Organizational Culture and Public Sector Reforms in a Post-Washington Consensus Era: Can Ghana’s Reformers Learn from Ghana’s ‘Good Performers’

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Abstract
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Keywords
Organizational culture, public sector reform, post-Washington Consensus, public sector performance, Ghana, Africa

Disciplines
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Organizational Culture and Public Sector Reforms in a Post-Washington Consensus Era: Can Ghana’s Reformers Learn from Ghana’s ‘Good Performers’?

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ABSTRACT
Reforming Africa’s public sector has been on the agenda of African governments and their development partners for decades yet the problem persists. This failure can be attributed to two related factors: solutions to the “African public sector problem” have been dictated by external interests; and the policies have ignored the experiences of organizations within those countries. This paper contributes to the search for effective reform policies by making the case for inclusion of the experiences of organizations within each country. Using the concept of organizational culture as a framework, I propose an approach based on the following claims: in every country there are some public organizations that perform relatively well, given their constraints; there is the need to understand why and how there are poor and good performing organizations within the same country; and information from such analysis should form the basis of public sector reform policies. The applicability of the approach is demonstrated with a study of Ghana.

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Introduction

“Bureaucracies in many poor countries suffer from low capacity, often do not deliver effective services, and are frequently staffed with poorly trained, poorly remunerated, and poorly motivated public servants. Yet there is another reality in most of these same countries - a reality of well-trained and committed public servants, well-functioning organizations, and efficient services” (Grindle, 2003:91)

Few will dispute that many public sector organizations in Africa are mired in inefficiency. However the nature, causes, and possible solutions to Africa’s public sector problem have become sources of contentious debate. Indeed, the nature of these debates has also changed over time. For instance, in the first post-independence decade, Africanization of the inherited small colonial civil service and rapid expansion of the same were the norm. Given the lack of requisite personnel and resources to deal with these challenges, public sector capacity building efforts centered on human resource development and technical assistance, especially from the former colonial powers (Brautigam, 1996; Ayee, 2005). The economic crisis of the 1970s and the subsequent introduction of neoliberal Washington Consensus policies in the 1980s ushered in a different approach to public sector reform. During this period, the continent’s economic problems were blamed on excessive state intervention in the economy, and a set of neoliberal-based public sector reform policies, including the “quantitative” first- and the “qualitative” second-generation reforms, implemented across Africa (Haque and Aziz, 1998;
Washington Consensus policies was subjected the intense criticism, which led to the emergence of the “Post-Washington Consensus” (PWC) in the late 1990s that attempted to broaden the scope of development to include non-market factors such as social norms and power balances. It also represented an admission that states play an important role in the development process and that markets and states should be seen as complementing rather than substituting for each other (Önis and Senses, 2005; Stiglitz, 1998). This shift also resulted in another change in public sector reform to one that focuses on delivery of public services, particularly health and education services to poor people – these are the so-called “service delivery” third-generation reforms (World Bank, 2003). Despite these efforts, public-sector organizations in many African countries have remained ineffective (Lienert and Modi, 1997; Numberg, 1999). How do we account for the ineffectiveness of the policy reforms?

This paper argues that public sector reform efforts in Africa have served external (rather than domestic) interests. The reforms have also been based on a view prevalent in international development circles that all public organizations in Africa are ineffective – as defined by some objective criteria without regard to the conditions within the country. The paper makes the case for public sector reforms that are informed by the experiences of organizations within each country. Such an approach will not only be more acceptable to management within these countries, but will also conform to the current PWC view that effective public sector reforms must necessarily involve the cultural re-orientation of public servants. To achieve this, the paper proposes an approach that goes beyond the one-size-fits-all solutions of the past, and takes into consideration the country-specific constraints facing organizations as well as organization-specific strategies used to address such constraints. The approach draws from three sets of literature. First, it builds on the work of Grindle (1997, 2003) and others who argue that although some public-sector organizations are ineffective, not all organizations perform poorly (DiIulio, 1994), and that in every African country, one can identify some public institutions that perform relatively well given their constraints. They lament that the reasons for the differential performance of public organizations within the same country have not been systematically studied, despite the potential contribution of such studies to public policy. Second, it employs Schein’s (1992, 1999) approach for analyzing organizational culture as a framework for understanding why some organizations perform well in a given country and explaining why and how such organizations defy the norm. Third, using insights from the literature on organizational
culture and change, the paper suggests ways to reform the public sector by changing the organizational culture. In sum, the argument advanced here is that, some public organizations perform relatively well given the constraints, and that lessons can be learned from such experiences to help promote cultural change and encourage effective public-sector organizations within countries.

The remainder of the paper is divided into four sections. The next section discusses the evolution of the public sector problem-reform nexus from the post-colonial times to the current post-Washington Consensus era. Section three outlines the proposed approach for analyzing and reforming Africa’s public sector organizations. Section four draws on research from Ghana to demonstrate the challenges of operationalizing the approach within the public sector in Africa, and suggests strategies for overcoming them. The final section summarizes the main issues of the approach, discusses policy implications, and provides directions for future research.

**Africa’s Public Sector “Problem”-“Reform” dynamic in historical perspective**

The definition of Africa’s public sector problem has varied over the years, as well as reform efforts to address them. Indeed, African governments have implemented different types of reforms over the years, ranging from human resource development in the early post-independence period, through the “quantitative” first-generation and “qualitative” second-generation reforms in the 1980s and 90s, to the current “service delivery” third generation reforms. Many international development agencies such as the World Bank have also played leadership roles in devising these policies. Below, I discuss the changing nature of the continent’s public sector problem and the corresponding reform efforts.

**Post-Independence Reforms**

The problems of Africa’s sector have their roots in the continent’s colonial and post-colonial political economy. Colonial governments in many countries did not develop the capacity of the state; rather they established only the minimum state and bureaucratic capacity to help maintain law and order and facilitate resource extraction (Kingsley, 1963). They also failed to prepare many countries for self governance and simply rushed them to independence. For instance, until as late as 1950, employees from Britain and the older Commonwealth countries filled the administrative, managerial, supervisory, professional and senior technical grades in the
civil services of many British colonies in Africa (Adu, 1969: 21). Thus, at independence, many African countries inherited an ineffective and under-resourced public sector. As a result, the newly independent countries not only had to start from scratch and build the civil service bureaucracies needed for the rebuilding of new states; but also had to do that without enough people with knowledge, skills and experience to lead the efforts (Kinsley, 1963; Chiwele and Colclough, 1996; Rugumyamheto, 2005). To address these problems, African leaders embarked on the Africanization of the small inherited colonial civil services, while rapidly expanding the service (Ayee, 2005). International donors and academics also emphasized human resource development, including education, training and scholarships, heavily influenced by notions of knowledge transfer from North to South (Brautigam, 1996). By the time of the economic crisis of the 1970s, it had become clear that the civil service in many countries were incapable of performing basic tasks, let alone facilitating national development efforts.

Reforms under Washington Consensus

The ineffectiveness of Africa’s public sector came to the attention of the international development agencies again in the early 1980s with the introduction of Structural Adjustment Programs (SAP) across the continent. SAPs were advocated by the so-called “Washington Consensus” of US economic officials, the International Monetary Fund (IMF) and the World Bank for addressing the economic crisis in developing countries (Williamson, 1990). SAP policies were driven by neoliberalism, faith in small government, and economic growth as the overriding goal of development (McCourt, 2008). State intervention in the economy was considered to be the cause of the economic crisis and, therefore, the Washington Consensus’ universal policy prescriptions for such countries included decreasing state involvement in the economy through trade liberalization, privatizing and reducing public spending, freeing key relative prices such as interest and exchange rates, and lifting exchange controls. The extreme form of Washington Consensus policies, which began in the late 1970s and lasted till the late 1990s, had a significant effect on economic policies in Africa, including public sector reform policies. Particularly important for our purpose was the claim that Africa’s public sector problem was, in part, a “big government problem”; therefore reforming the sector meant reducing its role and size, which were considered necessary for achieving macroeconomic stability. These ideas
underpinned the “quantitative” first-generation and the “qualitative” second-generation reforms that were implemented across Africa with the support of the World Bank.

“Quantitative” First-generation reforms (1980s – early 1990s): The first-generation public sector reforms were an integral part of SAPs and therefore its main objective was to help achieve macroeconomic stability (Lienert and Modi, 1997). Specifically, it was designed to make “government lean and affordable through cost reduction and containment measures, rationalizing the state machinery, divesting non-core operations, retrenching redundant staff, removing ghost workers from the payrolls, freezing employment, and adopting measures to control the wage bill and other personal based expenditures” (Mutahaba and Kiragu, 2002: 52-53). These reforms were generally successful in reducing the size of the public sector and in removing ghost names from the government payroll in many countries (Lienert and Modi, 1997). However, reforming the public sector as a way of achieving macroeconomic stability created two major problems that combined to exacerbate inefficiency in the sector. First, the reforms ignored the empirical evidence about the causes of the inefficiency in the sector. The low productivity and inefficiency in public organizations became more entrenched during the economic crisis of the 1970s when the so-called high wages and enviable benefits of public sector employees dissipated (Jamal and Weeks, 1993); this turned employees to group of underpaid and poorly motivated workers (Owusu, 2005; Bratigum, 1996). Second, the first generation reforms ignored a basic fact about people and organizations: people make organizations work; therefore, motivated workers are a sine qua non for organizational efficiency. Research has shown that effective organizations cannot be created only by good rules and regulations; rather, efficient organizations also need dedicated and motivated workers who see their personal success and satisfaction as tied to those of their organizations (Grindle, 1997; Tendler, 1997; Samatar, 1999). In sum, instead of devising policies that are cognizant of employee needs, the first generation reforms were designed to ensure fiscal discipline and cost-cutting. In the process, attention was shifted from the needs of public-service-sector employees, demoralizing them and perpetuating a working environment that encouraged low productivity (Lienert and Modi, 1997; Owusu, 2005).

“Qualitative” Second-generation reforms (1990s – early 2000): Criticisms of the first generation reforms led to the introduction of the second generation policies that attempted to broaden the
scope of public sector reform and to shift focus from the quantity of employees to their quality. The policies sought to make public-sector employment attractive, while at the same time decreasing the size of the government (World Bank, 2001; Haque and Aziz, 1998). The strategies involved the use of remuneration and promotion policies to reward performance, and implementing measures to improve management and accountability. They also included providing employees with incentives, skills and motivation. Despite the reforms, many public organizations continue to remain ineffective with no perceptible improvement in service delivery—a situation that has been blamed on the one-size-fits-all approach that ignores country-specific organizational aspects of public organizations (Lienert and Modi, 1997; Nunberg, 1999). Equally important however, is the fact that the policies did not effectively address public sector employees concern over wages. Consequently, morale and discipline in the public sector continued to remain low, and unethical conducts such as bribery and corruption grew while service delivery continued to deteriorate in most countries throughout the 1990s (Mutahaba and Kiragu 2002).

Post-Washington Consensus and the Public Sector (late 1990 – present)

Washington Consensus policies, including the public sector reform strategies that it begot, have been criticized extensively (McCourt, 2008; Önis and Senses, 2005; Bergeron, 2003). As a result, some influential economists such as the Noble Prize winner Joseph Stiglitz (1998) began calls for a new development paradigm. By the late 1990s, the weight of the criticisms had compelled the World Bank to shift its policy focus from macroeconomic stability to poverty alleviation, concede that an effective state is vital for development (World Bank, 1997), and began exploring a “Post-Washington Consensus” (PWC). PWC, therefore, is an attempt by the World Bank and the other development institutions to integrate the social, economic and political dimensions of development (Stiglitz, 1998) and to focus their development assistance on poverty alleviation, using the United Nation’s Millennium Development Goals as an organizing framework. A major change in development thinking with the introduction of PWC is a revival of the debate over the role of the state and a renewed interest in efforts to improve state capacity (Önis and Senses 2005). However, there are still concerns over whether PWC actually represents a real change in the way the international development organizations do their work or whether it is just a cosmetic ‘add-on’ to the
economic fundamentalism of the Washington Consensus (Bergeron 2003). For our purpose, I focus on the World Bank’s third-generation public sector reform, which is generally seen as an attempt to operationalize PWC in the public sector.

The “third-generation reforms” currently being implemented in many African countries have their roots in the PWC ideas (Ayee, 2005). The policies have broader and more comprehensive objectives than those under the Washington Consensus, including turning public service organizations into efficient, effective and outcome-based organizations (World Bank, 2003). The third-generation reform policies are linked to the Poverty Reduction Strategy Plans (PRSPs) and focus more on improving service delivery, especially for the poor. As a long-term strategy, third-generation reform policies are expected to go beyond the structural and process changes in the operations of public service organizations (that characterized the first and second generation reforms), and encompass the cultural and behavioral re-orientation of public servants as well as respond to the opinions and demands of the general public who are the clients of these organizations. Thus the success of the policies depends in part on the willingness of both the public servants and the general public to play their respective roles — the former must adopt a mindset that allows them to serve the customers effectively and maintain a high standard of courtesy and integrity, and the latter must be willing and able to insist on their rights to efficient and effective services delivered by public organizations.

The policies seem to be yielding fruits in countries such as Ghana, where democracy has led to the emergence of a new generation of leaders, and greater citizen awareness in forcing internal changes in public organizations (ECA, 2004; Bangura and Larbi, 2006); however it is still doubtful if the transformations can create the capable African state envisaged under PWC for two reasons. First, an important lesson from East Asia (Wade, 1990; Amsden, 1989) and African countries, such as Botswana (Samatar, 1999), is that to facilitate development, the public sector must do more than provide services (for the poor); it must also be capable of helping the state perform its core functions such as effective formulation and implementation of economic policy. Second, since their failed experimentation with Africanization of the civil service in the immediate post-independence era, African countries have not been given the opportunity to articulate their own view of the “public sector problem”, nor have they contributed as equal partners in the search for solutions. Wereko (2008:17) uses a 1969 quote from Caiden to describe the post-1980 public sector reforms in Ghana and other African countries as “artificial
inducement of administrative transformation against resistance.” For instance, both the Washington Consensus and PWC reform policies are not based on experiences of organizations that operate in the same country and therefore face similar social, political and economic challenges. As a result, reform policies are often seen by local officials as outside imposition and the performance standards are seen as utopian expectations given the constraints the organizations face. In sum, the critical questions for building state capacity in Africa are: given the social, political and economic constraints that public organizations in Africa face, can we improve their effectiveness, and can we draw on the experiences of organizations within each country in designing strategies to improve performance?

An Approach for Analyzing and Reforming Africa’s Public Sector

An important lesson from the above discussion is that one-size fits all approaches cannot be used to address the public sector problem in all countries and for all organizations. Rather, the evidence provides support for an adaptive reform strategy that takes into consideration the country-specific constraints on public organizations as well as the organization-specific strategies for responding to such constraints. To accomplish this, I propose an approach that draws on differences in the performance of public organizations operating within the same country (i.e. under the same social, political and economic environment) and use the experiences of such organizations as the basis for designing locally relevant public sector reform policies (see, DAC Network on Governance, 2006). The conceptual basis of this approach comes from the work of Grindle (1997) and others who argue that there are relatively good and bad performing organizations in almost all countries. The methodology also draws on Schein’s (1992; 1999) work on how to study organizational cultures, and the literature on the relationship between organizational culture and performance. The policy prescriptions are influenced by the literature on organizational culture and change. The approach derives its analytical value from its ability to assist us to understand what makes some organizations more effective than others. Its focus on questions of human agency and organizational performance (Bebbington, et al. 2007) makes it a useful tool for managing the complex process of cultural change. The policy relevance derives from the contention that organizational cultures develop over time in response to a set of factors, and since the culture of an organization affects its performance and
effectiveness, one can expect well-performing organizations to have cultures that are different from those of the poor performers. These arguments are developed further below.

**Good and Poor Performing Organizations**

The common, but exaggerated stereotype of ineffective public sector organizations is widespread and not limited to African countries. The reality however, is that not all public organizations are ineffective – in fact some perform relatively well given the constraints that they face. Brewer and Selden (2000:685) captured this stereotype by comparing the perception of public organizations in United States to that of elephants:

“… elephants and public organizations have something in common. Both are saddled with inaccurate stereotypes. Elephants are believed to be slow and insensitive creatures, when in fact they can run very fast and are very sensitive. Similarly, public organizations are believed to be low-performing and unresponsive, when in fact many public organizations perform very well and are models of responsiveness” (Brewer and Selden, 2000:685).

The Grindle (2003:91) statement quoted at the beginning of this paper also shows that the stereotype of an ineffective public sector organizations is even more prevalent in developing countries – a claim that has remained largely unquestioned because of the general ineffectiveness of the sector in the region and also because it conformed to the basic tenets of neoliberalism. This view embraced by the World Bank and international development agencies, formed the basis of both the Washington Consensus and PWC public sector reform policies. The stereotype has had significant impact on the design and implementation of the reform programs in Africa. First, the ineffective public sector assumption provided the fodder for generic solutions and discouraged any serious search for reforms based on local experiences. Second, the resultant policies downplayed the role of country-specific conditions under which the organizations function for understanding their performance. Third, the reforms did not acknowledge any possible existence of good and poor performing organizations within countries and as a result lessons from organizations that faced similar external constraints but functioned relatively well were ignored.
There is increasing evidence that show that relatively good performing organizations differ from poor performers in many ways. For instance, Owusu (2006b; 2006c) reports that good performing organizations in Ghana are different in two respects: effective organizations have better incentive systems, and poor performing organizations are more likely to hire employees based on their personal connections. Grindle (1997:488) also argues that good performing organizations have an ‘organizational mystique’ – a sense among employees that society regards their organization as competent, respectable and devoid of political influence that plague other organizations. Studies by Grindle (1997), Kotter and Heskett, (1992) and others consistently demonstrate the significant role played by employees and leadership in the success of good performing organizations. Thus, to paraphrase (DiIulio, 1994:281), instead of saddling all public sector workers and organizations with negative stereotypes like shirkers, subverters, and thieves and using that as the basis for designing corrective policy; we should be informed by how some public servants within such countries actually “strive (work hard and go ‘by the book’), support (put public and organizational goals ahead of private goals), and sacrifice (go ‘above and beyond the call of duty’) on the job”. Or as Grindle (2003:102-103) suggests, for public sector reforms to work, they should be guided by questions such as: “Why do [some] public servants perform well? Why are they committed and energetic in pursuing the public interest, even when poorly remunerated? Why are some public organizations efficient, effective and responsive? Why do public servants resist opportunities for corruption?”

These findings show that building effective public sector organizations is more than just tinkering with managerial and organizational mechanics. In fact, creating capable public organizations, “has less to do with cultivating outside constituency groups [as the third generation reforms attempt to do], fine-tuning pay scales, or refereeing intra- or interbureaucratic battles, and more to do with establishing social and moral reward systems that make it possible for government agencies to tap the creativity, sense of duty, and public-spiritedness of their workers” (DiIulio, 1994:315). Mahler (1997:527) also adds the behaviors of organizational members are influenced less by rules, incentive schemes, and orders but more by “a collectively created common frame of reference.” The concept of organizational culture is helpful in understanding an organization’s common frame of reference and for distinguishing the way of doing things in one organization from another.
The relationship between organizational culture and performance, which has been discussed extensively in the organizational studies literature (Kotter and Heskett, 1992; Petty, et al, 1995; Mahler, 1997; Grindle, 1997), can provide important insights on how to address the public sector problem in Africa. Organizational culture refers to the underlying assumptions, beliefs, values, attitudes and expectations shared by an organization’s members, including expectations about what is acceptable and what is not acceptable at the workplace (General Accounting Office, 1992). According to Schein (1992:12), organizational culture is “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” Schein (1992; 1999) adds that in order to survive, organizations must learn to adapt to their external environment and to integrate their internal processes. As members of an organization develop and learn values and assumptions that help resolve issues confronting it, the organization’s culture evolves. Since the organizational culture is a product of a group’s collective process of learning and problem solving in an effort to survive (Schultz, 1995); all organizations that have some minimum continuity of personnel and purpose eventually develop cultures (Kotter, 1990). However, some organizational cultures support, encourage and reward high performance, while others perpetuate poor performance (Peters and Waterman, 1982; Wilkins and Ouchi, 1983; Denison, 1984; Petty et al., 1995). Organizational cultures can provide clues as to why some organizations that operate under similar constraints can perform better than others (Grindle, 1997; 2003). Thus, increasing the effectiveness of poor performing organizations in a more sustainable way often requires fundamental changes in the organizational culture.

According to Schein (1999), organizational cultures can be studied at three analytical levels: artifacts, values and basic assumptions. Artifacts are the visible products of the group, including the architecture of its physical manifestations, its language, its technology and products, as well as other visible traditions. Although artifacts are easier to observe, it is often difficult to decipher their meanings. The values of organizations reflect the group’s shared and accepted assumptions about what is right and what is wrong, what will work or not work (Schein, 1992). It is what the organization’s members say during and about situations, and not
necessarily what they do. However, there is no direct relationship between artifacts and values; for instance, organizations with different artifacts can have very similar values. Therefore, to capture the deeper level of thought and perception that drives the overt behavior of members, one must study the basic assumptions, defined as the deeper, fundamental features of an organization’s culture, taken for granted by the members of the organization (Schein, 1999). Thus, understanding organizational culture formation and change requires a complete assessment of all these aspects of culture (Schein, 1992). This, according to Schein, can be achieved by assessing the three content areas of organizational culture: external survival issues—to survive and grow, every organization must develop viable assumptions about what to do and how to do it; internal integration issues—cultural assumptions about relations among people in the organization; the incentive and reward system; the degree of teamwork; superior-subordinate relationship; communication; and all the processes that make the workplace more or less productive and pleasant; and deeper underlying assumptions—the influences of the broader culture reflected through the assumptions and beliefs of founders, leaders and members. Thus, the internal and external factors confronting an organization, combine the deeper underlying assumptions shared by its members, to create its culture and corporate identity, which in turn influences its performance.

Organizational Culture and Change

The use of organizational culture as a framework for pursuing organizational change often evokes this question: if organizational cultures are like the cultures of societies, would it be possible to successfully change organizational culture, considering the difficulty of changing the cultures of societies? Wilkins and Ouchi (1983) address this concern by pointing to two important differences between culture in the anthropological sense and culture as used in organizational analysis. First, unlike cultures of societies, the learning of organizational culture typically occurs in adulthood; and second, organizational members also do not live in “total institutions” but are exposed to alternative orientations. As a result, organizational cultures are more amenable to change than cultures of societies because the former can never reach the depth and richness of the latter. Indeed, there is overwhelming evidence from both private- and public-sector organizations to show that organizational culture can indeed be changed (see Kotter, 1996; Rainey, 1996a). Bate (1994) also shows how cultural analysis can equip a change agent with an
in-depth understanding of both the organization and the change process, which can inform choice and intervention strategies. The transformation of the Ghana Institute of Management and Public Administration (GIMPA) from an organization marked for closure within 24 months (Maastricht School of Management, 2001) to the pride of Ghana’s public-sector reforms within two years demonstrates that, given a ripe external environment and the right leadership, organizational cultural change is possible (GIMPA, 2008).1

The prospect for changing organizational cultures, however, depends on whether the particular organization has a strong or weak culture. The former refers to organizations in which members share and strongly adhere to the organization’s basic values and assumptions. In the latter, there is less consensus and members feel less commitment. Both strong and weak cultures can influence the performance of an organization. A strong culture generally supports excellence because such organizations are likely to have clear expectations, strong loyalty and low turnover. On the other hand, a strong culture that promotes bad values and assumptions can be hard to change (Rainey, 1996a). The existence of multiple cultures and subcultures within an organization could also affect the prospect for change. Multiple cultures and subcultures can be formed around occupational specializations, organizational units or locations, hierarchical levels, labor unions, etc. Strong differences between cultures or subcultures can complicate the challenge of forging consensus on cultural change and priorities (Rainey, 1996a).

*Organizational culture & performance in the African context*

Much of the empirical evidence on the relationship between organizational culture and performance has mostly come from the private sector, especially those in developed countries (Kotter and Heskett, 1992; Kotter, 1996). This raises two concerns regarding the appropriateness of this approach to public sector organizations in Africa: first, can we apply experiences from the private sector to the public sector; and second, can a relationship based on the experiences of western industrial countries be applied to non-western societies, specifically Africa? Rainey (1996a; 1996b) addresses the first concern by drawing attention to public managers in developed countries who have succeeded in changing the cultures of their organizations and argues that although public managers may feel that they have limited capacity to influence their

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1 Also, personal conversations with Dr. Stephen Adei, rector and director general of GIMPA, and Mr. David Djanie, executive director of operations, State Enterprises Commission, July, 2003.
organization’s culture due to the immense constraints they face, cultural change is not impossible (see Doig and Hargrove, 1987; Rainey, 1996b; Roberts and King, 1996). Moreover, changing organizational culture with insights from the private sector has become the focus of public sector reformers in developed countries, especially in the United States. For instance, the US Senate Committee on Governmental Affairs’ effort to change the inventory management system of the Defense Department borrowed heavily from the concept of organizational culture (General Accounting Office, 1992). Organizational culture was also central to the Clinton-Gore federal government reinvention model (Gore, 1993). Clearly, changing “organizational culture” as a way of ensuring organizational effectiveness is not the preserve of the private sector; at least not in recent decades.

Regarding the second concern, it is rather surprising that despite the endemic underperformance of most public-sector organizations in many non-western countries, and in particular African countries, the relationship between organizational cultures and the performance of public organizations has not been adequately studied. The few studies on the subject however suggest that the relationship is also valid in non-western contexts. Rashid et al. (2003) looked at the organizational cultures of selected Malaysian companies and concluded that certain types of organizational cultures are more likely to facilitate the acceptance of change than others. Grindle (1997) explained the differential performance of public organizations in six developing countries (Bolivia, Central African Republic, Ghana, Morocco, Tanzania, and Sri Lanka) with reference to their organizational cultures. Bavon (1999) also used organizational culture as one of the variables for explaining the performance of public enterprises in Africa. Owusu (2005) explained the differences in the performance of health and educational institutions in Ghana by exploring the connection between employee livelihood strategies, their social identities, and the organizational cultures of their places of employment. Also as already indicated, a study of Ghana’s public sector organizations highlighted differences between the cultures of good and poor performing organizations (Owusu, 2006b; 2006c).

In sum, the usefulness of the concept of organizational culture in the analysis of Africa’s public sector deserves further exploration given the nature of the broader environments in which organizations operate and the seemingly intractable nature of its “public-sector problem”. More than anywhere else, Africa’s own history and experience with public organizations justifies a focus on the relationship between organizational culture and performance. For instance, public
sector organizations in Africa are influenced by their colonial legacy (Ekeh, 1975; Alemika, 1993); conflicts between the various societies’ traditional cultures and the expectations of public-sector employment (Dia, 1996); the use of public-sector organizations as tools of popular patronage instead of mechanisms for providing public goods (Sandbrook and Oelbaum, 1999); the changing livelihood strategies of employees in response to the economic crisis and reforms (Owusu, 2005); and demands placed on them by international development agencies.

A Study of Ghana’s Public Sector – an Example

A research conducted in Ghana demonstrates how an understanding of organizational cultures of public organizations can serve as the basis for a reform strategy. The research examined the performance of ministries, departments and agencies (MDAs) in Ghana and categorized them into good and poor performers; identified the causes of the differences in their performance; and proposed strategies for improving poor performing organizations. The study followed these four steps: 1) classification of the MDAs into “good” and “poor” performer; 2) identification of the internal and external factors that distinguish each category of organizations; 3) using the factors identified in 2 above as the basis for identifying the organizational cultures of good and poor performers; and 4) suggesting strategies to promote cultural change as a way of reforming the organizations. We discuss each step by focusing on what was done, summarize the main findings and end with lessons from the study. ²

Identifying “good” and “poor” performers

The approach is based on the claim that in almost every country, one can identify some public organizations that perform relatively well, given the constraints. Thus, the first step is to categorize the MDAs into “good” and “poor” performers. Obviously, such a classification presupposes the existence of agreed measure of performance and availability of data. These however, are problematic for public sector organizations. Unlike private organizations where profits can be used as a measure of performance, there is no single performance indicator that can compare the different types of organizations that make up the public sector (Rainey and Steinbauer, 1999). Measuring the performance of public organizations is also difficult due to

² See Owusu (2006b, 2006c) for the results of the original study.
lack of data in general, and particularly in Africa, the lack of access to data that would ordinarily be publicly available in other regions.

To overcome these challenges, a reputational method was used to assess the relative performance of the organizations (see Henslin, 1999). The method involved the following four steps. First, a list of the MDAs was compiled. Second, a list of 23 “knowledgeables” (i.e. persons who live in the country and are well-informed about the functioning of public organizations) was also compiled. The knowledgeableables included officials in government agencies, bilateral and multilateral agencies, nongovernmental organizations, academic institutions, research organizations and the private sector. Third, the knowledgeableables were asked to rank the MDAs on a scale of 1 to 5 (1 for poor performer; 5 for best performer) based on their capacity to perform the major tasks for achieving their main functions. Fourth, data from the survey of knowledgeableables were tabulated, the mean score for each organization was determined, and the organizations were divided into four groups based on their score. The top-ranked organizations were labeled as good performers and the bottom-ranked organizations were labeled as poor performers (see Table 1). Note that the purpose of this study is not to generate report cards for public organizations; rather its purpose is to crudely classify public organizations into categories (good or poor) to facilitate comparison. Therefore, our measure of performance assesses only the relative performance of organizations.

(Table 1 about here)

Identifying the factors that distinguish good and poor performers

The next step involved identifying factors that distinguish the good performing MDAs from the poor performers. For this task, an adaptation of Schein’s framework discussed above was employed. As a first step in the cultural assessment process, this Ghanaian study was limited to understanding the external survival issues and internal integration issues and did not attempt to uncover the deeper underlying assumptions of cultures of the organizations. The study focused on the external survival issues and the internal integration issues partly because they correspond with the two broad views on the causes of the continent’s poor performance in the public sector. One view blames the problems of the sector on factors internal to the organizations themselves – including strategies that management of an organization and employees can initiate without
resorting to outside help (Israel, 1987:5). The other view focuses on external factors, i.e. those that emanate from the broader socioeconomic and political environment and are beyond the control of each individual organization (Manning, et. al., 2000; Bartel and Harrison, 2000). These two sets of literature served as the starting point for the analysis; however the proposed approach allowed us to go beyond the lack of cross fertilization of ideas that have pervaded the literature by bringing these two views together. Another reason for limiting the study to two, rather than Schein’s three levels of organizational culture, is that such an effort presents methodological challenges and may require heavy investments in primary and secondary data collection, using both quantitative and qualitative methods is necessary to overcome this challenge. For instance, data on external survival issues and the internal integration issues for a large number of organizations can be collected simply with surveys and questionnaires and analyzed with common statistical methods. However, uncovering the deeper underlying assumptions of the cultures of each of the organizations would require a more in-depth and probing analysis of organizations, using multiple qualitative methods (Schultz, 1995).

Due to the large number of organizations studied, we used a quantitative methodology that included measuring the external and internal factors of the organizational cultures, developing scales to measure each factor, and using statistical methods to distinguish between the cultures of good and poor performers. Specifically, the following external factors were employed in the Ghanaian study: specificity of the organization’s tasks, political interference, client demand and oversight, and incentive system. The internal factors also included mission of organizations, recruitment and training, performance expectations and evaluation, employee recognition and sanctions, and autonomy. The factors were measured using multiple items from a questionnaire of Likert-type scale and some yes/no questions administered to employees of the MDAs. Specifically, survey questionnaires were administered to employees from the MDAs identified above. In all, a total of 223 employees in 19 MDAs were interviewed. Respondents were asked to assess the importance of a set of factors that distinguish their organization from others. Statistical methods were employed to identify the major factors that characterize good and poor performing organizations (Table 2).

Basic characteristics of good performing cultures
The results revealed that among the external factors, the only measure that showed significant differences between good and poor performers is the incentive system; for the other external measures, namely, client demand and oversight, specificity of task and political interference, we found no significant differences between the two types of organizations. With regards to the internal factors, only one measure, recruitment criteria, was significantly different among the two groups; none of the other internal factors considered was significant in distinguishing between the two types of organizations (Table 2). Based on the above findings and other discussions with officials in Ghana, the following were identified as the basic characteristics of good performance cultures of MDAs.

- **Factors work together to create good performance culture.** The characteristics that differentiate good performers from poor performers are not independent of each other; rather they work together to create the good performance culture. For instance, an organization with an excellent benefit package but a very poor recruitment process may still perform poorly.

- **Better benefits with higher expectations.** A lot has been written about the impact of low public-sector wages on performance in Africa. There is no doubt that a generous benefits package is critical for ensuring good performance, but good benefits alone would not guarantee good performance. For instance, good performers do not only enjoy better benefits. In addition, the management of such organizations often recruits employees through a relatively competitive system and provide new employees with a comprehensive induction-training program. As a result, employees of such organizations are more likely to see themselves as more competent than poor performers. Also, leaders of good performers are able and willing to take advantage of the relatively generous benefits provided by the organization to demand high performance from employees. Those who do not measure up to the organization’s expectations are sanctioned in a system that is generally seen as justified. Employees of good performing organizations also believe that the services they provide are important to society and that the quality of services is superior.

- **Internal factors are critical.** The results suggest that good performance is influenced largely by factors that are internal to the organization. This means that many of the changes necessary for creating good performance cultures can be initiated by organizations themselves without substantial external support. This suggests the need for effective leadership that can nurture the development of good performance culture through recruitment
practices, training opportunities, setting up high expectations and imposing sanctions, when necessary.

(Table 2 about here)

Designing reform strategies to promote cultural change

The study of the relationship between organizational culture and MDA performance requires finding out from employees of different MDAs what makes them “tick” and use that information as the bases of reform policy. As a result, the policy that emerges from such analysis will be based on the experiences of high performing organizations within countries, thereby, avoiding the one-size-fits-all approach to public sector reforms, by addressing specific concerns of public sector employees within countries. For instance, investment in training and provision of modern technology should be part of a reform package only if they address the concerns of employees and improve the performance of an organization. In the case of Ghana, the analysis showed, among other things, that reforming the incentive system is a prerequisite for cultural change; public sector reforms should focus not only on management but also on leadership; and that reform policies not only focus on short term results but must also include a long term organization cultural change strategy. We should not also disregard the effects of the wider culture of public services – the enabling environment (DAC Network on Governance, 2006; Booth et al. 2005).

Summary and conclusion

In sum, Africa’s public sector problem has been mostly driven by external interests and the nature of the problem has also varied over time. The early post colonial reforms aimed at addressing the colonial government’s failure to prepare the indigenous civil servants for nation-building and facilitating national development efforts. Public sector reforms during the neo-liberal-inspired Washington Consensus era were also driven by a small government ideology and macroeconomic concerns that did little to improve the effectiveness of the sector. The emergence of Post-Washington Consensus that attempts to broaden the focus of development to include
poverty alleviation issues and the recognition of the role of the importance of government role in service delivery, especially to the poor have led to renewed interest in state capacity building and public sector reforms. Unfortunately, the solutions that have been advanced ignore the experiences of organizations within those countries, and are based on the flawed assumption that all public organizations are ineffective.

To overcome this limitation, I argue that public sector reform policies should be based on the experiences of organizations within countries rather than the one-size-fits-all approaches that have become the norm. A way to achieve this is to explore the relationship between organizational culture and performance and use the experiences of the good performers as the basis for changing the cultures in poor performing organizations. A case study of MDAs in Ghana was used to demonstrate how such analysis can be done and how the information can be used to tailor solutions to organizations within each country. The study demonstrated the importance of adequate salary and transparent incentive system in promoting efficient public sector organizations. The results showed that good and poor public organizations differ in two respects: remuneration and hiring criteria. Using these findings and interviews with officials in Ghana, the basic characteristics of good and poor performing organizations, and suggestions for designing policies aimed at changing the organizational cultures of the poor performers were mapped out. This is more likely to be embrace by the MDA leadership in Ghana because it draws on the experiences of the organizations within the country.

It is important to note that the study reviewed here has some limitations. First, the approach used in measuring the effectiveness of the MDAs was more approximate and not precise. For instance, it is likely that the assessment by knowledgeable reflected more performance at the time of the study rather than performance of the organization over time. Second, the study of the organizational cultures was not comprehensive. For instance, the study did not address the possible existence of multiple cultures and different levels of effectiveness within organizations (for example, there could be significant differences in the cultures of the administration, personnel, and research departments of an organization). Also, a detailed study of Schein’s three levels of cultures is necessary to provide a full understanding of the nature of organizational culture; however, the study focused on only the internal and external factors. Note however that our intention for discussing this case study here is not to provide guidelines or a template of “how to do” such studies. It is presented here to show that it is possible to overcome
the data limitations that could hinder the application of Schein’s framework in Africa and to draw attention to the need for more creative solutions to the methodological challenges identified.

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Table 1. “Good” and “Poor” Performing Organizations (in alphabetical order)

<table>
<thead>
<tr>
<th>Good Performers</th>
<th>Poor Performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana Investment Promotion Council</td>
<td>Audit Service</td>
</tr>
<tr>
<td>Internal Revenue Service</td>
<td>Department of Community Development</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Department of Parks and Gardens</td>
</tr>
<tr>
<td>Ministry of Food and Agriculture</td>
<td>Department of Social Welfare</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>Ghana National Fire Service</td>
</tr>
<tr>
<td>Ministry of Interior</td>
<td>Information Service Department</td>
</tr>
<tr>
<td>Ministry of Local Government &amp; Rural Development</td>
<td>Ministry of Environment and Science</td>
</tr>
<tr>
<td>Ministry of Roads and Transport</td>
<td>Ministry of Tourism</td>
</tr>
<tr>
<td>National Electoral Commission</td>
<td>Ministry of Works and Housing</td>
</tr>
<tr>
<td></td>
<td>Ministry of Youth, Sports and Education</td>
</tr>
</tbody>
</table>

*Note: Some MDAs, including The Ministries of Defense, Foreign Affairs, Trade and Industries, Lands and Forestry, and Manpower Development and Employment as well as the Police and the Prison Services, did not participate in the study.*
Table 2: Test of difference between means for indicators of good and poor performers

<table>
<thead>
<tr>
<th>Factor</th>
<th>Range</th>
<th>Good performers</th>
<th>Poor performers</th>
<th>P-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External factors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentive system(^3)</td>
<td>0-5</td>
<td>2.480</td>
<td>2.214</td>
<td>0.023*</td>
</tr>
<tr>
<td>Specificity tasks</td>
<td>0-4</td>
<td>2.496</td>
<td>2.559</td>
<td>0.612</td>
</tr>
<tr>
<td>Political interference</td>
<td>0-4</td>
<td>2.284</td>
<td>2.296</td>
<td>0.932</td>
</tr>
<tr>
<td>Client demand and oversight</td>
<td>1-3</td>
<td>2.264</td>
<td>2.273</td>
<td>0.900</td>
</tr>
<tr>
<td><strong>Internal factors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization mission</td>
<td>0-5</td>
<td>3.458</td>
<td>3.339</td>
<td>0.410</td>
</tr>
<tr>
<td>Recruitment criteria</td>
<td>0-5</td>
<td>.779</td>
<td>1.113</td>
<td>0.036*</td>
</tr>
<tr>
<td>Performance expectations and evaluation</td>
<td>1-2</td>
<td>1.712</td>
<td>1.718</td>
<td>0.889</td>
</tr>
<tr>
<td>Employee sanctioning</td>
<td>1-6</td>
<td>4.964</td>
<td>5.011</td>
<td>0.634</td>
</tr>
<tr>
<td>Employee autonomy</td>
<td>0-4</td>
<td>1.962</td>
<td>2.043</td>
<td>0.516</td>
</tr>
</tbody>
</table>

\(^*\) = Significant at 95% confidence interval

\(^3\)We consider remuneration as an external factor because in Ghana, salaries of public sector organizations are determined by the government.