

PN-AAZ-003
53765

FINANCIAL MANAGEMENT WORKSHOP

PLANNING, ORGANIZING, STAFFING, LEADING, AND CONTROLLING

PARTICIPANT MATERIALS

OVERALL PROGRAM, EXPLANATORY HANDOUTS, AND WORKSHOP EXERCISES

prepared by

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for the

GOVERNMENT TRAINING INSTITUTE - MOMBASA

MINISTRY OF LOCAL GOVERNMENT, REPUBLIC OF KENYA

and

REGIONAL HOUSING AND URBAN DEVELOPMENT OFFICE, USAID

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OVERALL PROGRAM

SUNDAY AFTERNOON AND EVENING

A. OPENING CEREMONIES

1. Welcoming Remarks

2. Introductions and Approaches

a. Introductions

Staff and participants

b. Schema for Entire Workshop Series

(1) Financial Management - Planning
and Budgeting

(2) Financial Management - Revenue
Generation

(3) Financial Management - Expenditure
Management and Control

(4) Financial Management - Planning, Organizing,
Staffing, Leading, and Controlling

3. Workshop Goals

- a. To impart new knowledge regarding the importance of and the means for providing the many supports needed for excellent financial management in areas of planning, organizing, staffing, leading, and controlling.
- b. To develop new skills regarding practical ways of identifying financial management support areas needing greater attention and of taking steps to provide better these needed supports.
- c. To develop attitudes and increase motivation on the part of workshop participants to provide for better supports to excellent financial management in their local authorities.

4. Workshop Materials and Program

- a. Discussion of Overall Program # 1
- b. List of Workshop Materials # 2

Extensive use will be made of graphic and tabular handouts that illustrate the substantive concepts to be presented during this workshop. Participants will frequently be asked to engage in small group exercises. They will have the experience of analysing and developing solutions to problems and issues in management and control of expenditures over the five-day workshop period. Central government officials participating in the workshop will be drawn on throughout the workshop as experts in their respective fields.

5. Workshop Schedule

Sunday Afternoon and Evening

5:00 p.m. - 6:15 p.m. Opening Session
7:00 p.m. - 9:00 p.m. Opening Dinner

Monday - Friday

8:00 a.m. - 10:30 p.m.: Workshop Session
10:30 a.m. - 10:45 a.m.: Morning Break
10:45 a.m. - 12:45 p.m.: Workshop Session
12:45 p.m. - 2:00 p.m.: Luncheon Break
2:00 p.m. - 3:30 p.m.: Workshop Session
3:30 p.m. - 3:45 p.m.: Afternoon Break
3:45 p.m. - 5:00 p.m.: Workshop Session*

Friday Evening

7:00 p.m. - 9:00 p.m.: Closing Dinner

* Sessions may run to 5:30 p.m. if necessary.

6. Workshop Logistics

As appropriate

B. OPENING DINNER

MAKE EVENING READING ASSIGNMENT: Item #s 4 - 20 except
for #10

MONDAY - FRIDAY PROGRAM

MONDAY MORNING

Workshop
Materials

REPORTS ON PROGRESS MADE IN APPLYING CONCEPTS FROM
THE EXPENDITURE MANAGEMENT AND CONTROL WORKSHOP

Reports by local authority and central government teams on progress and results achieved in application of concepts and approaches presented in the most recent Financial Management Workshop on Expenditure Management and Control

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SUBSTANTIVE PROGRAM ON PLANNING, ORGANIZING, STAFFING
LEADING, AND CONTROLLING

A. RELATIONSHIP OF MANAGEMENT AND ADMINISTRATIVE
SUPPORTS TO FINANCIAL MANAGEMENT TO PUBLIC FINANCE

1. Importance of Sound Public Finance
at the Level of Local Authorities

#s 4 & 5

2. Excellent Financial Management as the
Key to Sound Public Finance

3. The Work of a Good Financial Manager

6

4. Provision of Management and Administrative
Supports as a Major Step in the Financial
Management Cycle

7

B. THE FINANCIAL MANAGER

1. What Work Financial Managers Do

a. Management Work

b. Technical Work

#s 8 & 9

2. How Financial Managers Spend Their Time

10

MONDAY AFTERNOON

2. How Financial Managers Spend Their Time, contd.
3. Skills of the Financial Manager
 - a. Conceptual Skills
 - b. Human Relations Skills
 - c. Administrative Skills
 - d. Technical Skills # 11
- C. THE PLANNING WORK OF THE FINANCIAL MANAGER
 1. Steps in Financial Planning # 12
 - a. Defining Mission or Purpose # 13
 - b. Forecasting the Relevant Environment # 14
 - c. Setting Goals and Objectives # 15
 - d. Developing Programs # 16
 - e. Establishing Budgets # 17
 - f. Developing Policies # 18
 - g. Developing Procedures # 19
 - h. Summary of the Planning Process # 20
 2. Time Span of Financial Planning # 20

MAKE EVENING READING ASSIGNMENT: Item #s 21 - 28 except for Item # 27

TUESDAY MORNING

3. Types of Financial Planning
 - a. Strategic Planning
 - b. Operational Planning
 - c. Project Planning
 - d. Contingency Planning
 - e. Fail-safe Planning # 21
 4. Planning for All Aspects of a Local Authority's Activities
 - a. Planning for Capital Projects
 - b. Planning for Operating Activities
 - c. Planning for Administrative and Financial Supports # 22
- D. THE ORGANIZING WORK OF THE FINANCIAL MANAGER
1. Structuring the Work To Be Done
 - a. Grouping Work To Be Performed
 - b. Types of Groupings
 - (1) Functional Organization (work to be performed)
 - (2) Divisional Organization (results to be achieved)
 - (3) Project Organization
 - (4) Matrix Organization
 - (5) Local Authority Organizational Structure # 23
 - c. Span of Control
 - d. Levels of Organization # 24

Workshop
Materials

2. Delegating the Work To Be Done
 - a. Responsibility
 - b. Authority
 - c. Accountability # 25
3. Line and Staff
 - a. Line Relationships
 - b. Staff Relationships # 26
4. Organization of the Local Authority
for financial Management

TUESDAY AFTERNOON

5. Workshop Exercise - Develop an Ideal
Organizational Structure for a Local
Authority # 27

THE STAFFING WORK OF THE FINANCIAL MANAGER

1. Selecting/Recruiting Staff
 - a. Recruitment Sources and Means
 - (1) Recruitment from Inside the
Local Authority
 - (2) Recruitment from Outside the
Local Authority
 - (3) Ways to locate Potential Financial
Management Staff # 28

MAKE EVENING READING ASSIGNMENT: Item #s 29 - 40 except for Item # 34

WEDNESDAY MORNING

- b. Factors To Be Considered in Identifying Potential Financial Management Staff
 - (1) Inherent Abilities
 - (2) Formal Education
 - (a) General Education
 - (b) Technical Education
 - (3) Training after Leaving School
 - (4) Experience in Past Positions
 - (5) Quality of Performance in Past Positions # 29
- c. Selection Process # 30
- 2. Assigning, Orienting, Training, and Developing Staff
 - a. Assigning and Orienting Staff
 - b. Training and Developing Staff # 31
- 3. Compensating Staff # 32
- 4. Promoting, Transferring, and Discharging Staff # 33
- 5. Workshop Exercise - Develop a Staffing Plan for a Financial Management Position # 34

WEDNESDAY AFTERNOON

F. THE LEADERSHIP WORK OF THE FINANCIAL MANAGER

1. What Leadership Is # 35
2. Decision Making
 - a. Steps in Decision Making
 - (1) Define the Real Problem # 36
 - (2) Determine the Alternatives # 37
 - (3) Evaluate the Alternatives # 38
 - (4) Make and Implement the Decision # 39
 - (5) Evaluate the Results # 40
 - b. Roles in Decision Making
 - (1) Unity of Decision Making
 - (2) Participation in Providing Inputs
 - c. Workshop Exercise: Define a Problem, Determine Alternatives, Make a Decision, and Evaluate Results # 41

MAKE EVENING READING ASSIGNMENT: Item #s 42 - 65
except for # 47

THURSDAY MORNING

3. Communicating
 - a. When Is Communication Complete? # 42
 - b. Five-way Communication # 43
 - (1) Downward Communication
 - (2) Upward Communication
 - (3) Lateral or Horizontal Communication
 - (4) Diagonal Communication
 - (5) Inward Communication # 44

- c. Types of Communication
 - (1) Verbal Communication
 - (a) Oral Communication
 - (b) Written Communication
 - (2) Non-verbal Communication # 45
 - (3) Specific, Real-time Communication
 - (4) General Ongoing Policies, Procedures, and the Like # 46
- d. The Workings of Communication Channels # 47
- 4. Motivating
 - a. Types of Motivation # 48
 - b. Theories of Motivation
 - (1) Maslow's Hierachy of Needs # 49
 - (2) Herzberg's Motivating and Maintenance Factors # 50
 - (3) Compensation as a Motivator

THURSDAY AFTERNOON

- G. THE CONTROLLING WORK OF THE FINANCIAL MANAGER # 51
 - 1. Setting Performance Standards
 - a. Plans as a Source of Standards # 52
 - b. Monetary, Physical, and Time Standards # 53
 - c. Standards Set as an Administrative Task # 54
 - d. Intrinsic Value, or Worth, of the Results of Expenditures as Standards # 55

- e. Indicators or Ratios as Standards
 - (1) Ratios
 - (2) Return on Investment (ROI)
 - (3) Performance over Time and Peer Performance Comparisons # 56
- 2. Measuring and Recording Performance
 - a. Decide What Is To Be Measured # 57
 - b. Determine How Measurements Are To Be Taken # 58
 - c. Make the Measurements # 59
 - d. Record the Measurements # 60
- 3. Analyzing Performance and Communicating Results
 - a. Compare Performance with Standards or Performance Objectives and Determine Variances, the Reasons for Them, and Their Significance
 - (1) Determine the Variances
 - (2) Determine the Reasons for the Variances
 - (3) Determine the Significance of the Variances #61
 - b. Determine the Timing of the Analytical Approaches # 62
 - c. Determine the Timing of Reporting # 63
- 4. Taking Corrective Actions
 - a. Short-term versus Long-term Corrective Actions # 64
 - b. Corrective Actions Regarding People versus Corrective Actions Regarding Objective Factors
 - c. Spectrum of Corrective Actions Available Regarding People # 65

FRIDAY MORNING

H. DEVELOPMENT OF BACK-HOME PROGRAMS TO IMPROVE
PLANNING, ORGANIZING, STAFFING, LEADING, AND
CONTROLLING FOR EXCELLENT FINANCIAL MANAGEMENT

1. Development of "Back-home" Programs

a. "Back-home" Programs of Local Authority
Teams

66

b. "Back-home" Program of
the Team of Central and Provincial
Government Officials

67

2. Reports by Local Authority and Central and
Provincial Government Teams on Actions To
Be Taken "Back-home"

a. Reports by Local Authority Teams

FRIDAY AFTERNOON

a. Reports by Local Authority Teams, contd.

b. Report by the Central and Provincial
Government Team

I. EVALUATION OF WORKSHOP

68

FRIDAY EVENING

J. CLOSING CEREMONIES

1. Closing Dinner

2. Certificates of Participation

69

LIST OF WORKSHOP MATERIALS

SUNDAY AFTERNOON

1. Overall Program
2. List of Materials

MONDAY MORNING

3. Workshop Exercise - Report on Progress Made in Applying Concepts from the Expenditure Management and Control Workshop
- *4. Public Finance at the Local Level
- *5. How the Local Financial Manager Looks on Public Finance
- *6. Management Functions Performed by the Good Financial Manager
- *7. Another View of What Good Financial Management Involves
- *8. What Work Financial Managers Do - Concept, Definitions, and Examples
- *9. Time Spent by Financial Managers Performing Management Versus Technical Work
10. Workshop Exercise - How You Spend Your Time

MONDAY AFTERNOON

- *11. Skills Required of the Financial Manager - Concept and Descriptions
- *12. Steps in Financial Planning
- *13. Forecasts - Definitions, Factors, and Examples
- *14. Mission/Purpose, Goals, and Objectives -- Definitions, Characteristics, and Examples

* Evening reading assignment



- *15. Programs - Definition, Characteristics, Steps, and Example
- *16. Budgets - Definition and Examples
- *17. Policies - Definition and Examples
- *18. Procedures - Definition and Examples
- *19. The Planning Process
- *20. Relationship Between Long-range and Short-range Plans

TUESDAY MORNING

- *21. Types of Planning - Definitions and Examples
- *22. Planning Responsibilities of Local Authorities
- *23. Grouping the Work To Be Performed - Definitions, Factors, and Examples
- *24. Span of Control and Levels of Organization - Definitions and Considerations
- *25. Delegating Work To Be Done - Definitions
- *26. Line and Staff - Definitions and Examples

TUESDAY AFTERNOON

- 27. Workshop Exercise - Develop an Ideal Organizational Structure for a Local Authority
- *28. Recruiting Financial Management Staff - Concept and Considerations

* Evening reading assignment

WEDNESDAY MORNING

- *29. Identifying Potential Financial Management Staff - Concepts and Examples
- *30. Selecting Financial Management Staff - Concepts and Examples
- *31. Assigning, Orienting, Training, and Developing Financial Management Staff - Concept and Mechanisms
- *32. Compensating Financial Management Staff - Concept, Mechanisms, and Considerations
- *33. Promoting, Transferring, and Discharging Financial Management Staff - Concept and Considerations
- 34. Workshop Exercise - Develop a Staffing Plan for a Financial Management Position

WEDNESDAY AFTERNOON

- *35. The Leadership Function - Definition, Types, and Activities
- *36. Decision Making and Definition of the Problem - Definition, Concept, and Examples
- *37. Determining the Alternatives - Concept and Mechanisms
- *38. Evaluating the Alternatives - Concept and Mechanisms
- *39. Making and Implementing Decisions - Concepts and Considerations
- *40. Evaluating Results - Concept and Benefits
- 41. Workshop Exercise - Define a Problem, Determine Alternatives, Make a Decision, and Evaluate Results

* Evening reading assignment

THURSDAY MORNING

- *42. Communicating - Definition, Considerations, and Difficulties
- *43. Five-way Communication - Diagram
- *44. Five-way Communication - Considerations
- *45. Communication - Verbal and Non-Verbal - Definitions, Characteristics, and Examples
- *46. Categories of Communication based on Timing - Definitions and Examples
- 47. The Workings of Communication Channels
- *48. Motivating - Definition and Types of Motivators
- *49. Theories of Motivation - Maslow's Hierarchy of Needs
- *50. Theories of Motivation - Herzberg's Motivating and Maintenance Factors

THURSDAY AFTERNOON

- *51. Controlling - Definition, Activities, Considerations, and Steps
- *52. Plans as a Source of Standards - Concept and Examples
- *53. Setting Performance Standards - Monetary, Physical, and Time Standards - Definition, Types, Concepts, and Examples
- *54. Standards Set as an Administrative Task - Concept and Examples
- *55. Intrinsic Value, or Worth, of the Results of Expenditures as Standards - Concept and Examples

* Evening reading assignment

- *56. Indicators or Ratios as Standards - Concept and Examples
- *57. Deciding What Is To Be Measured - Concepts and Examples
- *58. Determining How Measurements Are To Be Taken - Concept and Examples
- *59. Making the Measurements - Concept, Mechanisms, and Examples
- *60. Recording the Measurements - Concept and Examples
- *61. Analyzing Performance and Communicating Results - Determining the Variances - Concepts and Examples
- *62. Determining the Timing of the Analytical Approaches - Concept, Alternatives, and Examples
- *63. Determining the Timing of the Reporting - Concept and Examples
- *64. Taking Corrective Action - Short-term versus Long-term Corrective Actions - Concepts and Examples
- *65. Corrective Actions Regarding People versus Corrective Actions Regarding Objective Factors - Concepts and Examples

FRIDAY MORNING

- 66. Workshop Exercise - Program To Improve Planning, Organizing, Staffing, Leading, and Controlling of Financial Management Areas in Participants' Local Authorities

* Evening reading assignment

67. Workshop Exercise -- Steps That Might Be Taken by Central and Provincial Government Officials to Assist Local Authorities in Planning, Organizing, Staffing, Leading, and Controlling of Financial Management Areas

FRIDAY AFTERNOON

68. Evaluation of Workshop

FRIDAY EVENING

- *69. Certificate of Participation

* Certificates to be presented to each participant

WORKSHOP EXERCISE - REPORT ON PROGRESS MADE IN APPLYING
CONCEPTS FROM THE EXPENDITURE MANAGEMENT AND CONTROL WORKSHOP

Each local authority team is to report on progress made in applying the concepts and approaches discussed in the last workshop on Expenditure and Management and Control. At that workshop, teams were asked to develop back-home plans for their local authorities. These plans were to incorporate and reflect the concepts presented in that workshop. Local authority teams may now choose one of two approaches for this present workshop.

- o Teams may report on progress made in implementing those back-home plans.
 - o Alternatively, teams may complete the following format for their local authorities. The format generally follows the structure of topics covered in that most recent workshop.
1. Have you discussed the concepts presented in that earlier workshop with your Council, Finance Committee, and/or special purpose committees? With your colleagues? With your subordinates?

2. Set Performance Standards: What steps have you taken (are you taking) to do a better job of setting performance objectives and standards against which to measure performance in managing and controlling expenditures? You will recall that we discussed the following five categories of such standards:

- o Plans and budgets as standards
- o Monetary, physical and time standards
- o Setting standards as an administrative task
- o Intrinsic value or worth of the results of the expenditures as standards
- o Indicators/ratios as standards

3. Measure and Record Performance: What steps have you taken (are you taking) to better measure and record expenditure performance?

- o Deciding what is to be measured?
- o Determining how measurements are to be taken?
- o Making the measurements?
- o Recording the measurements?

4. Evaluate Performance: What steps have you taken (are you taking) to better evaluate performance?

- o Comparing performance with performance objectives and standards?
- o Determining the reasons for and the significance of variances?
- o Communicating results to persons able to take corrective actions on a timely basis?

5. Take Corrective Actions: What steps have you taken (are you taking) to better take needed corrective actions -- both (1) short-term and long-term actions and corrective actions regarding objective factors as well as people?

6. Controls by Major Expenditure Areas: What steps have you taken (are you taking) to examine and improve management and control of expenditures by the following areas:

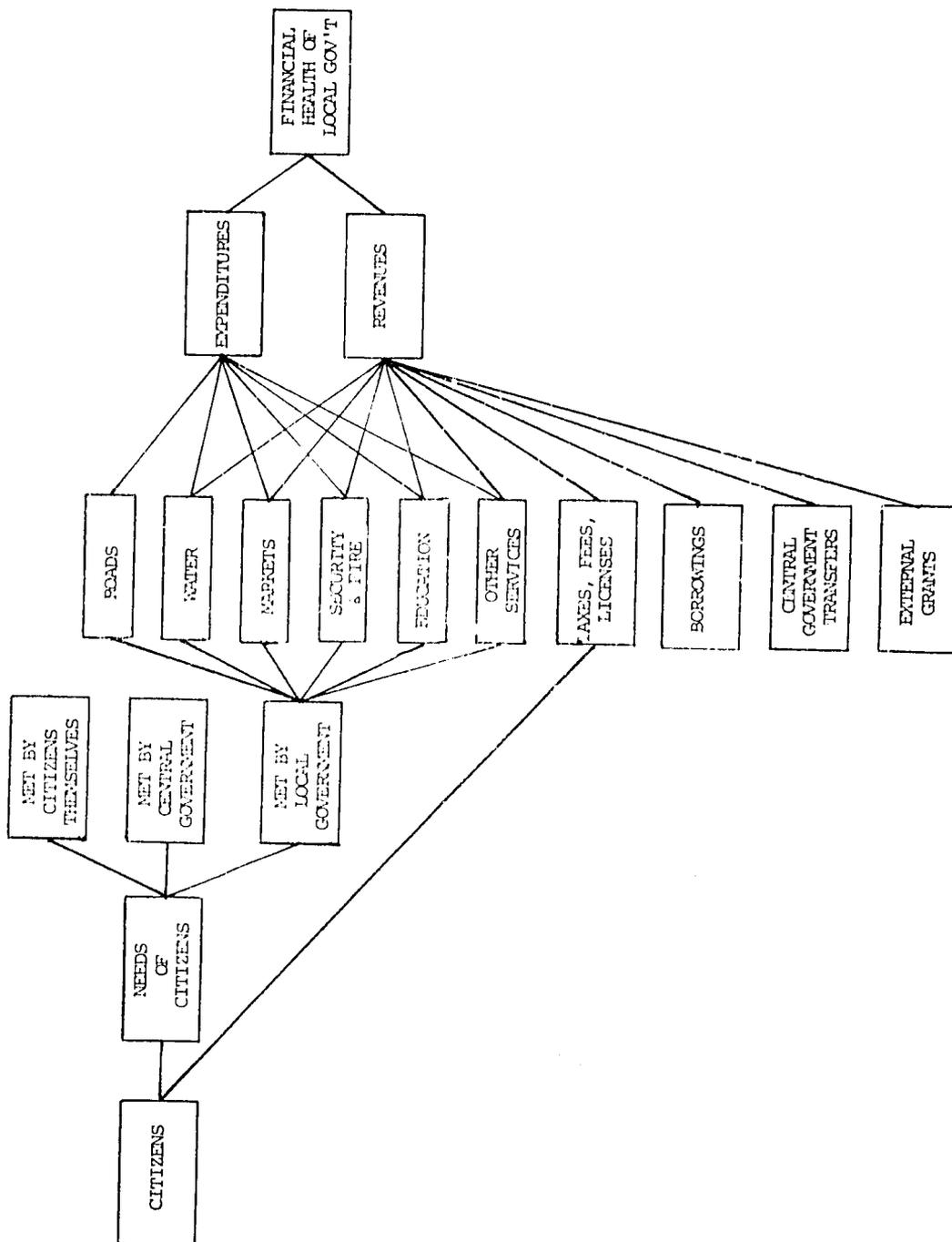
- o Line-item categories?
- o Departments and major programs?
- o Operating and capital categories?
- o Organizational levels?

7. Specific Control Mechanisms: What steps have you taken (are you taking) to examine and improve the mechanisms: systems, policies, and procedures (i.e., in general, your routine financial operations) so as to improve the management and control of your expenditures?

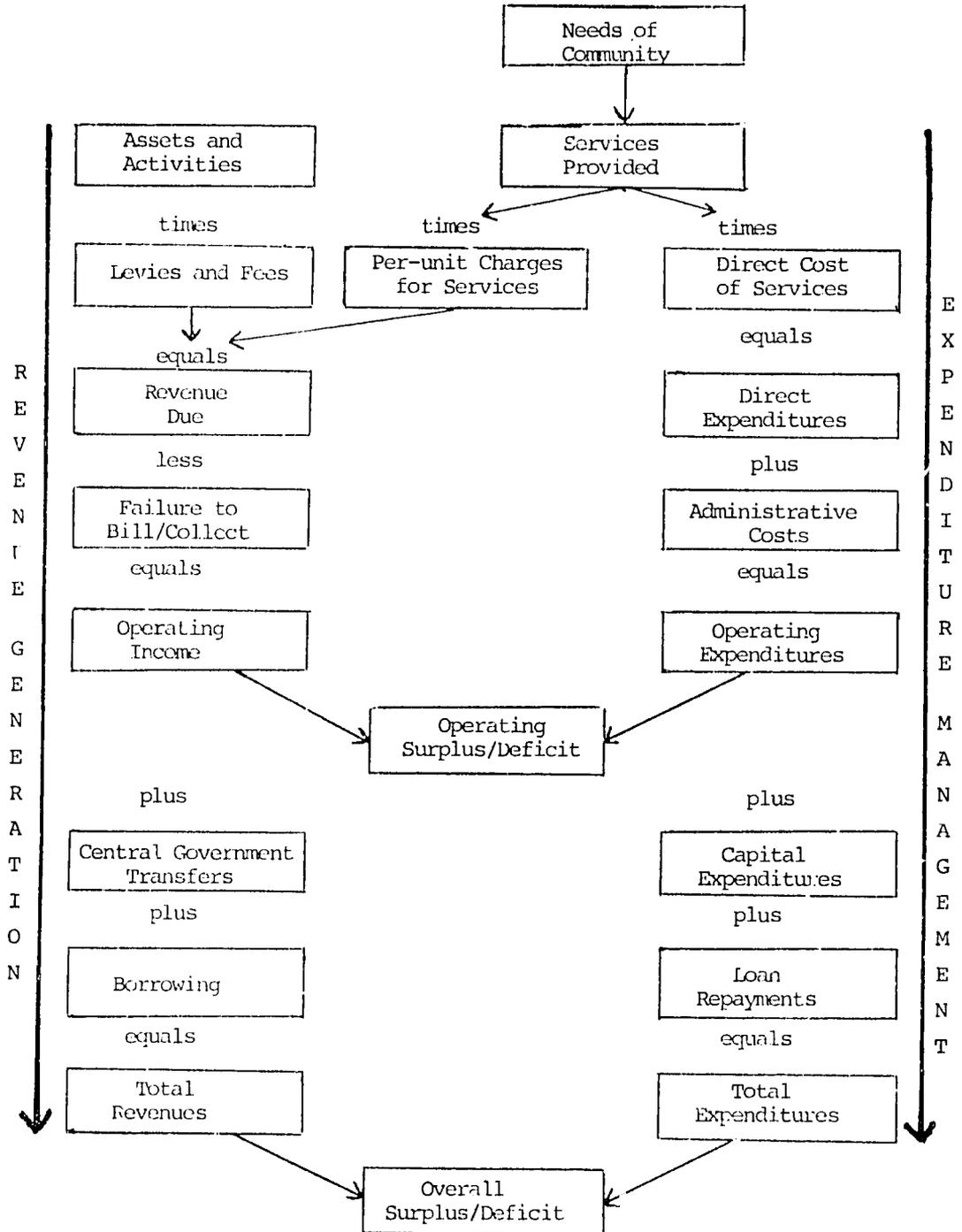
Specific control mechanisms discussed in the last workshop are listed on the next page

- o Mechanisms Related to the Budget
 - Approvals in advance of expenditures certifying that funds are included in the council's budget
 - Periodic allocations of budgeted funds for expenditures
- o Fund Availabilities
 - Cash flow projections as a control mechanism
 - Petty cash funds as an example of an expenditure resource established at a fixed size.
- o Guidelines
 - Percentage of sales or income
 - Local government or industry norms
 - Analytically established pre-set standards
 - Extent of savings
 - Percentage of added net income
- o Procedural Controls Over Disbursements
 - Restrictions on who may authorize/make expenditures including procurement and the like
 - Authority levels by type of expenditure and level of approving officer
 - Requirements for approval in advance and for documentation of need for expenditures
 - Comparative quotations and competitive bidding
 - Physical verification
 - Reconciliation of documents
 - Post-expenditure audit
- o Prompt Reporting and Analysis
 - Reporting on monetary expenditures versus standards
 - Reporting on physical results versus standards
- o Motivation and Imposition of Penalties
 - Positive motivations
 - Negative motivations

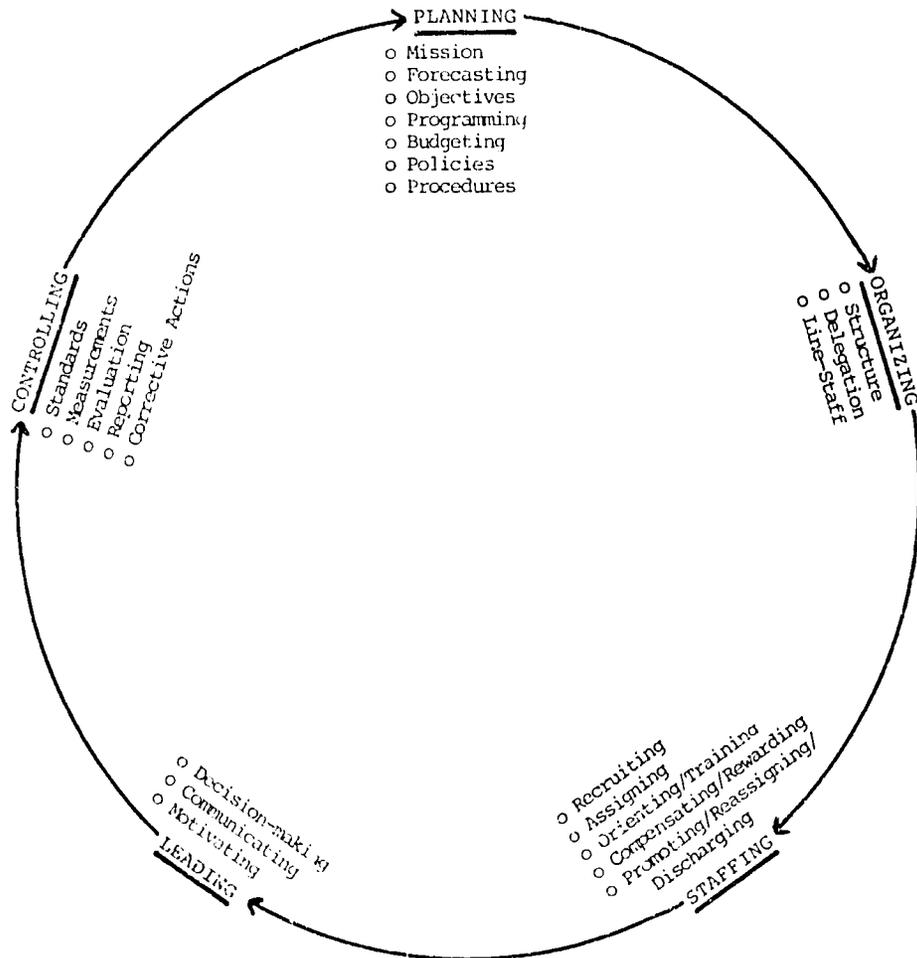
PUBLIC FINANCE AT THE LOCAL LEVEL



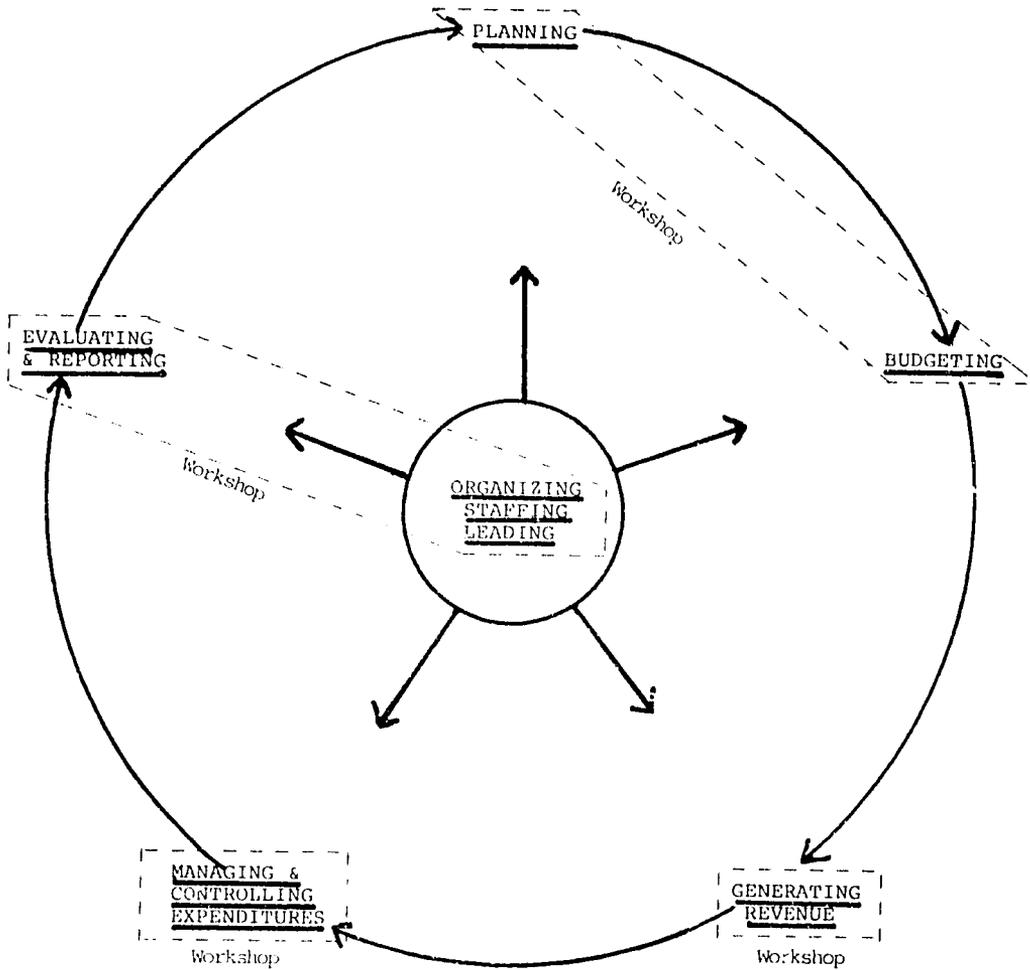
HOW THE LOCAL FINANCIAL MANAGER LOOKS ON PUBLIC FINANCE



MANAGEMENT FUNCTIONS PERFORMED
BY THE GOOD FINANCIAL MANAGER



ANOTHER VIEW OF WHAT GOOD FINANCIAL MANAGEMENT INVOLVES



WHAT WORK FINANCIAL MANAGERS DO - CONCEPT,
DEFINITIONS, AND EXAMPLES

A. CONCEPT

Financial managers perform both (1) management work and (2) technical work.

B. MANAGEMENT WORK

1. Definition

Management work is the work financial managers do to get results through and with people.

2. The Five Major Functions of Management Work

- a. Planning
- b. Organizing
- c. Staffing
- d. Leading
- e. Controlling

C. TECHNICAL WORK

1. Definition

Technical work is the work financial managers do to accomplish professional tasks usually mainly related to their unique financial profession.

2. Examples

o Clerk

Present monthly reports to the council and its committees

Develop the summary statement of the council's goals and objectives

Develop the initial proposals for short-range and long-range capital projects

Visit the MLC to press for final action on council proposals

Meet with the DDC

o Treasurer

Review cash balances daily

Present financial reports to the council and finance committee

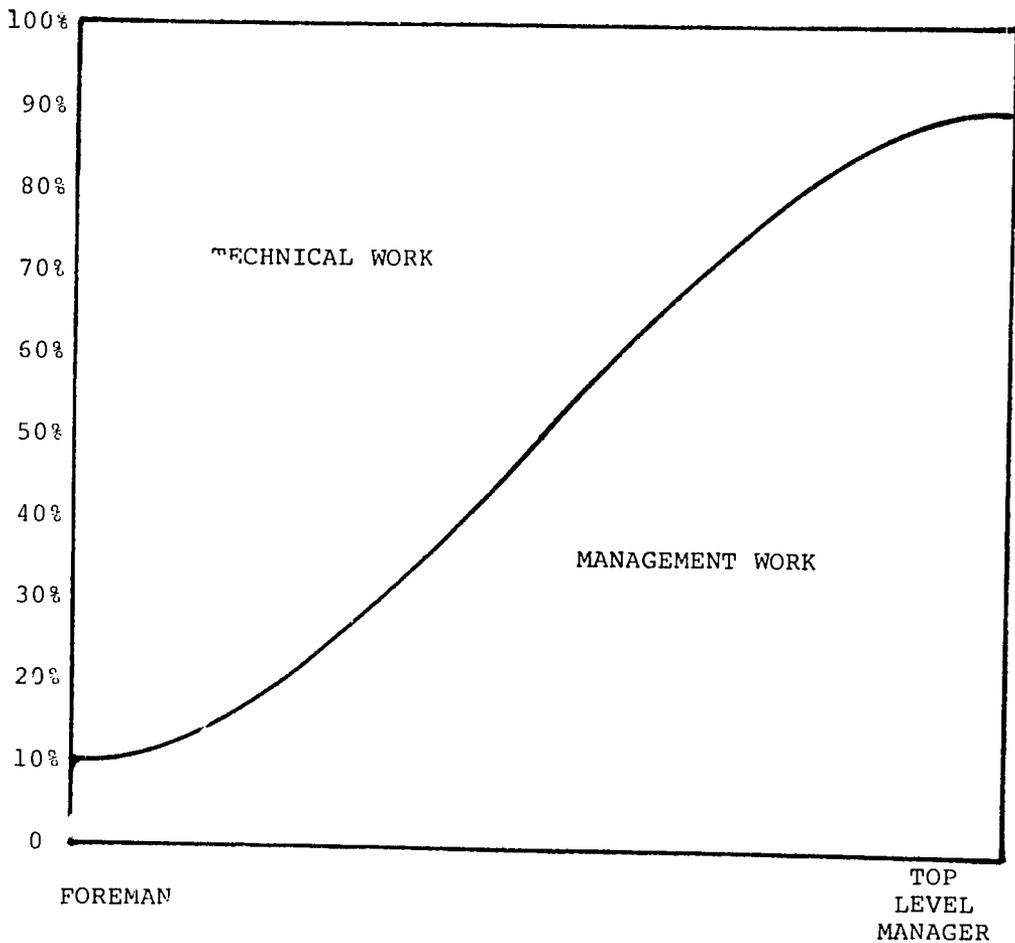
Work with Ministry inspectors and the Auditor General's staff

Develop the plans for a new computerized accounting system

D. PRINCIPLE RELATED TO TIME DEVOTED TO MANAGEMENT AND TECHNICAL WORK

The higher the organizational level of the manager, the greater is the proportion of his time that he is likely to devote to management work and the lesser to technical work.

TIME SPENT BY FINANCIAL MANAGERS PERFORMING
MANAGEMENT VERSUS TECHNICAL WORK



WORKSHOP EXERCISE -- HOW YOU SPEND YOUR TIME

Please note immediately below whether you are a clerk, treasurer, or councillor. Then insert in the table below your rough estimates as to how -- in a typical week/month -- you spend your time. Restrict your allocations to your normal workday, e.g., 8:00 a.m. to 5:00 p.m. (except take into account formal after-hours activities such as attending council meetings. Councillors, however, should, instead, allocate among these categories the time they spend on council business regardless of any normal working hours.

Clerk, Treasurer, or Councillor? _____

<u>Activity</u>	<u>% of Time</u>
1. <u>Meetings</u>	
a. Attend local pre-scheduled meetings	___%
b. Attend local ad hoc meetings	___%
c. Attend meetings outside of local authority area	___%
Sub-total	___%
2. <u>One-to-One Conversations</u>	
d. Talk with persons who have made appointments	___%
e. Talk with persons who come without appointments	___%
f. Talk by telephone	___%
Sub-total	___%
3. <u>Work at Desk</u>	
g. Perform paper work at desk	
o Management work	___%
o Technical work	___%
Sub-total	___%

<u>Activity</u>	<u>% of Time</u>
4. <u>Visit Operational Sites</u>	
h. Visit operational sites to observe, discuss, inspect, etc.	____%
5. <u>Other (list)</u>	
i. _____	____%
j. _____	____%
k. _____	____%
l. _____	____%
Sub-Total	____%
6. <u>Time Not Accounted For</u>	____%
TOTAL	<u>100%</u>

SKILLS REQUIRED OF THE FINANCIAL MANAGER -
CONCEPT AND DESCRIPTIONS

A. CONCEPT

The nature of the work of financial managers requires that they possess certain basic skills in order to perform their work well.

B. SKILLS REQUIRED

1. Conceptual Skills

"Conceptual skills" are needed by financial managers to enable them to see and understand what goes on in their work environment and help them to take appropriate actions. This is the ability to "see the big picture", to plan ahead rather than just to react.

These skills include the mental ability to analyze and interpret information received from various sources. They involve the ability to understand the relationship of the parts to the whole. They also involve the ability to break the whole down into its parts. Conceptual skills help managers obtain meaning from inadequate -- and often conflicting -- data. Managers who lack conceptual skills tend to lose a sense of control and direction.

2. Human Relations Skills

"Human relations skills" are needed to assist financial managers to accomplish results through and with people. Financial managers need many different behavioral and analytical skills to work effectively with people in and out of their organizations.

These human relations skills consist of the many abilities required to understand other people and to interact effectively with them. Such interpersonal skills are needed especially in leading, i.e., in making decisions and in motivating and communicating with subordinates, peers, superiors, and others.

3. Administrative Skills

"Administrative skills" refer to the various things associated with the planning, organizing, staffing and controlling work that managers must do.

These skills include the ability of financial managers to follow policies and procedures, process paperwork in an orderly manner, and manage expenditures within the limits set by a budget.

4. Technical Skills

"Technical skills" include the ability to use the knowledge, tools, and techniques of a specific discipline or field, such as accounting, engineering, or health.

Financial managers need some knowledge of the technical functions that they are supervising. Most financial managers will also continue to perform, themselves, some of this technical work throughout their careers -- even though the proportion of time they spend performing technical activities can be expected to decrease as they move up the organization ladder.

STEPS IN FINANCIAL PLANNING

- A. 1ST STEP: DEFINING MISSION OR PURPOSE
- B. 2ND STEP: DEVELOPING FORECASTS AND IMPLICATIONS
1. External forecasts and implications relevant for plan
 2. Internal forecasts and implications relevant for plan
- C. 3RD STEP: SETTING GOALS AND OBJECTIVES WITH STANDARDS
1. Hierarchy of Objectives
 - o Purpose/Mission
 - o Goal (longer-range, broader)
 - o Objective (closer-in, more specific)
 2. Standards telling when achieved
- D. 4TH STEP: DEVELOPING PROGRAMS: THE WORK TO BE ACCOMPLISHED
1. Work steps (what? - specific, quantified)
 2. Schedule (when? - critical path)
 3. Accountability (who?)

E. 5TH STEP: BUDGETING: DEVELOPING THE LONG-RANGE FINANCIAL PLAN AND THE SHORT-RANGE BUDGET

1. Mirror image in monies of the program
2. Expenditures and income
3. Repeated appraisals of financial feasibility

F. 6TH STEP: DEVELOPING POLICIES

A standing decision of ongoing application relating to major issues

G. 7TH STEP: DEVELOPING PROCEDURES

A statement of how a work operation or activity is to be performed

FORECASTS - DEFINITIONS, FACTORS, AND EXAMPLES

A. DEFINITION OF A "FORECAST"

A statement of what we believe future conditions will be like as they can be expected to impinge on what we will want to do, i.e., an estimate of a future happening or condition.

A forecast is made with respect to a planning factor that is essentially uncontrollable from the point of view of the organization. If the factor is controllable by the organization, then what is involved is not a "forecast" but a "planning decision".

External forecasts refer to factors external to the organization that must be taken into account in developing the plan.

Internal forecasts refer to factors inside the organization that must be taken into account in developing the plan and that, over the time span of the forecasting period, are by and large not really subject to the organization's control but will happen anyway.

B. EXTERNAL ENVIRONMENTAL CHANGE FACTORS TO BE CONSIDERED -
EXAMPLES

Laws and regulations	Labor supply and composition
Population size and composition	Costs that must be paid
Prices that can be charged to consumers of services	Weather factors
Market demand	Etc.
Availability of construction materials and equipment	

C. INTERNAL ENVIRONMENTAL CHANGE FACTORS TO BE CONSIDERED - EXAMPLES

1. Human Resources

Management staff
Professional staff
Technical staff
Office, clerical and
manual staff

3. Financial Resources

Earnings
Interest income
Debt repayments
Etc.

2. Physical Resources

Buildings
Equipment
Supplies

4. Systems

Impact of accounting system
Impact of computer upgrade
Impact of communications
changes underway
Etc.

D. IMPLICATION OF A FORECAST -- DEFINITION AND CONSIDERATIONS

1. Definition

An implication of a forecast is a statement of the necessary consequence -- or significance -- of a forecast for the plan.

2. Consideration

External and internal forecasts should incorporate, or be accompanied by, statements of their implications for the plan.

MISSION/PURPOSE, GOALS, AND OBJECTIVES -- DEFINITIONS,
CHARACTERISTICS, AND EXAMPLES

A. DEFINITION OF AN OBJECTIVE

A statement of what, specifically, we intend to accomplish

F. HIERARCHY OF OBJECTIVES

1. Mission/Purpose

The end to be attained, i.e., why we are called into existence

or

the broadest description of what we are supposed to achieve

2. Goals

What we intend to achieve over the longer-range period (more qualitative)

3. Specific Objectives

What undertake to accomplish over the near-term period (more quantitative)

C. EXAMPLES OF THE HIERARCHY OF OBJECTIVES

Purpose/Mission

To provide through an education ministry for education of the urban and rural population through classroom programs meeting nationally-adopted educational laws and standards

Goal (longer-range)

To build and staff with teachers by 1995 enough classrooms to deliver eight grades of primary education to 80% of the population of the country's urban centers (defined as centers of over 2,000 population) and to 40% of the remaining rural population

Objective (shorter-range)

To construct 300 classrooms over the next 18 months in local authority X at an average cost not to exceed KShs. 15,000 per pupil space, with each facility so located that intended pupils will be within 3 kilometers of the nearest school

D. CHARACTERISTICS

1. Action-Oriented - Begin with Action Verb
 - o To construct
 - o To collect
2. Specific as to Result
 - o To construct a primary school
 - o To collect 50% more in site value rates
3. Give Standards or Measures

A standard is a statement that further defines our goal or objective and provides us with a measure to tell us when we have actually achieved it properly.

E. EXAMPLES OF OBJECTIVES AND STANDARDS

OBJECTIVE COMBINED WITH STANDARDS/MEASURES

To construct a primary school to house 300 pupils to latest Ministry of Education design standards at the southeast corner of X and Y streets at no more than KShs. 5,000 per square meter by December 31, 1988.

or

OBJECTIVE WITH SEPARATE STANDARDS

Objective

To construct a primary school

Standards

- a. Able to accommodate 300 pupils
- b. Meeting latest Ministry of Education design standards
- c. At the southeast corner of X and Y streets
- d. Costs not to exceed KShs. 5,000 per square meter
- e. Completion on or before December 31, 1988

PROGRAMS - DEFINITION, CHARACTERISTICS, STEPS, AND EXAMPLE

A. DEFINITION

A program is a statement of work steps that we intend to accomplish.

B. CHARACTERISTICS

1. Key into the objective (which should usually be stated first)
2. State:
 - What is actually to be done, i.e., the work steps to be performed
 - When it is to be done, i.e., the timing of each work step
 - Who is to do it, i.e., the accountability for each work step

C. STEPS IN DEVELOPING A PROGRAM

1. List the work steps to be accomplished.
2. Estimate the elapsed time for completion of each step.
3. Determine for each step what other steps must be completed before it can start.
4. Determine the critical path, i.e., the series of steps that will determine the minimum time for completion of the project.
5. Show the scheduled beginning and completion dates for each step on the critical path.

6. Show the scheduled beginning and completion dates for all other steps.
7. Show, in terms of names or position titles, who is primarily accountable for each step and any major collateral accountabilities.

D. CRITICAL PATH

The critical path is that sequence of steps through the project that will take the longest to perform one at a time. Paradoxically, this longest path through the work program is also the shortest time in which the project can be completed. More flexibility exists regarding the timing of all of those other steps not on the critical path.

EXAMPLE FOR A PROJECT

Objective

To build a primary school

Work Program

<u>Work Steps</u>	<u>Schedule</u>	<u>Accountability</u>
a. Acquire site	1/1-28/2/86	MAH (CJK)*
b. Clear and grade site	1/3-31/3/86	AHL
c. Build foundation	1/4-31/5/86	MMK
d. Etc.		

* Initials, or names, of person(s) or position titles with major collateral responsibilities

BUDGETS - DEFINITION AND EXAMPLES

A. DEFINITION

A budget is an itemized estimate of expected income and expense for a given period in the future. It is the financial representation --- or mirror image in shillings --- of the work program for the organization unit or project.

EXAMPLE OF PROJECT BUDGETS (KSHS)

1. Work Program Steps and Costs

<u>Work Steps</u>	<u>Expenditures</u>
a. Form Housing Cooperative	25,000
b. Determine Size of Site	20,000
c. Arrange Financing	6,000
d. Determine Location of Site	20,000
e. Acquire Site	500,000
f. Survey Site	50,000
g. Develop Physical Design	125,000
h. Tender Construction	10,000
i. Etc. (to be defined)	<u>4,344,000</u>
TOTAL	5,100,000

2. Income Sources and Amounts

<u>Sources</u>	<u>Income</u>
a. Contribution from Local Authority	500,000
b. Borrowing from National Housing Corporation	4,000,000
c. Etc. (to be defined)	<u>600,000</u>
TOTAL	5,100,000

EXAMPLE OF ANNUAL BUDGETS (KSHS)

Local Authority Budget

1. Expenditures

Department A

Section 1	800,000
Section 2	3,000,000
Section 3	<u>1,200,000</u>

Sub-total 5,000,000

Department B

Section 1	1,000,000
Section 2	<u>1,500,000</u>

Sub-Total 2,500,000

Department C

3,500,000

TOTAL 11,000,000

2. Income

Etc. (to be defined) 11,000,000

POLICIES - DEFINITION AND EXAMPLES

A. DEFINITION

A standing decision of ongoing application relating to issues that:

- o require top management attention,
- o will arise over and over again, and
- o are best resolved in a consistent manner each time.

B. EXAMPLES

Policies for a Housing Project

- o The mortgage period will be 25 years.
- o The interest rate will be a variable rate at 3% more than the commercial bank prime rate, adjusted annually.
- o An occupant of a housing unit may rent no more than one room to another person and must himself occupy the remainder of the housing unit.
- o The occupant may be evicted and the housing unit repossessed after rent has been unpaid for three months
- o Etc.

PROCEDURES -- DEFINITION AND EXAMPLES

A. DEFINITION

A statement of how a routine work operation or activity is to be performed, relating to matters that:

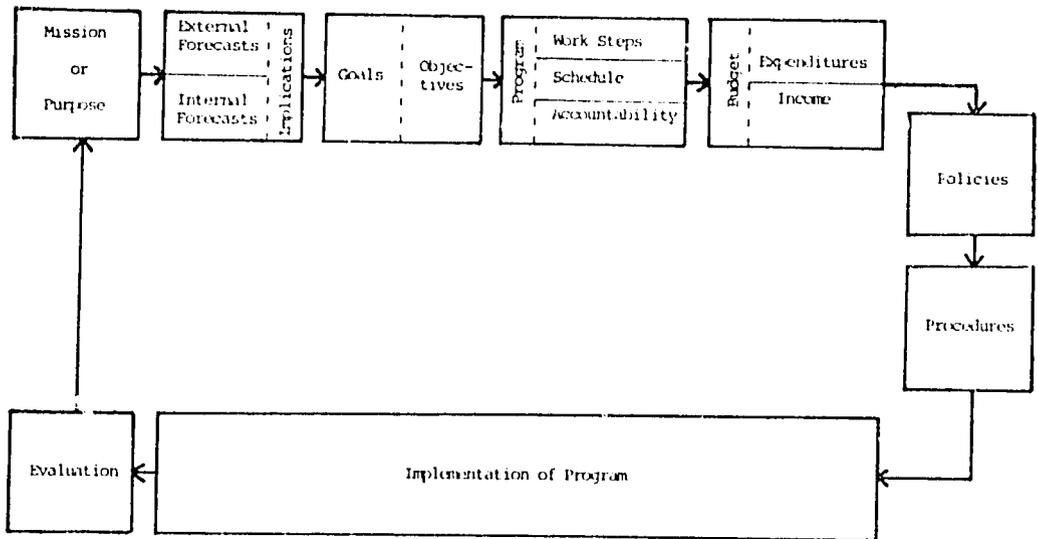
- o are usually decided at lower levels,
- o must be carried out again and again, and
- o can most efficiently be carried out the same way each time.

B. EXAMPLES

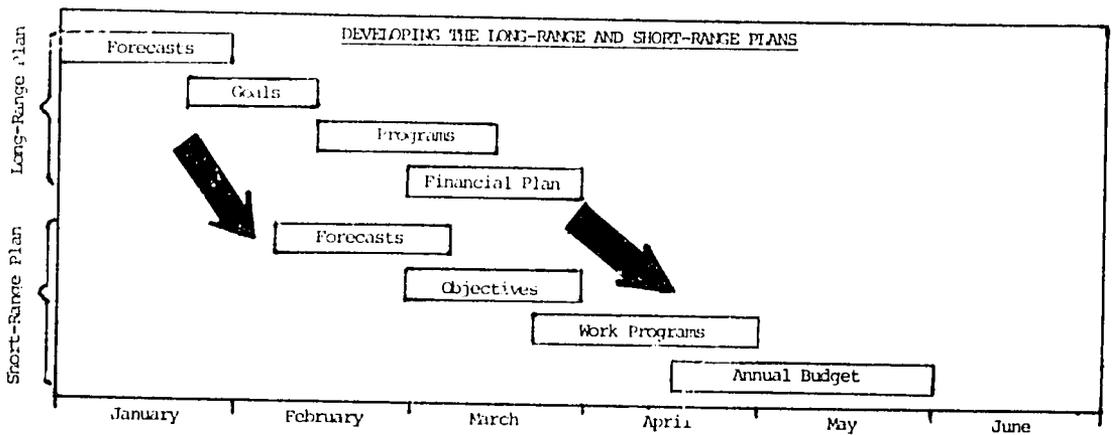
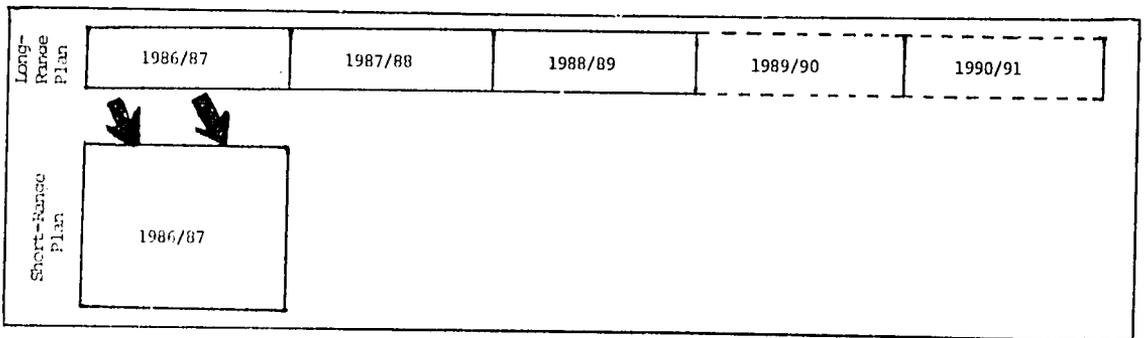
Procedures for a Housing Project

- o Applicants must apply for housing units at the Council's Housing Department office.
- o The application fee must be paid at the time of application
- o Monthly payment invoices and envelopes will be provided at the time of loan approval for the first 12 months of payments and will be mailed to occupants annually thereafter.
- o Complaints about maintenance of the common properties and utility infrastructure must be submitted in writing to the Housing Department.
- o Etc.

THE PLANNING PROCESS



RELATIONSHIP BETWEEN LONG-RANGE AND SHORT-RANGE PLANS



TYPES OF PLANNING - DEFINITIONS AND EXAMPLES

A. STRATEGIC PLANNING

1. Definition

Plans that establish the nature of the organization, its mission or purpose, its long-range goals, its long-range programs, and its long-range financial plan for achieving them

2. Example

A plan for a local authority that indicates what it will seek to achieve, at what costs, and with what resources, to provide for needs of the wananchi over the remainder of this century

B. OPERATIONAL PLANNING

1. Definition

Plans that define the more immediate objectives, work programs, and budgets for the recurrent and ongoing work of the organization and its departments and sections.

2. Example

A plan that indicates what the health department will seek to achieve, at what costs, and with what resources, to improve its preventive and curative programs in areas of human disease and malnutrition and animal diseases over the period of the next one or two years

C. PROJECT PLANNING

1. Definition

Planning for a specific project, one usually defined as having a specific beginning and completion, serving a unique purpose, and often but not always involving capital expenditures

2. Example

A plan for construction of a new municipal bus park including the design of the bus park, its capital costs, its operating costs and expected revenues, and its mode of operations

D. CONTINGENCY PLANNING

1. Definition

Planning not for what we expect to happen but for what conceivably might happen outside our basic expectations. We plan now for the actions we will take in the future if the contingency should occur.

2. Example

A plan for adapting and reducing the scope of the housing estate construction program if, during its construction, actual resources fall short of those anticipated.

E. FAIL-SAFE PLANNING

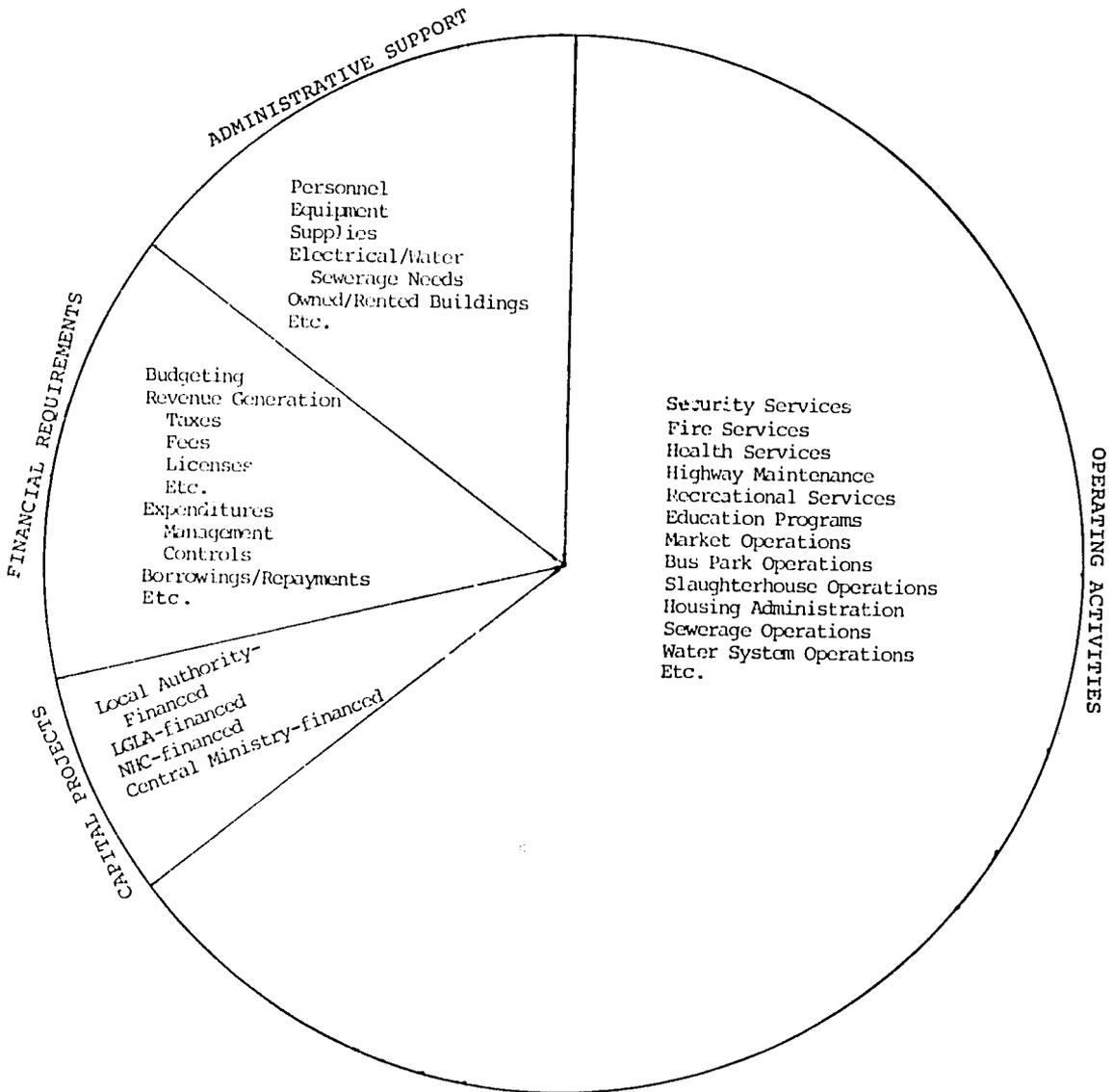
1. Definition

Planning that involves actions and expenditures of resources now that are intended to put us in a better position if events later turn out to be materially different from what we expect. We decide to incur these expenditures now for something we do not expect to happen -- i.e., in one sense, likely completely wasting this money -- because the costs to us of responding should the unexpected event later occur would be so great.

2. Example

A plan to increase by 50% the budget for building a highway overpass to permit it to handle four lanes of traffic rather than the expected two lanes because of the unlikely but conceivable possibility that population growth and national highway planning will result in a decision by the appropriate ministry to expand the highway to four lanes by 1995.

PLANNING RESPONSIBILITIES OF LOCAL AUTHORITIES



GROUPING THE WORK TO BE PERFORMED -
DEFINITIONS, FACTORS, AND EXAMPLES

A. ORGANIZING

Organizing is grouping the work to be performed in logically-related categories so that it can be accomplished efficiently and effectively. It involves three activities, as follows.

- a. Developing the organizational structure
- b. Delegating the work to people
- c. Defining line and staff relationships

B. STRUCTURING THE WORK TO BE DONE

Organization structure is based not on establishing relationships among people but instead on grouping the work to be done into logical categories for efficient and effective accomplishment of organizational goals and objectives.

C. TYPES OF GROUPINGS

1. Functional Organization

a. Definition

A functional organization is structured around the types of (professional) work to be performed.

b. Examples

The line organization in the oil company where the work to be done is finding oil (exploration skills), refining and producing oil products (productions skills), selling the product (marketing skills), etc.

Some organizational units in the local authority where the work to be done is controlling the money (finance/accounting skills), technical project development and management (engineering skills), etc.

2. Divisional Organization

a. Definition

A divisional organization is structured around the results to be achieved. Typically, each division more or less resembles a smaller self-contained organization capable of operating more or less independently of others at its level.

b. Examples

In the radio/TV firm, the line organization is likely to be around a major segment of the market, such as the news division and the made-for-TV movie-and-documentary division with each such division staffed with finance, T.V. production, marketing, and other technical skills.

A large conglomerate company is likely to be organized with major divisions for major products such as ocean shipping, inland transportation, cigarette manufacture and sales, and the like.

A large international bank may be organized geographically, with divisions for the U.S., Canada, Latin America, Europe, the Middle East, Asia, and Africa. Again, each division will, in turn, be made up of functional departments of people with the several types of professional skills needed.

The local authority may include units such as social service and parks and recreation where organization is more in terms of the results to be achieved than of the professional background of the staff.

Note again the distinction between:

- o the functional organization where all lawyers are grouped together as are all accountants, all marketing people, and all engineers, and
- o the divisional organization where each major division has its cadre of, e.g., lawyers, accountants, marketing staff, and engineers. Here the organizational principle is the results to be achieved, for example, manufacture and sales of differing products, or sales in various geographical areas

3. Project Organization

a. Definition

A project organization is a group of people pulled together to accomplish a particular project or effort -- usually more-or-less fully detached from their normal units for the duration of the project. Such an organization is typically set up on an ad hoc basis as a need arises and goes out of existence when its initial objectives have been achieved.

b. Examples

- o The Manhattan Project set up in the United States during World War II to develop the first atomic bomb
- o The organization of half a million Filipinos set up in December and January 1985/86 to try to assure fair elections in the Philippines
- o A task force set up to prepare a national five-year plan -- in which the staff members are detached from their normal units and assigned on a full-time basis for a specific period of time

4. Matrix Organization

a. Definition

A matrix organization is an organization in which a project manager is appointed to work with selected staff who remain administratively located in their several departments. Such staff members may be members of more than one such grouping and may continue with assignments for their normal line managers.

b. Examples

- o It is decided to develop and market a new Coca Cola. The company appoints a New Coke Manager who is authorized to draw on specialists from existing departments as he needs them to accomplish this task.
- o The National Housing Corporation decides in early 1985 to form a matrix organization to plan for and bring about a major upgrading of its computer services.
- o A local authority sets up a team to prepare a Local Authority Development Program or carry out some other major planning or administrative effort.

D. LOCAL AUTHORITY ORGANIZATIONAL STRUCTURE -- EXAMPLES

- o Council committee structure is likely to be divisional: organized by results to be achieved in finance, social services, public works, etc.
- o The treasurer's, engineer's, and public health departments are likely to represent functional groupings, i.e., organized by the type of technical work to be performed. The parks and social services departments are likely to be more divisional -- more largely organized by results to be achieved than by the functional or technical work to be performed.
- o A matrix organization under the leadership of the treasurer or clerk may develop a Local Authority Development Program or put together the annual budget.
- o Local authorities typically do not appear to be large enough to establish formal project teams with staff more or less completely detached from their previous departments. However, the City Commission of Nairobi might, for example, do so in connection with planning for major computerization or some other such specific, very major, and long-term task.

SPAN OF CONTROL AND LEVELS OF ORGANIZATION -
DEFINITIONS AND CONSIDERATIONS

A. SPAN OF CONTROL

1. Definition

"Span of control" is the number of persons and scope of activities for which a manager is responsible and accountable.

2. Considerations

Spans of control properly are functions of such factors as the following:

- o The complexity of the work
- o The extent to which clear and understandable policies and procedures can be defined and communicated to serve as effective guidelines to the work staff
- o The degree of independence within guidelines that can be allowed each worker
- o The impact of good or bad performance on the overall organization
- o The ability of a manager to physically oversee the work staff
- o The size of the organization and particular function

B. LEVELS OF ORGANIZATION

1. Definition

"Levels of organization" is the number of levels in the hierarchy from the top executive to the lowest-level worker. Number of levels is a count of the number of reporting relationships from top to bottom (not the number of government grades or of any other such factors that attribute "rank" to individual positions).

2. Potential Disadvantages of Large and Small Numbers of Organization Levels

- o A large number of organization levels:
 - increases communication problems,
 - places key personnel several levels away from top-level supervision,
 - can result in underemployment of supervisory staff, and
 - can result in excessive redundancy and inefficiency.
- o A small number of levels:
 - can result in too heavy a management responsibility on managers,
 - can over extend managers in regard to their ability to provide competent technical supervision, and
 - can result in inadequate direction to excessively large staff groups.

DELEGATING WORK TO BE DONE - DEFINITIONS

A. DELEGATION

1. Definition

Delegation means taking part of the work for which a manager is responsible and asking someone else to do it. Delegation involves assigning responsibility and commensurate authority to others and then holding them accountable for results.

B. RESPONSIBILITY

1. Definition

Responsibility means an obligation to carry out a piece of work or achieve a result.

C. AUTHORITY

1. Definition

Authority means the power to take action directly or through others to get results.

Commensurate authority refers to delegations of such powers that are broad enough in scope to make it possible for the person occupying the position to achieve the results for the attainment of which he is held accountable.

D. ACCOUNTABILITY

1. Definition

Accountability means the obligation to achieve results. While responsibility to do work and authority to take needed actions can be delegated, a manager cannot delegate his own accountability for results.

LINE AND STAFF - DEFINITIONS AND EXAMPLES

A. LINE

1. Definitions

Line relationships mean the authority that supervisors exercise over their immediate subordinates -- directed downward through successively lower organization levels.

Line organization means the departments responsible "at the front line" for accomplishing the primary work of the organization.

2. Examples

Line relationships include:

- o The treasurer to his deputy or chief accountant
- o The principal to his teaching staff

Line organizations include:

- o The front line combat troops
- o The marketing department
- o The slaughterhouse unit

B. STAFF

1. Definitions

Staff relationships refer to the provision of advice and assistance to a person in a line or other staff position

Staff organization means the departments responsible for providing advice and assistance to line or other staff departments

2. Examples

Staff relationships include:

- o The treasurer in providing financial advice and support to the clerk or to another department head
- o The legal officer to the clerk or treasurer
- o The establishment officer to department heads

Staff organizations include:

- o The supply department in the military forces
- o The legal office
- o The personnel or establishment unit

WORKSHOP EXERCISE - DEVELOP AN IDEAL ORGANIZATIONAL
STRUCTURE FOR A LOCAL AUTHORITY

Please form into groups. Select a real or hypothetical local authority. If it is a real local authority, choose one where you believe organizational improvements are feasible. Briefly characterize, in Section A below, the local authority and its area in terms of population, economic activity such as industry and agriculture, major services, size of present staff, and major programs. Then complete the remainder of the format below, i.e., Sections B and C.

A. CHARACTERISTICS OF LOCAL AUTHORITY

B. IDEAL ORGANIZATION STRUCTURE

1. Council:

Draw a chart showing ideal organization of the councillors including numbers of persons in the council and in each of its committees. Identify whether the organizational principle for each committee is functional (grouping together persons with similar skills) or divisional (structured around results to be achieved).

2. Line (Operating) Departments

Draw a chart showing ideal organization of the line work of the council into major, coherently-organized line departments (or units). Indicate whether the organizational principle for each unit is functional or divisional.

3. Two Line (Operating) Departments

Draw two charts showing, for each of two major line departments, the ideal organization of the work of the department into sections and next-level units. Indicate whether the organizational principle for each unit is functional or divisional.

1. Operating Department # 1 _____

2. Operating Department # 2 _____

4. Staff Departments

Draw a chart showing organization of the staff work of the council into major, coherently-organized staff departments (or units). Indicate whether the organizational principle for each unit is functional or divisional.

5. Treasurer's Department

Draw a chart showing for one major -- primarily staff -- department i.e., that of treasurer, the organization of the work of the department into sections and lower-level units. Indicate whether the organizational principle for each unit is functional or divisional.

C. DELEGATION

Select one section head in the treasurer's department and list three delegations, indicating major responsibilities, authorities, and accountabilities.

1. Section Head: _____

a. Responsibilities

(1) _____

(2) _____

(3) _____

b. Authorities

(1) _____

(2) _____

(3) _____

c. Accountabilities

(1) _____

(2) _____

(3) _____

RECRUITING FINANCIAL MANAGEMENT STAFF -
CONCEPT AND CONSIDERATIONS

A. CONCEPT

With the plans developed and the organization structure defined, it is necessary to recruit needed financial management staff.

B. RECRUITING FINANCIAL MANAGEMENT STAFF

1. Sources

a. Recruitment from Inside the Local Authority

Potential advantages:

- o Better rounded knowledge of the candidate
- o Familiarity of the candidate with the local authority's needs, problems, work, and people -- i.e., a shorter orientation and training period in the new job will be required
- o Reward to individual employees for past excellent performance
- o Encouragement to all staff to work better in hopes of future promotion
- o Etc

Potential disadvantages:

- o The candidate may not be the best available for opening
- o Possibility of decision being influenced by favouritism, nepotism, the influence of cliques, etc.
- o Loss of the fresh perspective and, often, the enthusiasm of a candidate from outside the local authority
- o Etc.

b. Recruitment from Outside the Local Authority

Potential advantages

- o Access to a much larger pool of talented persons
- o Ability to bring in "new blood", i.e., persons with fresh perspectives, not saddled down with the burden of past personal relationships and possibly negative attitudes
- o Ability to appoint a much more qualified person, e.g., move of a treasurer from a smaller council to a larger one or of a deputy treasurer from a bigger council who is now ready to serve as treasurer in a somewhat smaller one
- o Etc.

Potential disadvantages

- o Lack of in-depth knowledge of the candidate
- o Time and expense involved in outside recruitment versus transfer of an existing employee
- o Time and expense required for a professional job of reference checking
- o Etc.

c. Ways To Locate Financial Staff

Internal

- o Personal knowledge of individuals
- o Personnel file: reports, evaluations, etc.
- o Posting of notices of openings
- o Word of mouth
- o Etc.

External

- o Public Service Commission
- o Ministry of Local Government
- o Other government agencies
- o Advertising in newspapers
- o Etc.

IDENTIFYING POTENTIAL FINANCIAL MANAGEMENT STAFF -
CONCEPTS AND EXAMPLES

A. CONCEPT

Recruitment of staff will be improved if the factors to be considered in selecting staff are carefully defined in advance.

B. FACTORS TO BE CONSIDERED

1. Inherent Abilities

a. Concept

Each position has different inherent requirements as far as a candidate's makeup is concerned.

b. Examples

- o An accountant must be adept with numbers and computations.
- o A trainer must be comfortable with people.
- o A manager must exhibit good judgment and must have a temperament that is "balanced".
- o Ability to communicate well will be important for many positions.

We must avoid putting "square pegs" in "round holes".

2. Formal Education

a. General Education

(1) Concept

A certain level of general education is expected of all candidates -- but varying by position.

(2) Examples

One or two languages

Numerical skills

Acquaintance with the social and political environment

60

b. Technical Education

(1) Concept

Specific technical education (or compensating/equivalent experience) is required for most positions

(2) Examples

Engineering training for an engineer

Accountancy training for an accountant

Health sciences training for a health officer

Management training for a manager

3. Training after Leaving School

a. Concept

Formal training in relevant fields after leaving school is sometimes a requirement and always an asset -- as is meaningful, more informal, on-the-job training.

b. Examples

On-the-job experience is most important for all but entrance-level positions.

Special training programs are of many types, e.g., KIA, GTI-Mombasa, GTI-Maseno, and other governmental and private training institution programs. The Kenyan Government sends selected staff to extended programs in both Kenya and such foreign countries as Great Britain. Business firms offer training programs to their own staff and sometimes to other persons. Etc.

4. Experience in Past Positions

a. Concept

Satisfactory performance in many jobs requires years of experience in positions similar to those being filled by the local authority.

b. Examples

A candidate for treasurer should have had senior experience in other organizations, preferably for a period in a local authority --- as, e.g., having served as deputy treasurer in a larger authority.

A candidate for chief accountant should have had some years of experience in related positions in government, business, or a not-for-profit organization.

5. Quality of Performance in Past Positions

a. Concept

The one factor that looms over all the rest as the most important predictor of success of a potential employee is the quality of performance in past positions held by the candidate.

b. Factors

The potential recruit who has performed in a disappointing manner in earlier positions is unlikely to do well in yours. And the recruit who has had nothing but compliments from previous employers is likely to be a good risk for your council. Technical and other skills and knowledge can be learned but it is difficult to imprint the habit of professionalism and the striving for excellence on a person not before successfully challenged in these ways by his own internal makeup.

However, sometimes a candidate who has not done well elsewhere may do so in a new assignment where, for example:

- o the employee was given a job for which he was not equipped,
- o personality factors in the previous employment situation inhibited the candidate's performance,
- o the employee was not sufficiently challenged, e.g., possibly not even kept busy (a frequent cause of unsatisfactory performance),
- o etc.

SELECTING FINANCIAL MANAGEMENT STAFF -
CONCEPTS AND EXAMPLES

A. SELECTION PROCESS

1. Concept

Once a pool of candidates has been identified, it is necessary to go through a well-designed selection process.

2. Examples of Possible Processes

Hiring "good old Joe"

Having several persons interview candidates followed by a group discussion among the interviewers and development of a concensus recommendation regarding employment

Preparation of independent written evaluations by several interviewers

Etc.

B. Reference Checking

1. Concept

It is most important that reference checking be undertaken -- in a professional manner -- on every candidate being seriously considered for a position, with the only possible exceptions being for very low-level and routine positions.

2. Consideration

Written references are far less useful than reference checking based on oral conversations with persons familiar with a candidate's performance in previous jobs.

ASSIGNING, ORIENTING, TRAINING, AND DEVELOPING
FINANCIAL MANAGEMENT STAFF - CONCEPT AND MECHANISMS

A. CONCEPT

The task of fitting a new employee into a position has only just begun when recruitment has been completed. The means chosen for assignment, orientation, training and development will importantly determine the eventual level of performance.

B. ASSIGNING AND ORIENTING STAFF - EXAMPLES OF MECHANISMS AVAILABLE

- o Sharing a carefully-prepared job description with the employee. The job description is really both (1) the employee's side of the implicit contract between employer and employee: i.e., what it is that the employee will be expected to do in return for the compensation and other benefits of the job, and (2) the basis for future job evaluations.
- o Providing necessary facilities and equipment, e.g., office space, desk, files, calculator, etc.
- o Providing orientation by a competent staff member in regard to the local authority, the department, and the narrower, technical aspects of the position.
- o Introducing the employee to all of those persons who will oversee his work and with whom he will interact in his job.
- o Providing especially close direction and guidance the first few days.

C. TRAINING AND DEVELOPING STAFF - EXAMPLES OF MECHANISMS AVAILABLE

- o On-the-job training by supervisors or colleagues
- o Rotational assignments in areas related to the job
- o Short-term training courses
- o Longer-term training courses (in some instances)

COMPENSATING FINANCIAL MANAGEMENT STAFF -
CONCEPT, MECHANISMS, AND CONSIDERATIONS

A. CONCEPT

Compensation is the employer's part of the implicit employment contract in return for which the employee commits to perform the work assigned.

B. COMPENSATION MECHANISMS

The general salary table may be increased, usually more or less reflecting the impact of general price inflation in the economy. While such inflationary increases are appreciated, they do little or nothing to reward good performance and to provide employees and their families with improved living conditions.

In some compensation systems, the employee may receive a step increase within his grade either automatically or as a reward for good performance.

The employee's present job may be reclassified -- unchanged -- to a higher grade.

The employee may receive a promotion to a higher-level position.

The employee may be provided with overtime or other special earning opportunities. However, note that receiving more money for more hours of work does not represent an increase in rate of pay.

C. CONCLUSION ON COMPENSATION

Fair and equitable compensation and periodic salary increases are a reasonable expectation to which local authorities should attempt to respond in the instances of deserving employees -- subject to the limitations that the local authorities universally face.

Training is primarily intended to equip a person to perform better in his present job and to render him, in general, more valuable to his organization. Training should not be regarded as an automatic ticket for promotion.

PROMOTING, TRANSFERRING AND DISCHARGING
FINANCIAL MANAGEMENT STAFF - CONCEPT AND CONSIDERATIONS

A. CONCEPT

Recruitment of staff is but the first step in the career progression of an employee. It is extremely important to devote proper attention to subsequent changes in the employee's status.

B. PROMOTIONS AND TRANSFERS

Reassignment of staff may be undertaken for reasons such as the following.

- o To put an employee in a job for which he is better fitted than the one he has at the moment, i.e., to better match the "square peg" to a "square hole"
- o To give an employee added experience as a step in his development
- o To fill a vacant position considered more important than the one employee is presently in
- o To promote the employee to a higher-level position for which he is judged to be fitted

C. TERMINATIONS

Terminations may be made for reasons such as the following.

- o Incompetence in the job
- o Insubordination
- o Punishment for infractions of guidelines and procedures
- o Lack of continuing need for the position or lack of funds to support it

Terminations should ordinarily be preceded by the following:

- o Provision to an employee of a clear, written description of what is expected of him, i.e., a good job description
- o Conduct of regular, periodic oral and written evaluations of and with the employee
- o Written warnings clearly describing performance deficiencies and steps that will be taken if performance does not improve

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WORKSHOP EXERCISE - DEVELOP A STAFFING PLAN
FOR A FINANCIAL MANAGEMENT POSITION

Please form into groups and complete the format provided below.

A. POSITION

Select two positions in the finance area. One should be at the general level of chief accountant, auditor or chief revenue officer. The other should be one or two organizational levels lower. What are these two positions?

Position # 1: _____

Position # 2: _____

For each position, complete the following sections:

Position # 1

Position # 2

B. RECRUITMENT

1. What potential sources exist for locating needed staff?

a. From within the local authority

b. From outside the local authority

Position # 1

Position # 2

2. What means might you employ for identifying potential staff (e.g., advertising, posting notices, etc.)?

a. Internal

b. External

C. FACTORS TO BE CONSIDERED

1. What inherent personal abilities should a candidate have?

2. What formal education is required?

3. What training might you expect a candidate to have acquired after leaving school?

Position # 1

Position # 2

4. What experience in past positions would you expect?

_____	_____
_____	_____
_____	_____

5. What types of questions would you expect to ask and what types of reports would you expect to receive regarding quality of performance in past positions?

_____	_____
_____	_____
_____	_____

D. SELECTION PROCESS

Having identified potential candidates, what selection process would you employ and who, if anyone else, should you involve in the process and how?

_____	_____
_____	_____
_____	_____

E. ASSIGNING AND ORIENTING THE NEW EMPLOYEE

1. What steps would you take in initially assigning the new employee to the job?

_____	_____
_____	_____
_____	_____

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Position # 1

Position # 2

2. What steps would you take to orient the new employee into the position?

_____	_____
_____	_____
_____	_____

F. TRAINING AND DEVELOPING THE EMPLOYEE

1. What types of training would you attempt to work out for the new employee and when?

_____	_____
_____	_____
_____	_____

2. What other steps would you undertake to develop the employee's ability to achieve the desired results?

_____	_____
_____	_____
_____	_____

G. COMPENSATING THE EMPLOYEE

1. What can you say about the strategy and approach you would utilize in attempting to fairly compensate the employee for his contributions to your local authority?

_____	_____
_____	_____
_____	_____

Position # 1

Position # 2

H. CHANGING THE STATUS OF THE EMPLOYEE

1. What can you say about what you might envision as your plan for the career progression of the employee?

_____	_____
_____	_____
_____	_____

2. What steps might you attempt in an effort to salvage the employee if he failed to meet your performance expectations?

_____	_____
_____	_____
_____	_____

THE LEADERSHIP FUNCTION - DEFINITION, TYPES, AND ACTIVITIES

A. DEFINITION

Leadership is the process of influencing individual and group activities toward goal setting and goal achievement.

- o Management involves all of the five major functions of planning, organizing, staffing, leading, and controlling.
- o Leadership refers to getting things done through and with people.

B. TYPES OF LEADERS

Autocratic leaders - who make most of the decisions, "push" the members of their teams, emphasize obedience to their directions, and often discourage the provision of advice by subordinates and others

Democratic or participative leaders - who seek the team's participation in goal setting and determining how best to carry out a job

Permissive leaders - who set, at best, only broad goals and expect the members of their teams to define their own more specific objectives, work programs, and ways of getting the work done

Task-oriented leaders - who concentrate on the specific work activities required to get the job done

People-oriented leaders - who put primary emphasis on the meeting of the human needs and the welfare of the members of their team

Most financial managers are combinations of these categories, with each emphasizing certain leadership characteristics over others.

C. ACTIVITIES OF THE LEADERSHIP FUNCTION

1. Decision making
2. Communicating
3. Motivating

DECISION MAKING AND DEFINITION OF THE PROBLEM -
DEFINITION, CONCEPT, AND EXAMPLES

A. DEFINITION

The conscious selection of a course of action from among available alternatives to produce a given result.

B. DECISION-MAKING STEPS AND EXAMPLES - DEFINITION OF THE PROBLEM

1. Concept

Some problems can be resolved by already predetermined policies and procedures --- or by intuition based on close familiarity with the situation. However, most significant problems are more complex. Not only are their solutions not readily evident, but, in addition, it often is not obvious what the real problem is.

2. Examples of More Easily Resolved Versus More Difficult Problems

a. More Easily Resolved Problems

It looks as if it will rain. Shall we take an umbrella?

We discover, after typing our report of income for the finance committee, that an important entry was omitted. Shall we bring the unintended omission to the committee's attention?

An employee's wife has died. Shall we agree to the employee being absent to arrange for and attend the funeral?

b. More Difficult To Resolve Problems

In January, 1986, the United State's spacecraft Challenger blew up shortly after leaving the launching pad at Cape Canaveral, Florida. A faulty seal gave way between (1) the booster section containing the propellant and (2) the spacecraft itself. All seven occupants of the spacecraft, including a high school teacher, were killed. What was the real problem here that needed to be corrected by the U.S. space agency?

3. Examples Of Apparent Problem Versus Real Problem

Possible Apparent
Problem

Possible Real
Problem

Complaints from suppliers about the payment of invoices

Unrealistic
expectations of
suppliers

Failure at time
of placing order
to reach clear
agreement on time of
payment

Incompetence of
accounting staff

Failure to set
clear policies for
accounting staff on
the timing of payment
of invoices

Insufficient
accounting staff

Failure to
appropriately
supervise and
manage the work
of the payables
section

Expenditures in July so high as to cause an overdraft

An unexpected
accumulation of
expenditures to
be paid for

Failure to
establish and
maintain up-to-
date a 12 months
cash flow projection
by month

A drop off in
expected receipts
of rates

Failure to put
in place
management controls
to ensure (1) that
expenditures by
departments are
paced to correspond
(2) to the timing of
the expected inflow
of receipts

A petty cash fund for one department that is usually
out of cash

Failure of the
assigned department
employee to arrange
sufficiently
frequently for replenish-
ment

Fund of
inadequate size
for the volume
and frequency of
legitimate
demands on it

DETERMINING THE ALTERNATIVES - CONCEPT AND MECHANISMS

A. CONCEPT

Once the real problem has been defined, it is necessary to identify alternate possible solutions. The financial manager who acts to implement the first solution that occurs to him too often fails to solve the problem adequately or to solve it most effectively (achieving good results) and efficiently (with economical use of resources)

B. MECHANISMS FOR DEVELOPING ALTERNATIVES

1. Be sure that one is hunting for solutions to the real problem.
2. Invite suggestions from other informed persons.
3. Express one's own alternatives to others to stimulate their thinking on and contributions to identifying the problem.
4. Within the constraints of budget and the like, be as imaginative and creative as possible.
5. "Brainstorm" solutions with a group in a "think tank", no-holds-barred type of atmosphere.
6. Positively encourage dissent and challenges -- by oneself and by others.
7. Keep asking questions such as "why?" and "is that really true?" and "will that really solve the problem?"

EVALUATING THE ALTERNATIVES -- CONCEPT AND MECHANISMS

A. CONCEPT

Once the alternative solutions to a problem have been defined, it is necessary to evaluate the strengths and weaknesses of each.

B. MECHANISMS

1. Autocratic Approach

Often decision-making by the top-level manager consists of reaching an autocratic decision without any real evaluation of the alternatives and without securing the input of others.

2. Preferred Approaches

A better approach is to assess carefully the pros and cons of each alternative so that there can be a really valid evaluation of each against the others.

It is also usually desirable to solicit the views and recommendations of others.

Sometimes a good approach is to ask different members of one's team to develop and present to the group their evaluations of the pros and cons of particular alternatives assigned to them for analysis.

3. Conclusion

What is important is:

- o to be sure one has identified the real problem,
- o to bring an open, enquiring, and challenging mind to the task of finding the best solution to it, and
- o to take advantage of whatever contributions can properly be made to the making of the decision by knowledgeable persons around you.

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MAKING AND IMPLEMENTING DECISIONS – CONCEPTS AND CONSIDERATIONS

A. CONCEPT

Once the alternatives have been evaluated, it is the responsibility of the manager who is the team leader to actually make and implement the optimum decision.

B. RELUCTANCE TO MAKE DECISIONS

1. Concept

Managers are frequently reluctant actually to make hard decisions and take action expeditiously.

2. Reasons for Reluctance To Make and Implement Decisions

Managers may lack confidence in their judgment.

Managers may be fearful of blame if things do not go well.

It may often seem that one's career is, on balance, benefited more by doing nothing than by taking the risks involved in making a decision that may later be viewed as having been in error.

Etc.

C. SUBTERFUGES USED TO AVOID MAKING DECISIONS

1. Concept

Often managers who are reluctant to make decisions invent subterfuges for avoiding or postponing the necessity to make the needed decision.

2. Examples of Subterfuges

Asking for more facts

Referring the matter to a committee for a report of its views

Blaming higher ups for holding attitudes that prevent moving ahead

"Delegating" the responsibility for the decision downwards or upwards

D. IMPORTANCE OF MOVING AHEAD EXPEDITIOUSLY

1. Concept

Once a decision is made, it is important to move expeditiously to put it into effect. Many excellent decisions are made and then allowed to "wither on the vine" for lack of effective action to get others to take the necessary implementing steps.

EVALUATING RESULTS - CONCEPT AND BENEFITS

A. CONCEPT

It is only by evaluating results of a decision that has been made and implemented that it is possible to tell whether the decision was, indeed, a satisfactory one.

B. BENEFITS OF EVALUATION

The possibility (in some instances) of still modifying the ongoing course of action so as to achieve a better result.

The favourable impact that the lessons learned from the evaluation can be expected to have on future decisions and implementing actions.

WORKSHOP EXERCISE: DEFINE A PROBLEM, DETERMINE
ALTERNATIVES, MAKE A DECISION, AND EVALUATE RESULTS

Please form into groups and complete the format below. Each group should select a problem from among those listed or by choosing a somewhat similar problem that appeals to the group. Then the group should go through the five-step decision-making process. This will require imagination and creativity on the part of each group. The discussion leaders will attempt to be sure that each group selects a different problem.

A. PROBLEMS

Select one of the following problems -- or a more or less similar problem -- in financial management. Try to adapt whatever you select to make it as real as possible. Define the problem you choose in somewhat greater detail than in the examples below.

1. Annual Estimates or budgets, and schedules of proposed fees and charges, are seldom prepared in time to permit submission to the Ministry on the prescribed schedule.
2. The income and/or expenditure figures shown in the Annual Estimates usually vary by an average of 20-40% (some higher and some lower) from the actuals reported at year's end. In addition, the totals for all expenditures have, over the past five years, averaged 15%-20% below the figures put forward in the Estimates.
3. The average level of receipts turned in to the cashier from market collectors is less than half of the amounts that are usually collected when a senior official accompanies market collectors on an occasional day's inspection visit.
4. For many years, the level of fees and charges has risen only spasmodically and for certain items. The overall increase over the past five years has averaged 20%. During this period, average costs paid by the council for salaries and wages, materials, and construction have risen by 80%, roughly equal to the general increase in inflation. This has seriously eroded the council's ability to pay for its needed expenditures.

5. Revenues cover expenditures on a annual basis. However, the council is living from hand to mouth for about half of the year. Revenues are insufficient to meet expenses during these periods. Salary payments have had to be delayed for up to six weeks and longer during these months.

B. WHAT APPARENT PROBLEM HAVE YOU CHOSEN?

C. DEFINE THE REAL PROBLEM

Put down in the space provided below two or three possible candidates for what the real problem is. After full discussion, select what seems to your group to be the real problem. Be prepared to justify your choice.

- i.

- 2.

- 3.

The real problems is

D. DETERMINE ALTERNATIVES

Put down below three or so possible alternatives for solving the real problem.

1. _____

2. _____

3. _____

4. _____

E. EVALUATE ALTERNATIVES

Evaluate the above listed alternatives, presenting the pros and cons of each.

	<u>Pros</u>	<u>Cons</u>
1.	_____ _____ _____	_____ _____ _____
2.	_____ _____ _____	_____ _____ _____
3.	_____ _____ _____	_____ _____ _____

F. Make and Implement Your Decision

Decide on the most effective and efficient course of action to be taken. Describe it below with your accompanying justification of your choice. Indicate actions to be taken to implement it.

1. The Preferred Decision To Solve the Real Problem

2. The Justification of Your Choice

3. Actions To Be Taken To Implement Your Decision

G. EVALUATE RESULTS

Describe the steps you will take (and when) to evaluate the results of implementing your decision.

COMMUNICATING - DEFINITION, CONSIDERATIONS, AND DIFFICULTIES

A. DEFINITION

Communication is the imparting or interchange of thought, opinions, or information by speech, writing, or signs.

B. WHEN IS COMMUNICATION COMPLETE?

Communication is complete when the recipient understands the communication in the same way as the person who initiated the communication.

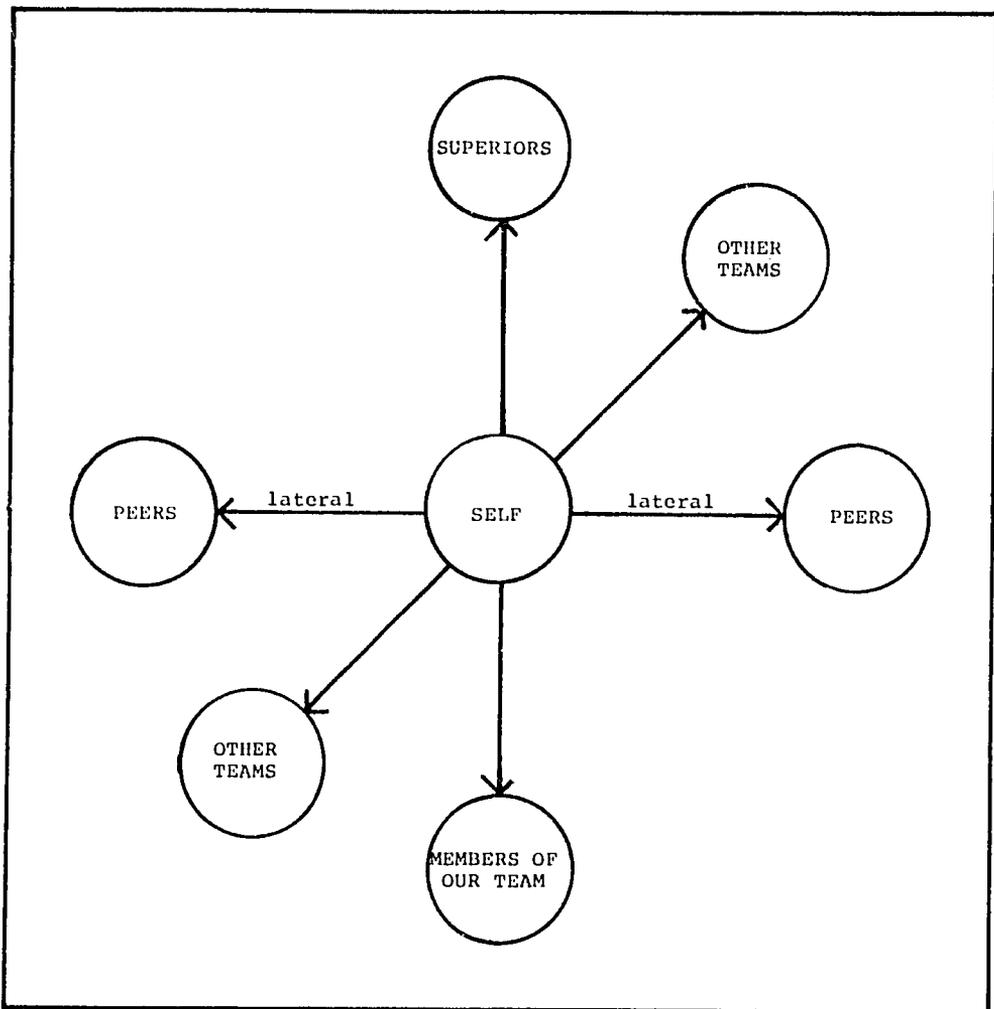
C. DIFFICULTIES IN COMMUNICATION -- EXAMPLES

1. Hearing clearly and distinctly and, so, understanding the communication
2. External distractions and interference
3. Lack of attention
4. Unfamiliarity with terminology -- words -- used
5. Attributing different meanings to given words
6. "Chatter", i.e., extraneous or tangential thoughts and emotions.

D. FEEDBACK

Securing feedback is an important means of ensuring the successful transmission of a communication

FIVE-WAY COMMUNICATION - DIAGRAM



FIVE-WAY COMMUNICATION - CONSIDERATIONS

A. DIRECTIONS

Downward to subordinates

Upward to supervisors

Laterally or horizontally to peers in other teams

Diagonally to higher or lower levels in other teams

Inward to oneself

B. DOWNWARD COMMUNICATION

The most obvious communication need for the financial manager is downward to his own staff and their subordinates so as to pass along:

- o General and specific information about the team's plans: goals, objectives, policies, procedures, and the like
- o Assignment/delegation (1) of work -- or responsibility for accomplishment -- and (2) of authority to get the work done
- o Evaluation of performance, suggestions for improvement, and the like
- o Information about the overall organization, where it is going, problems it faces, and the like

C. UPWARD COMMUNICATION

Equally important is communicating upward -- toward one's superiors -- covering such matters as:

- o Reports on problems encountered and progress achieved
- o Requests for help and advice
- o Recommendations for consideration by higher-level managers.

The responsibility for upward communication is shared by both the lower-level communicator and the higher-level recipient of the communication.

C. LATERAL OR HORIZONTAL COMMUNICATION

Lateral or horizontal communication is required between peers within a team and between teams reporting to different managers.

Such communication is required by the specialized nature of the work of many individuals and groups so as to assure that excellent coordination takes place among people and teams. All of these persons and units have, of course, the same overall objective, i.e., meeting the needs of the wananchi in the local authority's area.

E. DIAGONAL COMMUNICATION

Diagonal communication is necessary to let higher and lower levels of organization in other units know what is going on in your unit. This type of communication is particularly important when staff people provide advice and assistance to the line people or line people solicit information from staff people -- as in regard to finance and personnel matters.

Potential dangers include the following:

- o Providing information to lower-level employees in other units can give the appearance of:
 - interference and of a desire to take over management or technical responsibilities that are not yours, and
 - ignoring the proper role and authority of the higher-level employees in those other units.
- o Providing information to higher-level employees in other units can give the impression of:
 - "going around" your own boss,
 - attempting to influence improperly the other units, and
 - attempting to "make points" with senior people in the other units.

F. INWARD COMMUNICATION

Inward communication -- with ourselves -- is important as we solicit data and deliberately process it in our own minds: reflect on it, consider its implications, and reach conclusions about it.

Time and effort are needed to be sure that we internalize in our own minds and hearts pertinent information about our plans, our work and its progress, our performance, and the like.

COMMUNICATION -- VERBAL AND NON-VERBAL -- DEFINITIONS,
CHARACTERISTICS, AND EXAMPLES

A. VERBAL COMMUNICATION

1. Definition

Communication through the medium of language, i.e., words. This includes both oral communication, i.e., spoken words, and written communication, i.e., written words.

2. Oral Communication

Strengths

Immediacy

Provision of emphasis in speech helps clarify meaning

Enhances personal relationships

Permits queries and explanations

Provides opportunity for prompt feedback

Saves time (sometimes!)

Cuts costs (sometimes!)

Retains some flexibility for later interpretation (this is also a potential weakness)

Weaknesses

Possible imprecision in expression

Emphasis in speech can distract the recipient from the key message

Often results in different messages being received by different recipients

No permanent record of what is said or intended

No permanent document for later reference and evaluation

Can take much more time, especially if several recipients are involved

Some persons are less clear and coherent orally than in writing

Is less likely to receive careful consideration of logic, implications, etc.

3. Written Communication

Strengths

Generally requires greater precision of thought and of subsequent expression ("I don't know what I think about it until I've written it down")

Often constitutes a plan and performance standard to guide action and provide a benchmark for evaluation of results

Reduces later confusion over what was intended

Can save communications time (sometimes)

Avoids, to a greater extent than oral communication, giving different messages to different recipients

Weaknesses

Often, no matter how skillfully composed, engenders resentment and hostility.

Emphasizes task-oriented aspects of a leader's management style

Offers no built-in way for clarification or for feedback

If not composed skillfully, can sometimes later be used to "hang" the communicator

Can require more time and effort (composing, typing, redrafting)

B. NON-VERBAL COMMUNICATION

1. Definition

The transmission of meaning without the use of words

2. Examples

"Body language" in general, e.g.:

- o Facial expressions (boredom, disinterest, disagreement, agreement, consternation, etc.)
- o Eye contact or lack thereof
- o Fidgeting
- o Yawning

Other examples include:

- o Sitting back -- or forward -- in one's chair
- o Reading a newspaper during a meeting or program
- o Tone of voice
- o Communicating by example (e.g., arriving at the office on time and working diligently while there)

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CATEGORIES OF COMMUNICATIONS BASED ON TIMING -
DEFINITIONS AND EXAMPLES

A. Specific Real-time Communications

1. Definition

Communication intended to result in an immediate or near-term action.

2. Examples

Come to my office at 2.00 p.m. to discuss the budget for your department.

Pay all outstanding invoices by the end of the week.

Fill the tank with petrol.

Begin development of the annual Estimates.

B. General Ongoing Policies, Procedures, and the Like

1. Definition

Communications intended to be of ongoing application to matters that arise repetitively.

2. Examples

Interest rates on estate mortgages are to be the basic bank rate plus 3%.

Funds collected by revenue collectors are to be deposited with the cashier daily.

The new Financial Regulations are to be adopted as of January 1, 1987 (MLG circular).

THE WORKINGS OF COMMUNICATION CHANNELS

A. The Colonel to the Major

At 9:00 tomorrow, there will be an eclipse of the sun. This is something that does not occur every day. Get the men to fall out in the company street in their fatigues so that they will see this rare phenomenon. I will explain it to them. In case of rain we will not be able to see anything, so take the men to the gymnasium.

B. The Major to the Captain

By order of the colonel, tomorrow at 9:00 there will be an eclipse of the sun. If it rains, you will not be able to see it from the company street. So, then, in fatigues, the eclipse will take place in the gymnasium. This is something that does not occur every day.

C. The Captain to the Lieutenant

By order of the colonel --- in fatigues --- tomorrow at 9:00 the inauguration of the eclipse of the sun will take place in the gymnasium. The colonel will give the order if it should rain. This is something that occurs every day.

D. The Lieutenant to the Sergeant

Tomorrow at 9:00, the colonel in fatigues will eclipse the sun in the gymnasium, if it is a nice day. If it rains, then he will do it in the company street.

E. The Sergeant to the Corporal

Tomorrow at 9:00, the eclipse of the colonel in fatigues will take place because of the sun. If it rains in the gymnasium, something that does not occur every day, you will fall out in the company street.

F. The Corporal to the Private

Tomorrow, if it rains, it looks as if the sun will eclipse the colonel in the gymnasium. It is a shame that this does not occur every day.

MOTIVATING - DEFINITION AND TYPES OF MOTIVATORS

A. DEFINITION

"Motivate" is "to provide with a motive or motives"

"Motive" is "something that prompts a person to act in a certain way".

"Motivating employees" is thus to provide a motive or motives to employees so as to prompt them to action or to act in a certain way.

B. TYPES OF MOTIVATORS

1. Provide a satisfactory environment, e.g., for an office worker:

- o Space
- o Desk and chair
- o Lighting
- o Climate control: heat, cooling
- o Access to co-workers
- o Noise control
- o Safety
- o Etc.

2. Provide needed tools, e.g.:

- o Calculator
- o Computer
- o Ledger books
- o Consumable supplies (pens, pencils, paper)
- o Etc.

3. Provide needed major resources, e.g.:

- o Staff
- o Transportation
- o Funds
- o Etc.

4. Provide clear job description, e.g.:
 - o Description of work to be performed and results to be achieved
 - o Assignments and delegations of responsibility
 - o Etc.
5. Provide needed power to get things done, e.g.:
 - o Delegations of authority
 - o Etc.
6. Provide effective leadership, e.g.:
 - o Competent boss
 - o Empathetic supervisors
 - o Good role models
 - o Good decision making
 - o Good communications
 - o Etc.
7. Provide opportunities for improvement, e.g.:
 - o Training on the job
 - o External workshops
 - o Etc.
8. Provide satisfying job content, e.g.:
 - o Logically organized structure of work
 - o Challenging goals
 - o Opportunity to use talents, education, training, and experience
 - o Etc.
9. Provide positive incentives, e.g.:
 - o Pay
 - o Promotion opportunities
 - o Etc.
10. Provide recognition of good work, e.g.:
 - o Recognition of good performance
 - o Recognition of loyal service
 - o Etc.

11. Provide evaluation and feedback, e.g.:
 - o Performance evaluations
 - o Feedback on performance
 - How doing
 - How improve
 - o Etc.

12. Provide, when needed, for the "stick" as well as the "carrot", e.g.:
 - o Reprimands - oral and written
 - o Warnings - oral and written
 - o Insistence on corrections of errors (e.g., restoration of funds misused)
 - o Leave without pay
 - o Termination
 - o Prosecution

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THEORIES OF MOTIVATION -- MASLOW'S HIERARCHY OF NEEDS

SELF-FULFILLMENT AND SELF-ACTUALIZATION
NEEDS

Theoretical: achieving one's potential,
self-development, growth

Applied: completing challenging
assignments, doing creative work,
developing skills

EGO AND ESTEEM NEEDS

Theoretical: status, self-confidence, pay,
appreciation, recognition

Applied: power, ego, titles, status symbols,
recognition, praise, "strokes," awards,
promotion

SOCIAL AND BELONGING NEEDS

Theoretical: association, acceptance, love,
friendship, group feeling

Applied: formal and informal work groups,
company-sponsored activities

SAFETY AND SECURITY NEEDS

Theoretical: protection and stability

Applied: employee development: safe working
conditions: seniority plans: union, savings and thrift
plans: severance pay: pension vesting: insurance plans
(life, hospitalization, dental): grievance (appeal)
system

PHYSIOLOGICAL AND BIOLOGICAL NEEDS

Theoretical: respiration, food, drink, sex, etc.

Applied: pay, vacation, holidays, on-the-job rest periods,
lunch breaks, rest rooms, clean air to breathe, water to
drink

THEORIES OF MOTIVATION -
HERZBERG'S MOTIVATING AND MAINTENANCE FACTORS

<u>MOTIVATING FACTORS</u>	<u>MAINTENANCE FACTORS</u>
Achievement	Company policies and administration
Responsibility	Quality of technical supervision
Recognition	Interpersonal relationships
Advancement	Salary
Creative and challenging work	Job security
Possibility of growth on the job	Working conditions
	Employee benefits
	Job status
	Personal life

* * *

CENTRAL FACTOR: I WANT TO FEEL IMPORTANT!

* * *

Note: There is a vast literature by now on motivational theories, most of it published in this century. It is only possible in the time available to refer to the two major sets of ideas set forth in this and the preceding workshop item. But these are ones that have had a very major impact on thinking in the field of behavioral science and research as applied to work situations -- including that of the financial management of local authorities.

CONTROLLING - DEFINITION, ACTIVITIES,
CONSIDERATIONS, AND STEPS

A. DEFINITION

"Control" is the process of assuring that organizational and managerial objectives are accomplished.

"Controlling" is the devising of ways and means of assuring that planned performance is actually achieved.

B. MAJOR ACTIVITIES, CONSIDERATIONS, AND STEPS

1. Setting Performance Standards

- a. Plans as a Source of Standards
- b. Monetary, Physical, and Time Standards
- c. Standards Set as an Administrative Task
- d. Intrinsic Value, or Worth, of the Results of Expenditures as Standards
- e. Indicators or Ratios as Standards
 - (1) Ratios
 - (2) Return on Investment (ROI)
 - (3) Performance over Time and Peer Performance Comparisons

2. Measuring and Recording Performance

- a. Decide What Is To Be Measured
- b. Determine How Measurements Are To Be Taken
- c. Make the Measurements
- d. Record the Measurements

3. Analyzing Performance and Communicating Results

- a. Compare Performance with Standards and Determine Variances and the Reasons for Them
- b. Determine the Timing of the Analytical Approaches
- c. Determine the Timing of Reporting

4. Taking Corrective Actions

- a. Short-term versus Long-term Corrective Actions
- b. Corrective Actions Regarding People versus Corrective Actions Regarding Objective Factors
- c. Spectrum of Corrective Actions Available Regarding People

PLANS AND BUDGETS AS STANDARDS - CONCEPT AND EXAMPLES

A. CONCEPT

Plans and planning data provide performance standards for the collection of revenue and the making of expenditures. In fact, nearly all revenue and expenditure standards flow directly or indirectly from our plans and budgets.

B. EXAMPLES

Revenue from site value rates is to meet or exceed the amounts in the approved Estimates.

Expenditures during 1987/88 by department are not to exceed the amounts in the approved Estimates.

Construction costs of the new slaughterhouse are to be contained within the figures in the project statement.

SETTING PERFORMANCE STANDARDS - MONETARY, PHYSICAL, AND
TIME STANDARDS --DEFINITION, TYPES, CONCEPTS, AND EXAMPLES

A. DEFINITION

A standard is a pre-set measurement that can serve as a reference point for evaluating results.

B. MONETARY, PHYSICAL AND TIME STANDARDS

1. Monetary Standards

a. Concept

A monetary standard is expressed in shillings and refers to the amount of money to be received or paid out. This is, often, the figure stated in the local authority's revenue and expenditure Estimates.

b. Examples

Revenue from the new bus park is to meet or exceed the figure of Kshs 300,000 included in the project justification and in the annual Estimates.

Expenditures for maintenance of parks are not to exceed Kshs 100 per day.

2. Physical Standards

a. Concept

A physical standard states the quantity and, usually, the quality of the product or service for which shillings are expended.

b. Example

Average results achieved per five-man road maintenance team are to approximate maintenance of 500 linear meters of road surface per day.

3. Time Standards

a. Concept

A time standard indicates when shilling revenue is to be received and when the goods and services are to be provided for which the shillings are to pay.

b. Examples

Sixty percent of revenue from site value rates is to be collected in the first four months of the calendar year.

Invoices are to be paid (1) consistent with the terms where terms have been specified and (2) otherwise so as to average 35 days from receipt of goods and services.

STANDARDS SET AS AN ADMINISTRATIVE TASK -
CONCEPT AND EXAMPLES

A. CONCEPT

Many required standards for revenue generation and for the making of expenditures do not emerge automatically from the plans and budgets but must, instead, be constructed as a deliberate effort by financial managers.

b. EXAMPLES

Revenue received by the market master should be turned in to the cashier daily.

Overtime costs should not exceed 5% of the total wage payroll.

Average petrol usage of not less than five kilometers per liter should be achieved for the local authority's trucks.

At least 90% of invoices for which no payment terms have been agreed should be paid between 25 and 30 days of provision of the goods and services or submission of invoices, whichever occurs later.

INTRINSIC VALUE, OR WORTH, OF THE
RESULTS OF EXPENDITURES AS STANDARDS - CONCEPT
AND EXAMPLES

A. CONCEPT

The intrinsic value, or worth, to the local authority and the wananchi of an expenditure should equal or exceed the value of leaving the shillings with the wananchi and/or of expending the funds for another purpose or purposes.

B. Examples

Funds spent on primary school education should produce (i) results to the wananchi equivalent in value to (ii) the benefits to the wananchi of spending the same funds on other local authority programs.

Funds spent on paving secondary roads should not exceed the value to the wananchi of (i) the paving of such roads versus (ii) leaving the roads unimproved and utilizing the funds for other purposes.

INDICATORS OR RATIOS AS STANDARDS - CONCEPT AND EXAMPLES

A. CONCEPT

Performance indicators can be of great value in assessing performance in managing and controlling expenditures. These indicators are usually in the form of ratios calculated by dividing (i) results achieved by (ii) resources utilized. The basic formula is as follows.

$$\frac{\text{Results}}{\text{Resources}} = \text{Performance Indicator}$$

B. EXAMPLES OF SIMPLE RATIOS

$$\frac{\text{sewerage system repair and maintenance}}{\text{number of connected building units}} = \text{costs per connected unit}$$

$$\frac{\text{overtime costs per week}}{\text{total wage costs per week}} = \text{overtime costs as percent of total wages}$$

C. RETURN ON INVESTMENT (ROI)

The new slaughterhouse is expected to generate a return on investment costs (or ROI) of at least 15%, e.g., on investment costs of Kshs. 4,000,000, net income is to equal at least Kshs. 600,000 or 15%.

D. UTILITY OF RATIOS AS STANDARDS

A ratio standing alone is of limited usefulness.

An experienced administrator will often be able to interpret the significance of ratios.

Ratios become more useful when compared with:

- o similar results achieved over time
and/or
- o similar results achieved by peers, i.e., other local authorities, organizations, or individuals.

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E. EXAMPLES OF COMPARISONS OVER TIME AND WITH OTHER PERSONS AND ORGANIZATIONS

Performance over Time

Market collections by collector A in the range of Kshs 1400-1600 daily for most days. This compares with collections typically dropping to Kshs 500-600 the last two or three days before his payday.

Expenditure for repair and maintenance of sewers per connected housing unit averaging Kshs 310 in 1987. This compares with expenditures averaging Kshs 200 in 1984, Kshs 215 in 1985, and Kshs 225 in 1986.

Peer Performance Comparisons

Market collections by collector A averaging Kshs 1400-1600 per day, no matter to what market area assigned, compared with collections by collectors B, C, and D averaging Kshs 1900-2100 daily.

Expenditures for trash collection averaging Kshs 25 per week per household served compared with expenditures averaging Kshs 15 per week for two local authorities with almost identical trash collection requirements.

DECIDING WHAT IS TO BE MEASURED -
CONCEPTS AND EXAMPLES

A. MEASURING AND RECORDING PERFORMANCE - CONCEPT

Once performance standards have been established, it is necessary (1) to be sure that what is to be measured has been carefully defined, (2) to determine how to take the measurements, (3) to make the measurements, and (4) to record the measurements.

B. DECIDING WHAT IS TO BE MEASURED

1. Concept

Measuring performance requires decisions on exactly what is to be measured.

2. Examples

Measurement of True Costs of a Capital Investment

In order to measure true costs of building a new market and to be able to calculate true return on investment, it might be decided that costs to be included are to include not only:

- o construction contract costs, but also
- o pre-construction planning costs by the local authority,
- o costs of any labour and other resources provided by the local authority,
- o the value of expenditures or services-in-kind provided by harambee contributions, and
- o loan servicing costs.

Measurement of Costs Contributed by a Local Authority

We might further decide that contributed costs by the local authority are to include:

- o estimated planning costs,
- o direct labour costs,
- o other personnel support,
- o supplies and equipment, and
- o allocated overhead.

DETERMINING HOW MEASUREMENTS ARE TO BE TAKEN -
CONCEPT AND EXAMPLES

A. CONCEPT

Measuring performance requires decisions on exactly how the measurements are to be taken.

B. EXAMPLES OF DECISIONS AS TO HOW MEASUREMENTS ARE TO BE TAKEN

A licensing inspector should contact on a random basis one business in each block of shops to verify payment of appropriate fees and accurate reporting of income by regular fee collectors.

Inspectors are to verify, through three unannounced inspections per day, that entrance receipts are held by all vehicles in the bus park at these times.

C. EXAMPLES OF MEASUREMENTS THAT CAN BE TAKEN ONLY DURING THE EVENT

The amount of funds collected by a market collector at any given point in time

The number of vehicles in a bus park that have not paid entrance fees

D. EXAMPLES OF MEASUREMENTS THAT CAN BE TAKEN ONLY AFTER THE EVENT

The monthly receipts of site value rates

The annual ratio of expenditures for upkeep of the sewerage system to the number of connected building units

The quantity and shilling value of supplies utilized for a given project or program

MAKING THE MEASUREMENTS -- CONCEPT, MECHANISMS, AND EXAMPLES

A. Concept

With it decided exactly what is to be measured and how and when, it is then necessary to actually make the measurements of expenditure performance according to a predetermined plan.

B. Mechanisms and Examples

Three major types of mechanisms are available to measure performance, as follows.

General Observation

The physical maintenance of the council headquarters building is noted by the clerk on a daily basis.

Individual Inspections, Tests, Samples, Etc.

The chlorine level of the water is measured daily by the department's chemist.

The receipt books are examined to be sure that no receipts in the numbered series are missing.

Automatic Methods

The dry-copy reproduction machine operates only by individual plastic cards issued to each department so as to record the number of copies produced by each department.

RECORDING THE MEASUREMENTS - CONCEPT AND EXAMPLES

A. CONCEPT

For the measurements of performance in managing and controlling expenditures to be useful, they must be recorded in a clear and useful way.

B. EXAMPLES

- (i) April: Average age of invoices at time of payment was 35 days.
- (ii) May 10, 2:00 p.m: Drivers of 3 matatus in the bus park could not produce entrance receipts.

ANALYZING PERFORMANCE AND COMMUNICATING RESULTS -
DETERMINING THE VARIANCES - CONCEPTS AND EXAMPLES

A. COMPARE PERFORMANCE WITH STANDARDS OR PERFORMANCE OBJECTIVES
AND DETERMINE VARIANCES, THE REASONS FOR THEM, AND THEIR
SIGNIFICANCE

Concept

The measurements that have been recorded must be compared with the standards or performance objectives and determinations made of:

- o the variances
- o the reasons for the variances, and
- o the significance of the variances.

B. DETERMINE THE VARIANCES

Concept

It is important to (1) compare the measurements taken with the standards and (2) determine the variances.

Examples

<u>Standards</u>	<u>Actuals</u>	<u>Variances</u>
(i) Average age of paid invoices is 28 days	April: 35 days	7 days or 25% over standard
(ii) All vehicles in park have paid entrance fees	May 10, 3 p.m: 3 matatus have not paid.	3 matatus

C. DETERMINE THE REASONS FOR THE VARIANCES

Concept

Only when the reasons for the variances have been determined will the measurements made begin to have some purpose and impact.

Examples

- (i) Payment of invoices was delayed because two accountants were on vacation.
- (ii) 3 matatus without entrance receipts appears to involve collusion

D. DETERMINE THE SIGNIFICANCE OF THE VARIANCES

Concept

The next step is determining whether, and to what extent, the variances are significant to the accomplishment of our plan and/or the achievement of our objectives.

Examples

- (i) Delay in April in payment of invoices not significant in view of reasons; expect to improve performance in May.
- (ii) Likely collusion in collecting bus park fees is sufficiently serious as to require considering terminating the bus park fee collector.

DETERMINING THE TIMING OF THE ANALYTICAL APPROACHES -
CONCEPT, ALTERNATIVES, AND EXAMPLES

A. CONCEPT

The timing of the analytical approaches will determine, to an important extent, the effectiveness of the control system.

B. TIMING ALTERNATIVES

Concept

Two alternatives exist as to the timing of the analytical approaches:

- o Real-time methods, i.e., analysis takes place while the event or transaction is occurring
- o Post-facto or after-the-event methods, i.e., analysis takes place after the event

Examples

Real-Time Methods

Inspection and evaluation of the suitability of goods as they are being delivered

Continuous evaluation by the treasurer's office of the adequacy of cash book balances each time cheques are written and deposits are made

Post-Facto or After-the-Event Methods

Evaluation of payment vouchers processed per accounting employee per week

End-of-month audits of expenditure transactions to determine conformance with policies, procedures, and accounting standards and practices

DETERMINING THE TIMING OF REPORTING -
CONCEPT AND EXAMPLES

A. CONCEPT

Also important to the results we are seeking is the timeliness of the reporting.

Reports are often made sufficiently long after the event as to have little or no impact on current or even future performance.

B. EXAMPLES

Timely reporting

Provision of reports of monthly income and expenditures for the finance committee at the next month's meeting of the committee

Untimely Reporting

Reports on actual income and expenditures for a financial year provided to the local council and its finance committee and to the Ministry of Local Government long after the year has ended

TAKING CORRECTIVE ACTION - SHORT-TERM VERSUS LONG-TERM
CORRECTIVE ACTIONS - CONCEPTS AND EXAMPLES

A. CONCEPT

Until corrective actions have been taken, the preceding steps in the financial management control system of the local authority will have been of little use.

B. SHORT-TERM VERSUS LONG-TERM CORRECTIVE ACTIONS

1. Short-term - Taken Immediately To Correct Performance

Concept

Some corrective actions can be taken immediately to correct performance so as to achieve the objectives of the plan.

Here, steps are taken to affect behaviour and results within the context of current plans and systems.

Examples

When market revenue reported by a new market collector falls well below receipts by his predecessor without apparent justification:

- o Terminate the new employee promptly for basic dishonesty.

When examination of goods being delivered shows a failure to meet specifications:

- o reject the delivery on the spot.

2. Long-term - Taken Later To Modify Plans, Systems, and Resources

Concept

Some corrective actions must be taken over longer periods of time -- also to correct performance.

Here, steps are taken to affect behaviour and results by more fundamental changes to plans, systems, and resources.

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Example

When available financial reports on income and/or expenditures are found not to measure performance in a directly relevant way:

- o restudy and redesign the accounting and management information systems to meet better the needs of the treasurer, clerk, and council

3. Real-time versus Post-facto Corrective Actions

Concept

Some systems for managing and controlling expenditures will result in taking short-term corrective actions on a concurrent or real-time basis. Other systems will, however, result in taking such short-term corrective actions on a delayed, or post-facto, basis.

Examples

Real-Time or Concurrent Corrective Action

In depositing funds into and writing cheques against a bank account, the visible decline in cash book balances triggers, in real-time, cessation of cheque-writing activity or the deposit of added funds to the account.

Delayed or Post-Facto Corrective Action

An audit report demonstrating excessively loose adherence to prescribed control procedures results in corrective action via increased management attention to the area (after, or post-facto to, the event of loose control).

CORRECTIVE ACTIONS REGARDING PEOPLE VERSUS
CORRECTIVE ACTIONS REGARDING OBJECTIVE FACTORS -
CONCEPTS AND EXAMPLES

A. Concept

While we tend to attribute poor performance to shortcomings in people, very often the fundamental cause is shortcomings in our plans, systems, transactions, equipment, or other such objective factors.

- o People may be (1) trained or (2) motivated through leadership or (3) rewarded or (4) punished or terminated, all as means to better management and control of income and expenditures.
- o Things also may be affected by our corrective actions. For example, we may change our plans; or strengthen our control systems; or procure better computing equipment; or change our organization pattern; or modify our delegations of responsibility, authority, and accountability.

B. EXAMPLE

Suppose funds are misappropriated by a market collector in a remote area who is expected to retain his collections for several days at a time.

- o Accepting our limited ability to modify human nature, the real problem is, in practical and pragmatic terms, likely to continue without real solution until we can strengthen our financial control system.
- o It is not really a function of the unique dishonesty of the given employee and, indeed, is likely to be repeated with appointment of a new person to the job until we can make management corrections to the system.

C. SPECTRUM OF CORRECTIVE ACTIONS AVAILABLE RELATING TO PEOPLE

1. Concept

Corrective actions must, however, often be taken with regard to the performance of employees in managing and controlling expenditures. Some of these corrective actions may be regarded as positive. Some may be regarded as negative. However, it would be expected that all would have a positive impact on the management and control of the expenditures of the local authority.

2. Examples

a. Positive

Discussion of performance

Better example to staff

Better positive leadership of staff

Better support by leadership to staff

Better training of staff

Rewards to staff for improved performance (e.g., pay, recognition)

Transfer -- or even promotion -- to more suitable position

Rotation of staff assignments

b. Negative

Oral and written warnings to staff

Temporary suspension of staff

Deduction of pay of staff

Termination of employment of staff

Civil or criminal prosecution of staff leading to fines or imprisonment

WORKSHOP EXERCISE -
PROGRAM TO IMPROVE THE PLANNING, ORGANIZING, STAFFING,
LEADING, AND CONTROLLING OF FINANCIAL MANAGEMENT AREAS
IN PARTICIPANTS' LOCAL AUTHORITIES

Please group yourselves into teams composed of the participants from each local authority. Then develop and record below the program of actions to manage better the financial activities of your local authority that your team feels should be taken when you return home.

Be specific about steps to be taken, and also be specific about the activity areas to which these steps will apply. **DO NOT SIMPLY REPEAT THE BROAD CONCEPTS AND APPROACHES DISCUSSED IN THIS WORKSHOP.**

The following outline may be helpful. However, your team should feel free to adopt a different approach and format if you wish.

Finally, the language utilized in the format below may appear to imply a lengthy report and a lot of detail. This will, of course, not be feasible. What is desired is that you be as specific as possible in regard to a number of actually-identified areas of improvement.

Local Authority: _____

WORKSHOP EXERCISE - STEPS THAT MIGHT BE TAKEN BY
CENTRAL AND PROVINCIAL GOVERNMENT OFFICIALS TO ASSIST
LOCAL AUTHORITIES IN PLANNING, ORGANIZING, STAFFING
LEADING, AND CONTROLLING OF FINANCIAL MANAGEMENT AREAS

Please develop and record below the program of actions that you (the team of central and provincial government participants) feel should be taken by the central government and its agencies, and by provincial governments, to assist in improving the overall financial management of local authorities. Please feel free to use a modified, or entirely different, approach than that indicated below, if you prefer.

With the objective of assisting local authorities to improve their overall financial management:

- o What improvements can be attempted in central government laws, regulations, circulars, and other formal, written policy and procedural instructions and guidance?
- o What improvements can be made in the handling and processing by central government agencies of submissions for approval, requests for assistance, and the like made by local authorities (thoroughness, timeliness, etc.)?
- o What improvements can be made in direct interactions of and support provided by (1) central and provincial government staff members to (2) councillors and staff of local authorities (relating to overall financial management)?
- o What can local authorities do that will help central and provincial governments to do a better job in assisting local authorities in overall financial management?
- o What improvements should be considered in organization and staffing of the Ministry of Local Government, other central government agencies, and provincial governments that will facilitate assistance to local authorities in overall financial management by them?
- o What improvements can be made in data provided by the central and provincial governments to local authorities that will assist the latter in overall financial management?

EVALUATION OF WORKSHOP

A. To what extent did this workshop fulfill the initially stated goals? Rate on a scale of 1 to 10 from: 1 = not at all effective to 10 = very effective (circle the appropriate number).

1. To impart new knowledge regarding the importance of and the means for providing the many supports needed for excellent financial management in areas of planning, organizing, staffing, leading, and controlling.

1 2 3 4 6 7 8 9 10

Not at all effective Very effective

2. To develop new skills regarding practical ways of identifying financial management support areas needing greater attention and of taking steps to provide better these needed supports.

1 2 3 4 6 7 8 9 10

Not at all effective Very effective

3. To develop attitudes and increase motivation on the part of workshop participants to provide for better supports to excellent financial management in their local authorities.

1 2 3 4 6 7 8 9 10

Not at all effective Very effective

B. How would you rate the workshop training approach in terms of its overall effectiveness?

1 2 3 4 6 7 8 9 10

Not at all effective Very effective

C. Following is a list of topics that were addressed in the workshop. For each topic, please rate on a scale of 1 (lowest) to 10 (highest) (1) the importance of the topic and its usefulness to you and (2) the effectiveness of the presentation/discussion. Please put your ratings only in the blanks opposite major titles (the sub-areas are listed merely to remind you of the material covered).

<u>TOPICS</u>	<u>IMPORTANCE AND USEFULNESS OF TOPIC</u>	<u>EFFECTIVENESS OF PRESENTATION/ DISCUSSION</u>
1. The Financial Manager	_____	_____
o What Work Financial Managers Do		
o How Financial Managers Spend Their Time		
o Skills of the Financial Manager		
2. Planning Work of the Financial Manager	_____	_____
o Steps in Financial Planning		
o Time Span of Financial Planning		
o Types of Financial Planning		
o Planning for All Aspects of a Local Authority's Activities		
3. Organizing Work of the Financial Manager	_____	_____
o Structuring the Work To Be Done		
o Delegating The Work To Be Done		
o Line and Staff		

<u>TOPICS</u>	<u>IMPORTANCE AND USEFULNESS OF TOPIC</u>	<u>EFFECTIVENESS OF PRESENTATION/DISCUSSION</u>
4. Staffing Work of the Financial Manager	_____	_____
o Selecting/Recruiting Staff		
o Assigning, Orienting, Training, and Developing Staff		
o Compensating Staff		
o Promoting, Transferring, and Discharging Staff		
5. Leadership Work of the Financial Manager	_____	_____
o What Leadership is		
o Decision Making		
o Communicating		
o Motivating		
6. Controlling Work of the Financial Manager	_____	_____
o Setting Performance Standards		
o Measuring and Recording Performance		
o Analyzing Performance and Communicating Results		
o Taking Corrective Actions		

D. What is your evaluation of the small group workshop exercises?

1	2	3	4	6	7	8	9	10
Little Value							Extremely Valuable	

E. What is your evaluation of the final workshop exercise to develop a "back-home" plan for local authorities and a "back-home" program of action by the central government team?

1	2	3	4	6	7	8	9	10
Little Value							Extremely Valuable	

F. What did you like best at the workshop?

G. What did you like least?

H. What changes could have been made to increase the workshop's effectiveness and your learning?

I. How would you judge the overall value of the workshop in relationship to other workshops you have attended (check one)

- More Valuable? _____
- About the Same? _____
- Less Valuable? _____

J. Regarding the length of the workshop, was it:

- Too Short? _____
- About Right? _____
- Too Long? _____

K. If you are asked upon your return home what you learned or gained as a result of the workshop, what would you say?

L. Please use this space for any added comments:

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