the subordinate and also if the phrase really does the job of 'bringing the minds of the employer and the employee together' in the process of performance management. Given the outsourcing of some public services, decentralisation and the continuous pressure from many reform strate-gies, it is hard to tell whether there are objective and realistic job descriptions for public servants. This also casts doubts on whether the real objectives of each job and jobholder are ever set and known.

For example, when the employee or employer claims that certain objectives in the appraisal process were agreed upon, what does it really mean? Is it an agreement on the objectives of the job that they were formerly employed for, the current job, the one written on the job description list, the one the boss 'knows', the one expected by the employee, the employer or both? It makes sense that the 'expected' job objectives of both the employer and the employee should override the rest, although the concept 'expectation' suggests that the joint agreement is a controversial issue and a grey area that may undermine the good intentions of the appraisal model if not handled carefully. That is when the employer sits with the employee to agree on a performance contract it is like saying that forget about your past performance and now let us plan to do government business based on our present expectations. It is the time the employee will sit with the employer to discuss how to run the business of transacting government business through OPRAS. This will call for each partner to put his/her cards on the table. For the employee, what matters is to fulfil the expectations that were the drivers for seeking the job and may also be changing overtime. If the employer has started 'a new business' with new objectives to accomplish (as of now the public service charter) the level of employee commitment will depend on how expectations are identified, addressed and met in the process of achieving the charter-related objectives. This is something the current model has not been able to address effectively.

The model seems to take the fact those employees will be able to achieve their expectations for granted when agreeing on how the employer will support the process of job performance. But this assumption may be right where the employee and employer will be aware or remember to raise issues to do with identifying and addressing such expectations objectively and reaching a common understanding based on fair play. However, there is no strong evidence to suggest that the existing relationships between the employees and employers during open performance appraisal would allow room for the level of fair bargaining presupposed in the model.

The support systems section where such issues could be addressed has mostly remained in the form of the provision of working facilities, provision of data, payment of overtime allowance and some kind of training. Therefore, in order to improve the appraisal process, a section devoted to the identification, assessment and agreement on employee and employer expectations, as indicated in Tables 12.1 and 12.2, is important. The section on factors affecting performance is important because it shows the need to explain both positive and negative factors that influenced performance. This is useful for improvement. However, leads to the supposition that the appraisals focus more on expectations because if the performance contract does not meet expectations, performance may still are low with a list of excuses as appendices that cannot help job performance, individual jobholders, or the appraiser.

In terms of the efforts to make the appraisal system work, some positive steps already seem to have been taken by some ministers, principal secretaries and directors which include sensitisation of staff. However, the pace at which the system is put into practice is disappointingly low due to a number of reasons, some of which have already been mentioned as based on general African experiences as well as a lack of readiness to accept it. Some of the reasons relate to the discrepancy between employee and employer expectations already discussed at length. The experience from the ministries, departments, and agencies in Tanzania shows that more than fifty percent of the employees neither consider open performance appraisal a useful instrument in improving performance nor do they have any serious commitment to the appraisal process itself.

More striking is that these are the same employees with high levels of dissatisfaction with the job. Indeed, the appraisal system is also contextualised on the false assumptions that the recruitment process was based on sound principles of merit and fairness. However, as correctly concluded by Okpara & Wynn (2008) in their study of Nigerian cases, networking through the informal side of the recruitment equation has a major role to play in explaining why people get jobs and that they may have failed to perform before they even start working. Employee appraisal becomes a futile exercise. Since it is somehow common knowledge that there is a very close link between employee dissatisfaction and poor job performance, an appraisal process that does not reduce employee dissatisfaction is not effective. Thus, common wisdom would tell us, that there is no point to sitting with a dissatisfied employee to plan for a serious performance management system that does not first of all, start by addressing the causes of dissatisfaction and how to deal with them. Some causes of dissatisfaction are as old as the job.

The alternative model

The arguments raised in the previous section conclude that the current OPRAS model is useful and perhaps could be amended to incorporate the suggestions. However, thinking of an alternative and perhaps a better model is also a step forward. The alternative OPRAS model that addresses the mismatch between employee and employer expectations is proposed in Figure 12.2. The figure complies with the former framework (Figure 12.1) in that the open performance appraisal system has to be guided by the national reform agenda, public service charter, strategies, objectives and targets. However, the remaining components of the model are reviewed to establish the required direction in the suggested model on the following areas, as shown by the flow arrows.

- *Required* individual objectives and outcomes as shown in the model are important because requirements for the achievement of the objectives and targets in the public service charter will determine the demands on the part of the job holder and the challenges in meeting *expectations* (Investing - human capital theory)
- Joint agreement on *employer expectations based on a realistic review of job descriptions and specifications.* This considers the changing nature of the jobs of public servants as a result of changing philosophy in public management. It is based on the reality that most public servants are doing jobs for which they did not apply or did not previously intend to do. (behavioural and institutional theory).
- Joint agreement on *how employee expectations will be met*. Again, this is in line with the knowledge that meeting employee' expectations matters in encouraging commitment to performance (behavioural theory).
- Joint agreement on *employee expectations on how facilitation of performance* will be managed is important in order to reduce tendencies for lip service when resources and other support for job performance are sought (institutional theory).
- As we move down the arrow, there is room for *joint agreement on the process of employee facilitation*. Here the intention is to lessen opportunities for failure to get support by giving reasons such as lack of appropriate mechanisms, powers to make certain decisions or failure to take actions (behavioural and institutional theories).
- Finally there is *joint performance review* that will tell us how much an individual has contributed in achieving the objectives and targets outlined in the *performance charter* and the relationship with the *broad reform agenda.* It is also where

Figure 12.2 Revised performance review and appraisal model

```
┌─────────────────────────────────────┐
│            Reform agenda             │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│  Ministries, Departments and Agen-   │
│   cies' mission, goals and objectives│
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│        Public Service Charter        │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│  Strategies, plans, activities,      │
│        targets and standards         │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│  Required individual job objectives  │
│           and outcomes               │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐      ┌──────────────────────┐
│  Joint agreement on employer expec-  │      │  Joint agreement on how │
│  tations for the job based on realistic│───▶│  employee expectations  │
│  and well reviewed and defined job   │      │     will be met         │
│  descriptions and specifications     │      └──────────────────────┘
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│  Joint agreement on employees'       │
│  expectations on performance         │
│  facilitation from the employer      │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│  Joint agreement on the realistic    │
│  process of facilitation of achievement│
│  of both employee and employer       │
│           expectations               │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐      ┌──────────┐      ┌──────────┐
│  Joint performance review and im-    │      │  RATING  │      │ APPRAISAL│
│  provement of employee and em-       │─────▶│ PERFORM- │─────▶│ DECISIONS│
│       ployer expectations            │      │   ANCE   │      │          │
└─────────────────────────────────────┘      └──────────┘      └──────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│   Performance on Public Service      │
│            Charter                   │
└─────────────────────────────────────┘
                   │
                   ▼
┌─────────────────────────────────────┐
│    National Performance Feedback     │
└─────────────────────────────────────┘
```

employee rating is completed for *decision making* that will lead to action as a way of feedback for each of the components in the model.

Policy implications for Africa

Although recruitment and performance appraisal practices are well backed up in institutional support, regulations, and procedures, there is no substantial effort to address employees' job and life expectations as critical components in the effort to encourage employee commitment to an effective performance management system. The public service reforms should address these ever changing employee expectations as employers demand, objectives, targets and expectations unfold through continuous review of job descriptions, specifications, and appraisal systems.

Review questions

1. Employers and employees' expectations in the terms and conditions of employment are first determined during job advertisement. However, these employment conditions are rarely well established. Discuss.
2. The link between recruitment and selection and open performance appraisal is obscured by both job descriptions and performance agreements. Comment.
3. Despite continued efforts to implement performance appraisal policy in Tanzanian public service, these efforts have continuously failed. By using an example from a ministry, department or agency, explain the major reasons for the failures.

References and recommended reading

ALMHDIE, A. & S.M. NYAMBEGERA (2004), Human resource management in Libya. In: K.N. Kamoche, Y.A. Debrah, F.M. Hortwitz & G.N. Muuka, eds, *Managing human resources in Africa*. London and New Delhi: Routledge.

ARYEE, S. (2004), Human resource management in Ghana. In: K.N. Kamoche, Y.A. Debrah, F.M. Hortwitz & G.N. Muuka, eds, *Managing human resources in Africa*. London and New Delhi: Routledge.

AWORTWI, N. & J. VONDEE (2007), Drifting Towards Convergence? Motivation and Performance Management in State and Private Companies in the Provision of Telecom Service in Ghana. *Public Administration and Development* 27(4): 261-272.

BEUGRE, C. (2004), Human resource management in Ivory Coast. In: K.N. Kamoche, Y.A. Debrah, F.M. Hortwitz & G.N. Muuka, eds, *Managing human resources in Africa*. London and New Delhi: Routledge.

DEBRAH, Y. & G. OFORI (2005), Emerging managerial competencies of professionals in the Tanzanian construction industry. *The International Journal of Human Resource Management* 16(8): 1401-1441.

HASSAN, M.K. (2007), *Assessment of the Effectiveness of Employee Career Development*. Morogoro: Mzumbe University.

KAMOCHE, K.N., Y.A. DEBRAH, F.M. HORTWITZ & G.N. MUUKA (2004), *Managing human resources in Africa*. London and New Delhi: Routledge.

KIRAGU, K. & G. MUTAHABA (2006), *Public Service Reform in Eastern and Southern Africa: Issues and Challenges*. Dar es Salaam: Mkuki na Nyota.

LADO, A. & M. WILSON (1994), Human resource systems and sustained competitive advantage. A competency based perspective. *The Academy of Management Review* 19(4): 699-727.

McCOURT, W. (2001), Towards a Strategic Model of Employment Reform in Developing Countries: Explaining and Remedying Experiences to Date. *International Journal of Human Resource Management* 12(1): 56-75.

MICHAEL, L. (2005), The Contribution of CAFRAD to Public Administration in Africa. *International Review of Administrative Sciences* 71(2): 327-336.

MPABANGA, D. (2004), Human resource management in Botswana. In: K.N. Kamoche, Y.A. Debrah, F.M. Hortwitz & G.N. Muuka, eds, *Managing human resources in Africa*. London and New Delhi: Routledge.

MULIKITA, N.W. (2007), Applying Results Based Management Strategies in African Public Administration. Challenges and Opportunities. *African Journal of Public Administration and Management* July: 73- 86.

MUSHI, C. (2008), *Assessment of Effectiveness of Recruitment Procedures in Local Government Authorities in TanzaniaFout! Bladwijzer niet gedefinieerd.*. Morogoro: Mzumbe University.

OKPARA, J.O & P. WYNN (2008), Human Resource Practices in a Transition Economy: Challenges and Prospects. *Management research News* 3(1): 57-76.

SCHULER, R.S. (2000), The internationalisation of human resource management. *Journal of International Management* 56(3): 178-191.

SHEERA, P. & S. ORBELL (1998): Implementations, intentions and repeated behaviour. Augmenting the predictive validity of the theory of planned behaviour. *European Journal of Social Psychology* 29(2-3): 349-369.

UNITED REPUBLIC OF TANZANIA (1999), *Public service management and employment policy*. Dar es Salaam: Government printer.

UNITED REPUBLIC OF TANZANIA (2004), *Public Service Reform Programme Quarterly Report- October December 2003.* Dar es Salaam: President's Office.

WONG-RUMGUTTY, A. (2004), Human resource management in Mauritius. In: K.N. Kamoche, Y.A. Debrah, F.M. Hortwitz & G.N. Muuka, eds, *Managing human resources in Africa*. London and New Delhi: Routledge.

Health service delivery at Morogoro hospital

Recruitment and retention of human resource for health

Introduction

No country can develop without healthy people; this is because poor health is one of the sources of low labour productivity. A nation cannot have healthy people if there is no effective healthcare system. In this regard, the most critical factor that determines the quality of healthcare is the quality and quantity of human resources. Although every nation aspires to have the right number of people who are most knowledgeable, skilled, and with the right attitude and motivation, this has remained a challenge for most nations (CIPD 2008).

Various specific studies have unearthed the extent and causes of labour shortages in both developed and developing countries. For example, in the United Kingdom, job dissatisfaction was a major contributor for nurses quitting their jobs (Shields & Ward 2001). The same conclusions were reached in Taiwan (Tzeng 2002). In Japan, recruitment and staff retention is a serious problem particularly in rural areas where both monetary and non-monetary reward environments were not favourable (Matsumoto *et al.* 2009). In South Africa, studies showed a strong positive correlation between job dissatisfaction among nurses and turnover (Pillay 2009). Earlier, in 2000/2002, statistics show that Uganda had a shortage of 3,172 health workers (Bataingaya 2003). Therefore, as correctly observed by Martinez & Martinez (2002) and Wyss (2003), the major problem, and which is more serious in developing countries than in other countries, is limited government ability to train, attract, and reward staff.

In Tanzania, despite strong health reform initiatives and success in the improvement of healthcare infrastructure and supplies, human resource shortages are equally critical. For example, during the 2003/2004 financial year, the government supported community efforts to build 175 dispensaries. The increase in infrastructure led to the increase in the supply of drugs by twenty five percent and equipment by thirty percent (URT 2004; PO-RALG 2004). However, this achievement cannot by itself improve healthcare if it

does not match with the improvement in human resource capacity in terms of numbers and competencies. A study conducted by the World Health Organisation estimated that Tanzania has 48,508 health workers, of whom 822 are physicians and 13,292 are nurses (WHO 2006), but the country was found to have the lowest physician/population ratio in the world. The same study shows that the country has 717 assistant medical officers with practical clinical skills comparable to those of physicians. In addition, there were 5,642 clinical officers, who undertake a substantial share of the clinical practice. Medical assistants, with little or no formal training, constitute a large share (40%) of the healthcare workforce (Munga & Maestad 2009).

Labour shortages in the health sector have contributed to the worsening of health in Tanzania particularly in women and children. The Ministry of Health (URT 2005) asserts that maternal healthcare services and child malnutrition do not seem to have made any improvements over the last two decades, partly due to among others, a lack of sufficiently skilled and motivated staff, although patchy successes are noted elsewhere particularly in more wealthy and urbanised areas (URT 2003). As a result of these multiple factors, it is estimated that eight out of ten children die at home and 6 of them without any contact with formal healthcare, while ninety percent could be cured (URT 2005). It is worse in rural areas where health workers are less attracted due to a difficult working environment and lack of government capacity to attract and retain such workforce (Itika 2007).

At the end of the chapter, the learner should be able to:

- Appreciate the challenges facing human resources in health.
- Establish the relationship between theoretical and practical issues that influence staff recruitment and retention.
- Develop initiatives for improving human resource management for health in a constrained environment.

Recruitment and retention of health staff as a global issue

A survey of 779 organisations in the United Kingdom (CIPD 2008) showed difficulties in recruitment by 86% of the cases. There are a number of reasons including lack of necessary skills (70%), higher level of employees' expectations (44%) and lack of skills (42%). Seventy five of the organisations surveyed had adopted a strategy of appointing those with the potential to grow. There were also serious problems of staff retention by 80%, which was addressed through more pay by 53%, and learning and development by 46% while the improvement of selection process helped by 46% (CIPD 2008).

Healthcare personnel to population ratios in Africa have been high and have always lagged behind the rest of the world. For example in the 1980s, one doctor catered for 10,800 persons in Sub-Saharan Africa (SSA), compared to 1,400 in all developing countries and 300 in industrialised countries (USAID 2003). In the same period, one nurse served 2,100 persons in Africa, compared to 1,700 persons in all developing countries and 170 in industrialised countries (World Bank 1994). The provider-to-population ratios remained persistently high in the 1990s, with most countries having 1 doctor per 10,000 populations or more. In fact, ten countries have 1 doctor per 30,000 populations. Other countries like Bolivia, Honduras, and India have 1 per 2,000 or 1 per 3,000 ratios. Thirty one countries do not meet the WHO's 'Health for All' standard of 1 doctor per 5,000 members of the population.

The HR crisis has been best documented in three southern African countries including Malawi, Zambia, and Zimbabwe (USAID 2003). According to USAID studies, poor economic growth and consistent fiscal difficulties appear to be the major cause of the crisis. First, budgetary frugality reduces African governments' ability to attract, retain, and maintain the morale of professional healthcare workers, as treasuries are unable to raise salaries and improve working conditions, especially of skilled staff. Second, because medical and nursing training in Africa is mostly government provided or financed, fiscal crises have also severely limited governments' capacity to train healthcare workers. This double pressure on the training and retention of health workers has created shortages in key areas such as doctors, clinical officers, medical assistants, nurses, midwives, and laboratory technicians.

Until recently, Zambian law forbade nurses and midwives from prescribing medicines and carrying out any invasive procedures (USAID 2003). These functions were restricted to doctors and clinical officers (although the latter have the same length of training as nurses). The critical shortage of clinical officers, let alone doctors, in Zambia made it impossible to follow this law at rural healthcare centres, where there were long queues of patients. In early 2001, the Zambian law was amended to authorise nurses to prescribe and to insert drips.

Moonlighting and finally voluntary departure from the civil service for more lucrative local employment has also constrained the African health sector labour market in recent years (USAID 2003). A major factor has been the rather quick liberalisation of healthcare in countries such as Malawi, and Mozambique resulting in trained ministry of health, civil servants moving to private practice, either individually or with non-profit or for-profit healthcare providers. Service providers (especially doctors) may opt to initially maintain two jobs, keeping their civil service posts while moonlighting on the side. Countries may formally allow this double-practice, even in government healthcare facilities, as in Mozambique. While this looks like a reasonable arrangement, it has tended to result into the disappearance of civil servants who report to duty on shorter work-hours. It has also resulted into the displacement of poor patients by private-paying patients in government facilities. As medical practice is privatised, doctors may eventually opt to only practice privately. Pharmacists and, to a lesser extent, laboratory technicians are more likely to completely move to the private sector, as has been shown in Ghana (Ghana MoH 2000).

The proliferation of NGOs in the 1990s caused an exodus of health workers from the government service, either as direct health providers, programme managers, or consultants. NGO health projects attract a wide range of government health professionals since the pay is much better and the work is similar to that of the civil servants, hence very little retraining costs are needed. With hindsight, the lack of a pre-service training programme for the NGO's demand for healthcare professionals meant that NGOs had little recourse but poach from the existing civil service pool. Therefore, the problem of recruitment and retention is global and it has largely been attributed to insufficient supply of workers and limited ability to attract and retain.

The theoretical framework

There is no single theory that may explain the dynamics of human resource recruitment and retention in situations facing local authorities in Tanzania. The major reason is that recruitment and retention is strongly influenced by both internal and external factors,

which can hardly be controlled by local authorities. Such external factors include a regulatory framework that guides the recruitment vesting powers in the President's office, public service management and the treasury, as well as the availability of qualified and competent staff in the labour market which concerns the ministry of health and social welfare and the training institutions in the country (URT 2003). The internal factors would include geographical location, access to social services and resources, which influences the ability to attract and retain staff through motivational packages.

Perhaps the systems theory (Dunlop 1958) is useful in analysing human resource recruitment and retention as it considers the human resource management process as a system that is constituted of process of inputs and outputs. That is where there are multiple actors who are influenced by sets of ideologies and institutional frameworks which govern their relationships. However, as much as this theoretical perspective is useful, its complexity in terms of data collection and analysis may ultimately lead to conclusions and recommendations that may be of limited use in reality.

However, looking at the employment relationships between the local authorities and other stakeholders, human resource recruitment and retention may be understood by using the principal-agent theory. The principal-agent theory contends that although the relationship between the central (principal) and local government (agent) is supposed to be mutually supportive, in reality the two may have different interests that are in conflict (Pfeiffer & Salancik 1978; Ulrich & Barney 1984). Therefore, while the principal would be exercising power and control over resources and decision making on recruitment and selection for the agent, the agent would strive to free itself from the control from the principal who is considered as part of the external constraining environment. In this theory, while the central government would tend to exercise control of employment in line with the national budget, local authorities would be forced to increase and retain staff to meet the increasing service demand in hospitals amidst severe resource constraints.

Therefore, with regards to staffing matters, it would appear that first, local authorities have to work much harder to increase their influence on staff recruitment and retention. And second, while staff shortages would pressurise the ministry of health and social welfare to increase training, there would not be enough people attracted into a career in the healthcare service profession thanks to a limited budget and is hence less attractive. This scenario leads to the concept of power and resource dependency.

Pfeiffer in Lawton & Aidan (1991: 67) considers power as the ability to influence decisions and actions that is usually spread between different stakeholders in organisations who compete to have more power to control resources. Pfeiffer & Salancik (1977), Ulrich & Barney (1984) and Aldrich (1999) have underscored the role of power in resource control in a principal-agent work relationship. According to their proposition, although there are many sources of power, the legal framework that establishes organisations, the hierarchical position in the organisational structure, and control over resources are important in understanding power relations and dynamics in organisations. In this analysis, power over human resources for health is what determines the major differences between the principal and the agent in human resource dependency theory.

Resource dependency theory has its origin in the systems theory, which seeks to explain why organisations have to depend on the external environment for growth and survival, and the need to have some dependency on resources to achieve organisational goals. Therefore, dependency is seen as an inevitable phenomenon because organisations can-

not survive without the external environment from which organisational inputs are sourced and the outputs are released into. However, resource dependency theory puts emphasis on the external dependency, resource allocations and budgets as the main areas where organisations are caught, which is an unhealthy situation because the ultimate effect of resource dependency is the reduction of organisational discretion, interference with the achievement of organisational goals, and ultimately threatening the existence of the organisation (Dwyer *et al. 1*987; Scott 1998; Grewal & Dharwadkar 2002; Pfeiffer & Salancik 1978). Therefore, strategic organisations should aim at reducing dependency by embarking on a number of innovations to reduce dependency and hence increase power and use the external influence to its advantage. With this perspective, an organisation can manage an increasing dependency on the principal by adapting to or avoiding external demands, by executing strategies that may include creating a negotiated environment (Pfeiffer & Salancik 1978). The chapter will focus more on the extent to which local authorities depend on the central government (as the principal) in its decisions and actions to recruit and retain human resources in dispensaries and health centres and the extent to which they (local authorities) are able to 'negotiate' and thereby create an environment more favourable for recruitment and the retention of human resources for health as one of the key critical resource in health service delivery in local authorities. Figure 13.1 displays the theoretical framework

Figure 13.1 Principal-agent-resource-dependency framework
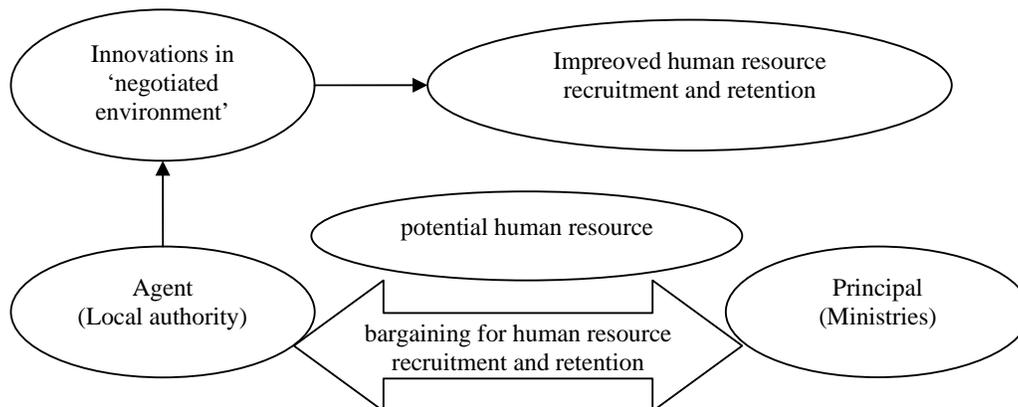
Figure 13.1 suggests that in a normal situation, local authorities would request a permit to recruit a specific number of staff from the President's office, public service management and after multiple consultations with the ministry of health and social welfare and the treasury, a recruitment permit may or may not be granted (URT 2003). The major decision making criteria would be budgetary constraints and the extent of shortages in that particular local authority compared to other areas where distributive equity may be considered. Even where a recruitment permit is issued, there may not be qualified staff to recruit, and even if available, people may not be attracted to the job. If, for some reason, recruitment is achieved, retention may be problematic if there is no strong 'negotiated environment' to reduce turnover.

The negotiated environment has to reduce both resource dependency and decision making through the agent. Thus, the bargaining for human resource recruitment and

selection is a process that involves the principal, human resources and the agent. Although each actor has a stake in the employment relationship, the agent has more of a stake because of the thousands of citizens it represents who queue daily for healthcare services. In this case, as a means to cope with the problems of recruitment and retention, managers are supposed to continuously innovate ways for better staff recruitment and retention including the provision of monetary and non-monetary incentives by using local resources.

Analytical framework

From the research objectives and theory, the study used principal-agent resource-dependency analytical framework where a descriptive cause–effect relationship between human resource shortages, recruitment and retention strategies and innovations are interlinked with motivation and reduction of human resource shortages. Figure 13.2 presents a flow diagram of the relationships.

Figure 13.2 Analytical framework
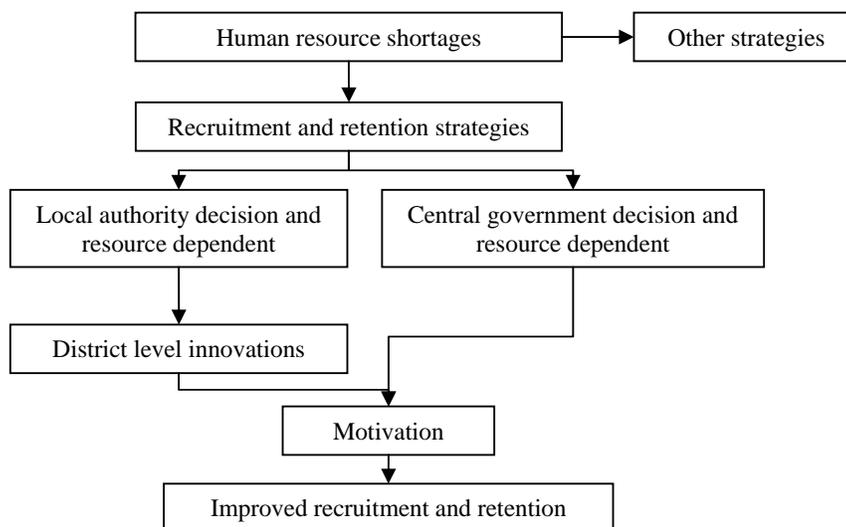
Figure 13.2 suggests that the human resource shortage may be improved through the adoption of various strategies. Some strategies may include increasing the number of hours for the available staff or widening job descriptions whereby less qualified staff may be required to perform roles of more qualified and senior staff. However, this strategy is short lived because it will lead to overworked staff, absenteeism, go slow and lastly abscondement, which may increase shortages as has been, experienced elsewhere (Pillay 2009; McAuliffe 2009). For the purpose of the research that the report presents, specific recruitment and retention strategies are more plausible optional choices. Some strategies may be local authority decisions and resource dependent; others are central government decision and resource dependent or both. Similarly, some innovations for the improvement of staff recruitment and retention through improved motivation could come from the local authority, the central government or both. Unlike other professions

where the supply of human resources outstrips the demand for it, staff shortages in the health profession have led to less bureaucratic decision making in recruitment. The general theory which considers 'principals' as the ministry of health and social welfare, the public service department under the President's office and the treasury in the ministry of finance requires modification as will be observed later.

Therefore, the performance of the healthcare workforce needs to be understood as the aggregate outcome of worker choices. Solutions to workforce issues have to identify and address the factors that determine choices and the behaviour of healthcare workers, such as their needs, values and expectations. It is also important that healthcare workers play an active role in the development of policies, which will affect the environment in which they are expected to work.

Human resources for healthcare at Korogwe District Council

Staff manning levels
The chapter takes the data obtained from a cross sectional case study that was collected from key informants and medical staff through in-depth interviews, observations and questionnaires. The district has 54 healthcare service delivery centres which include 2 hospitals, 4 health centres and 48 dispensaries. The council has a total workforce of 172 people with a shortage of 112 staff compared to the establishment. Table 13.1 displays staff position by specialisation. The table shows that there were critical staff shortages with the exception of medical attendants where there was a surplus. In reality, shortages have led to situations where, in some cases, medical attendants work as nurses or even clinical officers. As a result, some flexibility in staff recruitment was adopted.

Table 13.1   General staffing levels in district dispensaries

S/N	Staff cadre	Establishment	Available	Variations
1	Clinical Officers	70	11	-59
2	Public Health Nurse B	70	10	-60
3	Medical Attendant	32	39	7
	Total	172	60	-112

Recruitment strategies

Relaxation of procedures
The public service department issued an open ended permit to the ministry of health and social welfare to recruit staff on behalf of the local authorities. Arrangements are also made by the treasury to accommodate salaries for whoever is recruited. In this situation, local authorities have nothing to do except lobbying to ensure that the ministry meets staff requisitions as soon as possible. However, the public service department remained with the role to influence job attraction and retention through better scheme of service and remuneration packages. However, this new recruitment strategy did not seem to have any significant effect on those employed in Korogwe as was the case in other local authorities. This is because the healthcare facilities are relatively old and therefore most employees were employed more than 17 years ago, before the relaxed employment system.

Sixty one of the employees were recruited through a system which did not wait for allocation of posts through the responsible ministry at the time of employment. There were 7 employees who were recruited through the ministry by a way of traditional government recruitment system where school leavers had to wait for their job posts. This is unlike the rigorous modern recruitment system involving job advertisements, applications and selection. It was interesting to find out how these employees were recruited.

Recruitment from training institutions

Under normal circumstances, it is expected that local authority or ministry officials would visit a training institution and try to attract some students who might be interested. However there was only 1 employee who gained employment through a school visit. The majority of staff (84) were employed using a different arrangement.

Job advertisement and selection
Korogwe District Council did take some initiatives to recruit through advertisement and eight employees were recruited this way. However, the data from in-depth interviews showed that those recruited through the council were medical attendants who had only 'standard seven' education. The advertisement was usually through the word of mouth or a notice posted on the district council notice board.

Head hunting
The last proposition was recruitment through poaching. That is a local authority official approached an identified employee working in another organisation and was poached to work for the council. However, there was only one employee who was recruited through poaching. Three employees were informally recruited but later were formally employed although it was not clear how this was done.

For reasons that remain unclear, the relaxation was removed and recruitment and selection remained entirely the responsibility of the ministry of health and social welfare. The implications are that local level initiatives are paralysed and there are dangers that quality of staff may be compromised as one official said:

> … We provide for staff recruitment during the planning and budgeting process in every financial year. We request the ministry to help us to fill the vacant posts. However, this has not worked well because it takes a very long time to follow-up before we get one, and at times we get disappointed because the person we receive cannot deliver to our expectations. (Comments from one human resource officer)

Shortages of qualified staff for healthcare in the labour market has many explanations including a lack of students who are interested in a career in the health sector because of the unfavourable working environment, less reward systems and opportunities compared to other sectors like business and finance. It is now very common to find most students who perform very well in chemistry and biology joining arts related degrees at universities and colleges. Also, since the private sector is growing and competing for the same resources, the bureaucratic recruitment approach through the principal is likely to be less effective in addressing the problems of quality and quantity of human resources for healthcare.

Retention strategies

Although it is a good strategy to improve the recruitment process, the ability to retain the available staff is equally important.

Availability of district level strategy
District level strategy to retain staff lies within the powers of the district health officer, and the district executive director. Seventy three of staff surveyed shared the opinion that the district did not have any strategy to retain staff while twenty seven percent thought that there was a strategy. Those who said that there is a strategy were nurses who got the opportunities for training, as one of them said:

> … I cannot complain because the district has sent me to school. If it were not for the district my career opportunity would have been very limited. I feel obliged to remain and provide services here as part of my gratitude. (Comments from Assistant Nurse)

Availability of centralised retention strategy
It is also expected that staff would be motivated to remain if there is a government (principal) scheme to provide incentives. Such incentives would include an allowance for overtime, duty call allowance and days off duty. The proposition that staff are motivated and hence encouraged to remain in the job through the use of incentive packages was rejected by 96% of those surveyed. The data from interviews shows that the opposite was the case as one nurse complained thus:

> There is no enough staff. … we work around the clock because there is no night shift. I was not even allowed to go for my annual leave and yet nobody pays you anything outside inadequate salary. I am very tired but what can I do? (Comments from Assistant Nurse)

Community based support systems for staff retention
In the absence of centralised incentive schemes (by the principal) and decentralised system schemes (by the agent) for staff motivation and retention, there are reasonable calls for community level innovations where local resources might be used. However, contrary to the expectations of the health sector reform objectives and more specifically the community health funds, such incentives did not exist. One of the objectives of community health fund is to improve the working environment for healthcare staff in areas where the central government cannot efficiently deliver. Procurement of simple facilities like furniture, painting offices, torch and batteries, pay for watchmen, provision of tea or coffee during working hours can make a significant difference in employees' motivation and boost staff retention. Staff in the health centre and dispensaries complained that although they collected a significant amount of money and submitted the same to the district, the release of funds from the district to the health facilities was a nightmare despite several requests and follow-ups. The explanations from the district were nothing less than bureaucracy and some kind of 'excuse'.

Implications of a lack of an effective staff retention strategy

Contrary to the resource dependency theory where one would argue that organisations have to develop strategies to use and retain scarce resources, the results show that both the utilisation and retention of human resources for healthcare do not follow the same

logic and therefore no high levels of labour turnover are observed as can be seen from the data in Figure 13.3.

Questionnaire data
Data in Figure 13.3 shows that the majority of employees have been employed for more than 18 years. The question that remains unanswered is, despite the fact that staff were highly dissatisfied with the job, why would they still continue working in the same district for years. One of the explanations may lie in what we call 'dead woods' in competence based human resource management. That is, if we have employees who feel that they are at the end of the road in their professional career and performance they may opt to remain in the organisation and this tendency would be encouraged if the management finds them indispensable. Low level of education may be a contributing factor because it limits both career and job opportunities. Most employees (73%) had standard seven education and surprisingly there were also those who had just completed standard four only (11%). Among these, 50% had opportunity to get professional training while the remaining 50% learned informally on the job. Nurses were trained in four areas but mostly in VCT, which is more of a national training programme for combating HIV AIDS than a locally initiated programme. Other types of training were on integrated mother and child illness (IMCI), sexually transmitted infection (STI) and maternal and child healthcare (MCHC). Therefore, local authorities and staff may find working together just a marriage of convenience rather than any other explanation. Therefore, concentrating efforts on improving staff morale and motivation seems to be important, not for reducing staff turnover but improving service delivery.

Table 13.2   Years of service of human resource for health at Korogwe District Council

Years of service	Number of employees	Percent
1-17	3	12
18 - 28	17	65
29 - 39	6	23
Total	26	100

Innovations to motivate staff

Money as a motivator
One of the innovations for improving performance is to use financial and non-financial incentives. Unlike the older fashion of thinking that said money is no motivator, most studies today have confirmed that money does motivate staff (Dessler 2005). The Korogwe District Council had plans to use money as a motivator to improve performance as part of the open performance appraisal system. According to the plan, each health centre was to get Tshs 3,000,000 and a dispensary Tshs 1,000,000 for rewarding the best employees based on criteria to be laid down. This strategy was perceived to be an effective means of motivating staff by ninety six percent of those surveyed. One midwife had the following to say as part of the excitement about the idea:

> … If they give us one million to compete for I think I will be in my office before 6.00 am because even if get one hundred thousand it is a lot to me. (Comments from Assistant Nurse-translated from Swahili version)

This proclamation supports Maslow's theory of motivation, that satisfaction of basic human needs is important in motivation (Armstrong 2003). Nurses depend on a monthly salary, which cannot support the employee for the whole month. Certainly, a lump sum of money will make an employee feel that they have won the lottery.

Participation in management meetings
Another innovation is to have quarterly meetings for all heads of healthcare facilities to present their management information systems reports (MTUHA reports) unlike the current practice where reports are sent by the healthcare facility or collected by the local authority without feedback. The objective is to allow experience sharing and some kind of 'outing' for the staff.

More than 84% of the employees felt that the move would motivate staff because they would be able to share experience with others, learn, relax and improve relations with management. The remaining employees had the opinion that the strategy would be most useful to a few heads of healthcare facilities. Therefore, a more integrated and holistic approach to motivation was desired.

Utility of principal-agent- dependency theories in Tanzania

The theoretical approach to the analysis has helped to understand the relationship between local authorities and central government in addressing the challenges of human resource for health shortages in local authorities by unearthing the following.

First, human resources for healthcare shortages in terms of quantity and quality is a reality and it is more disturbing than one would have thought when the numbers of staff are compared to the academic and professional qualifications available.

Second, although the decentralisation by devolution has always intended to delegate more powers over decision making, resource acquisition, utilisation and control, this has not been the case. Power is still centralised at the level of the 'principal' and the impact at the bottom 'agent' leaves a lot to be desired.

Third, the institutional framework that concentrates power over recruitment and pay at the level of the principal leaves limited room for the agent to adopt strong recruitment strategies because it creates a parent-child relationship.

Fourth, the same effect of the centralisation of power at the principal for recruitment has created apathy with the agent and the human resources for healthcare at the expense of the motivation of staff, and improved development and utilisation.

Sixth, there are emerging local level innovations (agent) to motivate staff to create room for better staff recruitment and retention but using a framework generically designed by the (principal). That is, centrally designed open performance appraisal and information management systems by using money as a motivator seem to signal some hopes that they (staff) will improve performance. If these innovations were put in place as envisaged, they may somehow soothe some of the painful wounds of the already overworked, unpaid and de-motivated staff. However, the effect would depend on the ability of the local authority to generate its own finances and reduce dependency on the central government, the effectiveness of the system and commitment to sustain it.

From this theory it has to be said that shortages of human resources for healthcare is not a new phenomenon and various recruitment and retention strategies have been tried and tested by many countries worldwide. Some strategies have worked quite well, while others have produced limited results (Pillay 2009; Brandley & McAuliffe 2009). The

emerging evidence from the literature is that the agent can improve recruitment, job satisfaction, and retention by improving the work environment (Dominic & Kurowski 2004; Kurowski *et al.* 2007). This would include pragmatically testing some promising innovations from other countries, which include the provision of well written job descriptions, improved management-employee communication systems and staff reallocation to reduce distributive inequalities (Van Dormael 2008; Munga & Maestad 2009; Heywood & Harashap 2009). These innovations may not require money. For example, prompt feedback from local authorities on requests or appeals from dispensaries and health centres would make a big difference compared to silence or untimely feedback. This would reduce employee complaints ranging from lack of feedback on requests to getting money to pay wages to watchmen or to repair a broken chair in the office of the doctor in charge.

The community health fund is a typical innovation of the central government to decentralise decision making over financial resource generation and utilisation at the level of the health centre and dispensary. Local authorities should see this as an opportunity to motivate human resources for healthcare rather than a source of revenue for other expenditure.

Other innovations have been the re-employment of retired staff through contracts. This initiative has reduced the effect of staff shortages. For example, some nurses and clinicians were employed in Dodoma, Iringa, and Morogoro through contract and seemed to be more committed than the other categories of staff although there were reportedly cases of a conflict of interests with other staff (Shao *et al.* 2007).

Lastly, the principal has an obligation to make healthcare service delivery function despite limitations at the local authority level by increasing the resources allocated through budgeting. Statistics show that in 2004 budget allocation for the health sector in Tanzania was by far the lowest in East Africa (World Bank 2008). This trend has to be reversed if we are to see a better health sector in the country.

Human resource policy implications

The health sector reform strategy to decentralise decision making in a number of key areas including human resource management for health does not seem to have created the desired impact when principal-agent-dependency theory is used to inform the understanding of human resource for health recruitment and retention in local authorities. Indeed, a total centralisation of recruitment has the potential to harm staff recruitment more than decentralisation because employees working in councils have two masters, one behaving as an agent and another as a principal. This creates bureaucracy and loss of direction in developing a coherent strategy at the local level for human resource recruitment and retention, which is effectively supported by the central government.

Similarly, the innovation made by the ministry of health and social welfare to introduce a community health fund was a golden opportunity to use the fund to solve some of the local level problems experienced in health centres and dispensaries. However, although the fund is inadequate but available it causes more frustration than relief to the staff and general working environment of health facilities. This is an area where local authorities need to work on in collaboration with community health fund secretariat.

However, despite these limitations the emerging innovations to use monetary incentives and joint fora for MTUHA reports presentations in council meetings have the potential to improve staff morale and performance through open performance appraisal

systems. These areas can be developed, tested and replicated in many other dispensaries and health centres in the country.

Review questions

1. Shortages of human resources for health are critical in health services provision. However, the problem seems to be out of control. Discuss.
2. Employers of human resources in the health sector have a responsibility to ensure that healthcare workers are motivated. Examine strategies that may be used by employers to motivate staff in health service provision.
3. Some observers feel that human resource for healthcare should be decentralised to local authorities. However, some others prefer centralisation. Comment.

References and recommended reading

ARMSTRONG, M. (1995), *A handbook of personnel management practice*. London: Kogan Page.

BAILEY, E. (1994), *Methods of social research*. New York: The Free Press.

BRADLEY, S. & E. MCAULIFFE (2009), Mid-level emergency providers in obstetric and new-born health care: Factors affecting their performance and retention within the Malawian health system. *Human Resource for Health* 7(1): 14.

CHARTERED INSTITUTE OF PERSONNEL DEVELOPMENT (2008), *Recruitment, retention and turnover. Annual survey report 2008*. London.

DESSLER, G. (2005), *Human resource management*. Pearson: Prentice Hall.

DOMINICK, A. & C. KUROWSKI (2004), *Human resources for health – An appraisa of the status quo in Tanzania Mainland.* Washington, DC: World Bank.

DWYER, F.R., P.H. SCHURR & S. OH (1987), Developing buyer-seller relationships. *Journal of Marketing* 51(2): 11-23.

FOSS, N. & K. FOSS (2005), Resources and transaction costs: how property rights economics furthers the resource-based view. *Strategic Management Journal* 26(6): 541-553.

GREWAL, R. & R. DHARWADKAR (2002), The role of the institutional environment in marketing channels. *Journal of Marketing* 66(3): 82-98.

HEYWOOD, P. & N. HARAHAP (2009), Human resources for health at the district level in Indonesia: The Smoke and mirrors of decentralisation. *Human Resources for Health* 7(6): 56-64.

ITIKA, J. (2007), *Public private partnership in health service delivery in Dodoma Municipal and District Council.* SUA.

KOROGWE DISTRICT COUNCIL (2008), *District comprehensive council plan 2007/2008.* Unpublished.

KUROWSKI, C., K. WYSS, S. ABDULLA, N. YÉMADJI & A. MILLS (2003), *Human resources for health. Requirements and availability in the context of scaling up priority interventions in low-income countries. Cases studies from Tanzania and Chad*. London: London School of Hygiene & Tropical Medicine.

LAWTON, A. & R. AIDAN (1991), *Organisation and management in the public sector*. London: Pitman.

MATSUMOTO, M., K. ONOUE, S. NOGUCHI, & S. TOYOKAWA (2009), Community characteristics that attract physicians in Japan. A Cross sectional analysis of community demographic and economic factors. *Human Resources for Health* 17(12): 78-89.

MINISTRY OF HEALTH (2005), *Report of the 6th Tanzania joint annual health sector review*. Dar es Salaam: Health Sector Reform Secretariat.

MOGEDAL, S. & S. STEEN (1995), Health sector reform and organisational issues at the local level: Lessons from selected African countries. *Journal of International Development* 7(3): 349-367.

MUNGA, M. & O. MAESTAD (2009), Measuring inequalities in the distribution of health workers: The case of Tanzania. *Human Resources for Health* 7(4): 56-67.

NOHRIA, N. & S. GHOSHAL (1994), Differentiated fit and shared values: Alternatives for managing headquarters-subsidiary relations. *Strategic Management Journal* 15(6): 491-502.

PFEFFER, J. & G.R. SALANCIK (1977), Who gets power – And how they hold on to it: A strategic contingency model of power. *Organisational Dynamics* 5(3): 2-21.

214

PFEFFER, J. & G.R. SALANCIK (1978), *The External control of organisations: A resource dependency perspective*. New York: Harper and Row.

PILLAY, R. (2009), Work satisfaction of professional nurses in south Africa: A comparative analysis of the public and private sectors. *Human Resources for Health* 17(15): 82-94.

PO-RALG (2004), *Joint rehabilitation fund for primary health care facilities procedures Manual.* Dar es Salaam: Final.

TZENG, H.M. (2002), The Influence of nurses working motivation and job satisfaction on intention to quit. An empirical investigation in Taiwan. *International Journal of Nursing Studies* 39.

SCOTT, W.R. (1998), *Organisations rational, natural, and open systems*. Upper Saddle River, N.J.: Prentice Hall.

SHAO, E., M. VIDA, J. NG'WESHEMI, A. MWAKILASA & E. VAN PRAAG (2007), *Engaging retired but not tired health staff in Tanzania.* Kigali. 16-19 June 2007. <www. Hivimplementers.com/2007> accessed on 11 April 2009.

SHIELD, R. & Y. WARD (2001), Improving nurse retention in the national health service in England. The Impact of the job satisfaction on intention to quit. *Journal of Health Economics* 20(5): 677-701.

UNICEF (1990), *Children and development in the 1990s: A UNICEF Sourcebook,* London: Oxford University Press.

UNITED REPUBLIC OF TANZANIA (1999), *Public service management and employment policy*. Dar es Salaam: Civil Service Department.

UNITED REPUBLIC OF TANZANIA (2003a), *Poverty reduction strategy. the second progress report 2001/2002*. Dar es Salaam: Government Printer.

UNITED REPUBLIC OF TANZANIA (2003b), *Poverty and Human Development Report* 2003. Dar es Salaam: Mkuki na Nyota.

UNITED REPUBLIC OF TANZANIA (2003), *The Public Service Regulations, 2003 and the Public Service Scheme 2003*. Dar es Salaam: Government Printer.

UNITED REPUBLIC OF TANZANIA (2004), *The Economic survey 2004*. Dar es Salaam: The President's Office, Planning and Privatisation.

UNITED REPUBLIC OF TANZANIA (2005), *National strategy for growth and reduction of poverty*. Dar es Salaam: Vice President's Office.

VAN DORMAEL, M., S. DUGAS, Y. KONE, S. COULIBALY, B. MARCHAL & D. DESPLATS (2009) Appropriate training and retention of community doctors in rural areas. A case study from Mali. *Human Resources for Health* 6(25): 99-115.

VAN ETTEN, G.M. (1976), *Rural health development in Tanzania,* Assen/Amsterdam: Van Gorcum.

WORLD BANK (2008), *Human development report*. Washington DC: The World Bank.

Human resource management in Tanzania Tobacco Processors Ltd

Introduction

Tanzania Tobacco Processors Ltd (TTPL) is a private company wholly owned by the Universal Leaf Tobacco with headquarters in Morogoro Municipality, which is about 200 Kilometres west of Dar es Salaam in Tanzania, USA. The Universal Leaf Tobacco was founded in 1918 with headquarters in Richmond, Virginia. It is the largest independent leaf tobacco company in the world dealing with tobacco production and has more than 26,000 employees globally. The company business profile includes, selecting, buying, shipping, processing, packaging, storing and financing of leaf tobacco.

The company is a result of the formerly state owned Tanzania Tobacco Processors Company. This state enterprise was initially established and registered in 1968 as a public company and became a department of the Tanzania Tobacco Board in 1985 until its privatisation in 1997. The data for this chapter which were obtained through interviews and documentary reviews shows that the vision of the company is 'to be one of Africa's preferred tobacco processing companies by ensuring it is rated number one by any standard worldwide' while the mission is 'pursuit of being one of Africa's most reliable tobacco processing companies, we strive to meet our goals through…'

In order to achieve the vision and mission, the company focuses on several key goals:

- First the maximisation of profits through the careful and responsible management of assets, products, and human resources.
- Second the quality of the product by ensuring that processed and shipped tobacco meets customer specifications.
- Third to meet customer requirements with courtesy.
- Fourth promotion of pride and sense of belongingness and achievement.
- Fifth continuous improvement by encouraging and organising individuals and teams to promote creativity and innovation, which leads to continuous improvement.

- Sixth teamwork and accountability by promoting individual, functional and cross functional teamwork and accountability.

The core values centres on two pillars. The first is corporate social responsibility through active involvement in, and improvement of, the environment and community, and the second is communication by providing the structures and channels, which leads to honest and meaningful communication, and freedom of constructive and respectful expression.

Therefore, the core business policy is to process tobacco leaf and add value to it with the objective of sustainable growth and development. The organisation's survival depends on the quality of the product produced at a profit. Being a fee – for – service organisation it is dedicated to delivering clients a good quality service in the Tanzanian tobacco industry. TTPL provides tobacco processing services to main tobacco dealers (in competition with DIMON and SAMCU factories) namely Tanzania Leaf Tobacco Company Limited (TLTC), The Standard Commercial Company Limited (STANCOM) and TOPSERVE (T) Ltd.

Due to the nature of the product being an agricultural one, the tobacco processing operations follows a strict seasonal time frame. The company has three main departments namely, production, engineering and administration. The production department houses four departments. These are processing, green leaf accounting system, quality control, and leaf operation. The engineering department has plant maintenance, electrical maintenance, store procurement, building maintenance and vehicle maintenance sections. The administration department has human resources, accounts, information systems and clinic sections.

In order to be effective in achieving the vision, mission and goals, the company has adopted and adapted world class human resource management practices through creativity and innovation. This was necessary to transform the inherited public enterprise management culture into a multicultural culture as envisioned in the main goals. The chapter presents good human resource management practices from TTPL, which are useful in driving organisations to prosperity. Therefore, at the end of the end of the chapter the learner should be:

- Aware of the good practices in human resource management which can be adapted in other organisations,
- Able to develop policies and instruments to facilitate human resource functions and
- Appreciate the link between theory and practice.

Staff categories at the TTPL

Permanent staff
Permanent staff are all the staff engaged on a continuous period of not less than 12 months on permanent terms and who have been or are to be confirmed in their appointment. Employees are appointed by issuing a letter of appointment setting out the nature of the appointment, its general terms and conditions of services.

Seasonal staff
Seasonal staff are those under a service contract with duration of less than 12 months and depends on the duration of the processing season.

Contract staff

Staff on contract are all staff engaged on a written contract/agreement of between 24 and 36 months. The appointment is restricted to expatriates in rare cases. Local officers who are over 55 years of age are entitled to engagement on such terms but not awarded expatriation allowances and other conditions applicable to expatriates.

Daily rated staff

This is staff engaged on daily basis whose wages are calculated and paid weekly/fortnightly for days worked only. If employed for a period of not less than 280 days continuously in the year they are deemed to have been employed for 12 months on a monthly basis and so deserve permanent contract termination benefits. That is 30 days' notice and seven 7 days leave pay for every 3 months of continuous service as well as pensions.

Casual staff

A casual worker is any employee who works on daily basis and whose payment of wages is due and paid at the end of each day's work. The staff are normally engaged on an emergency or short time period of less than a week.

Temporary staff

This is staff employed on a specific short period of less than 12 months for a specific job. This category includes students on vocation employment and who are employed by negotiations of an oral agreement summarised in a letter setting out the main terms and conditions of service. Seasonal employees can also be categorised as temporary employees whose engagement is dependent on the duration of the season.

Recruitment and selection

Recruitment and selection at TTPL is guided by policies of Universal Leaf, which is an equal opportunities employer. Employment decisions are based on merit and not on race, colour, ancestry, gender, age, religion, creed, ethnic or social origin, disability, marital status, mental status, political or any other factor protected by law. Whenever possible, priorities to fill vacant posts are given to the most qualified and effective people within the organisation before advertising to the general public. Where there is no suitable person within the organisation, the vacancy is advertised in the print media or any professional journals relevant to the position concerned. The services of reputable employment agencies are also used.

Job specific requirements such as educational qualifications, length of experience etc. are drawn up to guide the recruitment process. Each country, dependant on the circumstances in each country, decides on these requirements. Recruitment and selection depend on the staff category. However, the processes are systematic and guided by labour laws and company recruitment policy.

Recruitment of permanent employees

Permanent employees are employed according to the employment ordinance cap. 366 of 1962. Essential rules to be followed include:

- Advertising of vacancies and receiving applications for employment. For TTPL, advertisement of a vacant post has to come from the requesting department head.

- Shortlisting applications for the purpose of getting the right applicants.
- Interviewing the applicants. In the case of TTPL, interviews have to be made by the requesting department head in conjunction with the personnel manager.
- Medically examining those selected for employment aiming at the type of job the applicant will perform.
- Issuing a contract letter of employment to applicants found medically fit and having received performance reports from the previous employer.

Although the regulations of wages and employment order No. 207 of 1999 allow employment for people between the age of 15 years and 18 years, it is the Universal Leaf Policy to employ staff with not less than 18 years of age. However, students on practical training are allowed to work in the factory where their age is between 15 and 18 years of age. The objective is to ensure that a high calibre of employee is constantly entering the organisation and that in general terms, the right person is appointed to the right job and also that all applications are treated fairly, and confidentially.

Staff expected to occupy senior management positions in principal are recruited within the tobacco industry, through executive searches. Heads of department would refer to their approved organisational structure and identify a need for a vacant position to be filled or for a new one to be created. Such requests are approved by the managing director. For lower level staff, recruitment is based on a pre-approved organisational structure. The request is prepared by the heads of department and approved by the managing director at the beginning of each financial year. The head of department informs the human capital department concerning its requirement to fill vacancies.

Recruitment of Seasonal and Casual employees

The recruitment procedure of seasonal and casual employees is the same as for the recruitment of lower level staff. The only difference is that candidates are selected at the main entrance gate of the organisation after their previous employment records have been checked where possible. The selected candidates are then immediately sent for medical examinations. Candidates who successfully pass the medical examination are invited to start working immediately, within the relevant legislative requirements. The following is the general process:

- Short-listing

The human capital department do an initial application screening and send a 'long list' to the recruiting department for further screening. This 'long list' is sent to the relevant department for 'short-listing' based on the requirements of the job description and person specification. The selectors judge each applicant against the same criteria. The names of short-listed candidates are sent to the human capital department to arrange for further screening in terms of reference checks and psychometric assessment. A final list of available candidates is used to arrange for interviews for the recruiting department.

- The interview process

The interview is conducted by a panel, which is comprised of a minimum of three people including one representative from the human capital department, two members from the relevant department and one member given the role of chairperson who takes the responsibility for running the proceedings. The human capital department produces a structured interview format for each category of employment as a basis for the interview. The formal interview is usually preceded by a pre-interview to discuss questions prepared by the panellists before the actual interview.

- Conditions for appointment

All successful job applicants are informed and fill in Employment Application forms and attach copies of certificates and other relevant documentation including pass of the reference checks, pass of formal interviews arranged by the human capital department, pass of medical examination conducted by the TTPL clinic, favourable security clearance issued by the police and the letter of appointment. Unsuccessful candidates are to be advised as soon as possible.

Induction

On arrival at the factory gate the employee's names are called using the list used for advertising and then given pre-employment medical examination. When everybody has been examined they are gathered in one place and given an induction talk that includes hours of work, factory safety rules, disciplinary procedures, canteen procedures, medical procedures, use of toilets, IDs and protective clothing. The induction programme covers the following:

- The organisation business policy and history.
- The organisation products and services.
- TTPL organisation and operations.
- Personnel policies and procedures.
- Employee benefits and services.
- The new employee working schedule.
- Safety.
- Foreign matters, housekeeping and job description.

Thereafter, they are given letters of appointment in duplicate and if they agree with the terms and conditions they sign and return a copy to the human resource department for retaining. Every candidate is allowed at least a day to read the letter before returning a copy to human resource department.

Every employee is given an overall or an overcoat and a dust mask depending on where he will be working. The human resource department then completes engagement notifications, fills social scheme forms, opens an oral record card for each employee which is used as a master file where his/her disciplinary particulars, service record, qualifications, marital status, grade, and all correspondence are entered. The attendance and overtime registers are distributed to all supervisors for recording attendance and absenteeism.

Permanent employees have a six month probationary period and are confirmed and get permanent staff status if their performance is found to be satisfactory by their head of department. If their performance is found to be unsatisfactory their contracts are terminated accordingly. The appointment of employees is done by the relevant TTPL appointing authority depending on the level or category of the employee.

Contracts of employment

There are two types of contracts of employment / service recognised under the employment ordinance CAP 366 which is the principle legislation that regulates the employer – employee relationship.

Written contract.
The necessary particulars defining the rights and obligations of the parties are provided in writing. This is where a contract of service for an employee is made for a period exceeding 6 months or the number of working days equivalent to 6 months or stipulates conditions of service, which differ materially from those customary in the district of employment for similar work or is foreign contract of service. The contract is made in writing (Sect 42 of the employment ordinance CAP 366). It can be permanent/seasonal/specific duration as long as it is not less than 6 months as provided above.

Oral contract
An oral contract is made for a service period of less than 6 months. The terms of contract are discussed orally and agreed upon between the employer and the employee. The employer is obliged to keep records of terms in written form and produce them whenever required to do so by a labour officer. This helps to have a 'record of oral contract' in a standard version. Therefore, all contracts of service other than contracts, which are required by the employment ordinance CAP 366, or any other law to be made in writing are made orally. However, no oral contract is deemed to be valid and binding unless the employment commences within one month from the date of the contract.

   Subject to any agreement that may be made between the parties, an oral contract is terminable by either party where the contract is daily, and the wages are payable at intervals of less than one week and at the close of any day without notice.

Performance management

Although TTLP is a multinational corporation, there is no evidence that an open performance system exists. However, there are plans to introduce the system although the pace is fairly slow. The official view of appraisal is that the departmental heads submit annual appraisal reports to the general manager. The assessment is communicated to the employee who is given the opportunity to defend himself. This is done between February and March prior to the end of the financial year. The department heads forward confidential reports to the general manager on every trainee under their departments once every three months. If the individual's progress is below normal, the reporting authority gives advice on action to be taken.

   In cases of probation, departmental heads submit confidential reports with respect to employees on probation before their period of probation, which is six months, expires. The report contains recommendations as to whether the employee should be confirmed, probation period extended or service of the employee terminated. The employee has the opportunity to defend the appraisal when the probationary period ends and in case the probationary period is extended or service is terminated.

Development of reward management package

The company uses the traditional concept 'compensation' rather than the fashionable one in the contemporary human resource management of 'reward'.

   Compensation is awarded to employees based on a graduated basis according to job grade whilst considering market factors for each job category. The TTLP compensation policy is to award such salaries and benefits as would achieve, as far as practical. In adopting this compensation policy, TTLP considers several factors in order to achieve

internal equity and external competitiveness. As guided by Universal Leaf, depending on circumstances, TTPL determines which portion of total gross compensation shall be converted to cash and incorporated into the basic salary, and which portion shall be provided by the organisation or service providers as benefits or extra. Therefore, due regard is given to specific circumstances of:

- Legislation

Country legislation defines basic entitlements to employees including minimum wage and pensions. TTLP as a branch of Universal Leaf uses Tanzanian legislation to guide compensation just like the headquarters use American legislation.

- Competitiveness

The concept of competitiveness depends on the principles of demand and supply for labour as well as what other competitors offer. However, given the fact that there are not many competing firms for labour in Morogoro, there are fewer worries. There are more job seekers than there are jobs available.

- Inflation

The rate of inflation is another criteria used by TTPL. However, since inflation in Tanzania is highly unstable and salaries cannot be reviewed quickly enough to match inflation, employees are disadvantaged compared to countries where the inflation rate is more predictable.

- Cost of living

The cost of living is also taken into account when computing salaries and other benefits. However in Morogoro, most people spend more than 75% of their income on food. Food prices are highly unpredictable, seasonal and depend on production. Low production is followed by high prices and it is not practical to review and adjust salaries accordingly.

- Quality of living

The quality of living depends on the level of development of a particular country. Tanzania being a poor country has a poor quality of life. Thus, compensation packages are not set to enable local people live as if they were in abroad.

- Affordability

Affordability is a relative term and sometimes depends on other factors including the size of profit and company willingness to spend a significant percentage to compensate employees. In principle, each company sets graduated compensation scales which are approved by executive management with due regard to affordability. These scales are broad enough to enable local management to pay people differently according to grade, and performance contribution.

Each company presents its graduated compensation and benefit scales to Universal Leaf for approval each year prior to budgeting. It considers these scales relative to each other and the unique circumstances of each country, in order to ensure equity across the region. TTLP:
- Defines in clear terms the compensation benefits attached to each grade,
- Demonstrates the achievement of fairness by ensuring internal equity and external competitiveness,
- Ensures that remuneration awarded to employees form an equitable proportion of the total gross compensation, and

- Ensures long-term sustainability of the policy.

Salaries and wages
A salary or wage is a monetary reward paid to an employee in exchange for labour. The needs of permanent employees and seasonal/monthly employees are, in principle, the same and they are equally rewarded. Once a job evaluation has been done, the job grade of each individual is used to decide the basic salary.

To ensure that salaries are competitive, the company participates in salary surveys but within the company's anticipated ability to afford the levels of salary packages being paid. However, where an individual has the necessary experience and qualifications required for a position, the general manager approves an increase in the minimum salary. The general manager has at his discretion the power to adjust an individual salary if it is felt that it is justified.

- Salary reviews

Salary reviews for permanent staff are done in August every two years after the renewal of the voluntary agreement or when the government announces a change in the minimum wage in line with the budget for the requisite year. Wages for seasonal/contract general staff remain as being paid at the minimum of the current salary scale except for certain specified categories of seasonal staff with certificates and employed in specified areas. However, their minimum wages are reviewed after every general review of the salary or when the government minimum wage board has approved and notified a new national minimum wage that is higher than the company's minimum wage.

- Increments

An increment is an increase in salary of a prescribed amount which, provided certain conditions are satisfied, is normally granted annually to a holder of a post on incremental scales of salary until the top of the scale is reached. Apart from disciplinary action, which could result in an increment being stopped, the conditions for the increase are in most cases that the work and conduct of the employee during the incremental period has been satisfactory.

When there are further conditions, as may be contained in the employees scheme of service or some other special condition imposed, such as the passing of a language test or other examination after due notice has been given and conditions are not met, salary increment may be stopped. If for any reason, it is decided that an increment be stopped, the employee is advised in writing of the decision stating the period for which the increment is stopped provided that an employee's increment is not stopped without such an employee having first been given an opportunity to prove why the increment should not be stopped.

An increment 'stopped' means no-payments for a specified period of an increment otherwise due. When salary increment is not at all granted during an incremental year, for whatever reason, normally only one increment is granted on the next incremental date. In exceptional cases, however, and with the sanction of the disciplinary authority an employee may be granted an additional increment, or such increment as would bring his salary to that point in the scale which he would have reached had his increment been granted when due. The appointing authority has the discretion to award additional increments to any employee who performs duties outstandingly but does not secure promotion due to unavoidable factors such as lack of vacancies, provided that the appointing authority does not award more than two increments at any one time.

There is a proficiency bar at the top of every salary scale; no employee is allowed to cross the bar into higher salary scale except on promotion to a higher post or when the position he is filling has been upgraded.

- Pay days

Seasonal/monthly contract staff are paid salaries and wages on the following days of the month in arrears:
  - Mid-month advances – 15th of every month.
  - Salary/wages – Last day of every month.
  - Permanent and senior staff are paid their salaries on the following dates of the month in arrears.
  - Mid-month advances – 10th of every month.
  - Salaries/wages – on 25th every month.

- Salary/wage deductions

The following salary/wage deductions are made every month on income received:
Statutory deductions
  - Pay as you Earn (PAYE);
  - 10% of salary to National Social Security Fund (NSSF) or 5% of salary to Parastatal Pension Fund (PPF) and
  - 2% of salary as fees to trade Union membership.

Non-statutory deductions
  - Mid-month salary advance.
  - Recovery of loans given but not exceeding 25% of salary every month.
  - Fine or penalty given resulting from the decision of the disciplinary committee as per security of employment act 1964.
  - Short time attendance (i.e. days not worked by seasonal/monthly contract employees).
  - Tobacco savings and employees voluntary associations recognised by the employer as official organs e.g. burial assistance fund.

Advances

Salary paid in advance is granted under extreme financial hardship that could not have been foreseen. Only permanent employees are entitled to short term loans and they are recovered in full in no more than 6 months after being paid out. Furthermore, the employee must have worked for at least one year. Other conditions include, expenses should not be like school fees, which the employee ought to have budgeted from the salary. The applicant has not been subjected to severe disciplinary action, and has no outstanding loan. Supporting evidence is required. Cases that may justify the loan include death of a relative, a family member falling seriously ill and severe damage of personal accommodation due to weather.

Training and development

Training and development at TTLP are given the utmost priority through a training policy. For TTLP, there is no clear difference between training and development although in practice strategies and procedures used show systematic approach to human resource training and development.

The prime objective of training is to provide necessary skills and knowledge required by an individual employee, department and the company at large to improve performance in terms of output, quality, and effectiveness in line with the corporate mission, vision and objectives as they exist at the time. Specifically, the broad objectives for training are:

1. To develop and utilise to the fullest, the potential of all members of staff.
2. To develop a multi-skilled workforce capable of operating flexibly in light of developments in the company.
3. To facilitate the acquisition of the necessary competencies by all employees to perform the functions of their current and future positions.
4. To form a basis for career development and succession plans in the company.

Training strategies

The company places high priority on local training but considers external training where the programmes cannot be pursued internally. It also provides priority to cross pollination (exchange programs) across the region and outside the region for key and strategic positions. Such programmes aim to contribute to individual's success and provide a forum for positive cross-cultural interaction in which responsible employees transfer best practices/learning from one company to another. The effectiveness of training depends on the effort and relationship of executive management, departmental heads, human resource department and the trainee.

Executive management
The executive management creates a conducive training environment by:
- Establishing clear policy guidelines for training,
- Establishing a training committee with the responsibility of vetting training proposals of departments and make recommendations to the executive management,
- Ensuring that staff are properly placed in terms of qualifications, expertise, and experience, and
- Allocating adequate financial and other resources for training.

Training committee
The training committee is chaired by one of the heads of human resource, the composition of which includes heads of department. The committee is responsible for the following activities:
- To formulate/review and recommend a human resource training and development plan in line with the T&D Policy,
- To advise on any issues pertinent to the promotion of sound human resource training and development practices in the company,
- To vet departmental training and development plan submissions and make recommendations to the executive management, and
- To monitor the training process and progress to ensure that it is compatible the company's succession plans.

Trainee
As training provides opportunities for career development, upgrading, and self-development, the company expects the trainee to:

- Discuss his/her training needs with the departmental head,
- Take full advantage of the learning opportunities provided by participating actively in training activities,
- Submit a detailed report to the departmental head and training committee on any training programme attended,
- Make a presentation of the acquired knowledge and skills to the departments which would benefit from such training programme, and
- On the completion of training programme, train others in the department or company as the case may be.

Human resource department

Like other actors charged with responsibilities, the head of the department has to:

- Ensure that the training plan is in place at the right time and that training takes place as planned,
- Evaluate the impact and effectiveness of training vis-à-vis the trainee's performance. This is done by monitoring and evaluating individual job performance to assess the impact of the newly acquired skills on the job and report on the results to the individuals and training committee.
- Keep and update all training records in order to ensure that the training records, training and education particulars of each employee and other records are easily retrieved whenever needed.

Procedure

- Each head of department identifies the training gap between current and desired individual performance through individual roles, performance reviews, business strategy, regional objectives, departmental and team goals. They also have the responsibility of identifying high performers and potential employees for the company human resource and succession planning.
- Heads of department analyse and establish weaknesses (training gaps) attributed to lack of knowledge and skills and come up with training needs for each employee. The analysis of the training gap is done by comparing the actual skills of an individual with the required skills (competencies) for the job.
- Heads of department plan for training and development programmes intended to address the training gaps. These indicate the required training for an individual (self-development, coaching, mentoring, on the job, in-house or external formal or cross pollination) as well as recommending the preferred training institutions. High priority is given to employees who have the potential to succeed key positions in the company.
- Heads of department identify and recommend to the human resource managers which employees have high potential for the company succession plan.

The employee is supported by giving them an individual development plan (IDP) which is developed and agreed upon between the employee and the immediate manager and approved by the head of department. The development plan embodies competency and proficiency levels required for the achievement of the company's objectives and reflect the organisational development and training needs pertaining to each employee's area of responsibility.

The proposed training and development plans of all HODs are submitted to the human resource manager for compilation into the company annual training and development plan that is submitted to the training committee for analysis and recommendation for the management's approval.

Therefore, all training programmes are co-ordinated by the human resource manager. Training is undertaken on an in house basis or through participation in external courses under the approval of the general manager. Training needs are included in the annual work plan/programme for budgeting. Nominations of candidates for training through attendance of courses or seminars are submitted by heads of department to the general manager for approval with details showing:

- the cost
- the venue
- the course content
- the value to the Company

Workers participation in management

Workers participation in management is officially done through a trade union representative committee. The representatives are assumed to represent to the management the workers' interest in the most objective and efficient way. The roles of the trade union are:

- To consult with the employer on matters relating to the maintenance of discipline and the application of the disciplinary code.
- To discuss with the employer once every three months, means of promoting efficiency and productivity.
- To consider and advise the employer on safety and welfare arrangements for persons employed in the business.
- To attend, by a member of the committee nominated by itself for that purpose, all statutory inspections at the place of work by any authority charged by law with the duty to make inspections and report on working conditions.
- To investigate and to report to the appropriate authority on any non-compliance with the provisions of a wage regulations made under the regulation of wages and term of employment ordinance or any law replacing the same, or with any collective agreement or arbitrary award, which relates to the business or employees therein, and for this purpose to inspect time and wage sheets and other appropriate employment records.
- To consult the employer on any of the employer's rules for the place of work.
- To deliberate with the employer concerning any impending redundancies.
- Generally, to assist in the improvement of good relations with the employer and the persons employed in the business and to exercise such other functions that are required of a committee by this act.

Grievance handling procedure

TTPL established grievance handling procedures to be used by employees whenever their supervisors or fellow employees at workplace aggrieve them.
The objectives of this grievance procedure are:
1. To provide a process of resolving employees' grievances.

2. To settle grievances as close as possible to the point of origin.
3. To ensure that the employer treats grievances seriously and resolves them as quickly as possible.
4. To ensure that the employer treats the employees fairly and consistently.

Management and employees at all levels within the organisation are urged to give careful consideration to grievances raised and should use their conflict resolution skills to resolve grievances. In that regard:

- All managers and employees shall treat one another with sensitivity and respect,
- Where a grievance is lodged, an employee's employment should not be prejudiced in any way whatsoever,
- The employee has the right at all stages to be accompanied and assisted by a fellow employee or by a trade union representative when dealing with grievances, and
- An employee should be entitled to use this procedure when it is within a reasonable period from when the grievance occurred.

In the interest of maintaining good working relations, an aggrieved employee is encouraged to first discuss any grievance verbally with the immediate manager provided that, unless it would be unreasonable to expect an employee to do so. Where the grievance has something to do with that immediate manager, the employee may proceed directly to stage one of the formal grievance procedures. Where the manager fails to resolve the grievance to the employee's satisfaction within five working days or any other agreed period between them, the aggrieved employee may complete a formal grievance form and refer the matter to stage one, to be dealt with by a senior manager.

The formal procedure
1. The employee must outline the grievance in writing and suggest a possible remedy in the prescribed formal grievance form. The manager, who dealt with the grievance at the informal stage, must complete the steps taken to resolve the grievance, and comment on any suggested remedies.
2. Where the employee's immediate manager deals with the grievance at stage two, the employee should discuss the grievance verbally with that person before completing a formal grievance form. The form has to be dealt with by a senior manager.
3. Once the manager dealing with the grievance in stage two has received a formal grievance form, he/she should invite the aggrieved employee to attend a grievance meeting to discuss the matter and should make a concerted effort to resolve the grievance within ten working days or any other period agreed between them.
4. The manager dealing with the grievance at this stage may agree with the employee and the employee's representative on the appropriate procedure to be followed in each case. This may involve calling a meeting with the aggrieved parties using mediation, arbitration, a commission of enquiry or any other procedure that may be deemed appropriate in the circumstances.
5. If the employee is still aggrieved, notwithstanding the effort to resolve the parties earlier, the employee may use the means available in law for the protection of employee's rights.

Termination of employment

The normal process

Termination of appointment is effected in accordance with the terms and conditions of service incorporated in the contract or letter of appointment. The employee is given three months' notice in writing or one month gross salary in lieu thereof. Either side may effect termination of any appointment including probationary. Such notice may include earned leave. Normally, the services of employee are terminated on the following grounds:

- Reaching the compulsory retirement age.
- Medical. That is where an employee has by reasons of any disease of body or mind, become unable to discharge his/her duties efficiently following the recommendation of a medical board.
- Redundancy. That is where the post held by an employee has been abolished. The procedure requires consultation with workers committee as provided under Section 61 (9) of the security of employment act No. 62 of 1964 (CAP 574).
- Where the appointing authority finds that the interests of the organisation are in question due to general and sustained employee inefficiency, which cannot be attributed to negligence or failing health.
- Where the disciplinary action has resulted in such punishment being awarded.

Terminal benefits

Upon termination, depending on the contract of employment and reasons for termination, an employee is entitled to the following benefits:

1. One salary in lieu of notice,
2. Accumulated earned leave,
3. Fare for the employee and his direct family to his registered place of domicile,
4. Transport costs for personnel effects 1.5 tons to the employee's registered place of domicile, and
5. Social security scheme membership benefits (NPF/PPF).

Termination by retrenchment

The company maintains the existing job establishment, as long it is required. The prevailing business environment determines the number of job opportunities. Therefore, when there is need to retrench employees as dictated by the business environment, redundancy is affected once the management has consulted the trade union as required by law under S. 61, (9) of the security of the Employment act 1964, Public service (negotiating machinery) act 2003 and Employment and labour relations act 2004. The following criteria would be adhered to in effecting retrenchment:

- Retain hardworking employees,
- Retain workers whose jobs are not affected by the business environment,
- Retain workers with the ability to perform, and
- Last in first out (LIFO) is used but management reserves the right to retain certain employees with shorter period, but whose skills are needed for efficient running of business.

Review questions

1. Examine the major elements of human resource management at TTPL that should be emulated by other organisations.
2. To what extent do you think that TTPL subscribes to contemporary human resource management values?
3. Examine the key areas in human resource management at TTPL that might have been better managed and how should they have been improved.

Appendix 14.1   Grievance handling form

Tanzania Tobacco Processors Ltd

FORMAL GRIEVANCE FORM
FOMU YA MALALAMIKO

PART I
SEHEMU YA I
(To be completed by the employee lodging the grievance in terms of stage 2 of the grievance procedure)
(Ijazwe na mfanyakazi anayelalamika kwa mujibu wa hatua ya 2 ya Utaratibu wa Malalamiko)

1. Name of the Employee   Sex
   Jina la Mfanyakazi   Jinsi

   ....

2. Cause of the Grievance
   Chanzo/Sababu za lalamiko

   ....
   ....
   ....
   ....

3. Solution Sought
   Ufumbuzi unaotafutwa

   ....
   ....
   ....

4. Signature of the Employee   Date
   Sahihi ya Mfanyakazi   Tarehe

   ....

5. Signature of the Employee's Representative   Date
   Sahihi ya mwakilishi wa mfanyakazi   Tarehe

   ....

PART II
SEHEMU YA II
(To be completed by the Manager who dealt with the grievance in the informal grievance stage and stage one of the formal grievance procedure) (Unless not applicable in terms of clause 2(2) of the informal grievance procedure (Ijazwe na Meneja aliyeshughulikia lalamiko kabla halijawa rasmi na wakati wa hatua ya kwanza ya lalamiko rasmi)(isipokuwa pale hatua hii isipohusika kwa mujibu wa kifungu 2(2) katika utaratibu usio rasmi wa kutatua lalamiko)

1. Date received
   Tarehe ya kupokea lalamiko

   ....

2. Name of the Manager
   Jina la Meneja

   ....

3. Steps taken to resolve grievance
   Hatua zilizochukuliwa kutatua lalamiko

   ....
   ....
   ....
   ....
   ....

4. Remedy proposed by the manager dealing with the grievance
   Ufumbuzi unaopendekezwa na meneja anayeshughulikia lalamiko

   ....
   ....
   ....
   ....

5. Outcome
   Matokeo
   ....
   ....
   ....
   ....

   Manager's Signature   Date
   Sahihi ya Meneja   Tarehe

   ....

PART III
SEHEMU YA III

SENIOR MANAGER
MENEJA WA JUU
(To be completed by the Manager dealing with the grievance in terms of stage two of the formal Grievance Procedure)
(Ijazwe na Meneja anayeshughulikia lalamiko kwa mujibu wa hatua ya pili ya taratibu rasmi za kushughulikia malalamiko)

1. Date received
   Tarehe ya kupokea lalamiko

   ....

2. Senior Manager's Comments
   Maoni ya Meneja wa juu

   ....
   ....
   ....
   ....

3. Outcome
   Matokeo
   ....
   ....
   ....
   ....

4. Signature of the Senior Manager   Date
   Sahihi ya Meneja wa juu   Tarehe

   ....

5. Signature of the employee   Date
   Sahihi ya Mfanyakazi   Tarehe

   ....

6. Signature of the employee's representative   Date
   Sahihi ya mwakilishi wa Mfanyakazi   Tarehe

   ....

Index