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Short Term Effects of the Retrenchment Exercise on Individual and Organisational Performance in the Uganda Civil Service: Part II

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Title: Short Term Effects of the Retrenchment Exercise on Individual and Organisational Performance in the Uganda Civil Service: Part II

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IBPP Note. The concluding segment of this article provides theory, empirical data, and analysis on some political psychological consequences of organizational retrenchment in a political bureaucracy within a country often unattended to by Western researchers. It was written by Dr. Peter Baguma, Senior Lecturer, Institute of Psychology, Makerere University, Kampala, Uganda, and International Editor, IBPP. Dr. Baguma can be reached at uparipari@mulib.ac.ug.

Abstract. This study set out to assess the short-term effects of a retrenchment exercise on individual and organisational performance in the Uganda civil service. In all, 247 senior and lower rank employees from 6 civil service ministries were administered a questionnaire that measured individual performance, factors hindering employee performance and suggestions on how performance could be improved, and organisational performance factors. The majority of participants reported retrenchment had positive or unknown effects on individual performance. Factors hindering employee performance were inadequate funding, lack of motivation, work overload, and lack of tools--to mention but a few. Providing a living wage, improved incentives, and training were some of the factors identified that could lead to improved performance. The majority of participants also reported that retrenchment had positive or no effects on organisational performance. Specific recommendations are given in the text. (Note: The Introduction for this article was posted in the June 29th Issue of IBPP.)

Methodology

-----Design

A retrospective survey design was used. In this design, participants described their individual and organisational performance before and after retrenchment.

-----Sample

The sample used comprised of 247 participants (senior and junior officers) picked using multi-stage sampling from Ministries of Public Service, Local Government, Education, Internal Affairs, and Gender and Community Development. The study was done in Kampala district. This is because Kampala has a relatively higher percentage of organisations that have implemented retrenchment.

-----Instruments

A questionnaire was used to gather data since all respondents could read and write very well. Section 1 of the questionnaire assessed performance ratings on 25 key different performance indicators (alpha = 0.73). These indicators reflected individual-and organisational-level performance variables (see Tables 1 and 4). Participants had to indicate how retrenchment had impacted on these performance indicators using the response format: improved, reduced, no idea, and no change being coded from 1 to 4,

respectively. In some cases, this response format was reversed to stop the development of a response set. This procedure gave categorised data analysable using percentages.

-----Procedure and data analysis

Purposive sampling was used to select ministries that had implemented retrenchment. Ministry of Public Service gave a list of 49 ministries and related organisations that had implemented retrenchment by 1992. The selected organisations and ministries were assessed to make sure that they had adequate participants of both sexes. Thereafter, a stratified random sample of male and female employees (who were not retrenched) was picked from the payroll. Those selected were requested to fill in the questionnaire. Participation was voluntary. The participants without enough time were allowed to complete the questionnaires at home, which were later collected back. The questionnaires were edited and responses coded. Data analysis procedures of frequencies were used to analyse the data. The next section presents the results.

Results

The results are presented, beginning with the presentation of sample characteristics. This helps to give a better picture of the sample used. The sample comprised of 57.5% male and 42.5% females. Regarding seniority on the job, the majority had served for 4-10 years (41.7%). Regarding the ministry, most of the participants were from the Ministry of Internal Affairs (24.7%). Most of the participants were 30-39 years of age (44.1%), and on confirmed terms of service (80.6%). The majority of the participants had "O" level certificate (35.2%), and had 4 to 9 economic dependants (44%). The data show that the sample was a representative of the Uganda Civil Service.

-----Effect of retrenchment on individual performance

The participants were asked to report on the impact of retrenchment on several factors concerning individual performance. The responses were scored as either negative impact, no impact, positive impact, no idea, or missing cases. Percentages in each category were computed. The results appear in Table 1.

* the remainder to 100% indicate missing cases

Table 1: The impact of retrenchment on individual performance (N = 247)

Effect

Reduced

No effect

Improved

No idea

Employee job performance generally

9*

28

55

5

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Punctuality

7
32
59
1

Absenteeism in your department

55
19
17
5

Number of employees remaining on duty all the time

7
23
61
5

Having two or more jobs

37
15
8
35

Number of alcoholics in your dept.

48
7
7
35

Efficiency and effectiveness

8
26
59
4

Personal responsibility

6
28
64
0.4

Employee accountability

7
30
38
21

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Corruption & unprofessional behaviour

31
23
7
35

Loyalty to your boss & discipline

3
30
61
3

Employee discipline

3
27
62
7

Table 1 shows that the majority of the participants reported that retrenchment exercise had a positive effect on employee performance generally (55%), the number of employees reporting to work on time punctuality (59%), absenteeism (55%), number of employees remaining on duty most of the time (61%), reduction in the number of employees having 2 or more jobs or "moonlighting" (37%), reduction in alcoholism (48%), employee efficiency and effectiveness (59%), employee responsibility (64%), and employee accountability (38%). The majority of the participants reported that retrenchment had improved employee loyalty and discipline (61% and 62%, respectively).

The majority of the participants did not know the effect retrenchment had on corruption and other unprofessional behaviour (35%). These results show that retrenchment was associated with increased individual performance in some respects, reduced performance, and had unknown effects on other respects. Some of its effects are yet to be determined. There was no reason for social desirability bias to operate in these responses. In some cases, the response format was reversed to avoid the development of response biases.

-----Factors hindering employee performance after retrenchment

It was important to investigate factors that hindered performance of the survivors after retrenchment. These factors were elicited using an open-ended question. Responses were pooled and coded, and frequencies were calculated. The results are presented in Table 2.

Table 2: Factors that impede performance of the survivors (N = 247)

Factor
n

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%

Inadequate funding

101

40.9

Lack of motivation and morale

51

20.6

Too much work being done by a few

23

9.3

Lack of tools (equipment)

23

9.3

Poor transport

13

5.3

No job security

13

5.3

Poor training

10

4.0

Financial constraints, bureaucracy, lack of transparency

9

3.6

No change (in performance)

6

2.4

Poor management style

5

2.0

Poor chances of promotion and poor work environment

3

1.2

Only working for survival

2

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0.8

Long delays of salary

1

0.4

Loss of confidence in the ministry

1

0.4

Non-response

52

21

Table 2 shows that the most important factor hindering performance of survivors was inadequate funding (reported by 40.9% of the sample). Other factors reported included lack of motivation (20.6%), work overload (9.3%), lack of tools (9.3%), poor transport (5.3%), and no job security (5.3%). These are the Issues that management should focus on if retrenchment has to make a positive impact on performance. Out of the total sample, 21% did not respond to this question. This is slightly high because some of the participants said they lacked enough time to fill in questionnaires.

An open-ended question regarding suggestions how impediments to performance could be overcome was put to the participants. The responses were pooled, coded, and tallied, and percentages were calculated. The results appear in Table 3.

Table 3: How to improve the performance of the survivors (N = 247)

Suggestion

n

%

Provide a living wage

175

70.9

Improvement on social welfare/incentives, provide transport

47

19.0

Train the workers

35

14.2

Motivate and morale boost the workers

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34
13.8

Improved conditions of living
11
4.5

Promotions, increase capacity building
7
2.8

Assurance of job security
6
2.4

Computerisation
2
0.8

Timely reshuffles
2
0.8

By assigning lesser or more specific work to employees
1
0.4

It has improved generally
1
0.4

Competitively filling their positions
1
0.4

Government knows better
1
0.4

Involve survivors in high level decision making
1
0.4

Turn to good use or grow better and value
1
0.4

Employ more workers

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1
0.4

Clearly defined jobs to indicate their out put

1
0.4

By change in management style of leaders/administrators

1
0.4

Non-response

26
10.5

From Table 3, the most popular ways of improving performance reported by survivors included the following: provision of living wage (70.9%), improvement in welfare and incentives (19.0%), training of workers (14.2%), and improvement of motivation and morale (13.8%). Non-response accounted for 10.5% of the sample (see Table 3). This is slightly high because some of the participants said they lacked enough time to fill in questionnaires.

-----Organisational performance

The participants were asked to report on the impact of retrenchment on several factors concerning organisational performance. The responses were scored as either negative impact, no impact, positive impact, no idea, or missing cases. The results are shown in Table 4.

* the remainder to 100% comprises missing cases

Table 4: Effects of retrenchment on organisational wide factors (N = 247)

Effect

Reduced

No effect

Improved

No idea

Awareness of the needs of the public

5*

32

44

15

Team work

11

31

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51

5

Constructive feedback about performance

7

40

39

11

Joint decision making

11

32

45

10

Quality leadership

6

29

49

11

Employee supervision

10

34

48

4

Creative management in your organisation

5

26

50

15

Information gathering, storage, & dissemination

8

29

36

21

Selection procedures

4

39

20

32

The way jobs are designed

5

39

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33

20

Training opportunities

20

45

29

3

Chances of promotion

26

41

22

8

Departmental performance

7

29

57

3

The frequency distributions in Table 4 show that the majority of the participants reported that retrenchment was associated with increased sensitivity to the needs of the public (customers) (44%) and increased teamwork (51%). The majority of the participants reported improvements in joint decision-making (45%), quality leadership (49%), employee supervision (48%), creative management (50%), information management in organisations (36%), and departmental performance (57%).

Further, the majority of the participants reported that retrenchment had no effect on the way performance feedback is given (40%), on job design (39%), and on training opportunities (45%). The majority of the participants reported that retrenchment had no effect on selection procedures (39%) and chances of promotion (41%). The above results show that retrenchment had positive, negative, as well as no effects on some aspects of organisational performance. So, some of its effects are not well known. There was no reason for social desirability bias to operate in these responses. In some cases, the response format was reversed to avoid the development of response biases.

Discussion

This research was done to find out the effects of retrenchment on individual and organisational performance. The results indicated that retrenchment had either positive, negative, unknown, or no effects on individual and organisational level performance in the short term.

-----Individual performance

Hypothesis one which stated that retrenchment has positive effects on various indicators of individual performance was partly supported. The majority of participants agreed that retrenchment has been

associated with improved general employee performance, punctuality, reduced absenteeism, reduced tardiness, reduced moonlighting, reduced alcoholism, increased efficiency and effectiveness, employee responsibility, employee accountability, and loyalty and discipline. Reduced performance, withdrawal behaviours, moonlighting, lack of accountability, alcoholism, reduced employee effectiveness and efficiency, irresponsibility, and lack of loyalty had been some of the problems with the Uganda Civil Service (Hansen and Twaddle, 1989). These seriously affected the performance of the Civil Service and hampered increased service delivery. Their reduction is welcome and is in line with the vision, goals and objectives of the Civil Service reform programme (Ministry of Public Service, 1993).

It is a surprise that despite the supposedly turbulent and profound changes that have occurred during retrenchment, the process seem to be yielding results. It is probable that the exercise has retained hard working personnel or those who remained have actually improved their performance (Namatovu, 1993). However, there is validity to these findings. The managers also agree that retrenchment has improved performance. They say that retrenchment has reduced tardiness and moonlighting, but it is noted that the salaries are still low, despite government effort to periodically review them (Mr Byohangirwe, personal communication, November 12, 2000).

It is reported that employees fear to lose their jobs. Jobs have become important and scarce at the same time due to increased unemployment. The threat becomes real when the survivors see the retrenched suffering on the streets (Mr Byohangirwe, personal communication, November 12, 2000).

Also, a reasonable majority of the participants agreed that retrenchment had no impact on corruption and unprofessional behaviour. However, 31% of participants agreed that retrenchment had reduced corruption and unprofessional behaviour. This is not a small number. Reports from retrenchment managers also confirmed that corruption and indiscipline among other things remain a challenge (Lagara, 1996). Corruption and unprofessional behaviours have plagued the civil service and efforts to reduce them must continue (Hansen and Twaddle, 1989). At the individual performance level, retrenchment had either positive or no short term effects according to the majority of the participants.

Hypothesis two which stated that the participants will report various factors hindering the effective performance of employees after retrenchment was supported. Indeed, the majority of the participants identified some factors that hindered their performance after retrenchment. These factors include inadequate funding, lack of motivation and morale, work overload, lack of tools, poor transport, lack of job security, and poor training. These factors seem to be real problems. For example, Levine (1984) found that retrenchment was associated with dampened motivation and morale. Government has set up programmes to address some of the problems or hindrances in the Civil Service review and reorganisation exercise which is still ongoing (Ministry of Public Service, 1993).

Hypothesis three which stated that the participants will suggest various ways of how to improve performance of employees was supported. Participants suggested several ways of how hindrances could be reduced so as to improve performance among the survivors. Suggested ways included paying a living wage, improved welfare, training of workers, motivation and morale boosting workers, improved conditions of living, improving chances of promotion and capacity building, reduction of job insecurity, computerisation, and timely reshuffle. Again some of these suggestions have already been identified by government and appear in the strategies government is using to improve the performance of civil servants (Ministry of Public Service, 1993).

-----Organisational performance Issues

Hypothesis four which stated that retrenchment has positive effects on various indicators of organisational performance was partly supported. Retrenchment had positive effects on some aspects of organisational performance. Retrenchment has led to increased sensitivity to the public. This relates well with the overall goal of the Civil Service reform programme: the provision of quality service to the public. Retrenchment has been associated with increased teamwork, participation in decision making, quality leadership and supervision, creative management, and information management. Improved information management is among the visions of the Civil Service reform programme (Ministry of Public Service, 1993). Retrenchment was also associated with increased departmental performance. This finding supports that of Namatovu (1993) who found that retrenchment led to increased performance.

The increased performance is validated by reports from managers. For example, the managers agree that there has been a change in management styles. Supervision has improved due to fear of retrenchment--an exercise supported by government. Performance appraisal has become open and introduction of Results Oriented Management (ROM) is at the final stages. Government is serious regarding service delivery. To this end, it can be said that governance has improved. This would be in line with Standing & Tolkman's (1991) idea of making social adjustment reforms have a human face. There is pressure from government on employees of all levels to improve their performance. Another source of pressure has been the donor who provide the financial support for the retrenchment exercise (Byohangirwe, personal communication, November 12, 2000).

On the other hand, a majority of the participants reported that retrenchment had no effect on job design, training opportunities, feedback on performance, chances of promotion, and selection procedures. Burke (1988) had already found that job design and participation in decisionmaking are some of the factors that need to be addressed. Some of these factors like offering well designed jobs, training opportunities, and human resource management are part of the objectives of the Civil Service reform programme which is already being implemented. This implies that, in part, retrenchment has not assisted in achieving some of the objectives of the Civil Service reform. However, this may be a rushed conclusion since this study was done soon after the retrenchment exercise.

Conclusion

According to a majority of participants, retrenchment is associated with positive, as well as unknown, effects on individual performance. Retrenchment is also associated with specific factors that hinder performance of survivors. There are specific ways that these hindrances should be reduced. A majority of participants also reported that retrenchment was associated with positive as well as "no effect" on aspects of organisational performance.

-----Recommendations

One area that needs tackling is corruption and unprofessional behaviour. The majority of participants seems not to know how retrenchment has influenced it. Collaborative evidence with the specific managers indicates that this behaviour may not have been reduced. However, corruption and unprofessional behaviour are already being tackled by government. Increase in supervision could help to reduce this behaviour (Sezi, personal communication, November 12, 2000).

Government is fighting corruption in the Civil Service by encouraging the public to speak about it openly. It has also put in place a code of conduct to check corruption among government senior personnel. This

code stipulates how civil servants should behave in public office. More information on the code of conduct can be obtained from the Ministry of Public Service or the Office of the Inspector General of Government. However, the latter has complained of lack of sufficient resources to fight corruption. Government should equip the Inspector General's office so as to enable it to do its work.

Government has also created the Directorate of Ethics and Integrity headed by a minister. Hopefully, this will increase supervision and reduce corruption and other unprofessional behaviour (Ashaba Ahebwa, 2000).

In order to improve individual performance, government should provide a living wage. Government is already tackling this problem through phased increment of salaries depending on the recovery of the economy and thorough monetisation of most benefits. If this exercise is completed, it is hoped that employee welfare, living conditions, and employee motivation will improve.

The survivors suffer a lot of job insecurity. In fact, 45% of the sample reported job insecurity. There is need to supply timely and accurate information regarding the retrenchment process. Together with employee counselling, this should reduce survivor job insecurity.

Management of physical resources like retooling. This has to do with the supply of tools and equipment to improve work performance, e.g., computers. Retooling is one of the strategies of the Civil Service reform programme and is already started by the Ministry of Public Service. Retooling should continue but be done carefully so as to avoid damping of obsolete technology in Uganda.

The Ministry of Public Service has hired consultants to do job analysis and job evaluations. This is a welcome exercise that should continue. The ministry should also start on job re-design. These exercises should offer jobs that are enriched, with reduced workload; that have chances of promotion built into them; and that are motivating to the workers

The Ministry of Public Service should embark on operative and management training. Particularly, the managers should be trained in selection procedures, performance appraisal, and other aspects of human resource management. When this is done, managers will not once again recruit and select unqualified personnel and will do an effective evaluation of the survivors' performance. The Ministry of Public Service has started a project on open performance appraisal that will go along way in improving employee appraisal.

-----Critique and suggestions further research

Some problems threaten the validity of these findings. A retrospective survey design was used in this research. This is not a strong design. Some participants cannot remember vividly what was happening before retrenchment was implemented. So, a before-and-after design should have yielded better results and is recommended for further researches on retrenchment. The other criticism concerns the problems with the self-report in general. Self-report can be flouted with biases and inclusion. Therefore, objective measures, like records and behavioural observation in subsequent retrenchment researches, are recommended for subsequent research. The influence of third variables cannot be ruled out in such designs. These should be controlled in further research.

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Furthermore, it is expected that subsequent research in this area is going to use cross tabulations and analysis of variance (ANOVA) procedures. These are stronger analytical techniques that can eliminate any possible Type-2 errors.

The timing of measures is also important because retrenchment has short- and long-term impacts. The obtained effects of retrenchment depend on when the measurements were taken. So, a time series design is much better for the long-term effects of retrenchment.

External validity problems. Generalisation of present findings is limited to Kampala or at least to city and urban workers in Uganda. Retrenchment was also done at the district level and research focusing on this level is recommended.

----Time constraints More time was needed to get the required information from the sample. Getting access in some ministries takes time, because suspicions about the researcher have to be dispelled first. Some organisations (like Kampala City Council which is part of the local government) rejected the exercise as a whole. Research undertaken during the retrenchment period are likely to be resented because employees mistake them as evaluation tools on which retrenchment decisions may be based. Lack of cooperation from managers is also likely. Because of anxiety about the process, employees may not be willing to give information, because they fear rebuke from managers. The participants in this study thought that the data collected would be used against them. This is understandable because retrenchment is a new thing and by the time this research was undertaken, employees were not sure whether retrenchment was over and government had an interest in the exercise. Detailed explanation about the importance of research, assurance of anonymity, and confidentiality were given. Otherwise, rejections and non-response would likely be high.

Environmental stability at the time of research is also important. Events like election fever set in and made people anxio(Keywords: Baguma, Individual, organizational performance, retrenchment, survivors, Uganda.)