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# LEADERSHIP OF STATE-OWNED INSTITUTIONS: REFLECTIONS ON TANZANIA AS A CASE STUDY



## WHERE DID IT [Public Enterprises] START?

ARUSHA DECLARATION, 1967

TO SEE THAT THE GOVERNMENT EXERCISES
EFFECTIVE CONTROL OVER THE PRINCIPAL MEANS
OF PRODUCTION AND PURSUES POLICIES WHICH
FACILITATE THE WAY TO COLLECTIVE OWNERSHIP
OF THE RESOURCES OF THIS COUNTRY.



# THE MAJOR MEANS OF PRODUCTION AND EXCHANGE

THE MAJOR MEANS OF PRODUCTION AND EXCHANGE ARE UNDER THE CONTROL OF THE PEASANTS AND WORKERS.

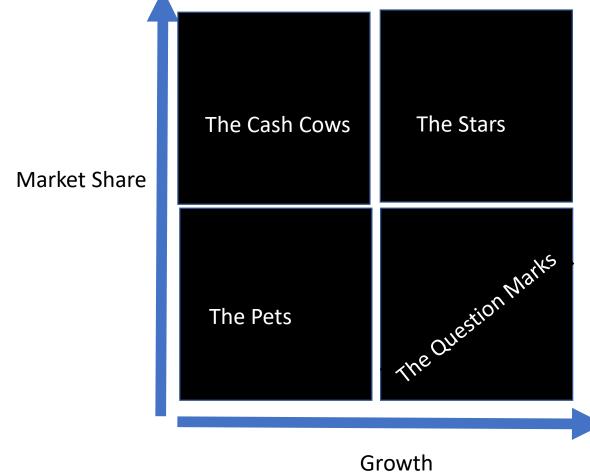
To build and maintain socialism it is essential that all the major means of production and exchange in the nation are controlled and owned by the peasants through the machinery of their Government and their co-operatives. Further, it is essential that the ruling Party should be a Party of peasants and workers.



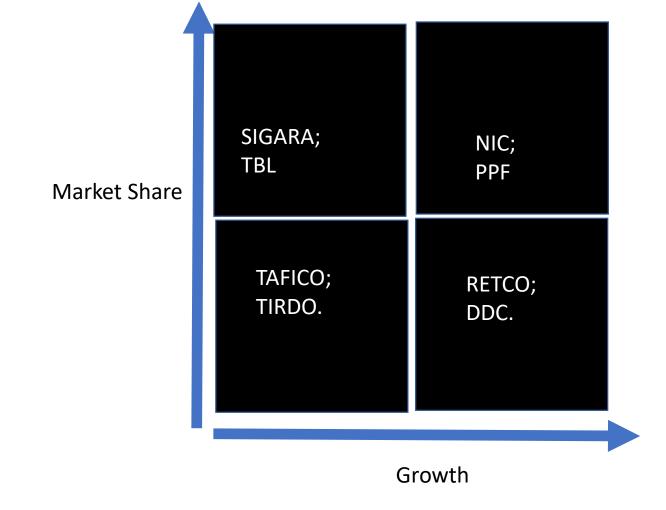
# THE MAJOR MEANS OF PRODUCTION AND EXCHANGE 2

The major means of production and exchange are such things as: land; forests; minerals; water; oil and electricity; news media; communications; banks, insurance, import and export trade, wholesale trade; iron and steel, machine tools, arms, motor-car, cement, fertilizer, and textile industries; and any big factory on which a large section of the people depend for their living, or which provides essential components of other industries; large plantations, and especially those which provide raw materials essential to important industries.







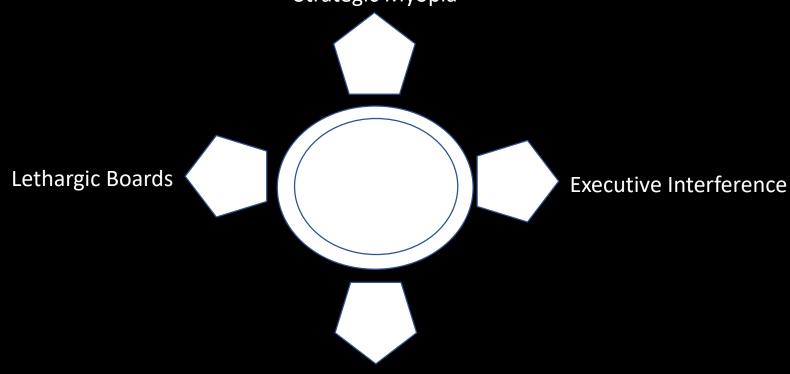


Circa 1995



# STRATEGIC AND SHAREHOLDER CHALLENGES

Strategic Myopia

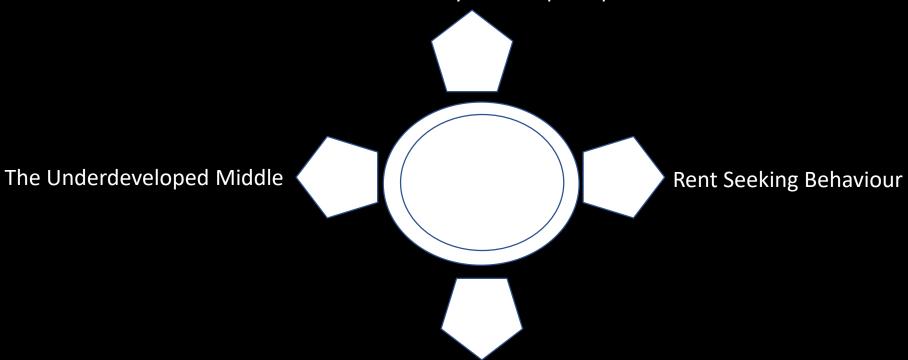


**Passive Involvement** 



# MANAGEMENT CHALLENGES

Skills Deficiency: Pareto principle

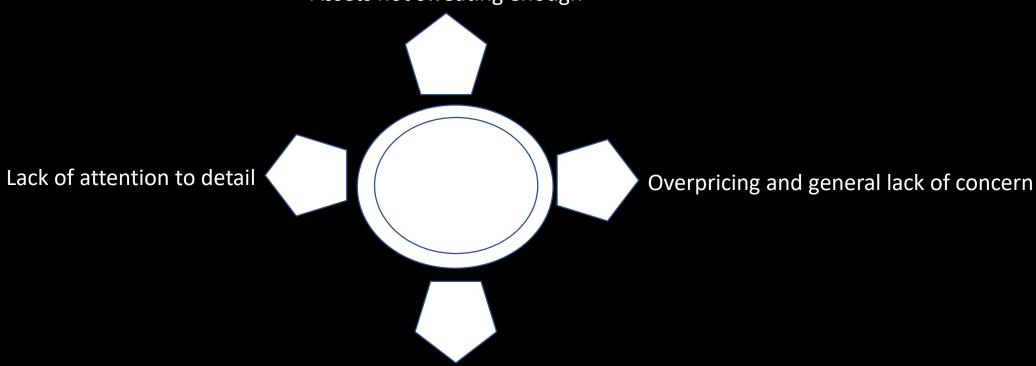


**Excessive Management Turnover** 



# **OPERATIONAL FAILURES**

Assets not sweating enough



Administrative Inefficiencies



# Great to speak to you this morning.



#### Performance related

- Inability to hit core targets
- High level of staff turnover and/or recruitment problems



#### Poor public/press image

- Poor working relations with media
- Poor working relations with external stakeholders



#### **Financial**

- Poor financial control
- Financial holes or Unexplained deficit
- Capital and financial solvency issues.



#### Managerial

- Stagnating management
- Employee distrust/ internal conflict
- No visible managers in organization
- Lack of teamwork
- Centralized decisions made behind closed doors



#### **Behavioral**

- Low staff morale
- Ignoring problems
- Blames for problems placed on others
- Loss of reputation/ no pride in organization
- Low level of expectation