



INNOVATIONS FOR SUCCESSFUL SOCIETIES

GETTING REFORMS OFF THE GROUND: ROBERTS INTERNATIONAL AIRPORT, LIBERIA, 2006 - 2009

SYNOPSIS

When Ellen Johnson Sirleaf took office as president of Liberia in January 2006, just a few years after the end of a 14-year civil war, the nation's largest airport was in financial tatters. Roberts International Airport was deep in debt and reliant on government subsidies to operate, it had no auditable trail of revenues and expenditures, and it suffered from a bloated payroll, a severe skills shortage and a culture of corruption. The United States Agency for International Development had pledged support for Roberts, but corruption throughout Liberia's transitional government between 2003 and 2005 concerned the agency. Under the Governance and Economic Management Assistance Program (GEMAP), an agreement between international donors and the Liberian government, Liberian Alexander Cuffy, an internationally recruited financial controller, worked to stop the diversion of donor money from Roberts to private pockets and implement a system of controls to improve financial management. Between 2006 and 2009, Cuffy worked with Julius Dennis and Abraham Simmons, successive managing directors at Roberts, to implement a series of reforms to make the airport viable again. They established financial controls that helped bolster the airport's financial position, eliminated unnecessary workers, trained the remaining staff, wrote a complete operating manual, and purchased much-needed equipment with U.S. and World Bank financial support. With these reforms in place, Roberts met International Civil Aviation Organization standards, and U.S. regulators approved the facility to handle flights to and from America. This case illuminates some of the steps required to produce an agency turnaround in a post-conflict setting.

Jonathan Friedman drafted this case study on the basis of interviews conducted in Monrovia, Liberia, during June and July 2011. Case published October 2011.

INTRODUCTION

Jacob Corneh, chief accountant at Roberts International Airport, described the intimidation that financial staff encountered during Liberia's 14-year civil war. "The managing director just

walked to your office and said, 'Hey, you guys are in the finance section. You need to make such and such a thing available to these guys; they are going to the war front.' You dared not ask questions because the guy is there, fully armed,

and he is not alone. Maybe there are four or five persons,” Corneh recalled. “When GEMAP [the Governance and Economic Management Assistance Program, a joint effort between Liberia and the international community to reshape governance] came, we started seeing some changes.” President Ellen Johnson Sirleaf and GEMAP financial controller Alexander Cuffy met with Corneh and other financial staff to encourage them to stand up to their bosses and other colleagues when necessary to prevent the type of corruption that had plagued the airport during the civil war. The message, Corneh said, was, “We have the right, we have the power to say ‘no.’”

At one time, Roberts had been a source of pride for Liberians. Built by the U.S. government during World War II about 60 kilometers from Monrovia and subsequently operated by Pan American World Airways until 1984, the airport had hosted direct flights from New York and refueled planes headed for Accra, Nairobi and Johannesburg. In addition to being Liberia’s first point of contact for many international travelers, Roberts was also a key component of Liberia’s economic infrastructure, servicing cargo planes flying to and from the region.

When Johnson Sirleaf took office in January 2006, the airport was near financial ruin, with more than US\$500,000 in debt. Annual revenue of roughly \$4 million did not cover costs. Though operational with the support of government subsidies, Roberts was in dire need of emergency repairs to its infrastructure. Operating on a cash basis and having no system of accounting for income and spending, the airport’s internal structure invited staff corruption. A culture of corruption among airport staff, which had developed during the war, threatened to undermine reform efforts. The staff was nearly twice the size necessary to operate the facilities—a problem exacerbated by the wartime practice of using civil service positions as patronage. At the

same time, Roberts lacked the skilled personnel critical for successful operation.

In March 2006, Johnson Sirleaf appointed Julius Dennis as managing director to begin the process of reforming Roberts. Dennis had worked at the airport before the war, and during the war at various airports in the U.S., including in Minneapolis, Houston and Birmingham. He had joined the Johnson Sirleaf transition team in 2005 to help develop a strategy for the country’s aviation sector. Dennis served for more than a year until Abraham Simmons, an experienced aviation manager who had worked for U.S. aerospace firm McDonnell Douglas and the airline unit of United Parcel Service, succeeded him. As a state-owned enterprise, the airport was supposed to support itself financially, and airport management needed the approval of a board of directors—which included the minister for transport—for major acquisitions, layoffs and policy changes.

To support the managing directors, the Liberian government and international donors hired Cuffy. A Liberian who had studied accounting and management information systems, Cuffy left his job as manager for financial reporting systems at a specialty chemical manufacturing company in Minnesota to take the position in May 2006. When asked why he decided to return, Cuffy said he told people, “Because I wanted to come back to Liberia to help.” Cuffy worked under the auspices of GEMAP.

Under GEMAP, internationally recruited financial controllers and technical experts served at four state-owned enterprises and several government ministries to implement financial controls aimed at halting the diversion of donor aid money to private pockets. Under the transitional government between 2003 and 2005, corruption had taken such a toll on aid money that donors threatened to pull support if such controls were not put in place. In 2005, the

transitional government agreed to accept financial controllers appointed by a board that included representatives of countries that provided assistance. It also accepted rules and protections, which required the controllers to cosign all financial transactions.

Cuffy was the only Liberian hired as a GEMAP financial controller. He explained that his job was first to stop the diversion of donor money, and to then put in place a system of financial controls that would ensure better management for the future.

THE CHALLENGE

When the reformers arrived, Roberts International Airport was a management nightmare. A lack of financial accountability fostered endemic corruption, a faulty procurement system raised strong doubts about a planned US\$4.5 million infrastructure upgrade, the workforce was bloated and poorly trained, and the country's volatile political climate created uncertainties about efforts aimed at changing the airport's culture.

After Liberia's 14-year civil war, Roberts operated largely on a cash basis, with fees collected at the point of service and no oversight by revenue officials. Few, if any, of the airport's suppliers demanded payments by bank transfer. Operations, cargo and passenger-service staff collected fees from airlines, companies and passengers without standard documents that defined the basis for revenues. Often, Cuffy said, those revenues never made it to the accounting department. For example, cargo staff might submit a bill to a customer for \$1,500 and collect the cash directly, but write a duplicate bill for \$500 for the accounting department and deliver that amount in cash, pocketing the remaining \$1,000. Once revenues reached the accounting department, officials would offer the funds directly for expenditures rather than depositing the cash in the airport's bank account. Cuffy

estimated that for every \$10,000 collected by airport officials, only about \$2,000 was deposited in the bank. Simmons described it as "theft, pure and simple."

Faulty procurement practices contributed to the airport's deficit. Simmons said the airport had too many suppliers, supplies did not arrive regularly, and departments did not project what they would need and when based on past usage. There were no procedures in place to guide procurement practices, including how to identify potential suppliers or evaluate supplier credentials. There were no rules that set standards for invoices. Corneh recalled, "We used to do our purchases out of the top of our heads. You need this—run to Monrovia and buy it."

While corruption siphoned off the airport's funds, the new managers also confronted the high cost of a bloated workforce. Simmons said, "Over the years people had just been sent over there for jobs whether they were qualified or not." Pennoh Bestman, deputy managing director for administration in 2006, said successive governments and rebel groups added their own personnel at the airport unnecessarily. "During the incursions and the interim government, we had so many heads at this airport, and everyone that came in brought their own group," Bestman said. "We also had splits; three different rebel groups, and all three had their own heads at this airport." Roberts had roughly 450 employees—nearly twice the number needed to operate effectively, based on comparisons with other airports in the region.

The airport also lacked the capacity to train employees for the functions they performed. Corneh said that the people who worked at the airport received little guidance. There were no standard operating procedures. "We were basically using the textbook idea: Read the textbook and say, 'Yes, this is what you do, this is what you should not do.'" Dennis hired several retired technicians as consultants to the airport,

but recognized the need to train younger staff for the long term.

As the new managers pondered reforms that undoubtedly would affect many employees through layoffs, demotions and reductions in benefits, Cuffy said he was sensitive to the human dimension of what had to be done. “The job entailed removing bread from peoples’ mouths,” he said. In addition, significant staffing changes also might create troubles in Liberia’s turbulent political context, as staff members might summon help from the rebel factions that had installed them in their jobs. Cuffy said he and others feared reprisals. Further, corruption had so permeated the civil service in Liberia that reformers would have to work to change the culture at Roberts.

FRAMING A RESPONSE

When Dennis and Cuffy arrived in early 2006, they were not empty-handed. A year before, the World Bank had commissioned NACO-SSI, a Dutch consulting firm, to identify the emergency measures necessary for Roberts to meet International Civil Aviation Organization (ICAO) standards in three years, including the construction of new infrastructure, the formalization of standard operating procedures, and various security upgrades including improved fire rescue capabilities and X-ray machines. In addition to formulating a short-term plan, NACO-SSI had developed a 24-year master plan that envisioned the construction of a new passenger terminal to accommodate greater traffic and a second runway. In light of Liberia’s modest budget, the Dutch firm suggested that to implement the master plan, Roberts might bring in an international aviation firm with the capital to support large-scale investments. In addition to the World Bank-commissioned reports, the European Union hired auditing firm Ernst & Young to identify weaknesses in financial management and human-resource practices. Ernst & Young audited practices annually at

Roberts from 2005 to 2007, and its reports provided useful information for reformers.

With these reports in hand, the managers had a solid understanding of the challenges they faced and had a rough blueprint for reforms. They would have to put in place financial controls to improve revenue accounting and procurement, eliminate unnecessary staff and train the remaining employees, formalize standard operating procedures that followed ICAO regulations, and upgrade the airport’s infrastructure. Still, Cuffy noted that although the reports laid out what was needed, the documents were short on details. For Cuffy and his fellow reformers, “How?” was the crucial question.

In late 2006, Dennis and Cuffy began to review the reports, and Simmons extended the review after he took over as managing director in 2007. The U.S. Agency for International Development (USAID), along with the World Bank, pledged financial support for Roberts under the rubric of GEMAP, which included funding for Cuffy to hire consultants when necessary and for a permanent staff of two to support his work. In late 2006, Cuffy brought in Global Business Solutions, a U.S. management-consulting firm, to perform an organizational review to build on the findings of the Ernst & Young audit, and to identify best practices in revenue collection and procurement at other West African airports.

Cuffy and Dennis, followed by Simmons, revised the NACO-SSI proposal and found additional steps were necessary to achieve the three-year goals. USAID and the World Bank initially pledged more than US\$3 million to support reforms at Roberts and expanded their level of support to \$4.5 million after Cuffy and Simmons’ revisions were approved. These funds primarily supported acquisitions of equipment identified by NACO-SSI as needed, but Roberts would have to fund other measures out of its own budget as the airport’s financial position improved.

The reform team at Roberts was a mix of officials with aviation experience and others new to the field. In addition to Dennis and Simmons, who had decades of experience in aviation, Corneh had worked in the accounting department at Roberts since 1999 and was familiar with operations there. Cuffy, however, had no experience in aviation. To prepare for his post, he researched operations at other airports including those in Ghana, Nigeria, Gambia, Dulles Airport in Washington, D.C., and several smaller airports in Canada. He studied the way they structured their financial statements, the types of fees they charged, and how they implemented various infrastructure upgrades. He also tapped into the knowledge of Roberts' existing workers, including the fire services director, the head of maintenance and the technical staff. "I didn't have any technical knowledge of airports," Cuffy said. "I had to work with people. I did learn."

Although the reform team anticipated daily battles with staff accustomed to doing things a certain way, the team members always tried to maintain a focus on the long-term growth plan for Roberts. Simmons said, "You look at your operation; you know what has to be addressed today to make tomorrow happen. You look at all those things, and you hit them hard and do them as rapidly as you can. But you cannot keep your eyes off the long-term goal."

GETTING DOWN TO WORK

With the NACO-SSI and Ernst & Young assessments in hand, Dennis, Simmons and Cuffy set out to reach the goals of Roberts' three-year plan. They would put in place financial controls, overhaul the airport's human resource practices, and train and prepare airport staff to sustain reforms beyond Cuffy's eventual departure.

Financial controls

The first priority at Roberts was securing the revenue flow. Simmons said, "You can't do anything without money. People cannot be

coming to the airport and paying bills, and the money isn't accounted for."

Cuffy took the lead in delineating reforms to keep track of the airport's revenue flow, with support from Dennis and Simmons. After implementing emergency measures "to stop the bleeding," Cuffy said, he gradually introduced standard practices in revenue accounting. He wanted to set rules for revenue collection, get the right people collecting cash, and move away from the cash system. At the same time, he recognized that too much change too quickly could elicit a negative response from airport staff and potentially undermine reforms.

Recognizing that many airport staffers were collecting fees in cash at the point of service, Cuffy declared that all revenues collected by airport staff should be given to the accounting department by 9 a.m. the following day. All revenues had to be accompanied by deposit slips that required Cuffy's personal approval. With his cosignatory authority, Cuffy could refuse to endorse a suspicious deposit slip, and he could open an inquiry to determine if the worker had committed wrongdoing. Although Cuffy acknowledged that the procedure left room for misconduct, requiring that airport staff deposit funds quickly with the accounting department was an important initial step in the right direction.

To further reduce opportunities for corruption, Cuffy required airlines, rather than passenger service staff, to collect passenger service fees on tickets and deliver the funds to the accounting department. For other fees, including cargo and warehouse fees previously collected by cargo and operations staff, Cuffy required the accounting staff to collect money directly and input the data to an electronic system along with accompanying deposit slips, which he had to approve. By doing so, he eliminated the role of operations and cargo staff in collecting fees. Corneh said, "We abolished that. So we have the accounts department taking responsibility for that ... We make sure we capture all of our revenue."

While these measures slowed the airport's revenue leakage, Cuffy worked with airlines and businesses that brought in cargo through Roberts to deposit fees directly to Roberts' bank account. By 2009, all airlines that flew regularly to Roberts and all major companies that the airport dealt with received monthly invoices and deposited payments directly into Roberts' bank account. "We literally removed the collection of cash," Cuffy said.

In early 2009, after this first set of financial reforms, Roberts had an auditable trail of revenues for the first time in many years. Simmons required the accounting department to provide him with the airport's cash position on a daily basis and to validate the airport's bank position regularly. Simmons said, "Once the entire flow was validated, from the customer landing through money in the bank account, we were good."

However, securing the income flow was only half the battle in righting the airport's finances. Next, Cuffy took on the issue of spending, and the airport's procurement practices in particular. In 2005, Liberia had passed a Public Procurement Act, which provided a framework for reforms and required ministerial committees to review major acquisitions and concessions.

Simmons and Cuffy set out to improve procurement practices by identifying reputable vendors and winnowing its supplier list, setting up a regular schedule of purchases to eliminate intermittent supply shortages, and increasing competition among suppliers to reduce costs. Simmons and Cuffy reviewed all of Roberts' vendors, ranging from those that sold paper clips to those that provided heavy equipment, and asked the Ministry of Commerce for support in identifying trustworthy suppliers. They narrowed their list of potential suppliers by using the ministry's information on vendor size, products offered, and reliability. At this point, Simmons could negotiate lower prices. He said, "Once you consolidate your purchases you now have

negotiating power. That's what we did. So we reduced the number of suppliers we had and went from there." To save on the transport of goods to the airport, Simmons worked out an agreement with the Firestone Rubber Plantation located adjacent to the airport to coordinate deliveries from Monrovia.

With the top suppliers identified, Simmons and Cuffy instituted rules governing procurement. Airport officials were required to publicize purchases in local newspapers to encourage a full range of bidders. The official in charge of each purchase was required to produce invoices from at least three potential suppliers. After selecting the best candidate based on a combination of price and quality, officials would submit a purchase request to the airport's local controller, Cuffy's initial counterpart, and then Cuffy would have to sign the check. Both the local controller and Cuffy would review the invoices to ensure proper procedures were followed.

To enforce the new procurement rules, Cuffy went beyond reviewing paperwork. He sometimes accompanied airport officials during trips to Monrovia to pick up goods from suppliers. Often, Cuffy said, suppliers would offer airport officials "the usual 10%" on the side, revealing what had been common practice in procurement; airport staff would plead ignorance, he said.

Cuffy also cracked down on what he viewed as profligate spending and excessive staff benefits. He eliminated travel allowances for trips to Monrovia, which often totaled as much as US\$100, as well as weekly \$30 snack subsidies for group managers. He reduced the budget of the airport's public relations department and cut unnecessary costs from a nearby school that the airport supported. He also identified several accounting flaws, such as the airport's failure to include benefits as taxable income, which caused Roberts to underpay taxes to the Ministry of Finance. When this policy was corrected, personal income taxes for staff rose, adding to the

employees' unease with the developing reforms.

One battle Cuffy took on was the misuse of the airport's petty-cash system. Staffers were permitted to take no more than \$25 from petty cash for each need, but Cuffy found if they had expenses totaling \$75, many staff would simply go to petty cash three times rather than follow procurement procedures. Initially, Cuffy personally took over the petty-cash system and required his signature on all petty-cash vouchers. After three months, he transferred oversight to the accounting department. However, abuses continued and Cuffy had to take over the petty-cash system multiple times during 2006 and 2007. Changes to benefits and petty-cash procedures met significant resistance from airport staff, including Dennis, and were implemented fully only after Simmons arrived in mid-2007.

Optimizing capacity

When she took office as president, Johnson Sirleaf issued a general call across ministries and agencies to eliminate excess staff absorbed during the war. For Roberts, deep in debt, identifying the most efficient number and placement of staff would be a key component in limiting expenditures and identifying staffing needs for the future. The Ernst & Young audit had begun the process of identifying areas for workforce cutbacks, and Cuffy compiled a new salary and organizational structure, including staff numbers for specific departments. In early 2007, he brought in Global Business Solutions with GEMAP funds to check his recommendations against comparable airports. Cuffy provided Dennis with a new salary and organizational structure and said he aimed to use the Global Business Solutions report as a scapegoat for ensuing layoffs, a common strategy of government agencies.

Dennis began cutting the workforce but accomplished only a small part of what had to be done in the face of stiff resistance and reluctance among line managers to support layoffs. He did

lay off some of the security staff, many of whom were former rebels without training in airport security. The United Nations police contingent helped vet security staff, and the Liberia National Police provided personal protection for Dennis, Cuffy and the other managers, to prevent the reprisals that reformers faced at Roberts and throughout Liberia. Cuffy said discussions about laying off security staff were kept confidential, and only he, Dennis and the head of human resources at Roberts were privy to the conversations.

After encountering obstacles in early 2007, staff cutbacks continued at a slower pace. Dennis assigned group managers the job of identifying positions that should be eliminated and making recommendations to management.

When Simmons took over in mid-2007, he accelerated the process of optimizing staff capacity. He endorsed the recommendations laid out in the Global Business Solutions report and set out to place qualified employees in the appropriate positions. "You had people in one segment of the organization trying to do things that were the responsibilities of another area," he said. "You can't do that because it leads to chaos." He enlisted outside agencies, including the United Nations Mission in Liberia and the Ministry of Labor, to help assess the quality of airport staff.

Simmons again asked group managers to submit names of employees to retain and those to lay off. When group managers dragged their feet, Simmons made the decisions himself using skill level as his main criterion. He began with larger departments such as security and operations, and progressively moved to smaller departments including financial sections. Bestman, deputy managing director for administration in 2006, said that because the personnel decisions were imposed by upper management, the best people were not always retained. He blamed the group managers for failing to do their part in identifying who should stay and who should go.

Simmons offered voluntary retirement packages—immediate pensions of 40% of their

salaries in addition to small severance payments—to employees close to retirement age. Employees who did not qualify for retirement received larger immediate severance packages: two months' salary, payments for accumulated leave, and a month's salary for each year they worked at Roberts. All personnel moves were in line with Ministry of Labor regulations and approved by the airport's board of directors. Although Simmons expanded some departments that had been understaffed, the airport's overall headcount shrank by nearly 40% to 283 by 2009 from roughly 450 before the cutbacks began.

Like Dennis, Simmons faced the risk of opposition and reprisals from laid-off staff; but unlike Dennis, he did not waver. He said, "People ran to different ministers, to people in government, to champion their causes, but when they knew that that was not going to change the decision, they gave up. I had a mandate to straighten up the airport, an appointment from the president, and that's it. I did what I was mandated to do."

After realigning some staffers and removing others, Simmons organized workshops to explain the new structure and staff roles and responsibilities. "Then you get a core that you start building around, improving the quality of the individuals in the department," he said.

Simmons and Cuffy then looked for ways to improve working conditions. When Cuffy had arrived in 2006, the financial staff had been crowded into an undersize room, with as many as a dozen people sharing one office. He refurbished a vacant nearby airport building with funds provided by USAID and set up additional air-conditioned offices to relieve the overcrowding. The move boosted the group's morale, Cuffy said.

With the savings from his reduced wage bill, Simmons raised salaries in line with the salary structure Cuffy had developed from the Global Business Solutions report. The new minimum wage at Roberts was \$125 per month, \$40 above the minimum wage for civil servants and closer to

salaries at other state-owned enterprises. Simmons also refurbished staff lodging facilities that had been damaged or destroyed during the war, to encourage more workers to live nearby. Improved lodging went a long way toward reducing absenteeism, which was especially common during the rainy season when transportation was difficult.

"Not only did we augment the salaries, but we offered them more benefits," Simmons said. "We started repairing houses and offering people accommodations at the airport. It improved attendance because they are now there at the airport; they don't have to commute anymore. It was a pretty good incentive for those who remained."

Training and transition

The organizational reviews highlighted the need to train staff and formalize airport procedures to lock in reforms. Under GEMAP requirements, Cuffy was charged with building capacity among airport staff and writing an airport operations manual. Cuffy had developed operations manuals for previous jobs and had learned the importance of involving staff in the process of identifying and structuring procedures.

Cuffy began by asking staffers to write down the processes they followed in revenue collection, procurement and accounting. During the next few months, he worked with the staff to develop revised procedures. "My approach was to work with them and say, 'How do you do it? Write it down for me,'" Cuffy said. "And they would write it down, and I would say, 'Well, why don't we do it this way or that way?' And that's how I rewrote the procedures according to best practice. But I wouldn't go to them and say, 'Hey, this is the right way to do it.' You make them feel part of the process."

Cuffy wrote an initial document on general procedures including administration and financial procedures, and brought in Global Business Solutions a second time in September 2007 to

develop six other policy documents covering safety and security, maintaining the airfield, air traffic management, fire and rescue, ground handling, and maintaining airport facilities. The procedures followed the template of the International Civil Aviation Organization.

Cuffy presented each section of the manual to airport staff to make sure they understood and supported the procedures. During months of discussions with the staff during 2008 and into 2009, Cuffy tweaked the procedures to reflect workers' concerns and ideas. "We went through it [the manual] religiously, page by page, day by day. ... I made sure they signed off on it," he said. When the manual was complete, he held training sessions during a one-month period in early 2009 on implementing the procedures and submitted the manual to the airport's board of directors for approval. The complete airport operations manual was Roberts' first since the Pan Am era ended in 1984.

GEMAP also required Cuffy to build capacity among airport staff. When he had arrived in 2006, he said, capacity was so low that "sometimes you had to do everything." He led workshops on financial procedures and mentored officials individually. He also brought in officials from the Ministry of Finance and private consultants, when necessary, to lead workshops on computer skills, public sector management and other topics. "Our duty was to work ourselves out of a job," he said. "That's where the institutional capacity-building part of the project came in."

As the airport's financial position improved, Simmons was able to train staff in other areas where capacity was lacking. "We looked at what was required," he said. "People needed the training; people needed to be trained because they had been in a time warp for 10, 15, 20 years where nothing was done." He identified serious needs in electrical support, aircraft handling and operations, air traffic control and other areas. He sent airport staff on study tours to Malaysia,

Sweden, Singapore, Kenya, Ghana, Nigeria and the U.S.

Simmons also supported airport staff pursuing graduate degrees at local universities. One student the airport supported was Corneh, who was groomed to replace the departed financial controller and to maintain the reforms put in place by Cuffy. Corneh recalled receiving the offer to train to take over financial operations at the airport. He said he took the news "like a blessing." Cuffy "told me frankly, 'Look, if you are willing to learn, you will learn. If you don't want to learn, it is left with you.' So then I decided to learn," Corneh said. While he trained with Cuffy at the airport, Corneh also received financial support in pursuing a master's degree in finance at Cuttington University in Monrovia. As Corneh developed his skills and knowledge, and the airport's financial situation stabilized, Cuffy incrementally transferred responsibilities to Corneh. "It was a nice transition from Alex [Cuffy] to Jacob [Corneh]," Simmons said.

OVERCOMING OBSTACLES

Cuffy initially struggled to implement reforms as a result of resistance from both airport management and staff. Layoffs and benefit cuts angered the rank and file. Corneh said that when GEMAP and Cuffy first came to Roberts, "The first reaction was good." However, after Cuffy introduced cuts to travel allowances, staff support for reforms began to wane. Cuffy said he received threatening text messages, and his car windshield was shattered, though he could not identify the culprits.

Cuffy's initiatives alienated some managers as well as staff. For example, one deputy managing director did not qualify to keep her position under new personnel standards that required at least a master's degree for officials at her level. Forced to choose between a demotion and a severance package, she opted for the latter. In another example, the local financial controller who was

Cuffy's initial counterpart resisted the constraints placed on his office by the introduction of an external controller with cosignatory authority. Essentially, every decision he made became subject to Cuffy's approval. Their disagreements came to a head when the local controller encouraged financial staff not to attend Cuffy's training workshops.

To overcome this obstacle, Corneh said he and Cuffy called a meeting for financial staff to explain the potential benefits of GEMAP and determine who would participate going forward. "We called this meeting," said Corneh, "The controller did not attend. So we talked to them and told them how beneficial this program is, what they should expect and if they cooperate how far they will go in their own career. So they started coming on."

The most serious dispute arose between Cuffy and Dennis, who was managing director before Simmons. Dennis objected to the benefit cuts and to the reforms in general, preferring to resuscitate procedures from the Pan Am era rather than introduce far-reaching procedural changes. One event typified the difference of perspectives between the two men. Cellphone company Comium had held equipment at Roberts while it disputed its tax obligations with the Ministry of Finance. When the ministry allowed Comium to recover its equipment from Roberts, Cuffy insisted the company pay warehouse fees of about US\$150,000. Dennis argued that because the company had stored its equipment at Roberts because of a disagreement with a government ministry, those fees should have been waived. Called upon to settle the argument, GEMAP'S supervisory board, chaired by Johnson Sirleaf, sided with Cuffy. Soon after, Dennis left his position at the airport.

When Simmons succeeded Dennis in mid-2007, he enthusiastically backed reforms and provided Cuffy with the managerial support he had lacked. Corneh said that when Simmons arrived, "Things changed ... I could say 100% plus

... He came in, and in the accounts department we had the power to implement the financial policy to the fullest."

Simmons took a harder line with recalcitrant staff, a position made easier because he did not have the personal relationships at Roberts that Dennis had developed during his tenure. Simmons said he wouldn't allow staff to oppose reforms or violate procedures. "They're not running the organization, and I'm not going to do things contrary to what I want to achieve in an organization because somebody objects," he said. "If I am going to do that, I might as well just turn it in and do something else. I was doing it more out of a need to see the organization improve; I wasn't looking for a job. So there was no leverage they had. What could they do? Tell me to stop? I'd tell them 'OK, goodbye.' End of story."

ASSESSING RESULTS

By late 2009, Simmons and Cuffy had moved on, having accomplished nearly all of their goals at Roberts. Cuffy agreed to design and lead a capacity-building program under GEMAP, while Simmons entered the private sector. Cuffy determined that, with financial controls in place and improved capacity in financial management, Roberts no longer needed an external controller. In August, he released his cosignatory authority, although he continued to monitor Roberts' finances from time to time over the next year, as required by GEMAP, to ensure reforms were maintained.

Cuffy, Dennis and Simmons successfully implemented the first stage of the airport's master plan compiled by NACO-SSI. The financial position of the airport improved from a US\$500,000 deficit to a surplus of more than \$1 million from 2006 to 2009, largely because of the financial controls and procedures Cuffy put in place. New procedures and improved facilities brought in new airlines, including Air France and Delta (by 2010), though capacity for further growth remained limited without the added

investments envisioned in the master plan. The three men reduced staff from roughly 450 to 283, offering the remaining workers higher salaries, training and improved housing facilities at the airport, while cutting other benefits and increasing the personal income tax airport officials paid by bringing tax procedures in compliance with Ministry of Finance regulations. They completed a seven-part operating manual that brought Roberts into compliance with requirements of the International Civil Aviation Authority, and the U.S. Transportation Security Administration approved the facility to handle flights to and from America.

However, Roberts continued to lack capacity in some areas, partly because some qualified staff were lost during the retrenchment process. Additionally, though officials considered financial and administrative capacity at the airport to be sufficient for the tasks at hand, technical aviation expertise remained in short supply. The airport employed one retired technician on contract and a second technician who was approaching retirement age. There remained a need to train younger technical workers.

Former Deputy Managing Director for Operations Edna Lloyd, who left the airport in 2007, argued that Cuffy was too quick to introduce reforms and did not allow the staff enough time to acclimate. “We didn’t necessarily object to it [the new procedures], but he [Cuffy] didn’t discuss it with us,” she said. As a result, she thought Roberts had instituted “new procedures that don’t fit the system.”

REFLECTIONS

GEMAP financial controller Alexander Cuffy earned praise for his efforts at Roberts International Airport. He was feted during an airport ceremony in 2009 that was attended by U.S. Secretary of State Hillary Clinton. Clinton praised Cuffy during her remarks at the ribbon-cutting ceremony, according to a 30 September article in the Liberian newspaper *The Analyst*.

Abraham Simmons, who became managing director at the airport in 2007, held Cuffy in high regard. “He [Cuffy] was very, very effective as a controller,” Simmons said. “Where there were things that had to be done, reports done, studies that had to be made, he mobilized the resources within the organization to make sure that that was done so that we get a clear picture of where the organization was financially. Alex was very effective.”

Pennoh Bestman, deputy managing director for administration, said the fact that Cuffy was a Liberian, the only one among GEMAP financial controllers, contributed to the willingness of staff to work with him.

Cuffy credited Simmons with establishing an environment conducive to reforms and providing the political support for Cuffy to do his job effectively. “For the period he [Simmons] was there we accomplished a lot, because as a GEMAP official you needed the support of the head of the entity. You needed to work as a team,” Cuffy said.

Bestman agreed. “What he [Simmons] put into place, it’s what got this airport going today. ... He set a lot of things straight; he was a good leader,” Bestman said. While acknowledging that Julius Dennis did get reforms started during his stint as Roberts managing director beginning in 2006, Bestman said Dennis had been too close to the staff to push through difficult reforms. “Dennis worked here before the war, so coming back in 2006 was like coming home to a lot of friends,” Bestman said. “I felt that he did not want to hurt certain people.”

Observers made several points about the utility of the Governance and Economic Management Assistance Program (GEMAP) at Roberts. Cuffy recognized the sensitive position he and other airport staff were in as a result of his cosignatory authority on all financial transactions at the airport. In particular, it marginalized the role of the local controller, who left the airport in 2007. Cuffy described GEMAP as “an

imposition” to people in some cases, and he said the key to his success was his conciliatory approach. He emphasized that GEMAP officials should not “impose themselves in a way which was demeaning to people. It is not because you have the signature authority so you could exercise it like a hammer and knock everybody’s head.” Cuffy stressed the need to build relationships with staff and to recognize that they saw themselves as responsible and productive.

Jacob Corneh, the airport’s chief accountant, said he thought capacity-building efforts under GEMAP might have been more effective if the program had provided refresher courses for staff beyond 2009, especially considering that much of the staff had turned over between 2006 and 2011.

Although some critics at other state-owned enterprises in Liberia considered GEMAP an impediment to progress, Simmons did not share that perspective. “I understand in some other organizations, GEMAP was viewed as a hindrance,” he said. “I don’t know what conditions they were operating under, but I didn’t see that at the airport. Number one, because I saw no need to hide anything from GEMAP. Number two, if GEMAP was acting contrary to the established goals and objectives of the organization, I would have been the one complaining to get it changed, and I never had that. So I think it was a positive experience, it was something that was necessary. It brought in a caliber of support that the airport needed.”

Simmons said the key to reforms at Roberts after the 14-year civil war was instilling a proper set of values among staff. “People need to understand that any organization starts with values, and these should be shared values,” he said. “People have to understand why they exist and how exceeding those bounds that are established defeats the purpose of what you’re trying to achieve. When they buy into it and see that it is a top-down commitment, people follow suit and attitudes change.”

EPILOGUE

In August 2009, the Liberian government signed a contract with Lockheed Martin Corp., the U.S. aviation and security company, to manage Roberts International Airport. On the advice of the Liberia Civil Aviation Authority and the National Investment Commission, the government brought in Lockheed Martin with the expectation that the company would invest in Roberts according to the master plan developed by NACO-SSI, including construction of a new passenger terminal and additional runway. Although Roberts was bringing in roughly US\$5 million in revenue annually, such projects as envisioned in the master plan would cost in the tens of millions.

In 2011, LCAA Director-General Richelieu Williams expressed disappointment with the deal. He said that in addition to new construction, he had hoped Lockheed Martin would send staff at Roberts for additional training and take advantage of Lockheed’s vast supply of human capital. He also had hoped that the airport’s association with an internationally known company would attract new airlines to Liberia. However, Lockheed did not invest substantially in Roberts, either in human capital or in infrastructure. Williams surmised that Lockheed’s interest was tied to negotiations between the U.S. and Liberian governments over the potential to locate the U.S. military’s Africa Command in Liberia. When those negotiations faltered, Williams said, Lockheed apparently lost interest in significantly upgrading the airport. A spokesman for Pacific Architects and Engineers Inc., a former subsidiary of Lockheed Martin that continued to operate the airport into 2011, declined to comment on the matter.

Between 2009 and 2011, Lockheed Martin’s management team at Roberts did not veer significantly from the procedures put in place by its predecessors. Bestman said the financial and human resources policies and procedures were still

in place and had not been amended. He considered this to be “an endorsement of the processes put in place under GEMAP.” Cuffy continued to monitor Roberts as part of GEMAP until mid-2010 and credited Lockheed with

improving security at the airport. Still, he recognized that the core of his reforms remained intact. “I made my bed,” Cuffy said, and Lockheed “slept on my bed.”



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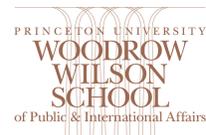
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