Enhancing Public Sector Productivity in Ghana:  
A Qualitative Study

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Abstract

In recent times, there have been calls on public sector workers to increase productivity in the public sector of Ghana. This comes against the backdrop that productivity in Ghana’s public sector appears to be consistently declining. While this seems to be the situation, it appears there is paucity of literature on the actual causes of productivity and how it can be improved in Ghana. Using secondary data and content analysis, this paper examines the phenomenon of low productivity in the public sector and recommends measures for improvement. Findings of the study revealed that poor remuneration systems in the public sector, political interference, and bureaucratic inertia are among the causes of low productivity in the public sector. The study recommended that public sector productivity could be enhanced through the establishment of a flexible bureaucracy, improvement in remuneration, regular monitoring and evaluation of the performance of the public sector and appointment of personnel based on merit. Political will as effective leadership are considered useful instruments to propel productivity in the public sector.

Keywords: public sector, productivity, corruption, leadership, ethics.
1. Introduction

In recent months, the productivity of Ghana’s public sector has become a concern to scholars and public servants alike. There have been numerous calls on the public sector to increase its productivity to enhance quality service delivery and to get value for money. These calls can be understood in the light of the fact that the performance of the public sector has implications for economic development for the country. One of such concerns was reiterated in the President’s State of the Nation’s Address on February 21, 2013 when he lamented about the inefficiency that is replete in Ghana’s public sector. He stated that ‘the meat is now down to the bones, and it is time for serious rethinking about the level of wages in relation to our national competiveness and the related productivity issues.’ Explaining the prevalence of low productivity in the public sector despite increase in wages and salaries, a senior policy advisor at the Office of the President, Dr Sulley Gariba also lamented that “ordinary citizens of this country, especially poor farmers, have now made the supreme sacrifice of actually giving public sector wages nearly 70% - 7 pesewas of each cedi collected from the toiling people of this country, the real productive people… and he is basically challenging public sector workers that: is this still not enough? But at the same time as they are getting 70% on every cedi collected from the poor people, their productivity is not commensurate.”

The importance of productivity in the public sector has been affirmed by Thornhill (2006) when he suggested that the public sector is crucial for three reasons: it is the major employer, it is also the major provider of business and social services, and it is also the consumer of tax resources.

The relevance of public sector productivity has necessitated an avalanche of attempts to reform the public sector in Ghana with the aim of enhancing efficiency, effectiveness, and the quality of public service (Sakyi, 2008; World Bank, 1999). This wave of reforms in the public sector could be explained against the backdrop that an effective public sector is critical to the development of Ghana (Owusu, 2003). Irrespective of these reforms, governments’ performance in developing countries, including Ghana reveals that deployed resources show a record of less than optimal performance on delivery of value-for-money and accountability (PriceWaterHouse Coopers, 2012) in the public sector. Available evidence also indicates that revenue to the Government of Ghana fell by 11.9% due to under-performance of domestic VAT and petroleum taxes (Ghana Government Budget Statement, 2010, 2011, 2012).

It is against such background that the study aimed at investigating the causes of low productivity in the public sector of Ghana and also to propose measures to enhance productivity in the sector.

2. Methodology

This paper aims at exploring and explaining the causes of low productivity in the public sector and how it can be improved. Based on this, the study is situated within the qualitative paradigm of social research which is deemed appropriate for exploratory and explanatory studies (Babie, 2004). The design for this paper is the content analysis design. This was used to analyze written reports, journal articles, and other relevant sources of data about the topic. The source of data for this paper is secondary data. This was obtained from government
agencies, conference proceedings and articles about the causes of low productivity in Ghana. The data was presented and analyzed using the narrative method.

3. Theoretical framework

This study is guided by the public choice theory. Public choice theory of policy making argues that the public sector may be engulfed with incompetence because policy makers are fraught with self-interest. Public choice theory assumes that all political actors seek to maximize their personal benefit in politics as well as in the marketplace. The theory recognizes that government must perform certain functions that the marketplace is unable to perform such as providing rules of the game to curb market failure as well as solving externalities (Dye, 2008). This point has been argued by Buchanan & Tullock (1962) that each individual is a rational being pursuing his or her interest; government and social order simply provide a stable environment in which free individual choice may be exercised. Downs (1966) states that public office-holders act solely in order to attain the income, prestige and power which come from being in office. Thus politicians never seek office as means of carrying out policies to benefit the citizens but as a means to attain their private ends which they can reach only by being elected.

The basic assumption of rational choice theory is derived from neo-classical economic theory, utilitarian theory and game theory (Friedman & Hechter, 1988; Coleman, 1990; Levi et al. 1990 cited in Zey, 1992). The fundamental notion of rational choice theory is that social interaction is basically an economic transaction that is guided in its course by the actor’s rational choices based on rigorous calculus approach. It argues that individuals are very purposive and intentional, and they are actors who have ends or goals toward which their actions are aimed at. Hardin (1982, p. 10) provides a strong perspective of rationality as “efficient in securing one’s self-interest.” This point had forcefully been brought home by the early economic theorists such as Smith (1776) that individuals contribute to the general productiveness of society although their intent is to be only interested in their own gain. A rational or economic man according to Elster (1983, p. 10) is the one who has “preferences that are not only consistent, but also complete, continuous and selfish.” Elster (1983, p. 10) describes the latitude that this premise provides to economists’ research strategies when they explain behavior, in that they “assume first it is selfish; if not then at least rational; if not intentional.”

From the foregoing, it could be observed that the self-serving nature of man illustrates why public sector employees usually abuse their offices and neglect official duties. There is poor productivity because individual employees neglect what ought to be (the systems) in order to pursue personal gains. Leaders who should give broad direction and framework seek self interest, which ultimately affect the morale of the entire public sector. The public choice school, therefore, suggests that poor productivity in the public sector is mainly as a result of public sector personnel seeking their self interest at the expense of societal maximum gain.

4. Literature Review

Lienert (2009) suggests that defining the public sector is to identify the functions that the public sector is called to perform. In the view of McConnell, Brue & Flynn (2009), the public
sector encapsulates all that is called government. Sapru (2004) also points out that the public sector comprises the domain of human activity which is regarded as requiring governmental intervention or common action. Based on these definitions, it could be concluded that the public sector constitutes the realm within which governmental action takes place. It includes national governments, sub-national governments, local government units and regulatory bodies (International Public Sector Accounting Standards Board, IPSASB, 2010). In Ghana, the public sector is defined along the lines of four organizations. These are: public services, regulatory agencies, public enterprises, and regional and local government units (Ayee, 2008).

The public sector has defining characteristics that distinguishes it from other sectors of the economy. Pratt, Plamping & Gordon (2007), identify four peculiarities of the public sector. These peculiarities are that the public sector has bureaucratic hierarchies, multiple hierarchies, renders services other than manufacturing products and serves the common good.

Ayee (2007) noted that the public sector has an enormous impact on all citizens.... because the public sector provides goods and services (sanitation, water and electricity) that are important for development; spearheads economic policy making and management; responsible for the maintenance of law and order. The public sector, therefore, refers to those institutions charged with providing services for the public, although increasingly their roles are being transformed from actual production to provision using a variety of public and private entities (Ayee, 2007).

However, there has been evidence of gross discrepancies in the performance of the state and consequently there have been attempts to re-arrange state structures to allow space for other actors to participate in service provision (Mather, 1989; Savas, 1998; Stoker, 1996; Batler, 1991). The public sector has been shrouded with low productivity which is the ratio of work output with respect to input invested; the productivity of an entity or organization is the ratio of work output with respect to resource input. For instance, Stoker (1996) argues that dissatisfaction with the public bureaucracies’ implementation of programs and their provision of services has been rapidly increasing... consequently its comparative advantage is preferably to privatize it (Batler, 1991).

5. Productivity

Several scholars have given various definitions of productivity based on their own orientation. Inyaniwura & Osoba (1983), define productivity as the quantitative relationship between input and output. Kull (1978) also defines productivity as the efficiency in producing goods or services or the ratio between the units produced or services provided by an organization unit and the resources consumed in production during a specific period of time. The Organization for Economic Co-operation and Development (OECD, 2001) defines productivity as a ratio of volume measure of output to a volume measure of input use. A careful examination of these definitions suggests that productivity can be understood by examining the proportion of inputs used in the production of goods or services and the output or gains made. In this case, if the measurement of input is not commensurate with expected output, then productivity is low. If output measurement is however commensurate with input
or exceeds it, then productivity is high or optimum. In Ghana, a chunk of the tax resources go as input to the operations of the public sector yet it appears the relative output of most of the public sector organizations do not match the resources used and returns are low. In the era of New Public Management, it is expected State Owned Enterprises and corporations to produce with economy, efficiency and effectiveness. Yet, if one compares the performance of public banks and private banks; public manufacturing corporations and private ones, the difference is clear as the latter appears to be doing relatively better.

Olaoye (1985) identifies two dimensions of productivity. These are total factor productivity and partial factor productivity. Stephenson (1999) and Vora (1992) identify the third dimension of productivity as the multi-factor productivity. They explain that the partial factor measure of productivity considers a single input in the ratio while the total factor measure combines the effects of all the resources used in the production of goods and services. The multi-factor measure utilizes more than a single factor. These dimensions seem to reveal that measuring productivity could be cumbersome and therefore means the combination of all the dimensions of productivity in order to arrive at a holistic measurement. Putnam (1993) seems to support the argument of the difficulty in measuring productivity by rejecting the idea of including outcomes in productivity measurement. What perhaps adds to the difficulty in measuring productivity is that it is intermingled with the concept of performance (Stainer & Stainer, 2000; Jackson, 1999). A further grounds for the difficulty in the measurement of productivity relates to the intangible nature of services (Sherwood, 1994). It is clear from these views that while productivity is important to the development of Ghana’s economy, its measurement is difficult. Researchers have identified the concept of productivity and performance in different ways. They are the function of many factors—ranging from top management support, committed personnel at all levels, a performance measurement system, employing training, reward structures, community involvement and feedback to correction of budget-management decisions (Hozler & Seok-Hwan, 2004).

6. Causes of Low Productivity in the Public Sector

The public sector works within an institutional and legal framework that can inhibit efficiency and responsiveness. Cohen et al. (2008) suggest that public bureaucracies are excessively formal and overly reliant on written communication. In Ghana, for example, it takes an unduly long time for clients to get their documents processed at some public sector institutions. Another cause of low productivity in the public sector is political interference in the official work and actions of civil servants. Hanretty (2011) describes political interference as threats or inducements from politicians which cause or attempt to cause public sector employees to act in a particular fashion, and thus hurts the independent relationship expected to characterize their relations. The notion that political interference in decision making is detrimental to corporate performance is well documented throughout studies on governance (Chang & Wong, 2002). In Ghana, political interference usually manifests in appointments, recruitment and promotions (Owusu, 2003). Political interference in the activities of public organizations is partly culpable, for the poor performance of the public sector (Sandbrook, 1993). The argument is that, if public sector workers are appointed based on political considerations other than meritocracy, it sets the stage for low productivity, corruption and
patronage in the system. Writing on the relevance of recruitment and selection, Wriston (cited in Foulkes and Livernash, 1982, p. 43) argued that “I believe the only game in town is the personnel game; my theory is that if you have the right person in the right place you do not have to do anything else but if you have the wrong person in the job, there’s not a management system known to man that can save you.”

Yet, it has been observed that “patronage and nepotism appear to characterize the rank and file of the public sector which inadvertently harbor inept and incompetent individuals leading to low productivity of public bureaucracies.” (Gould & Amaro-Reyes, 1983, p.28)

The literature provides evidence that the public sector is engulfed in all sorts of negative tendencies that undermine the productivity of the sector and hence the role of the sector in total national development has been ineffective. Several weaknesses have been identified in the Ghanaian public administration, these include; apparent lack of clear objectives at agency level, weak leadership at administrative level, shortage of expertise in critical areas, unclear policy goals, policy goals insufficiently, related to resources, proliferation of duplication and fragmentation, inadequate internal and external audit systems, ineffective systems for managing financial and human resources, uneven overstaffing, inefficiency, over centralization; corrupt officials, fraud, abuse and waste, lack of ethics and general low level of productivity (Quao 1998, pp.6-7; Ayee, 2000; Woode, 2000).

Poor remuneration is also another cause of low productivity in the public sector. This is connected with the formulation and implementation of strategies and policies to reward people fairly, equitably and consistently in accordance with their value to the organization (Armstrong & Helen, 2007). In Ghana, the wages and salaries of the public sector generally appear less attractive compared to those in the private sector (Owusu, 2003).

Low productivity in the public sector can also be linked to inadequate knowledge of performance expectation and evaluations on the part of public sector workers. Performance expectation refers to the degree to which employees are given clear signals about how diligently they should work and about the quality of work expected of them (Grindle, 1997), and performance evaluation refers to the degree to which employees know and understand, on a continuous basis, how effectively they are performing (Hackman & Oldman, 1975). It has been argued that organizations or sectors that have clear and consistent policies about performance expectations and evaluation procedures would be expected to perform better (Owusu, 2003).

The problem of low productivity in the public sector is further heightened by issues that bother on autonomy. Autonomy is defined as the degree to which employees are offered the freedom, independence and discretion to make decisions pertaining to the substantive and procedural aspects of their jobs, such as scheduling and determining the procedure to be used in executing the task (Hackman & Oldman, 1975). The absence or inadequacy of this privilege or mechanism for officials in the public sector tend to make them less innovative since they are likely to exercise greater cautiousness and rigidity in their actions, presenting a barrier to achieving the breakthrough in thinking required for high public sector productivity. The resultant effect is increased difficulty in setting public sector objectives and
benchmarking. It also tends to cast public organizations into operating under strict legal and formal constraints, resulting in less autonomy for public managers (Seah, Thong & Yap, 2000).

7. Recommendations: Improving Public Sector Productivity

The literature suggests useful strategies for enhancing productivity in the public sector most of which have achieved maximum successes in other jurisdictions or political systems. This ranges from meritocratic recruitment, capacity training and staff development, motivation and proper compensation, performance contracts, flexible management, promotion of high ethical standard, restructuring or reengineering, deregulation, introduction of provider-purchaser arrangement, right span of control, re-orienting personnel, and public service ethics among others. (Mathis & Jackson, 2006; Gulick, 1993; Woode, 2000; Ayee, 2000;)

Firstly, organizational restructuring requires altering the processes and procedures for executing organizational functions and activities. In light of this, the traditional and bureaucratic procedures must be made flexible. Moreover, to ensure productivity, managers must be given decision space to make tailor-made and responsive decisions that would be contextually relevant rather than being dictated by an ‘iron cage’ top down decision pushed down their throat. This point has variously been described as ‘let the managers manage’ and has been argued by Osborne & Gaebler (1992) that governments must ‘steer and not row’.

The second measure involves proper personnel management and innovative approach to managing the most valuable assets- human resources- of the organization. This is because in spite of all the restructuring, proper systems and innovation, without the meanings that are provided by the human mind, organizations are only piles of stone and metal and blobs of ink on pieces of paper (Eddy, 1981). The need, therefore, for organizations to institute such policies that would create the kind of environment which would motivate employees to give out their best cannot be over-emphasized (Abdulai, 2000).

It is important to note that various human resource components – human resource management policy, recruitment and selection, employee rights and welfare, compensation and benefits, human resource development, work environment, ethical issues among others- in the 1992 Constitution of Ghana. A very positive approach to the above attributes motivates the people to enhance productivity. It is very unfortunate that compensation in the Ghanaian public sector has been in a complete mess for sometime now partly because of lack of concrete and systematic policies and guidelines as well as tendency to apply ad hoc measures and solutions to chronic compensation and could be described as the politician’s nightmare (Abdulai, 2000). A productive work environment is that which motivates employees to show commitment and give their best towards realization of organizational goals.

In Ghana, the year 2013 has witnessed many labor agitations and strikes mainly as a result of compensation and remuneration issues with regard to public sector workers. Labor Unions such as Judicial Service Staff Association of Ghana (JUSSAG), Federation of University Senior Staff Association of Ghana (FUSSAG), Ghana Medical Association (GMA), The teaching profession or academia also witnessed many strikes as Ghana National Association of Teachers (GNAT), National Association of Graduate Teachers (NAGRAT) and the
University Teachers Association of Ghana (UTAG) went on strike for almost three consecutive weeks which made public Universities go on a brink to closure. These suggest that compensation in the public sector is problematic in Ghana and implementation of personnel remuneration is system is a big challenge. It is therefore appropriate to take a multi-sectoral approach in resolving all these labor agitations so that there will be equity and fairness in the system in order to enhance productivity.

Rauch & Evans (1999) conducted a research for bureaucracies of 35 less developed countries and his conclusions highlighted that meritocratic recruitment is the most important structural feature for improving bureaucratic performance. This explains that competency must be given priority before selection; nepotism, cronyism, communalism (in Riggs’ term) must be avoided at all cost. Above all, there must be constant training and development of the capacity of personnel of the public sector. According to Denison (1985), advances in knowledge have been the largest and most basic reason for the growth of productivity in the U.S. between 1929 and 1983, accounting for 55 percent of the growth in actual national income per employed person during the period. Education per worker accounted for an additional 27 percent of that growth. Reich (1983) has stressed the central importance of human capital to America's economy.

Meritocratic recruitment, training and development, and sound human resource practices are very critical for the overall performance of the public sector. This point of view has forcefully been brought home by Wriston (cited in Foulkes and Livernash, 1982, p. 43): “I believe the only game in town is the personnel game. My theory is that, if you have the right person in the right place, you don't have to do anything else. If you have the wrong person in the job, there's not a management system known to man that can save you.”

In addition to the above, enhancing public sector productivity could be achieved through motivation. Employee performance depends on a combination of ability and motivation. Because employee selection process should ensure that employees have the ability to do their jobs, it becomes the manager’s responsibility to see that employees perform (Cleary & Henry, 1989, p.136). Some students of motivation believe that it is possible for one person to motivate another (Barnard, 1938; Blau, 1963; Brown, 1962, cited in Cleary & Henry, 1989); others believe that motivation comes from within the person and that all that management can do is to provide the situation in which the individual can reach his full potential (Ford, 1969; Herzberg, 1966 cited in Cleary & Henry, 1989). Regardless of one’s views on motivation, managers must deal with it, and the successful manager must find ways to ensure the highest level performance possible (Cleary & Henry, 1989).

Finally, after a proper organizational system has been instituted, it demands great deal of leadership that is very committed to ensuring that organizational goals are met. Currently, Shellukindo & Baguma (1993) have presented a vivid picture of the extent of degeneration of ethics among African professionals when they pointed out that the situation is such that chief accountants have become “thief accountants” and managing directors have become “damaging directors”. Leaders committed to ensuring productivity would invest the necessary resources to acquire the best of logistics to replace obsolete ones, adopt best systems; such leaders are what Ayee (2000) refers to as saints. When leaders, especially, political elites and
bureaucratic officials lead exemplary lives, full of trust, that could trickle down to the whole system.

The public sector does not necessarily need managers but leaders who are very entrepreneurial to transform problems into opportunities.

A great deal of leadership would encourage and propel public sector ethics. This would create a sense of commitment in the public service; corruption, waste, abuse and fraud would be eschewed. Without the leader’s commitment to ensuring productivity, all efforts are likely to fail. This tendency has been reiterated by Caiden (2005) that the public sector needs strong political will to act, to strengthen preventive measures and support corruption fighters. Jamieson (2000) and Volkov (2002) had pointed out the cynical claim that the political will is weak because too many politicians profit from corruption or they fear that they have too much to lose should they balk the corrupt. There should be an overhauling of character starting from the top so that the perception of lower grade employees would be positive towards their leaders and work.

8. Conclusion

In conclusion, ensuring a holistic and eclectic approach is the best strategy for an effective public sector management in Ghana. It is argued that a piecemeal approach or concentrating on just one approach would not work sustainably. This point has been summarized by Turner & Hulme (1997) that organizational improvement is not a panacea for improvement; development is multi-faceted and success or failure is based on more than one organizational design, administrative reform or human resource management. Such items have a strong bearing on whether developmental progress will occur but they are never the sole determinants. This paper has argued out a framework which suggests that factors that enhance productivity emanate from leadership or political will; such leadership foresight and commitment propel them to institute proper systems and restructuring which might even at times lead to shedding part of their own control and sphere of influence, committing enough resources for proper human resource management including compensation and motivation.

Low productivity in the public sector in Ghana calls for reform, which is an induced, systematic, permanent improvement in the structure, processes, and management of public sector organizations in order to attain efficiency and effectiveness in the provision of public services (Pollitt & Bouckaert, 2000). However, as argued by Sakyi (2008), reforms should not be viewed as a one-time event but as a dynamic process of change which should be pursued and sustained.

Additionally, the system of assessment must be based on periodic monitoring and evaluation. There should be a constant and systemic effort to measure the productivity of the public sector at any point in time, and readjustment made according to the feedback received. This may be successful when it is backed by a strong governmental commitment and dedication but not a mere lip service and public or media display.
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