The Quest for Efficiency: Role of Human Resource Management in
Public Sector Reforms in Uganda

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ABSTRACT

The context of this thesis is the development strategy of public sector reforms and privatisation. It uses Uganda as a case study, and argues for the need to integrate the issue of human resource management in the privatisation discourse in developing countries. Public sector reforms arose out of neo-liberal thinking that argues against state intervention and recommends market led economic growth. Privatisation is part of the attempt to scale back on the role of the state in economic development and has been integrated in the development policies of developing countries through the structural adjustment programs of the IMF and World Bank. It is required because of the belief that the private sector is more efficient in allocation and use of resources and is therefore the best medium for attaining development goals. Private sector companies in the developed countries which utilise modern techniques of management are comparatively more efficient than their public counterparts. Globalisation and market competition forced organisations to search for ways to be competitive and this partly led to organisations elevating human resource management issues to a strategic level because of the belief that a company’s workers add value that make firms competitive.

When privatisation is made a requirement by the multilateral aid agencies for developing countries it is based on the assumption that the conditions that make public enterprises inefficient do not exist in the private sector. No empirical evidence is available to confirm or refute these assumptions, particularly in the case of Africa’s developing nations. This thesis has contributed to this area by examining the human resource management practices of seven Ugandan organisations, three public, two private and two privatised. The aim was to find out whether there are differences in the way in which private and public organisations manage their employees and if their practices are those associated with effective management of human resources. The practices that were examined were recruitment and selection of staff, training, compensation and employee attitudes. The results from this study did not provide evidence that the differences that were exhibited in the seven organisations were related to ownership. Rather they seem to be determined by the values and culture of managers and the labour market conditions in Uganda. Both private and public enterprises exhibited practices that human resource management literature and practice consider as obstacles to efficiency.
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Abstract</th>
<th>ii</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>iv</td>
</tr>
<tr>
<td>List of Tables</td>
<td>ix</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xi</td>
</tr>
<tr>
<td>Bibliography</td>
<td>229</td>
</tr>
<tr>
<td>Appendices</td>
<td>242</td>
</tr>
</tbody>
</table>

## CHAPTER 1: INTRODUCTION

Rethinking the Roles of States and Markets  
Economic Crises  
Study Area and Scope  
Methodology and Study Population  
Thesis Organisation

## CHAPTER 2: PUBLIC SECTOR REFORMS

Introduction  
Changing View of the Role of the State in the Economy  
Public Sector Enterprises  
Case for State Ownership  
Reasons for Creation of SOEs in LDCs  
Control of Negative Impact of Private Provision  
Mobilisation of Resources for Investment  
Employment and Redistribution  
Case Against Government Ownership  
Reforms in Africa  
Background to Structural Adjustment Policies  
Conditionality and Structural Adjustment Programmes  
Structural Adjustment Programme in Africa  
Stabilisation  
Adjustment  
The Strategy of Privatisation  
Conclusion

## CHAPTER 3: HUMAN RESOURCES MANAGEMENT AND PRIVATISATION

Introduction  
Human Resources Management
Perspectives of HRM .................................................. 45
Human Resources Management Practices and Firm Performance 48
Recruitment ................................................................ 50
Selection ..................................................................... 52
Effective Staffing Process ............................................. 52
Training and Development .......................................... 53
To Train or Not To Train? ............................................ 53
Importance of Training and Development ................. 54
Basic Elements of Training and Development ............. 56
Compensation/Reward Management .......................... 57
Role of Reward System ............................................. 58
Elements of Reward Management Systems ................ 58
Determinants of Rewards ........................................... 59
Pay Levels ................................................................... 61
Pay Plans .................................................................... 61
Types of Rewards ....................................................... 62
Effective Reward Management Systems ...................... 62
Equal Employment Opportunity ................................ 64
Employee Attitudes .................................................... 65
Factors that Influence Employee Attitudes ................. 67
Intervening Factors ..................................................... 68
Outcomes of Employee Attitudes ................................. 69
Effect on Attitudes and Health .................................... 69
Effect on Absence and Turnover ................................ 70
Theft and Violence ...................................................... 71
Effect on Productivity .................................................. 71
HRM in Africa .............................................................. 71
Privatisation and HRM ............................................... 74
Conclusion .................................................................. 76

CHAPTER 4: PUBLIC SECTOR REFORMS IN UGANDA .................................................. 78

Introduction ................................................................ 78
Political Background .................................................. 79
Geo-political Situation ................................................ 79
Economy ..................................................................... 81
Economic Background ............................................... 82
Public Sector Management in Uganda ......................... 85
Labour Situation in Uganda ......................................... 87
Trade Unionism .......................................................... 89
State Owned Enterprises in Uganda ......................... 90
Structural Adjustment Policies in Uganda .................. 91
Second Phase of Structural Adjustment Programme in Uganda 93
Public Sector Reforms and Private Sector Development 95
Civil Service Reform ................................................... 96
Public Enterprise Reforms and Privatisation .............. 97
Outcomes of the Reform Programme ......................... 101
Conclusion ................................................................ 105
## CHAPTER 5: METHODS AND PROFILES OF STUDY PARTICIPANTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>107</td>
</tr>
<tr>
<td>Research Methodology</td>
<td>108</td>
</tr>
<tr>
<td>Study Themes</td>
<td>109</td>
</tr>
<tr>
<td>Selection of Organisations and Rationale</td>
<td>111</td>
</tr>
<tr>
<td>Selection of Individuals and Rationale</td>
<td>113</td>
</tr>
<tr>
<td>Data Collection Procedures</td>
<td>114</td>
</tr>
<tr>
<td>Questionnaires</td>
<td>114</td>
</tr>
<tr>
<td>Interviews</td>
<td>116</td>
</tr>
<tr>
<td>Documents</td>
<td>117</td>
</tr>
<tr>
<td>Ethical issues</td>
<td>117</td>
</tr>
<tr>
<td>Difficulties</td>
<td>118</td>
</tr>
<tr>
<td>Limitations of the Study</td>
<td>119</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>120</td>
</tr>
<tr>
<td>Participants</td>
<td>121</td>
</tr>
<tr>
<td>Profiles of Employees in the Study</td>
<td>123</td>
</tr>
<tr>
<td>Age of Employee Participants</td>
<td>124</td>
</tr>
<tr>
<td>Ethnicity/Tribe</td>
<td>125</td>
</tr>
<tr>
<td>Characteristics by Religion</td>
<td>127</td>
</tr>
<tr>
<td>Characteristics by Marital Status</td>
<td>127</td>
</tr>
<tr>
<td>Dependents</td>
<td>128</td>
</tr>
<tr>
<td>Characteristics by Conditions of Appointment</td>
<td>128</td>
</tr>
<tr>
<td>Category of Job Classification</td>
<td>129</td>
</tr>
<tr>
<td>Length of Service</td>
<td>129</td>
</tr>
<tr>
<td>Conclusion</td>
<td>130</td>
</tr>
</tbody>
</table>

## CHAPTER 6: RECRUITMENT AND SELECTION OF STAFF

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>131</td>
</tr>
<tr>
<td>Recruitment Methodologies Employed</td>
<td>133</td>
</tr>
<tr>
<td>Job Description and Analysis</td>
<td>134</td>
</tr>
<tr>
<td>Methods of Recruitment</td>
<td>137</td>
</tr>
<tr>
<td>Employees’ Perceptions on Recruitment</td>
<td>140</td>
</tr>
<tr>
<td>The Basis for the Recruitment Methods Used</td>
<td>141</td>
</tr>
<tr>
<td>Number and Quality of Applicants</td>
<td>144</td>
</tr>
<tr>
<td>Successful Recruitment Sources</td>
<td>148</td>
</tr>
<tr>
<td>Selection</td>
<td>153</td>
</tr>
<tr>
<td>Employees’ Perceptions on Selection</td>
<td>156</td>
</tr>
<tr>
<td>Discussion and Conclusion</td>
<td>159</td>
</tr>
</tbody>
</table>

## CHAPTER 7: TRAINING & DEVELOPMENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>161</td>
</tr>
<tr>
<td>Training Programmes</td>
<td>162</td>
</tr>
<tr>
<td>Training Needs Analysis</td>
<td>163</td>
</tr>
</tbody>
</table>
CHAPTER 11: CONCLUSION

Introduction 217
Summary of Thesis 218
Main Themes and Findings of the Study 220
Recommendations for Further Study 226
Conclusion 227
LIST OF TABLES

Table 3.1: The Fundamental Elements of a Total Compensation System 59
Table 3.2: Types/Forms of Rewards 63
Table 4.1: Household Population by Main Activity (1999/2000) 87
Table 4.2: Classification by Industry (1999/2000) 88
Table 4.3: Size of Uganda Civil Service: 1996-2000 97
Table 4.4: Ownership of Public Enterprises in Uganda by 1990 99
Table 4.5: Classification of Ugandan SOEs in 1993 100
Table 4.6: Classification of SOEs by June 1999 101
Table 5.1: Profiles and Structures of the Organisations in the Study 122
Table 5.2: Proportions of Participants by Sex and Organisation Category 123
Table 5.3: Demographics of Participants by Age 124
Table 5.4: Ethnicity of Participants 125
Table 5.5: Proportions of Employees of Different Sexes According to Marital Status 128
Table 5.6: Proportions of Participants’ Skills in Differently Owned Organisations 129
Table 5.7: Length of Service 130
Table 6.1: People who Authorise Recruitment 132
Table 6.2: Personnel Involved in Making Decisions on Recruitment Methods 133
Table 6.3 Personnel Involved in Job Analysis and Writing Job Descriptions 135
Table 6.4: Time Frame of Job Analysis in Study Organisations 136
Table 6.5: Methods of Recruitment Used by Frequency 137
Table 6.6: Employees’ Recruitment Experiences 140
Table 6.7: Household Population by Main Activity (1999/2000) 145
Table 6.8: Numbers of Applicants in Five Years 146
Table 6.9: Difficulties Faced by Organisations in Recruiting Employees 147
Table 6.10: Employees’ Perceptions on Selection Methods Used 157
Table 7.1: Organisations’ System for Enhancing Skills of Employees 162
Table 7.2 Training Needs Assessment 163
Table 7.3 Criteria for Training 163
Table 7.4: Employees’ Perceptions on Training Criteria 165
Table 7.5: Methods used for Management Development Programmes 169
Table 7.6: Institutions where the Organisations Send employees for Up-skilling 170
Table 7.7: Training Evaluation 171
Table 7.8: Reasons why Employees’ Want to Train 173
Table 7.9: Employees who have Trained in the Past 174
Table 8.1: Proportion of Corporation Costs Spent on Wages and Salaries 180
Table 8.2: Factors Influencing Decisions on Compensation 181
Table 8.3: Factors Influencing Decisions on Pay Raise 183
Table 8.4: Determinants of Salary Levels 184
Table 8.5: Employee’s Perceptions on Factors that Determine Pay Levels 186
Table 8.6: Employee Benefits Provided by Organisations 188
Table 9.1: Proportions of Employees by Sex in the Different Organisations 196
Table 9.2: Different Levels of Responsibilities by Sex 197
Table 9.3: Attitudes to Equal Opportunities 199
Table 9.4: Sex Distribution of Those Who Have Trained in the Past 200
Table 9.5: Percentages of Employees from Different Regions in the Country 201
Table 10.1: Attitudes of Employees Towards their Jobs 205
Table 10.2: Attitudes of Employees to Organisation and Management Practices 207
Table 10.3: Attitudes of Employees to Reward Management Practices 210
Table 10.4: Employees’ Views on Why People Leave 212
Table 10.5: Financial and Labour Productivity Measures
   (Ugandan shillings in millions) 214
Table 10.6: Managers’ Views on Performance 215
LIST OF FIGURES

Figure 3.1: A Synthesis of Empirically Based Research in the Area of HRM and Performance 49
Figure 4.1: Map of Uganda 80
Figure 5.1: Location of Uganda’s Main Ethnic Groups 126