Practice & Career Management
10th October 2024



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ENHANCING ORGANISATIONAL CAPACITY FOR SUSTAINABLE DEVELOPMENT DURING CHALLENGING TIMES IN NIGERIA

PART ONE

In today's world, both developed and developing countries are focused on achieving sustainable development. It has become central to national strategies, shaping key decisions and guiding future goals. Sustainable development is now a fundamental principle embraced by organisations around the globe, enabling managers to prioritize social and environmental concerns alongside economic considerations.

Nigeria is a developing country well blessed with different cultures and ethnic groups, boasting of valuable natural resources like crude oil, Gold, Bitumen, Coal, Iron ore, tin, Bauxite, Tantalite, Kaolin, Gypsum and various precious stones etc. Yet, the country is currently experiencing economic difficulties.

The country's currency, the "Naira", has drastically lost its value vis-à-vis other foreign currencies, and this has drastically affected the supply and demand of goods and services. The prices of commodities are affected to the extent that average Nigerians can hardly afford to purchase the things they need for survival. This unfavourable economic atmosphere has negatively affected manufacturing and non-manufacturing companies in terms of the production of goods and service provisioning.

These difficult times have made the prices of commodities rise by up to 300% of their usual levels, leading to very high inflation. The country's economy is struggling, although both the Federal and State governments are seriously working hard to stabilize the economy and normalize both the cost and standard of living. However, as a result of the poor economic conditions, many organisations have been affected, forcing them to rearrange and

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reorganize their activities. Nevertheless, organisations are striving to enhance their capacity to sustain development during this challenging time.

What is Capacity Building?

Capacity-building is the process of developing and strengthening the skills, instincts, abilities, processes, and resources that organisations and communities need to survive, adapt, and thrive in a fast-changing and challenging world.

The goal of building capacity is to create pathways for sustainable development that meet the needs of the present without compromising the ability of future generations to meet their own needs. It is essential to incorporate indigenous knowledge and traditional skills in crafting strategies for sustainable development, ensuring a more holistic and inclusive approach.

However, organisations in Nigeria enhance their capacity for sustainable development during challenging times by focusing on several key strategies such as:

1. **Resource Allocation**

   Considering the trend of things in Nigeria today, organisations should ensure that they have the necessary financial, technological, and human resources (HR) to support sustainable development activities/operations. This involves companies engaging in different projects like investing in new technologies or reallocating existing resources to prioritize sustainability.

2. **Strengthening Human Resources**

   Human Resource Managers (HRMs) should create a suitable environment for training and development of the staff by providing continuous education and training programs to ensure employees have the necessary skills to address sustainability challenges which include technical skills, management skill and the knowledge of sustainable practice to maintain development in spite of the challenges in the country's economy.

   However, when the economy is bad and businesses face increasing pressure, the Management and HR will need to work in conjunction to continue to innovate, design, and develop new strategies to help the organisation survive by taking the following strategies.

   a. **Training and Development Programme**

      During challenging times, the management should invest in enhancing employees' skills through targeted training programs to improve their competencies and adaptability. Additionally, organisations should focus on leadership training for executives and managers. This training will equip them

with the skills needed to manage crises, make quick decisions, and drive change, to achieve the organisation's goals

b. **Workshops and Seminars:** Management and HR should regularly organize relevant workshops and seminars to increase skills and keep employees updated on the latest sustainable practices and technologies, which will eventually motivate them and increase their productivity towards the growth and development of the company.

c. **Online Courses and Certifications:** There are numerous online courses for which staff can enroll to upgrade their academic knowledge, and this will, in the long run, be beneficial to the organisation. Therefore, HR should encourage staff to take online courses and obtain certifications in sustainability-related fields.

3. Employee Motivation[2]

Employee motivation is the key driver behind performance, innovation, and overall organisational success. When employees are motivated, they become more engaged, productive, and committed, often going above and beyond to help the organisation achieve its goals.

In today's challenging economic climate, many organisations face significant difficulties, grappling with market uncertainty and volatility. Despite these challenges, it is crucial for companies to keep their high-performing employees satisfied and engaged to achieve better results and higher profits.

Recognizing and appreciating employees for their achievements is a powerful way to show gratitude and respect during tough times. Some organisations excel by offering comprehensive monetary and non-monetary reward package, while others attract top talent by emphasizing non-financial benefits in their reward system.

Maintaining employee motivation is often a complex task, influenced by a variety of challenges. These challenges can range from personal issues such as work-life balance and job security, to broader organisational changes like restructuring or shifts in company strategy. External factors, including economic downturns, technological advancements, and global pandemics, can also significantly impact motivation levels. Such situations can create uncertainty and stress, potentially leading to decreased motivation.

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[2] See, https://managementisajourney.com/five-ways-to-motivate-your-employees-in-troubled-times, accessed on 25th October 2024.

Fortunately, there are simple yet highly effective strategies that employers and HR can deploy to keep their team members motivated and thriving, even during tough times.

To keep employees motivated during tough times, management and HR should prioritize these five key strategies:[3]

a. **Clarify and Emphasize Purpose**: Management should try as much as possible to ensure employees understand the description and significance of their work and how their roles contribute to the organisation's overall goals and mission.

b. **Foster and Maintain Transparency**: Management should communicate openly about the company's situation and future plans to build trust and reduce uncertainty. The management should also ensure that employees are well-informed about the company's current situation and the efforts being made to avoid loss, retain clients, and maintain quality services or output.

c. **Recognize and Celebrate Achievements**: During these hard times, management should regularly acknowledge and celebrate employees' accomplishments to boost morale, motivation, and inspire sustained efforts.

d. **Provide the Right Support**: HR should try as much as possible to offer qualitative and necessary resources to help employees navigate and overcome challenges by all means in order to perform their best.

e. **Offer Flexibility**: Managerial heads should promote flexibility by allowing flexible work options/arrangements to help employees balance their personal and professional responsibilities effectively e.g., working from home.

Furthermore, management could explore the following ways to "motivate" employees in troubled times.

4. Leadership and Governance

Management should try as much as possible to develop a strong leadership mechanism that will guide the organisation and ensure the commitment of staff to their duties. This will help the organisation to achieve its goals and objectives. Managers, as leaders who employees look up to, should be adaptable, resilient, and capable of making decisions that align with sustainable development goals.

5. Innovation and Technology

[3] See, https://managementisajourney.com/five-ways-to-motivate-your-employees-in-troubled-times/, accessed on 25th October 2024.

Given the current unfavourable economic conditions in Nigeria, organisations should adopt technological solutions to enhance employee efficiency, boost productivity, and maintain quality service while reducing negative environmental impacts on both employees and the organisation. This can be achieved through the following steps:

a. **Adopting New Technologies**: Leverage technology to streamline operations, cut costs, and improve work efficiency. Tools such as automation, cloud services, and remote collaboration platforms can enhance resilience while minimizing environmental impact.

b. **Encouraging Innovation**: Foster a culture of innovation to develop new products and services that align with sustainability goals, ensuring the organisation stays competitive and relevant amongst its peers.

6. Strengthening Financial Management[4]

Financial management provides the foundation for business strategy and execution. It involves strategic planning, directing, controlling, reporting, and forecasting of financial activities within an organisation. Effective financial management is crucial to ensuring a company's financial stability, growth, and long-term sustainability at all times. However, as a business grows, financial management becomes more challenging and complex, thereby potentially preventing a business from gaining the clarity needed to make good decisions.[5]

6.1 Strategic Planning

This relates to the establishment of clear financial goals. Many businesses in Nigeria have acknowledged the need to set both short-term and long-term financial goals that align with the organisation's overall strategy, irrespective of the nature of the organisation's business or service rendered, as long as it aims to make profits. Consequently, it is essential for management or the head of finance to develop a well-structured strategic plan to address potential financial challenges, especially given the current economic downturn and its unfavorable impact on the business landscape. Below are some recommended strategic plans to address financial challenges:

a. Assessment and analysis of company's financial status

b. Budgeting and forecasting

c. Capital management

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4 See, https://peoplethriver.com/how-to-keep-employees-motivated-during-challenging-times/ accessed on 10th October 2024.

5 See, https://www.oracle.com/ng/erp/financials/financial-management-challenges/ accessed on 14th October 2024.

d. Risk management

e. Performance measurement

f. Communication and transparency

g. Continuous improvement

6.2 Effective Budgeting and Financial Control to Redress Inflation

Budgeting in times of inflation should be handled wisely. In light of the ongoing inflationary trends, which impacts companies and their budgets, it is essential for firms to reassess and conduct a thorough review of their expenses. By following these steps, firms can better manage their budgets and mitigate the impact of inflation:

a. **Expense Review:** Management should evaluate how much has been spent on goods and services to identify any significant changes. They should endeavour to analyze past expenditures to identify trends and areas where costs have increased.

b. **Cost Reduction by Identifying Cost-Saving Opportunities:** Management should explore practicable ways to reduce costs. If viable options are found, they should plan to implement these cost reductions throughout the year and incorporate them into future expense projections.

c. **Monitor Costs and Expenses:** Management and head of finance should carefully monitor key costs and expenses, regularly review and control expenses to prevent overspending, and identify cost saving opportunities. Firms should also pay close attention to shipping and material costs, as these can be particularly volatile.

   Additionally, internal audits should be conducted at intervals to ensure compliance with financial policies, and to identify areas for improvement to achieve the goals of the organisation.

d. **Scrutinize Non-Essential Spending:** Carefully examine all non-essential expenditures to ensure that every Naira is spent wisely. Employer/management should try as much as possible to scrutinize every non-essential Naira spent to ensure that the company's finances are used efficiently.

6.3. Financial Reporting

In the current economic downturn, organisations in Nigeria should prioritize accurate and timely financial reporting. This practice provides a clear picture of the

organisation's financial health, enabling management to determine profitability and make informed decisions regarding staff emoluments.

Additionally, transparency in financial reporting is essential. It helps build trust and confidence among staff and stakeholders, ensuring that all parties are well-informed and engaged.

6.4 Cash Flow Management

Managing cash flow involves tracking and controlling the inflow and outflow of money within a business to accurately predict future cash needs. This daily process includes monitoring, analyzing, and optimizing the net cash receipts after expenses. It is crucial to consider these aspects for effective cash flow management:

a. **Improve Receivables and Payables:** Companies should strive to enhance cash flow by implementing strategies such as timely invoicing, and efficient payment processing. This is especially important in the current challenging economic climate in Nigeria.

b. **Maintain Cash Reserves:** Given the essential role of cash in business transactions, firms need to maintain well-managed cash reserves. This helps manage unexpected expenses and sudden economic downturns effectively.

Conclusion

In a nutshell, capacity building for sustainable development plays a critical role in unlocking both material and human potential, while also fostering the ability to function as global entrepreneurs. It introduces an often-overlooked element in traditional capacity-building literature by encouraging collective awareness among scientists through self-reflection. Additionally, it offers practical, step-by-step guide to help individuals and organisations pursue integrity and sustainability.

In any development initiative, it is essential to consider all aspects of self-development, recognizing the interconnectedness of economic, scientific, technological, organisational, institutional, and human growth on the path to progress.

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