



**FINAL REPORT**  
**SKILL GAP ANALYSES - CMAM**

14-03-2010

LOD-Consultoria  
Maputo

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## ANNEX

Annex 1: New Organization chart CMAM (proposed)

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## 1 INTRODUCTION<sup>1</sup>

The Central de Medicamentos e Artigos Médicos or CMAM is the MOH department which is responsible for the procurement, importation, warehousing and distribution of medicines used by the Public Health System.

With the Zimpeto warehouse completion date approaching, SCMS was requested by CMAM to a) provide technical assistance to review their current warehouse operations, b) prepare a gap analysis focusing on infrastructure, staffing, processes and systems, and c) develop a plan of action for a successful move to Zimpeto Central Warehouse and future management of this state-of-the-art warehouse.

Two supply chain professionals with expertise in warehousing and distribution traveled to Mozambique from August 18-September 5, 2008, to conduct the above scope of work. The assessment resulted in a Plan of Action divided in three phases: 1) An emergency correction plan to kick start the improvement process, 2) a call to action to facilitate the move to the Zimpeto location and 3) development of a Pharmaceutical Logistics Master Plan (PLMP) that will allow CMAM to establish itself as an effective and sustainable operational entity.

His Excellency, the Minister of Health, as an integral part of the PLMP development process, requested a skills assessment to be undertaken of the CMAM staff at all levels. This skill assessment will enable the MOH to build on the findings of the September 2008 Assessment of the Warehouses and Operations of CMAM, for Operational and Physical Enhancements, and to approach the implementation of the re-designed supply chain of medicines laid out in the Pharmaceutical Logistics Master Plan in a holistic manner to increase performance, achieve efficiencies, and sustainable results. The main objectives of this assessment are:

- 1) To assess the current human resources situation of CMAM;
- 2) Ascertain the future needs in terms of human resource capacity taking into consideration the new and approved organigram;
- 3) Establish the possible gap between current available human resources and the human resources needed to adequately fill the staff positions in the new organigram.

The new organigram reflects current and the future activities and responsibilities of CMAM as envisioned in the PLMP. The assessment will assist the placement of staff into positions suitable to their current skills. A by-product will be the determination of

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<sup>1</sup> Terms of Reference

the training requirements for those staff deemed suitable for training in the areas specified as being important for the future success of CMAM.

For this purpose a specialist human resources organization, LOD Consulting, was contracted by SCMS, to gather recent CVs of all CMAM staff, establish areas of perceived competence through a self evaluation questionnaire, and carry out staff interviews with all staff. The direction of the interview or the positions for which each individual was interviewed depended on the results of the self evaluation form, past experience, schooling the current job position and the requirements of the new position. To be able to interview staff for a specific position detailed Terms of References and profiles were developed for all positions. On top of that the interviewees were requested to participate in various logic thinking and competence tests. This report is the final deliverable and documents the assessment tests/interview results, gap analysis and general recommendations for implementation of the new organization structure in light of the current Human Resources available.

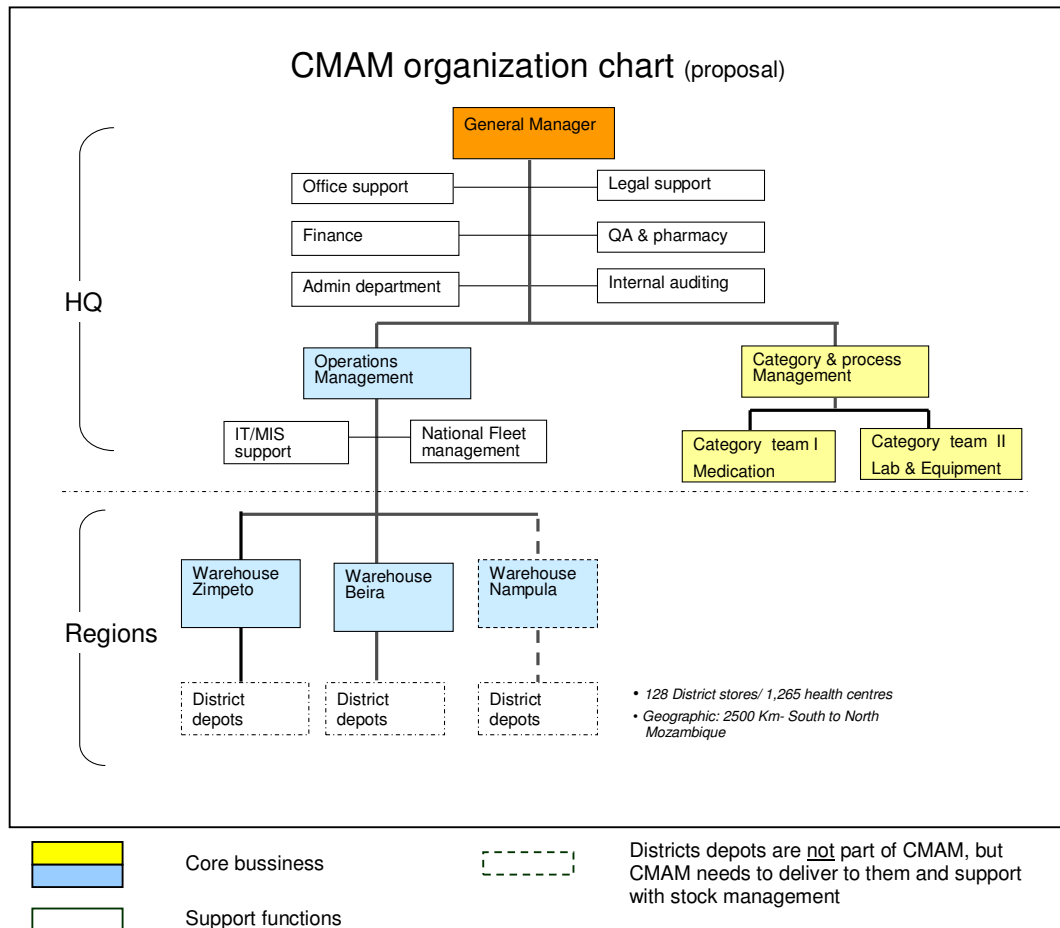
### 1.1 ***CMAM's new organization chart***

In order to meet the needs of the Mozambican Health Commodities Supply Chain (MHCSC) as envisioned in the PLMP, the organizational capabilities of CMAM have to be strengthened and the appropriate human resources secured, to ensure that the planned development results in a sustainable and responsive supply chain.

SCMS provided, at the initial stage of the project, a draft organization chart for the new CMAM, which had received approval by CMAM and which served as input for the development of the job descriptions. Over time adjustments have been made and some adjustments might still have to be made by the time the new organizational structure is implemented. A detailed overview of the updated organizational chart is presented in annex 1.

The below graph illustrates the *overall* operation, with the two *Core business activities*: a) Operations management and b) Category and Process management.

The *support functions*, Finance/Admin etc, are illustrated left and right of the vertical operational line, to illustrate that they are expected to offer professional support to the two Core activities, so they are enabled to perform well. The support department reports hierarchically to the General Manager.



Even though the chart might not appear complex, the operation is very complex taking into account that it has to supply *128 District stores / 1,265 health centers* across Mozambique (2500 Km South to North), with the required products, in a timely manner and ensure accurate inventory management to minimize expiry of stock and stock outs. CMAM is expected to manage between 100 and 200 million dollars/year in pharmaceuticals and reagents and up to 31 million dollars of additional capital investments (warehouses, equipment and transport means) in the next 5 years. To manage this operation effectively and professionally the yearly operational budget will need to be between 6.75 million usd (2010) and increase to 11.3 million in 2014<sup>2</sup>. This needed increase reflects the continuous growth in operations and new warehouses coming online in the near future.

It is evident that an organization of this size, complexity and “turnover” needs to be managed in a highly effective and efficient way. Sub standard quality operations will lead to loss of product and loss of lives.

<sup>2</sup> PLMP Budget – PLMP

The most important factor which will influence the quality of the services provided by CMAM is undoubtedly the quality and management of the work force. CMAM can only operate at acceptable standard with highly experienced, capable and willing work force. The current move to a new modern warehouse environment in Zimpeto with modern warehouse management equipment and systems and necessary new processes has accentuated this need. Appropriate human resources are key to CMAM's ability to manage this warehouse and achieve good results.

Paragraph 1.1.1 will give in more detail with regards to the challenges that CMAM is facing.

### **1.1.1 *Outline of the Projected CMAM Operational Environment***

The below mentioned factors/context have been taken into account when drafting the new Organizational structure. When assessing the need for qualified and experienced staff, these are to be taken into consideration.<sup>3</sup>

- a. CMAM will be managing the receipt; handling; storage and distribution of some \$100 millions of dollars worth of pharmaceutical commodities and laboratory reagents every year. As the country works to reach the WHO minimum investment to \$10 per capita, then the physical and financial management needs will increase to \$200 million. This value excludes the value attributable to the programme products that CMAM will also be required to handle and manage.
- b. CMAM, in accordance with proposed supply chain, will operate three central warehouses to "center of excellence" standards to support the active distribution of health commodities to the district stores and health facilities of the country.
- c. CMAM will deliver directly to 124 district stores; 7 Provincial warehouses (DPMs) that will become cross-docking operations, and also directly to 12 of the largest hospitals.
- d. There are currently 1,265 health centers which have to be serviced on a monthly basis. This number is planned to grow and therefore the supply chain has to be designed and developed to match the growing needs of the health facilities.
- e. CMAM, also as part of the proposed supply chain, will be responsible for control and operation of the national fleet that will deliver the health centre stocks and supplies. Over a five-year period this number of vehicles will increase and will eventually involve the national management of 124 vehicles ranging from trucks to smaller delivery vehicles. Separately CMAM will need to manage a contract with a 3<sup>rd</sup> party logistics provider for long haul and bulk transport in country.
- f. The investment in infrastructure, comprising of new warehouses; trucks and vehicles; Adjustable Pallet Racking (APR) and shelving; Materials Handling

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<sup>3</sup> CMAM PLMP presentation to Provincial Directors meeting Dec 2009; CMAM Infrastructure report 10<sup>th</sup> June, PLMP projected 5 years Cost matrix for CMAM and its supports

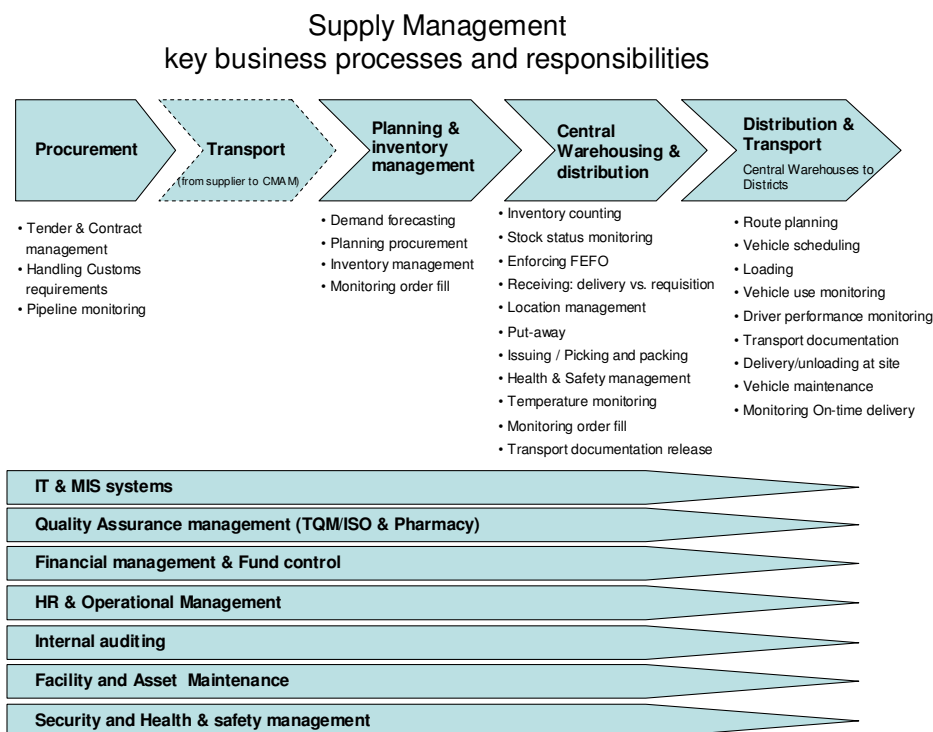
Equipment (MHE) Fire Suppression equipment; Warehouse Management Software; LMIS Computerization, pallets and security systems and various other equipments will also have to be managed effectively by the CMAM management. This will involve the management of some \$31 millions of investments from 2010 to 2014.

- g. The cost of running an effective organization to meet the needs of the proposed supply chain and one that employs the correct level of qualified and experienced personnel, grows from \$6.75m in 2010 to \$11.3m in 2014 as the new warehouses are implemented, the roll-out of the DDM implementation takes place, and the commodity needs of the health centers are met.
- h. CMAM will also be responsible for ensuring that the monitoring and evaluation of all the inventories and their integrity within Mozambique, is carried out on a periodic basis to ensure that the reported stock and consumption data is accurate and SOPS are followed. This will guarantee that the re-supply of essential drugs, medicines and commodities matches the needs of the end-users.
- i. CMAM will be responsible for decentralized maintenance and operational budgets at the cross docking and DDM level. The daily management of the funds will be in the hand of the provinces/districts but CMAM needs to have sufficient staff in place at the central level to monitor and report on the expenditures.

## 1.2 CMAM's key business processes and key responsibilities.

To ensure a shared understanding of the supply chain and the key responsibilities within CMAM, LOD Consulting drafted a graph to illustrate the key business processes and key responsibilities.

See below a graph of CMAM's future supply chain (including the responsibility for the fleet management of 124 vehicles)



## 1.3 Required competencies: Job descriptions & Job profiles

In order to meet the needs of the Mozambican Health Commodities Supply Chain (MHCSC) the current organizational capabilities of CMAM have to be strengthened. To assess the skill gap between current competencies and competencies required for a more efficient and effective organization, detailed job descriptions as well as job profiles (annex 7) were developed for the positions within the new organizational structure. These were used as guidelines for the individual interviews.

LOD utilized the NVQ/SVO National Occupation Standards (UK) for *Warehousing & Logistic management*, as reference for the development of the job descriptions and job profiles related to Warehousing and Logistics.

For the development of solid job descriptions and job profiles for the positions within the Support departments, such as Finance/HR/Auditing etc, the consultancy



obtained reference material from comparable positions within other organizations in and outside Mozambique.

The job descriptions and profiles have been provided in English to SCMS (annex 7). SCMS has given technical input and is responsible for the translation into Portuguese. The translated versions will be reviewed by CMAM and after that considered the final version. The translation and reviewing process is ongoing.

#### 1.4 **Competency Assessment of CMAM's staff**

To enable the consultant to obtain a good understanding of the experience and capabilities of the staff, the following steps have been taken:

- a. All staff (total of 115) drafted their Curriculum Vitae, as per the template provided by LOD-consulting. See annex 4
- b. All staff filled in a Self-Evaluation questionnaire (see annex 5), to score their knowledge & *experience* with the set of tasks within the Supply Chain (general management, procurement, planning, warehouse management, transport, maintenance, finance, administration, IT, cleaning, gardening, etc.). Experience was key, since the job profile would require experience and not just theoretical knowledge (obtained at school or university)
  - Depending on the work experience as indicated in the CV and the results of the self-evaluation questionnaire, the interview would be oriented towards 1 or sometimes several positions (maximum of three).
  - If during the interview it became clear that a person with a higher degree (eg University or Master degree) had limited/insufficient capabilities for the identified positions, the interviewer did not explore possible matches for positions that would require a lower level education e.g.: data entry clerk.
  - The only exception would be in cases where a candidate had only recently obtained his/her University degree, had little to no work experience and was already placed in a senior position. If the interview would highlight that he/she did not yet have the skill set and experience for a similar senior position, he/she would be considered for a lower (supervisory) position. This in line with the fact that *freshly degreed students would never occupy a senior position* in a normal career progression.
- c. A total of 115 staff were interviewed for one hour by one of LOD's consultants, utilizing the new job descriptions & job profiles as guideline to explore the candidates competencies.
- d. The interview resulted in a Job match score between **0 to 4**, indicating the candidate's ability to perform in the position(s) for which he/she was interviewed:
  - A score of **3 and higher** would indicate that the candidate should be able to perform well and without daily supervision or coaching of a senior specialist/manager within the new CMAM.

- Candidates for Senior Management positions, Middle management/supervisory positions and specialist positions, with a score **between 2 and 3**, can be considered trainable, under the assumption that they would be offered appropriate management/coaching and the required formal training.
    - Candidates with scores **lower than 2** were not considered adequate since CMAM has to ensure it has the staff in place that can support CMAM to achieve the required transformation, so it can meet the needs of the Mozambican Health Commodities Supply Chain (MHCSC).
  - Candidates for semi-skilled positions, such as Inbound & Outbound data entry clerk, with a score **between 1.5 and 3**, would be considered trainable, under the assumption that they would be supervised and coached by a highly competent manager, and would be offered the required formal training. People can within a relatively short period of time be trained up for this kind of position, if the candidate has the basic competency profile and the required work ethics.
  - Candidates for un-skilled positions, such as servant and carrier/picker, with a score **between 0.5 and 3**, were still considered trainable, under the assumption that they would be supervised adequately and been given the required training. As mentioned above, people can quickly be trained up for these kind of positions, if the candidate has the basic competency profile and the required work ethics.
  - Only if the candidate has the required professional experience, can show the results/impact of his/her work, and identify his/her added value for CMAM, the candidate would be considered to be able to perform well in the specific position.
  - Having solely theoretical knowledge of certain concepts/areas, does not indicate a candidate's capability to perform well in a *Management or Specialist position*. It would only indicate basic potential for a junior position.
- e. Depending on the results of the Self-Evaluation questionnaire and the CV content, candidates were identified for only one test or for two or three short tests: logic thinking, basic Excell skills, basic English skills (See annex 6).
- The tests would give some additional information with regard to skill set and indicate, to a certain extend, trainability;
  - To avoid extensive costs for relatively easy tests, SCMS accepted to use tests which were commonly used by LOD-consulting, within its selection process. .

The information obtained from Interviews and tests were processed in an Excel spreadsheet to obtain a *Job match overview*. See annex 2.

## **1.5 CMAM- Staffing GAP analyses**

The results of the “Job match scoring” were utilized to identify to what extent CMAM has sufficient candidates for the new organization (staffing gap analyses) and for which positions urgent recruitment is required.

## 2 RESULTS

### 2.1 *Results of Self-evaluation questionnaire have limited validity*

It needs to be mentioned that staff in general overrated themselves, and/or did not take the questionnaire seriously (they rated themselves as good/excellent in areas where they had no prior experience at all).

The self-overrating was in many cases a consequence of a) having a weak frame of reference for what “excellence” means, b) considering that theoretical knowledge obtained in University made one “excellent” and c) not having read that the questions asked for proven *experience* not just theoretical knowledge of the concepts.

During the interview the candidates were challenged to “defend” their scoring by giving concrete examples of their professional experience in that area, to get a more valid view on their experience and draw conclusions of their actual competence in specific areas.

### 2.2 *Tendency to avoid responsibility for “performance results”*

Candidates for specialist and managerial positions were challenged to *identify* their *contribution/added value* to CMAM and identify what they would change if they had the power to improve the performance of CMAM. Only a few could respond adequately to these questions and those who couldn’t often became slightly defensive. Especially those who had been responsible for key positions in the Warehouse in Matola (ADIL), tended to deny any responsibility for the status that the warehouse was/is in. Although evident that there are physical factors which do not allow the warehouse staff to perform to the desired standard, there are significant practices in other areas which are in the area of influence of the employees. The lack of use of stock cards or not applying the principle of First-Expiry/First-Out was not considered by staff a personal performance failure. Only after challenging the interviewee and going deeper into the subject, some opened up and showed the willingness to assume that they did not yet have the required capabilities to execute the required tasks.

### 2.3 *Job match score and time period required to train/coach*

The detailed result of the Job match scores are presented in annex 2. As mentioned before, some candidates were interviewed for more than 1 position, based on the information in their CV and their self-evaluation questionnaire.

As mentioned in Chapter 1, a Job match score of 3 and higher would indicate that the candidate should be able to perform well and without much daily supervision or coaching of a senior specialist/manager. The score would be captured in the general overview and for those considered trainable in the limited time that CMAM has to implement an organization that can meet high performance standards an

indication is given with regard to the length of time that it might take to groom people for the position. See table below as an example.

Name of staffmember	Current position at CMAM	Work-place	Applied Tests	Interviewer	Job option 1	Job Match Result	Duration Coaching & formal ducation (estimation)	Job option 2	Job Match Result	Duration Coaching & formal ducation (estimation)
Employee 1	Técnico Administrativo	Maputo	Mini IQ, Ingles, excel	Gabriela Carneiro	Assistente Administrativo	1.8	3 meses			
Employee 2	Administrativa	Sofala	Mini IQ, Ingles, excel	Massalia Zoé	Assistente Administrativo	1.8	3 meses			
Employee 3	Administrativa	Beira	Mini IQ, Ingles, excel	Gabriela	Assistente Administrativo	2	3 meses	Oficial de RH	1.6	NA
Employee 4	Agente de Serviço	Maputo	Mini IQ, Ingles, excel	Gabriela Carneiro	Assistente Administrativo	2.2	3 meses			
Employee 5	Técnico Administrativo	Maputo	Mini IQ, Ingles, excel	Massalia Zoé	Assistente Administrativo	2.2	3 meses			
Employee 6	Técnica Administrativa	Maputo	Mini IQ, Ingles, excel	Massalia Zoé	Assistente Administrativo	2.4	3 meses			
Employee 8	Administrativo	Sofala	Mini IQ, Ingles, excel	Massalia Zoé	Assistente Administrativo	2.6	3 meses			
Employee 9	Técnico Profissional em Administração	Maputo	Mini IQ, Ingles, excel	Gabriela Carneiro	Assistente Administrativo	3	1 mes	Oficial de RH	1.3	NA
Employee 10	Técnico Administrativo	Maputo	Mini IQ, Ingles, excel	Massalia Zoé	Assistente Administrativo	3.1	1 mes			

## 2.4 Relatively low job match scores

The majority of CMAM's current staff does not yet have the required competency profile for the positions within the new CMAM organization. Only very few have a Job match score of 3 or higher (which would indicate a good Job match). The detailed results are presented in annex 2.

Of the total of 115 who were interviewed only 7% scored a 3 or higher (Job-Match) and 79% is considered trainable. However, of these 79% a total of 37% are identified for positions such as carrier, servant, gardener! This percentage is not surprising since 42% of the 115 staff members, occupies at CMAM a position of "Agente de serviço" being Servant and/or Carrier. This leaves around 47% trainable for semi-skilled positions such as Admin clerk, Data entry clerk, Drivers, In/outbound clerks, and around 16% for skilled (eg Accountancy, IT), supervisory, specialist and managerial positions within the new Organization structure. Having said that, the majority of these 16% need professional job related training for a period of 6 to 24 months.

The low scores are in many cases a result of inadequate management, inadequate HR management and insufficient means to perform well in the job. Paragraph 2.4.1 will provide some more details.

### 2.4.1 Reasons for low Job match scores

Majority of CMAM's current staff has a low Job match score as a result of:

- a. **Insufficient professional work experience (across the organization).**
  - Many of the key positions are staffed with juniors which shows inadequate HR management decisions.
  - These juniors were **not set up for success**, since they were managed by superiors, who also had insufficient professional experience in the area and

they were not given the infrastructure, software systems and standard operating procedures (SOP), and required supervision to perform.

- b. **Insufficient or no experience with several of the responsibility areas as defined in the new job descriptions.** The content of the new job descriptions appears much more complex and/or much broader than the content of their current jobs;
- c. **Changes in the responsibilities of CMAM in the last few years.** CMAM assumed operational responsibility for warehousing and distribution without acquiring additional logistics management and operational staff;
- d. **Insufficient or no experience in reporting on key performance indicators,** relevant for the specific job;
- e. **Insufficient authorization to take the required measures (operational decision making).** E.g: Managers appear to have no say in who will be placed in their department and have to stay with a person even if he/she clearly lacks the required competencies.
- f. **Insufficient means to perform well** (e.g: Warehouse shelving systems, Material Handling Equipment (MHE), stock management software). This factor is improving rapidly with the go live of the new Zimpeto warehouse and future planned investments in infrastructure.
- g. **CMAM as an organization is lacking sufficient authority, independence and flexibility with regards to expenditure of funding.** This also has a negative influence on the performance of the staff and organization.
- h. **Insufficient or no experience with job specific software** (e.g: Primavera, space planning, supply planning, stock management, etc.)
- i. **Insufficient computer & Outlook skills** Even university degreed people at CMAM have very limited computer skills. E.g: many did not pass the basic excel test and majority does not know to *sort* data in Excel. Majority lacks the skills to use Outlook in an adequate manner. E.g.: Creating folders inside the Inbox & Sent box and archive emails in these folders is unknown to the majority of the CMAM staff.
- j. **Insufficient English skills.** Even university degreed staff, in positions that require international contacts, have very limited English skills. Besides the need to interact with non-Portuguese speaking suppliers/partners/donors, many staff will need advanced English skills to be able to participate in professional courses, since most courses in Supply Chain Management and TQM/ISO are given in English.

## 2.5 Trainability for the position

A job match score of 3 or higher, indicates that the person should be able to perform well, but he/she still might need some specific short-term job training (e.g.: MACS warehouse management software).

Candidates for **Senior management positions, Middle management and Specialist positions**, with a score lower than 2 are at this stage not considered as adequate candidate. It would take several years and an excessive investment to train this person to the required level. Exception has been applied for juniors who were too quickly placed in management positions, and consequently scored insufficiently. Several have been considered for certain Supervisory positions, of a

less complex level, since such placement fits within in a normal career progression path for staff with their competency and experience profile.

Candidates for **Semi-skilled positions**, such as Inbound/Outbound data clerk, are considered trainable, if job match score is between 1.5 and 2. This type of positions require much less education/training than the above mentioned key positions.

Candidates for **unskilled positions** are considered trainable even if score is between 0.5 and 2. These types of positions (e.g.: manual laborers, cleaners) don't require long term training. Performance has more to do with personality/behavior and adequate supervision.

### 2.5.1 Test results

The test results (logic thinking, basic English and basic Excel), were used as an indication of current skills, since these could not be deduced from the interview. The results would give an idea of a person's ability to deal with information using logic and deduction, understand basic English and/or do basic work in Excel.

The tests used were designed for a basic level and those in Managerial/Supervisory and/or specialist positions would be expected to perform very well on these. For the execution of Managerial/supervisory positions many of them would be required to have advanced English comprehension and advanced Excel skills. (Find in annex 6 the complete set of Tests. They were in Portuguese except for the English comprehension).

#### A) Logical Thinking Test:

The candidates were given 8 different types of multiple choice questions, which ranged from identifying a synonym for a word, seeing number sequence, finding the answer to a syllogism, giving an analogy, making calculations, identifying shapes in a 2 dimension design.

#### B) English Comprehension Test:

The candidates were given a short resume of a conversation between 2 staff members of a supplier of merchandize. They were given 5 multiple choice questions with regard to the content of the conversation.

#### C) Excel tests

The candidates were requested to make a table, with numbers as per example. From there they were expected to sum up the values ( $\Sigma$ ), make a multiplication between 2 cells ( $A*B$ ), and make a basic graph. The files had then to be given a name and saved on a flash drive.

## 2.5.2 Staffing- gap

The new CMAM is expected to manage between 100 and 200 million dollars/year in pharmaceuticals and up to 31 million USD of capital investments (warehouses, equipment and transport means). To manage this operation effectively and professionally the yearly operational budget will need to be between 6.75 million USD (2010) and increase to 11.3 million in 2014. This needed increase reflects the continuous growth in operations and new warehouses coming online in the near future.

It is evident that an organization of this size, complexity and “turnover” needs to be managed in a highly effective and efficient way. Sub standard quality operations will lead to loss of product and loss of lives.

As indicated earlier, this is a complex operation which requires experienced, competent, motivated staff.

Within CMAM’s new organization chart only around 38% of the positions are similar to those within the current organization. The remaining positions, essential for a professional operation of a warehousing and distribution organization, are new to the organization, e.g.: Maintenance, Route planning, Inventory management, Fleet management, Organizational Quality Assurance (TQM/ISO), and Financial control (not just fund management). Even though we tried to find possible candidates for these positions amongst CMAM’s current staff, this was not possible. It will therefore be required to recruit either within the Ministry or outside, for as long as the job profile is utilized as selection criteria.

CMAM will be able to fill up to **64%** of the positions with its current staff, majority of which being unskilled and semi-skilled positions. The **36%** of the positions which cannot be filled are unfortunately the **key positions** that require a profound Technical knowledge eg. in Accountancy, IT, Procurement, Legal area, Inventory management, Fleet management, Quality assurance and the majority of the Supervisory and Managerial positions. For the majority of these key positions CMAM will need to recruit new staff since there are only few candidates (see annex 3.) When stating that 64% can be filled, it is under the assumption that solid Management/Coaching and formal training will still be offered for the position holders over the initial 6 to 24 months! The majority of the identified candidates within these 64% do not yet have sufficient knowledge and skills to enable CMAM to make the required organizational changes and perform to the desired standard without substantial external assistance from highly experienced professionals in key areas. As stated before only 7% of the current staff had a “jobmatch”, which means that they are expected to perform well in the identified job without much need for support or training.



### **3 RECOMMENDATIONS**

#### **3.1 Confidentiality of the results & need for implementation plan.**

##### **3.1.1 Confidentiality of the results**

We would advise that the results of the Skill Gap analyses will be treated with the highest confidentiality, to protect the privacy of the individual, show respect for the individual and avoid unnecessary labour tension stress and constraints to the implementation of the organizational change project. When offering copies of this report to 3rd parties, we would advise to provide a copy that gives the results, but *anonymous*, meaning that the results overview does not show the names of CMAM's employees.

Since the "Job-match" results are based on the new job descriptions (annex 7), which are linked to the new organization chart, we recommend that the individual results will only be provided after the new Organization chart has been approved for implementation, and in conjunction with a (draft) Implementation plan.

It is evident that it will do more harm than good if the results of each individual would be presented, if the new organization chart and the new Job Descriptions, would not be implemented.

Taking into consideration that CMAM already moved to their new offices in Zimpeto, end of December 2009, quick action is required to ensure that at least the organization structure for the warehouse operation will be implemented.

We therefore advise Management to develop rapidly a draft *Implementation plan*, which will allow to manage in a focused and measurable way the required organizational change for the first 3 to 6 months, while awaiting final approval of Ministry of Health for implementation of the new Organization chart, the Job Descriptions, processes and the work methods etc..

##### **3.1.2 Implementation plan (next steps)**

A (draft) implementation plan, should include:

1. An indication of the *phases* of the re-organization of CMAM towards the *new organization chart*, identifying which department will be implemented by when. E.g.: Firstly the warehouse, to be implemented by 1<sup>st</sup> of May 2010 (including recruitment for vacancies).
2. The "change management structure" and identification of the names of the people who would be a member of the "change management team". Any change process should ideally not be led just by the Managing Director.

- a. The change management team (CMT) oversee the *implementation* process of the new organization chart, introduction of new management information and warehousing systems, new SOP's etc. and monitor the *actual performance* of the new CMAM over the next 3 to 5 years to ensure that CMAM achieves its ultimate goal, *delivering world-class services to the its clients, the population of Mozambique.*
  - b. The change management team (CMT) should be end-responsible for selecting competent staff for the positions in the new organization chart. When deciding on which candidate could fulfill a certain position, the CMT should:
    - i. Keep in mind that CMAM is aiming at being a “world-class” operation, which requires staff with the required competences but also with the drive and eagerness to establish this.
    - ii. Compare the candidates profile and competencies against the new job description and job profile (Some might not yet have the required profile, but could be considered for a certain position if it is evident that he/she could quickly be groomed for the position )
  - c. The real challenge will be to create a solid Change management team (CMT). Ideally the team would be composed by knowledgeable professionals for each of the different business areas, with the required (hands-on) experience and who have the desire, vision and drive to make the required change happen within CMAM. Not being reluctant to make tough decisions and focusing on results.
3. Required Budget for the implementation of the new organizational structure, incl. staffing costs, equipment, running costs etc.
  4. Identification of the required external assistance (Interim management and/or specialized consultants for the specific areas)

### 3.2 A cost-effective solution: Interim managers & Expert consultants

Taking into account the rigorous changes that will need to take place over the coming 1 to 2 years, which include the recruitment of new staff, the introduction of new management information and warehousing systems, new SOP's, new processes, the need to use a more industrial standard of materials handling equipment etc, it is evident that the CMAM operations will require close monitoring and professional management by managers/specialists with the required competency profile.

Within the current context, CMAM is advised to consider “Interim management” for key managerial positions, and where appropriate contract consultants with expertise in a specific field. The difference between an Interim manager and a Consultant, ultimately, has to do with taking the responsibility to “make it happen”. Where the consultant advises/ develops, the Interim manager assumes the actual Implementation responsibility, which is the crucial part in most situations.

In many situations, such as is the case at CMAM, businesses did not have the required staffing capability to ensure adequate implementation of the required changes/improvements, and consequently the choice for a Consultant proved not to be a cost effective solution. The businesses ended up with manuals, reports etc. and insufficient actual improvement of the business results.

Over the recent years Interim management has therefore gained popularity and has been utilized by a variety of businesses, for different reasons. Many businesses used it in situations where a) *specific change* has to be implemented in *relatively short time*, and where the organization itself has *insufficient internal capability*, or b) in situations that required *rigorous change* and/or c) in situations where one of the key positions has become *vacant* and where a Interim manager will ensure continuation of the business while the organization is searching for adequate new replacement.<sup>4</sup>.

Like consultants, Interim managers provide:

- The latest thinking
- Short-term access to top management talent
- Strategic capability
- An independent eye
- The ability to fast-track a critical project

Unlike consultants, interim managers:

- Are a more cost-effective solution, hands on, with full responsibility,
- Are implementers as well as being strategists, analysts and planners
- Recommend and implement based on practical experience
- Personally deliver tried and tested solutions
- Are loyal to your business objectives – not their consultancy's objectives
- Are focused on your profitability – not their consultancy's profitability. They are not incentivized to sell additional services you don't need
- Are flexible to do what you need – not restricted to doing things the way their consultancy prescribes
- Have control over the budget
- Lead from the front
- Report directly to the Company
- Provide coaching and mentoring of existing staff

The success of an Interim manager is however very dependent on the individual's ability and experience. They may not always have the breadth and depth of knowledge available to a large technical consultancy. Careful selection minimizes this risk and where possible one should consider a “combi-approach”, utilizing Interim management in combination with Expert consultants.

### **3.3 Competency building within CMAM**

At this point in time, Mozambique does not yet offer professional education in many of the specialized areas critical for the functioning of CMAM, such as Supply

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<sup>4</sup> [www.executivesonline.co.uk/interim\\_management](http://www.executivesonline.co.uk/interim_management); [www.interimmanagementuk.com](http://www.interimmanagementuk.com)

Chain Management, Fleet management, Route planning, Warehouse Management, Inventory management, Procurement, Total Quality management (QTM).

Knowing this, it is essential that CMAM reinforces significantly its HR management and introduces rigid Performance management and solid Competency development programs. The paragraphs below give an introduction in effective Competency development approaches.

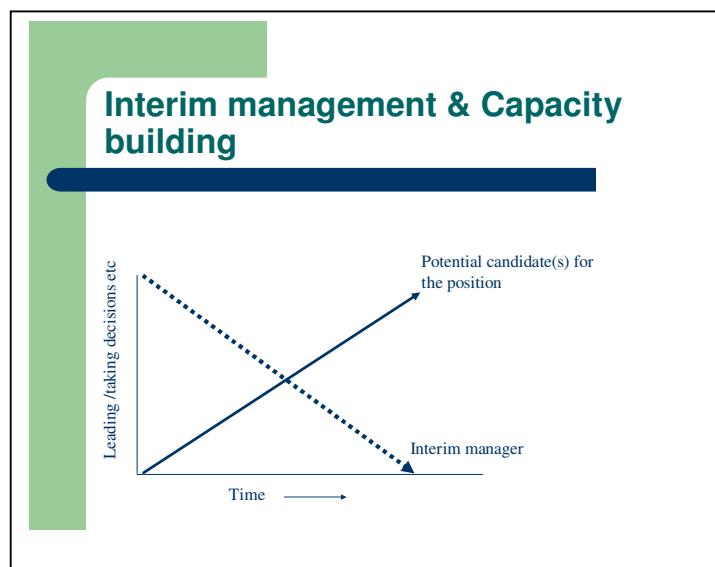
### 3.3.1 Interim manager & Successor development program

The appointed Interim manager(s) would be expected to “coach on the job” his subordinates, of which ideally some would be identified as possible candidates to take over his position (successor) within a X period of time. (e.g.: one to two years).

‘On the job coaching’ is one of the most effective skill development approaches and ensures results to the organization as well as the individual. Ideally the organization should produce a formal *Successor development plan* for possible successors. This successor development program would include on the job coaching, but also formal professional education (e.g.: Supply chain management, Fleet management, Route planning, Inventory management, Procurement, TQM etc.), short term courses, reading of specific literature related to the work, and a period of 3 to 6 months in which the candidate gains working experience in other departments, to ensure a broad cross- functional knowledge.

Halfway through the development program the Interim manager would stay more and more in the background and let the “Trainee manager(s)” take the lead (and the “heat”). The Trainee manager would remain more and more in the front line and expected/challenged to assume the responsibilities of the position.

A similar approach can be used in cases where a specialized consultant has been contracted and where he/she is expected to transfer certain knowledge/skills to specific staff.



### 3.3.2 Talent development program for prospect “high potentials”

To ensure that CMAM has an internal pool of possible candidates for future vacancies in supervisory, management or specialist positions, it is advised to introduce a HR tool which is commonly applied in many corporate organizations, often referred to as “Talent development program” or “High potential program”. These programs have different durations but, frequently take two to four years.

On a yearly basis each department manager would be requested by HR if he/she has any (junior) subordinates which could be considered “high potentials”, whom with a focused Talent development program could be groomed for Supervisory, managerial or specialist positions within the organization. The identified staff would go through a set of psychometric tests, interviews etc. to identify to what extent they were acceptable candidates for the Talent development program.

The HR responsible would, in cooperation with the head of departments, consultants etc., develop these Talent development program(s). The program would for example include gaining working experience in the different departments, specific specialized courses, visit/work in one of the businesses abroad. HR would keep track of the development of this prospect high potential, on a 3 or 6 monthly basis, requesting Manager(s) to evaluate the progression of the person on predefined criteria. Insufficient progress during X period of time would normally result in terminating the participation in the Talent development program.

These talent development programs don’t give any entitlement to the staff member to a specific position in the future. Placement will depend on his/her performance over the years and the actual availability of a vacancy. It does however benefits both parties, since the organization can fulfill vacancies rapidly with their own staff and doesn’t need to recruit outside and the employee has the unique possibility to participate in a great career development plan which will always be beneficial for his/her career.

Organizations which have implemented such development program sometimes loose promising candidates due to lack of vacancies, but that doesn’t outweigh the benefits of having Internal candidates for the key positions that come available over time.

### 3.3.3 Individual competency development plan for all staff

Taking into consideration that the majority of CMAM’s staff will need to increase its competencies, to ensure that CMAM will reach its ultimate goal, *delivering world-class services to the its clients, the population of Mozambique*, it is advisable that an *Individual competency development plan* is developed for all staff within CMAM, focusing on their actual job and some multi-tasking.

These competency development plans are normally part of the yearly Performance management process in which the Manager and subordinate review the past year and identify the areas for improvement for next year. However, one can also make a short term (ST) development plan for a specific employee during the year, e.g.: when a specialist consultant has been contracted to implement certain software or implement new procedures. The ST plan would in that case state clearly what the employee is expected to know/do within X period of time.

Effective competency management requires not only a pro-active and professional operating HRM department it also requires that Supervisors/Manager have a good understanding of the work areas, so they can evaluate the performance of their subordinate and identify the skills (or other aspects) that need improvement. The HR would gather the development requirements, and turn these into Individual competency development plans. These plans would not only identify the competencies to be developed, it would also refer to the methods by which the position holder would obtain these competencies: on the job training by a consultant/manager/college, doing a internship at another company, formal training, reading certain job specific literature, etc.

The HR manager would be end-responsible for identifying the Training/Educational institutions that offer required formal training, making the contacts for the Internships, defining the required development budget. It is evident that the HR manager can not be a specialist in all professional areas and will require input from the supervisor and professionals in the field when identifying the competency gap, the possible courses etc. The Individual development plan will eventually be finalized in coordination with the Employee, the Superior and the Department manager. The HR manager and as well as the immediate supervisor are responsible for monitoring the development plan and evaluating the results.

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