

# MANAGEMENT PRACTICES IN THE MANUFACTURING SECTOR IN MOZAMBIQUE



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## IN BRIEF

- » Poor management practices hamper the ability to innovate and react to new challenges and opportunities
- » Mozambican firms are ranked last in terms of management practices
- » The researchers used an interview-based evaluation to assess management quality of 108 Mozambican manufacturing firms
- » IPEME, the national institute for Small and Medium Enterprises (SMEs), have expressed interest in setting up a pilot project focusing on management practices in the construction sector

Poor management practices hamper the ability to innovate, exploit new technologies, and react to new challenges and opportunities. Among other countries surveyed, Mozambican firms are ranked last in terms of management practices.

This project undertook the first rigorous empirical analysis of the determinants of management practices and aimed to explain how management practices compare in Mozambique versus other African countries and other middle- and high-income countries. The researchers used an interview-based evaluation tool that defines and scores a set of 18 basic management practices from 1 (“worst practice”) to 5 (“best practice”) to assess the management quality of 108 Mozambican manufacturing firms.

The research found Mozambique to be at the bottom of the management index. Badly-managed firms seem to co-exist with well-managed firms, dragging down the country’s average management scores. Management practices in Mozambique appear to vary widely. Two factors appear to be determining the low management quality in Mozambican firms: the presence of high informational barriers, and low workforce skills.

The institute for SMEs in Mozambique, IPEME, expressed interest in setting up a pilot project focusing on management practices in the construction sector.