

Human Resources Retention in Local Government: Review of Uganda's Policy and Institutional Mechanisms for Performance

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Abstract: This paper presents results of a study conducted to examine human resource (HR) talent retention in Uganda's local government in terms of the framework of existing policy and institutional arrangements. The paper derives from a background where, despite policy and institutional reforms, local government public services in less developed countries continue to grapple with the challenge of effectively retaining resourceful employees, which affects the extent and quality of service provision. The reorganisation of local government in Uganda with a separate personnel system of decentralisation, where each district recruits its own staff through the District Service Commissions, but is then maintained under the central government public service policy frame and single-spine salary structure, presents several challenges to local HR performance and retention. Numerous reports highlight concerns about districts facing increasing employee turnover and retention challenges.

Key informant interviews were conducted with 12 senior officials from four Ugandan districts, and supplemented by analysis of policy-related literature. Results show that while low salaries and poor remuneration are often presented to explain the increasing HR and talent retention problems, the Ugandan case suggests more elaborate issues, especially related to the domineering central government policies and structural arrangements that are at variance with the critical HR retention needs of local governments. The paper argues that the continued expansion of local government frontiers has not moved in the same direction as the necessary local policy and organisational systems that are required

to support HR functions and effective HR retention. The paper provides some recommendations to address the current challenges.

Key Words: Human resource retention, Local government, decentralisation

Introduction

Human Resources (HR) retention and performance continue to haunt the imperatives of local economic development and the rationale for the decentralisation policy in Uganda. The neoliberal reforms of the 1990s, spearheaded by international development agencies led by the International Monetary Fund and World Bank, presented a wide array of policy prescriptions to poor nations that were intended to de-bureaucratise the central state authority and promote good governance through decentralisation, community participation, empowerment and accountability in the public sector. It remains unclear how far the reforms may have posted sustainable positive change on effective HR retention and performance, especially in the local government sphere.

Uganda has had one of the most ambitious decentralisation initiatives in developing countries in terms of scale and scope of transferring powers and responsibilities to local authorities (Wunsch, 2001; Steiner, 2006; Kiyaga-Nsubuga and Olum, 2009; Kakumba, 2010; Nabaho, 2013). The devolved functional responsibilities to local government (LG) touch virtually every element of human livelihood, including community socioeconomic and political development. LGs have a direct service mandate in areas of primary health care, education, water and sanitation, agriculture and production, rural and district roads, among other aspects of political participation, empowerment and development.

The increasing number of district LGs in Uganda (from 45 in 2005 to 112 in 2012) positions local government as a critical public service provider, where 75% of the total workforce in public service is employed (Ministry of Local Government (MoLG), 2012). In spite of this, LGs are facing increasing staff turnover, abscondment, absenteeism and poor HR performance (JICA, 2007; Asimwe and Nakanyike, 2007; Kakumba, 2010). Concerns are rife that as LGs expand, there is an apparent neglect of the new *job demands*, of *staff working conditions* and opportunities for *institutional growth and development*. Worst case scenarios of employee turnover and failure to attract staff are reported among health workers (doctors, nurses, and midwives), veterinarians, agriculturalists, engineers, surveyors and accountants.

The purpose of this paper is to examine how the policy and regulatory framework introduced as part of local government management under decentralisation in Uganda, have affected effective HR retention, taking into account a case study of four district LGs in Uganda. A case study and qualitative analysis of major policy aspects was done through interviews in each district, with top technical/ appointed officials and elected leaders. In total, 12 interviews were conducted and relevant official policy documents and reports were reviewed.

The paper addresses the following research issues:

- I. Establishing and analysing the key human resourcing priorities of the districts;
- II. Identifying and analysing the major policy and regulatory mechanisms that district LGs are engaging to enhance effective HR retention, and the challenges encountered in the process;
- III. To draw lessons and present possible mechanisms to revitalize local government policy and organisational arrangements to enhance HR talent retention and development in Uganda.

Highlights of the Local Government Legal and Regulatory Framework

The district is the highest level of local government in Uganda, below which, are other lower local governments in the form of sub-counties (rural areas) and municipalities and town councils (urban areas). In a separate personnel system, each district LG is required to have a District Service Commission (DSC), established under the provisions of the *Constitution of the Republic of Uganda, 1995* (Article 198), and the *Local Governments Act (LGA), 1997* (Section 54). The DSCs in respect to the *Constitution of Uganda, 1995* (Article 200) and the *LGA, 1997*, (Section 55) are mandated to handle HR management functions, including: *appointment of persons to hold or act in any office in the service of a district/urban council; confirmation in service; promotion of staff; career development; disciplinary management; and retirement and termination of duty*. However, the DSC powers are limited to the lower cadre positions, as the appointment and disciplinary control of top civil servants in the districts and urban local governments, such as chief administrative officers (CAOs), deputy CAOs and town clerks of cities and municipalities, reverted back to the central government's Public Service Commission (PSC) following a constitutional amendment in 2005.

Further, the salaries of LG staff are maintained under the central government's (CG) public service single-spine salary scales and pay structure, which presents several challenges to local HR performance and retention. The wage bill of LGs is financed from the "unconditional

grant”, and the unconditional grant is only less than 10% of the total annual grants from CG. This means that about 90% of the CG grant transfers are conditional, earmarking specified decentralised activities and national priority programmes at the localities. As a result, the source of remunerating LG staff is limited, and has become worse with poor local revenue collections, which average less than 7% of the total annual budgets of LGs (MoLG, 2012).

Theoretical Perspectives on Human Resource Retention

Effective HR retention (talent retention) is not just about keeping people secure in job positions or failure to prune “deadwood”, but rather, to engage mechanisms (mostly through policy and institutional practices) that maintain employees with demonstrable capabilities to perform, for as long as it remains beneficial to the organisation. HR retention and turnover are two faces of the same coin and are usually studied on a three-focus continuum: *causes*, *consequences* (of employee turnover), and *retention strategies* for the workforce. This paper focuses on retention strategies and does not seek to analyse how many do leave or the reasons for their stay in service of LGs. Nonetheless, any attempt to theorise HR retention must be enriched by the theoretical paradigms of the notion of staff turnover.

Failure to retain talent is costly to organisations (Yang, Wan and Fu, 2012; Alonso and O’Neill, 2009; Argote, 1999). While turnover may lead to a positive infusion of new energy and a calibre of individuals that may invigorate organisational performance with the introduction of ideas and methods, staff turnover is associated with increased recruitment and training costs. Scholars have pointed out that the overall costs associated with employee turnover normally range from 1.2 to 2 times higher than the annual salary of the former employee, with an average cost of 1.5 times higher (Robbins and Judge, 2007: 28; Yang, et al., 2012: 837). Besides staff morale, ineffective retention also leads to loss of productive capacity while reducing efficiency (Yang et al., 2012: 837-38). The cost is even higher in terms of human capital loss (human knowledge and expertise) and social capital (interpersonal relationships), which are invaluable.

While the problem of low retention has existed even prior to the 18th century Industrial Revolution, studies on HR talent retention and framing of theoretical constructions are relatively recent (hardly two decades). This paper engages some theoretical perspectives that underpin the notion of HR retention, with particular focus on the relationship between employees’ intent and decisions to stay or leave their jobs. Two schools of thought articulate the foundation of an employee’s decision to stay or leave the organisation.

Traditional Attitude and Alternative Model

A theory of conventional wisdom (springing from the ideas of March and Simon, 1958; Mobley, 1977; Price and Mueller, 1981), as noted by Mitchell, Holtom, Lee and Erez (2001), suggests that: when people feel dissatisfied with their jobs, they search for alternatives; compare those options with their current jobs using an expected-value-like decision process; and leave if any of the alternatives are believed to be better than their current situation. (In essence, job attitudes combined with job alternatives predict the intent to leave, which is a direct antecedent to turnover (Mitchell, et al., 2001). The traditional view provides the foundation for the “push and pull factor” postulations regarding employee turnover.

Job Embeddedness Theory

Job embeddedness according to Mitchell et al., (2001), represents a blend of job elements that influence employee retention, associated with the works of Lee and Mitchell, (1994); Lee, Mitchell, Holtom, McDaniel and Hill, (1999). It is a relatively new theoretical construct, which examines the individual’s: (1) *links to other people, teams and groups*; (2) *perceptions of their fit with the job, the organisation and the community*; and (3) *beliefs about what they would have to sacrifice if they left the job*.

The *employee links* include, established formal and informal employee connections in the form of work team members, non-work friends and family, and the community around the organisation. The *fit* involves perception of the individual employee’s compatibility with the organisation in the form of personal values, career goals and plans, knowledge, skills and abilities. The *sacrifice* is in relation to the costs and benefits forfeited if the employee is to leave the job, which are in the form of salary and benefits, job stability and security, and rank and status.

The literature further reveals that organisational policies and practices can contribute to retention of talent (Harris, 2005; Truss, 2009; Yang et al., 2012). Organisational policies relating to compensation and career development can minimise human capital flight (Yang, et al., 2012: 838); while those that enable flexible working, work-life balance, health and safety, equity, diversity and organisational justice, foster effective talent retention (Truss, 2009: 167-69; Harris, 2005: 682-83).

It should be pointed out, however, that the evolving complex nature of jobs and the workforce in contemporary organisations poses a challenge to retention policies. For example, the *workforce* has become very

unreliable and unstable, given the pull factors relating to job dynamics, the opportunities of the information age and the borderless world – courtesy of globalisation.

Today's *job* and the nature of contemporary organisations have changed for the average person over the last two decades. What is conceived as a job today, for example, has transcended the traditional professional occupations, such as engineering, law, medicine, teaching and management. People increasingly engage in employment activities related to, for example, the beauty industry, music, tourism, modelling and comedy, which expand the opportunities for self-employment and starting their own enterprises. Thus, many people nowadays find it lucrative to resign from a very good job to start their own enterprise, which makes employee retention a challenge.

Likewise, the *workplace* has become a fluid term, whereby people operate beyond the physical boundaries of organisations, especially in the wake of ICT and virtual work operations. It has become fashionable for people to look for flexible work engagement that gives them time to do other things or have more than one job. In the process, commitment and loyalty to the organisation becomes endangered.

In the same vein, the new generation in the *workforce* poses immense challenges to effective retention in organisations. It is a more dynamic and adventurous young generation, which is positive, but sometimes verges on utter recklessness, as young people in the workforce move from one job to another creating instability for themselves and for the organisation. It is argued that the traditional workforce cherished a job for career progress and service, with commitment and loyalty to the organisation. The new generation of workforce is increasingly driven by adventurism, and opportunities with greater grandeur and a desire for power, wealth and status.

In addition, in the public sector realm, events in the last two decades that led to staff retrenchment in the quest for organisational efficiency have fractured the work culture and stability of employment (Kessler, 2000: 34). A number of countries have adopted contractual employment for fixed terms of tenure for their public sector employees, in the wake of the new public management (NPM) philosophy – as opposed to the conventional “permanent and pensionable terms”. Whereas employment contracts help to address complacency problems by fostering a sense of accountability and responsibility to meet the employer targets and expectations, it has not addressed anxiety and fears about job security. The result has been increased uneasiness among public employees causing them always to be on the lookout for

employment alternatives, which affects commitment and effective HR retention.

Methodology

In this research, four districts were selected as case studies from each of the four regions of Uganda: the eastern, western, northern and central regions. The districts selected had existed at least since 1997, coinciding with the coming into force of the *Local Governments Act, 1997*. In total, 12 interviews were conducted with at least three top officials from each district as key informants. The research purposively enlisted key senior officials, in consideration of their focal positions and expected knowledge of or engagement in policy determination, adoption, implementation and evaluation, and HR management.

Interviews were supplemented by a literature study that analysed reports, policy documents and previous studies relating to decentralisation and human resource management. A qualitative approach was engaged utilising thematic and content analysis, involving identified HR policy issues and themes associated with employee retention in organisations. The study thus used a narrative interpretive method, following identified research themes related to the key research objectives and questions.

Results and Discussion

In reporting the findings from the four local authorities in Uganda (referred to here as District A, B, C and D), attention is initially paid to identifying key HR resourcing priorities, which would later inform the type of policy that can be prioritised to deal with HR talent retention.

Human Resources – Resourcing Priorities in Local Governments

The first research question dwelt on establishing the key HR resourcing priorities among districts, which easily links to the nature of policies that the districts would prioritise to support effective HR retention.

All districts as per Table 1. place strong priority on HR talent retention through:

- Training and human capacity building (*common rank 1*), which is currently being heavily supported by grants from CG and donors under the local government management and service delivery programme (LGMSDP) and capacity-building grants. LGs organise various short executive and skills development programmes, and grant study leave with pay to staff on longer-period training, stretching up to two years.

Table 1 : Ranking of HR Resourcing Priorities in Four Districts

HR Priorities (Nature/ Type)	Districts' Identified Their Ranking				HR Priorities and (Rank 1 most important) Rank			
	Dist. A Central	Dist. B West	Dist. C East	Dist. D North	Common Rank	Common Rank	Common Rank	Common Rank
Hiring competent people	3	3	4	4	3	3	3	3
Training and capacity building	1	1	1	1	1	1	1	1
Performance monitor and management	2	2	2	3	2	2	2	2
Fair and attractive pay	4	4	3	2	4	3	4	4
Equity and gender mainstreaming	6	5	6	-	6	6	6	6
Provision of housing and transport	5	6	5	-	5	5	5	5
Support promotion and career growth	7	7	8	5	7	8	7	7
Ensure safe and conducive workplace	-	9	7	-	-	7	-	-
Enhance good employee relations	-	8	9	-	-	9	-	-
Enforce discipline and code of conduct	8	10	-	-	8	-	-	-
Design attractive and challenging job	-	-	-	-	-	-	-	-

- Undertaking performance monitoring and management (*common rank 2*), for purposes of identifying individual and team progress towards set targets/objectives, so as to spearhead performance improvement. Performance monitoring is carried out by different agencies and at different levels from the CG line ministries to the local stakeholders, including the councillors, civil society and heads of departmental units;
- Hiring of competent people (*common rank 3*), which is envisaged through the DSC activities in each district, in having clear, independent and merit-based recruitment processes. However, the recruitment and selection exercise still faces a lot of challenges, as will be discussed later;
- Seeking fair and attractive remuneration (*common rank 4*). Lower ranking salaries are explained by the fact that LGs cannot do much about remuneration, because the salary scales are determined by CG across a single-spine pay structure. So efforts are restricted to negotiating with CG to improve emoluments for civil servants and increase the amount of the unconditional grant from which LGs could make pay incentives;
- Provision of housing and transport incentives (*common rank 5*) by some districts to some focal staff categories, such as health workers. Only two districts do this because of very limited housing facilities and poor local revenue; and thus the poor ranking as a priority;
- Equity and gender mainstreaming (*common rank 6*), appears as a section in three of the 5-year district development plans (DDP) reviewed. The poor priority rank, however, is explained by dwindling resource support to spearhead sustainable awareness and empowerment programmes, despite having quite a lot of gender agendas and equity issues enshrined in policy documents.

It is notable from the priority rankings that, some critical aspects of HR retention in organisations (as espoused by theory and previous studies) were, ironically, poorly rated, vaguely stated or not mentioned at all. These include: promotion and career growth; ensuring a safe and conducive working environment; employment relations and discipline; and, designing attractive and challenging jobs. The major explanation given by respondents is that, largely, the current central government policies and resources at the disposal of LGs can hardly

enable these issues to be supported to a level of promoting HR motivation and retention.

Policy Support for HR Retention and Implementation Challenges

The second research issue was to identify and analyse the major policy and regulatory mechanisms that district LGs are engaging to enhance effective HR retention, and the challenges encountered in the process. The table below summarises the key policy aspects, followed by a subsequent discussion of detail on each of the issues.

Human Resource Planning and Structure

It is notable in Table 2 that none of the districts studied has developed an independent HR plan or policy manual to articulate and guide the functioning of various HR activities that would ordinarily be expected to support effective HR talent retention. As indicated in Table 2, the four districts have, however, each developed a five-year district development plan (DDP), which, unfortunately, is a general strategy document, having very thin, if any, coverage of HR management functions and policy direction. The DDPs reviewed have integrated sectoral plans, including the management support services sector where HR management issues are highlighted.

The respondents confirmed reliance of districts on the national government’s policy frameworks and legislation, especially from the Ministry of Local Government (MoLG) and the CG’s Public Service Commission, despite the fact that local authorities are mandated to make by-laws and policies that can take care of peculiar local needs and priorities, provided they do not contravene the national constitution. District officials admitted that developing particular HR policies and other management frameworks is not prioritised because of limited funding and the fact that they can conveniently refer to central government through its line ministries. One official remarked:

We have not prioritised development of specific HR plans and policy manuals, because of the poor resource envelop and unreliable funding trends that render such initiatives redundant or un-implementable. Our approach is to refer to the overall government plans and ministry’s guidelines to pick different HR support activities from time to time, as and when resource capacity allows.

Regarding HR structure, the government of Uganda in 2005, undertook a comprehensive local government restructuring exercise in a bid to evolve staffing structures commensurate with devolved roles and responsibilities. The new structures were approved, with a resolution to support LGs to start filling, initially up to 65% of the staff

Table 2: Summary of Local Governments’ Policy Efforts towards HR Talent Retention

POLICY CONSIDERATION	DISTRICT: C Policy issues for retention	DISTRICT: B Policy issues for retention	DISTRICT: A Policy issues for retention	DISTRICT: D Policy issues for retention
Human Resource Planning and Structure	<ul style="list-style-type: none"> No existing HR plan/ policy manual Rely on general C public service regulations Have a 5-year DDP integrating HR sector work plan HR structure pre-determined by CG 	<ul style="list-style-type: none"> No particular HR policy/ plan manual Have a 5-year DDP integrating HR sector work plan HR structure pre-determined by CG Have a recruitment & training plan Rely on CG regulations Staffing determined by CG 	<ul style="list-style-type: none"> No particular HR policy/ plan manual Rely on general gov’t service regulations Have a 5-year DDP with HR sector work plan HR structure set by CG Rely on CG regulations Competence of DSC 	<ul style="list-style-type: none"> No particular HR policy/ plan manual Rely on general gov’t regulations Have a 5-year DDP integrating HR sector work plan HR structure pre-determined by CG Rely on CG regulations Staffing imposed by CG
Employment Entry and Staffing	<ul style="list-style-type: none"> Rely on CG regulations Independence of DSC 	<ul style="list-style-type: none"> Rely on CG regulations Staffing determined by CG 	<ul style="list-style-type: none"> Rely on CG regulations Competence of DSC 	<ul style="list-style-type: none"> Rely on CG regulations Staffing imposed by CG

Reward and Compensation

- Gender & Welfare Comm.
- 49%staffing
- 49%staffing
- No attraction for hard-to-reach areas
- CG pre-determine pay structure & scales
- Low salaries
- Give some incentive pay to health workers
- Housing for some health workers
- Wage bill consumes 90% of unconditional grant
- 51 % staffing
- No attraction for hard-to-reach areas
- Imposed pay structure/ scales
- Low salaries
- Wage bill consumes 90% of unconditional grant

Career/ Talent Growth and Development

- Have capacity building policy
- Full-time appointment/ confirmation in service
- 49%staffing
- No attraction for hard-to-reach areas
- CG pre-determine pay structure & scales
- Annual recognition/ awards function
- Give some transport & lunch
- Housing for some staff
- Have capacity building prog.
- Provide study leave to 2 years
- Run capacity building prog.
- Give study leave to up to 2 years
- Have capacity building prog.
- Rely on CG regulations

Performance Management

- In-service training
- Scholarships to study Medicine
- Lack of promotion
- Annual appraisal
- Participatory appraisal
- Duplication of M&E exercise
- Lack of appraisal feedback
- Have a disciplinary Committee
- Rely on CG legislations
- Sponsor Short Training
- Mentorship programme
- Permanent job tenure
- Annual appraisal
- Participatory appraisal
- Internal & external evaluations
- Lack of appraisal feedback
- No in-house conflict/ discipline manual
- Have structural & political conflicts
- Permanent & pensionable job tenure
- Stagnation/ no promotion
- Give study leave
- Annual appraisal
- Participatory appraisal
- Lack of appraisal feedback

Employment Relations

- Have a disciplinary Committee
- Rely on CG legislations
- No in-house conflict/ discipline manual
- Have structural & political conflicts
- Have ethnic & political conflicts

establishment, and through to 100% in five years (MoLG, 2012). The initial outcome of the restructuring exercise was largely ideal for effective HR planning and staff retention. Staff were re-interviewed by the DSCs; those with merit were confirmed in positions; some promoted and others retrenched. This restructuring effort can be said to have been a step in the direction of enhancing effective HR retention. This is so, because the individuals retrenched were reported to have been lacking the requisite qualifications, irregularly recruited, due for retirement, or without a post in the new structure and unable to serve in different capacities.

The restructuring exercise also rationalised LGs into three different staffing model structures. The model categorisation 1-3, representing small-, medium- and big-level thresholds, respectively, was based on: population of the district; the local revenue generated by the district; and the land area of the district. This meant that the smaller level category 1 districts and the bigger category 3 districts would operate optimally with appropriate staffing capacity and resources in accordance with their respective service delivery needs and viability.

There are concerns, however, that despite the good intentions of the restructuring attempts, some sectors, such as agriculture, health and education, were not restructured and rationalised, and many positions had not yet been filled (JICA, 2007; MoLG, 2012). Respondents complained about a contradiction that there has been a general freeze on new public service recruitment, and LGs had not been modified according to the new model structures for over eight years. Districts are not allowed to hire new staff unless it is about filling vacancies created by those retired or deceased, or with expressed permission from the Public Service Ministry, after demonstrating that the LG has funds to remunerate staff in those positions.

Customisation of LG structures is further constrained by the creation of new districts. Concerns were expressed that when districts split, in the process of creating new ones, they change the model that they were in, but also lose staff in the process. For example, Lira District, which was in model 3, changed to model 2 after being split into Amolatar and Dokolo districts. Respondents pointed out that in reality a number of districts are not effectively in model 2 because they are greatly understaffed after losing staff to the new districts, and could not recruit because of the limited resources to meet the wage bill.

Another structural deficiency is that the HR function in Uganda's local government and public service generally, operates in an administrative support position, usually with two to three people at the middle or lower levels who undertake basic routine management support

services. It is not established as a fully-fledged structured department or unit with a strategic focus and budget line to mainstream HR capacity and performance in all functioning departments of LGs.

Entry and staffing issues

Retaining talent heavily derives from the calibre of people engaged and the manner in which they join the organisation's workforce. Thus entry policies and practices were pertinent for examination. To date, however, LGs remain constrained by inadequate staffing, with approved structures only filled up to 55% on average, and as low as 10% in new districts (MoLG, 2012). The respondents in the districts in the four case studies complained of understaffing that is far below the minimum average of 65% recommended by government policy in 2005. By 2013, District C operated at 50%; District B at 49% (health workers and 60% overall); District A at 49%; and District D at 51%. All districts reported difficulties in attracting people to remote and/or under-resourced areas, given that there are no extra allowances or benefits for staff working in such areas, as compared to their counterparts in urban areas. Respondents from districts B, C and D reported high rates of staff turnover, especially of health workers, and an inability to attract and retain high calibre staff in key positions, such as head of directories, chief engineers, accountants, and those at principle management levels.

The Japan International Cooperation Agency (JICA) (2007) report indicates that in the education sector, for example, it became necessary to hire a greater number of unqualified (licensed) teachers in Ugandan primary schools during 2000 – 2007, owing to a sharp increment in pupil enrolment with the introduction of universal primary education (UPE). While the pupil-teacher ratio (PTR) decreased to about 50 in 2004 (52 for government schools) from 65 in 2000, the distribution of teachers across districts remained highly skewed, with Kampala and some urban centres having a PTR of about 30, while rural districts have a much higher ratios of about 90. Failure to attract and retain qualified staff has, thus, impacted greatly on the scope and quality of local public service provision (JICA, 2007). Respondents from upcountry districts affirmed the same difficulty in retaining qualified personnel in all sectors.

Equity and organisational justice policy arrangements in staff recruitment and selection are a prerequisite for effective retention. While respondents in all districts mentioned the establishment of a qualified and independent DSC as a reliable policy mechanism to support HR equity in staff retention, the DSCs have been in the spotlight for repeated controversies abetting unfair and politically influenced appointments and promotions in favour of "sons and daughters of the soil" (JICA, 2007:33; Therkildsen and Tidemand, 2007:65; Kakumba

and Fourie, 2008:125). The discriminatory tendencies notwithstanding, some informants defended the appointment of people to serve in the local areas where they originate from, because of the assumed loyalty and satisfaction that such people can attach to a job in their localities. Be that as it may, the localisation of HR can breed ethnic segregation and can widen regional inequities.

Reward and Compensation

As indicated in Table 2, regarding reward and compensation, some LGs have attempted some reward incentives such as pay top-ups, housing for selected workers, awards and recognition, lunch and other allowances, as part of their HR retention policy strategies, although with a lot of difficulties. Salaries of LG employees are maintained under a single-spine salary structure and scales determined by CG, with hardly any allowance to consider peculiar difficulties faced by people serving in remote and hard-to-reach localities. Complaints received from district officials confirm earlier reports on the fact that salaries in LGs and the mainstream public service (ministries) in Uganda are far below the whole East African region (African Peer Review Mechanism (APRM), 2007; Kakumba, 2010; MoLG, 2012), and have not been significantly adjusted for a long time to meet the rising cost of living. Respondents complained about salaries being unfairly skewed in the public service, whereby employees of other government executive agencies and statutory authorities, such as the Kampala Capital City Authority, Uganda Revenue Authority and National Planning Authority, earn up to 10 times more than their counterparts in local service and mainstream central government ministries.

Analysis of current policy on central grant transfers reveals constraints on LG capacity for HR retention. Concerns were expressed that CG policy has continued to keep the LG wage bill as part of the unconditional grant, and yet on average, salaries consume 90% of this grant, which makes it rather conditional in essence. Thus the remaining 10% of the “unconditional” grant can hardly take care of the unique service needs of any localities, including pay incentives. The ministerial policy statement (MoLG, 2012) aptly described the paradox of central government transfers in Uganda where:

the scope of decentralized service delivery responsibilities tends to be much greater than the degree to which revenue sources can be devolved. Consequently, LGs require central transfers to bridge the resultant fiscal gap. Unfortunately, despite the apparent increase in nominal terms, the actual share of local government resource transfers in the national

budget has declined over time, i.e. from 25% in the FY 2005/06 to 17.6% in the FY 2011/12.

The continued dominance of conditional grants within the transfers was an issue of concern to district officials. During the financial year (FY) 2011/12, the relative shares of conditional, unconditional and equalisation grants in the total transfers to local governments were 90.1%, 9.6% and 0.29%, respectively. The high level of conditional grants implies very limited discretion for LGs on budget decisions (MoLG, 2012), and hence cannot support schemes to enhance HR welfare and retention of staff. Whereas there are some salary-specific conditional grants (e.g. primary health care, primary education teachers, agriculture extension and community development officers), these hardly help to solve the wage burden of LGs, as JICA (2007: 34) reports. A review of the Pallisa District’s DDP (2011-2015) indicates salary arrears amounting to over 400 million Shillings, owing to central government transfers.

Career Growth and Development

Table 2 indicates policy considerations regarding career and talent growth, and developments identified by the districts under study, which include: established capacity-building policy or programmes; job security through appointments on permanent tenure and confirmation in service; sponsorship for training; and study leave and mentorship programmes. Access to government and or donor-sponsored training through capacity-building programmes was identified as a key staff motivating and HR development initiative in LGs. The ministry of local government developed a National Local Capacity Building Policy (NLGCBP) to harmonise with the public service training policy. The policy aimed to ensure quality of training events by providing standardised training materials and pre-qualification of training providers. The policy has enabled capacity-building activities in three main ways: (1) career courses for professional development (where a number of staff have benefited in courses ranging from certificates to master’s degrees); (2) skills development training targeting performance improvement of LG councillors and staff, civil society organisations and private sector service in LGs; and (3) other on-the-job cost-effective capacity-building activities (such as attachment, understudies, exposure visits, mentoring and hands-on support).

However, LG officials noted that career development courses may not necessarily ensure staff retention. The staff get away from their duty stations for long periods, and may only return to serve the bonded period or they eventually run away seeking better job opportunities. Respondents also pointed out that these courses enhance individual achievement rather than overall institutional capacity. This research

established that HR development and retention is also constrained in LGs by delays in staff confirmation and limited opportunities for promotion within the public service. These concerns are supported by earlier reports, which indicated that in some LGs, patronage and other irregular considerations persistently remained a basis for hiring, transfer, promotion and termination of staff employment (Therkildsen and Tidemand, 2007:21). Further problems relate to poor work conditions in the form of poor work environment facilities (such as office space, furniture, equipment and transport). Earlier, in 2007, Therkildsen and Tidemand (2007: 8) echoed similar frustrating work conditions in LGs: "Sitting on a 'dry' desk (or in a 'dry' department) with little money – or with unclear, non-existent or unrealistic work assignments – is frustrating. This is especially for staff who do not work in priority sectors with earmarked central government transfers".

Career and talent retention in LGs, according to some respondents, is linked to the current generation of the workforce and the declining employment opportunities for graduates. It was expressed that the contemporary young workforce has a too ambitious and unstable character with little patience and commitment required to build a career in the civil service. This dilemma was aptly put by one respondent.

Many join the local service, not because they are committed to work and looking up to career growth, but because they have failed to secure employment opportunities elsewhere. Others join expecting quicker yield in form of wealth and status, but quickly become impatient and resort to looking for any chance to abscond from duty.

Performance management and evaluation

Table 2, highlights policy issues and practices related to performance management identified in the four LGs studied, which include: mandatory annual staff appraisals and reporting to the central government Ministry of Public Service; participatory or open staff appraisal approach; linking tasks to performance targets and outputs; CG sectoral ministerial performance evaluations; and regular monitoring and evaluation agencies.

Most respondents expressed displeasure with the staff appraisal system that is not in any way linked to pay incentives and reward systems. Some informants noted that feedback is increasingly becoming a problem, as information on evaluation outcomes is hardly ever brought to the attention of the concerned individuals and teams. Some opined that staff appraisal has become a mere routine and ritualised exercise, basically to meet compliance requirements of submitting annual reports to government.

Among other misgivings, respondents decried the multiplicity and sometimes duplication of performance monitoring and evaluation agencies. Local governments tend to be subjected to fragmented reporting systems, right from the local level, at the centre, and by funding sources, and as such they often fail to comprehensively capture overall performance. It was reported that generally, the motivation to report tends to be driven by the compulsion to comply with the requirements of higher authorities. In the local government ministerial policy statement to Parliament for 2012/13, it was noted that the vertical nature of reporting by LGs to the CG means that cross-sectoral analysis of performance data is weakened. It undermines the ideal value of reports as tools for tracking performance against work plans and budgets and for directing managerial effort towards areas of underperformance mobilisation (MoLG, 2012).

Employment relations

Table 2 indicates some policy initiatives in the LGs to support HR relations at the workplace. These include: establishment of disciplinary committees; counselling and guidance centres; and thorough application of national legislation, such as the *Employment Act 2006; Labour Disputes (Arbitration and Settlement) Act 2006; Workers Compensation Act 2000, and Occupational Safety and Health Act 2006*. While the district officials generally admitted that they are still in the process of domesticating or setting up in-house procedures on managing the national regulations, their views on the effective implementation of these regulations pertaining to HR relations were ambiguous.

The nature of employment relations in LGs emerges mainly from the structure of local government organisations and intergovernmental relations. Intergovernmental agency relations create conflict, which potentially distracts from effective service delivery and weakens work morale (Manyak and Katono, 2010; Kiyaga-Nsubuga and Olum, 2009; MoLG, 2012), with a potential to afflict effective HR retention. Studies show that conflicts and grievances broadly manifest in two forms – those between central government agencies and local authorities; and those within the local government geopolitical and stakeholder domain. The sources of these conflicts, as aptly described by Manyak and Katono (2010:1), centre around, (a) the national politics polarisation impact on local government, (b) the inability to meet rising citizen demand for services as local revenue continues to erode, with central government holding the buoyant revenue sources, (c) the corrosive impact of social conflicts stemming mostly from poverty and illiteracy complicated by fuelled tribal and ethnic agitations, and (d) the challenges of developing honest and effective leadership in local government.

Both this study and earlier findings registered concerns that the creation of many new districts, partly on the basis of ethnic and political considerations, has heightened the local conflicts. While part of the justification for new district creation alludes to marginalisation of some ethnic groups and local political alliances by others, and so the need to lessen conflict by splitting communities into separate governments, on the contrary this has created more conflict and further agitation for territorial disintegration (APRM, 2007; JICA, 2007; Manyak and Katono, 2010; Kakumba 2010, Maseruka, 2012). LG officials expressed growing concern over the rush to create new districts. For example, in Arua the Maracha-Terego District was formed four years ago, but conflict on where to set the district headquarters between Nyadri or Kubala rages on. The new district's affairs were still being run from Arua. There have been similar political and ethnic tensions in Tororo between the Japadhola and the Itesot; in Kibaale, Masindi, Nakaseke, and recently (July 2014) in the Rwenzururu districts of Kasese, Ntoroko and Bundibugyo between the indigenous people and the migrant communities (JICA, 2007; Mafabi and Kolyanga, 2009; Mugerwa, 2009; Ndebesa, 2014). Such local tensions suffocate the employment environment and create a high propensity for employee flight, whenever an employment opportunity exists elsewhere.

Possible Mechanisms to Address HR Retention Challenges

The study undertook to identify possible mechanisms to enhance HR talent retention and development these in the district local governments. The following interventions could be considered to address the challenges.

- Government needs to sanction a comprehensive study/analysis of LG and public service employees in general, regarding job evaluation and emoluments with a possibility to enhance the incentive schemes for remote (hard-to-reach) areas and means of improving a conducive work environment for staff retention.
- There is a need to seriously revise upwards the salaries of public service employees in Uganda to meet the rising cost of living, but also to better compare with the generous pay scales of employees from other governmental statutory agencies, which in many instances more than double the pay for local and mainstream civil service.
- Once the deficiencies in the salary structure and the emoluments are revised, government should set aside resources to recruit and fill the HR staff vacancies to at least a 70% level to reduce the work overload and strengthen local HR capacity for service delivery.

- The system of appraising employee performance needs to move beyond a mere participatory approach between the supervisor and supervisee focusing on individual results, to a comprehensive system of performance management that evaluates the set targets along with the deployed resources for activities, and the conditions under which people operate – with the aim of propelling continuous improvement.
- Central government needs to review the grants system to local governments with the aim of reducing the conditional grants to scale up the unconditional grants to allow room for LGs to address needs and priorities that are peculiar to their respective areas.
- Government needs to appraise and consider reviewing the national local government capacity-building policy, where there is an apparent shift in the nature of capacity challenges facing LGs from the earlier institutional/operational gaps that existed in the early stages of the decentralization process, to the now more technical and resource-related aspects of sustaining human resource development and staff retention to foster service provision.
- The splitting and creation of new districts should be put on hold and the associated costs of public administration be reserved to support the existing LGs in areas such as local infrastructure works, official work facilities, and community development projects, among others.

Conclusion

The foregoing discussion has demonstrated that the existing policy and regulatory arrangements in Uganda's LGs heavily constrain the capacity to effectively manage and retain human resources. The paper argues that the continued expansion of the local government frontiers has not moved in the same direction as the necessary local policy regimes and organisational capacity systems required to foster effective HR retention and performance. The study reveals that LGs are mindful of the critical human resource functional priorities that are necessary to enhance effective HR retention and performance, but at the same time, some critical aspects of HR retention, such as promotion and career growth, ensuring conducive working conditions, and building strong employee relations, are not prioritised in LGs, mainly due to the encumbrance of central government policies and financial resource deficiencies.

Looking at LGs' policy mechanisms and efforts towards HR retention, it is notable that none of the districts studied had developed an

independent HR plan or policy manual, either in the light of the mandatory DDPs or the existing national public service regulations. Despite efforts to restructure LGs in 2005, districts have not been customised to reflect the new model staffing capacity for over eight years, as there has been a freeze on new public service recruitment, coupled with the splitting and creation of new districts, against dwindling financial support for LGs. This has rendered low staffing capacity in some districts to be as low as 49%.

The poor reward and compensation policy arrangement that confine LG staff to the central government's single-spine salary structure, with hardly any allowance or benefits taking into account peculiar difficulties faced by people serving in remote and hard-to-reach localities, has heightened the rate of staff turnover and the inability to attract and retain a good calibre of employees in LGs.

The current policy on central grant transfers reveals constraints on LG capacity for HR retention, given that the scope of decentralized service delivery responsibilities is much greater than the degree to which revenue sources have been devolved, thereby leaving LGs with a very limited budget decision to support schemes for HR welfare and staff retention. Other areas that have deficient policy arrangements that constrain effective HR retention programmes include, career growth and development; performance management and evaluation; and employment relations. To address the milieus impacting on HR talent retention and performance, the primary responsibility lies with the central government, which needs to undertake a comprehensive study/analysis of LG public service and human resource management issues, but also adjust certain policy and structural arrangements, with the purpose of enhancing the utility of the overall decentralisation policy in Uganda's local governments.

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