

Organizational Psychology & Poverty Reduction: The ADDUP Programme

(Are Development Discrepancies Undermining Performance?)

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ECONOMIC
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RESEARCH
COUNCIL

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Who Else We Are

Landlocked Economies

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Callist Tumwebaze & Matagi Leon, Makerere University Uganda

Island Nations

Glynn Galo, University of the South Pacific, Solomon Islands
Leo Marai, University of Papua New Guinea

Economies in Transition

Erhua Zhou, Huazhong University of Science & Technology
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INTER-DISCIPLINARY ETHOS:

Health, Education, Management, Economics, Geography, Dev. Studies, Counseling, Sociology,
Disaster Relief, and *I/O psychology*

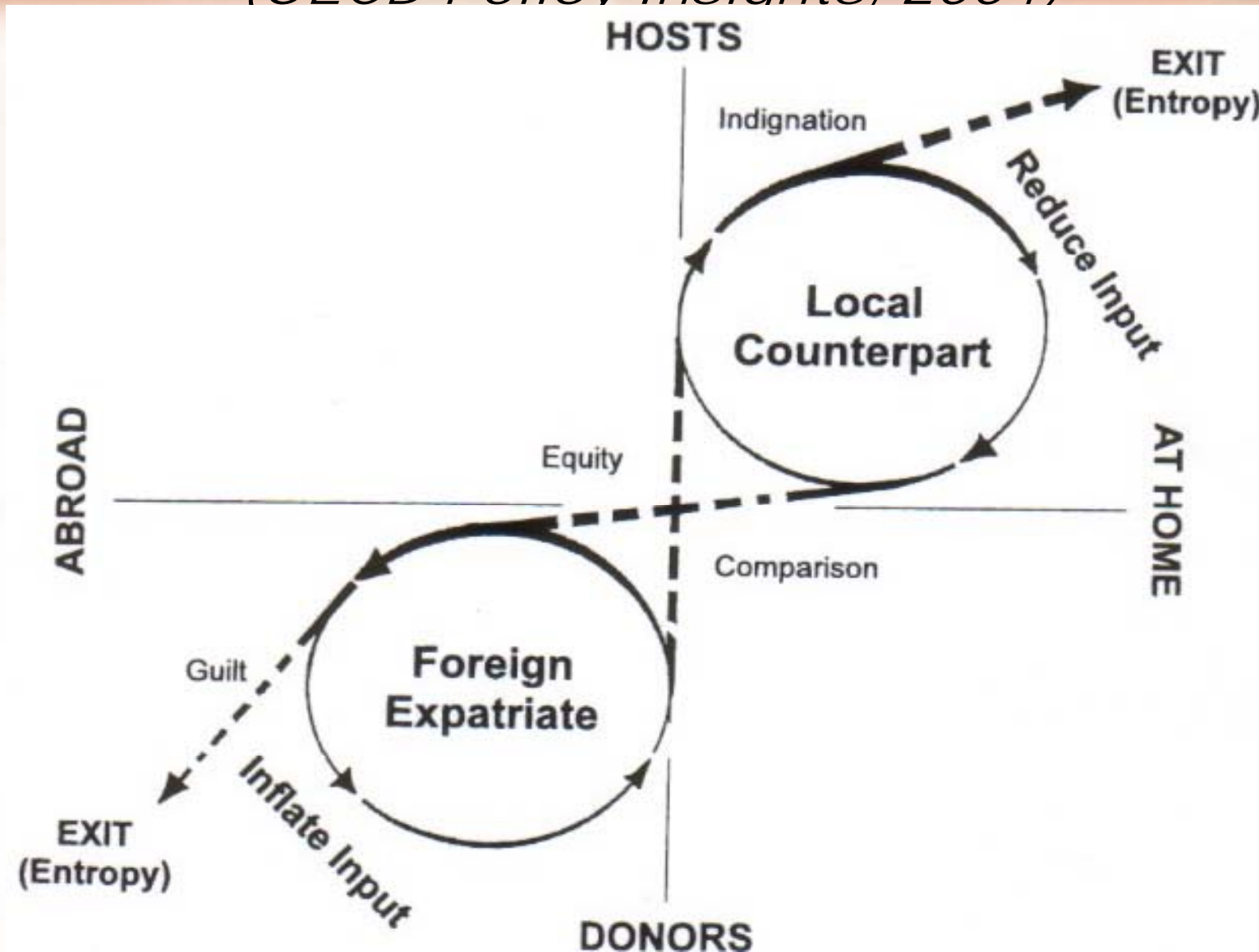
Aim and Objectives

- Address Elephant in the Room = pay diversity
(including all that it symbolises, is symbolic of)
 - Aid projects/capacity development work
 - Disaster relief
 - Peace keeping
 - Joint ventures
- Objectives
 - *Extent* of pay diversity?
 - *Coping* strategies?
 - Which ones *Work*?
 - Inter-disciplinary, cross-sectoral *learning* (Landlocked economies, island nations, economies in transition)

A Smidgeon of Development Theory

- Millennium Development Goals, MDG 1 – Poverty reduction
- A crucial role for “capacity development”
- In both not-profit and for-profit organisations (Manning, 2006)
- Paris Declaration (2005)
- (1) Harmonisation
 - Coordinated not competing donor provision
- (2) Alignment
 - Respect for local perspectives on real needs
- Extreme pay diversity arguably respects neither

Some I/O Theory: DOUBLE DE-MOTIVATION?
(OECD Policy Insights, 2004)



Initial probe: An Organisational Survey

	Expatriate	Malaŵian
<i>Items about foreign expatriates</i>		
Some expatriates on large salaries feel guilty because they earn much more than local workers	3.4	2.0
Expatriates are better employees than their local counterparts	2.7	1.6
<hr/>		
<i>Items about local instructors</i>		
Expatriates who work abroad should work under the same terms and conditions as local people	2.2	4.1
Most companies are unfair to their local employees	3.3	4.6
Local people are de-motivated by the large salaries that some expatriates earn	2.9	4.2

Scale ranged from 1 – 5, with higher ratings indicating stronger agreement.
All differences are statistically significant

And Expatriates on Local salaries?

- They realised that higher paid expatriates did feel some guilt
- They understood better that local staff were de-motivated
- They may have been better able to *share perspectives?*

Text from Oceania? Island nations

- E.g., The Solomon Islands (RAMSI)
- Two sides of the same (human factors) coin:
 - “Australians are coming in with a higher and higher and better lifestyle, making a lot of money...what RAMSI [Regional Assistance Mission to Solomon Islands] might get in one week is what Solomon Islanders might live on in a year...that’s just sure to engender some bitterness eventually” (Prominent Solomon Islands Church Leader, 2005)
 - “I was introduced to your work recently during a visit to the Solomon Islands, when an AusAID employee was talking about her experiences in this location, in particular her guilt regarding the gulf that exists between herself and the local islanders” (Senior Staff Counselling in Aid sector, March 2006)
- 2007: The debate continues, SICHE closed, RAMSI ‘under fire’, UPNG industrial tension (and goodwill)

Transition economies: China, hotels

- Research on pay disparities
- Leung, Wang & Smith (2001)
- Influences job attitudes
- And team cooperation
- Could be vital in cultural shock?
- Opportunity for Learning between aid and business sectors? (MDG 8)

A PROCESS

- Stakeholder model/Circular structure
- NZ pay scales (harmonisation and alignment?)
- Enrichment from diverse perspectives
- Year 1: Country site visits 1 (✓)
 - Landlocked economies: Malaŵi, Uganda
 - Island economies: PNG, Solomons
 - Economies in transition: China, India
- Delphi technique
- Critical Incidents and Online/paper surveys
- Year 2: Data gathering and analysis
- Year 3: Country site visits 2: Workshops
 - Include policy people *from the outset*
- **Joint ownership & dissemination, No “IP”!**

Post Site Visit – Some Prelim ‘findings:’

- Landlocked economies
 - Aid work, Health services, Multinationals
- Island economies
 - Higher Education
 - NGOs, e.g., HiV/AIDS
 - Mining sector
 - Peacekeeping operations (e.g., RAMSI)
- Economies in Transition
 - Industrial Joint/Multi-national Ventures (local-expatriate/local-local)

Some Draft Expectations

- H₁: In-country Replications - inter-individual & -group (DOUBLE DEMOTIVATION)
- H₂: Wage Trend Line Moderation (by pay category) (JOB DE-VALUATION)
- H₃: ⇓ Moderator = (Inter- and inter-group) Similarity (INVERSE RESONANCE)
- H₄: ⇓ Moderator – Transition economy (J-CURVE ~ [Davis, 1969])
- H₅: ↑↑ Virtuality (NEGATIVE PROPINQUITY)
- H₆: Distal Criterion – Wellbeing (Marai, 2003) (DOUBLE DEMORALISATION)
- H₇: ↑↓ Dissociative Coping in +ve Critical Incidents (SOLIPSISTIC COPING)
- H₈: ⇓ T1-T2 Exacerbation of DD (DOUBLE PYGMALION)

- Antecedent variable = pay discrepancy

Online Sample Reference:

MacLachlan & Carr (2005). *The Human dynamics of aid. OECD Policy Insights, 10*, <http://www.oecd.org/dev/insights>.