SECTION 1: MAKING THE MOST OF STAFF

1.1 Reviewing pay and classification, and grading

1.2 Improving strategic human resources planning

1.3 Improving performance management

1.4 Introducing a performance-related pay scheme

1.5 Enhancing staff training and development

1.1 Reviewing pay and classification, and regrading

This exercise involved:

- introduction of a new salary structure consisting of twenty pay scales for the public service;

- classification of employees into a number of classes which constitute a career stream;

- a review of salary and wage relativities on the basis of job evaluation; and

- establishment of recruitment requirements for each grade, and career progression within each class.

The exercise, including negotiations with trade unions representing public employees, was carried out by the Management and Personnel Office (MPO) in the Office of the Prime Minister.

The context of change

The salary and wage structure existing prior to January 1991, when this exercise began, consisted of over one hundred pay scales and no less than five hundred grades, in which approximately 30,000 employees were classified. Given the multiplicity of grades and scales, pay differentials between adjacent grades were small or marginal, and therefore insufficient inducement for ambitious employees. Flat rate increases applied over several years also compressed vertical relativities to such an extent that the public service began experiencing difficulties with recruitment and retention in middle and senior grades. The difficulties were further compounded by poorly defined career paths and entry requirements. Many grades lacked relevant and up-to-date job descriptions.

The public service sought, through the *pay review*:

- to simplify the pay structure by reducing the multiplicity of overlapping scales;

- to increase the ability of the Service to compete with other employers in the national labour market, especially for well qualified technical and managerial personnel; and

- to satisfy the expectations of long serving employees with regard to pay and other benefits.

The intentions behind the *classification and re-grading exercise* were:

- to create attractive career paths that would also enhance the capacity of the public service to develop the skills and ability of its employees;

- to accord enhanced status and prospects to newly established professions and occupational groups; and

- to improve manpower planning and deployment.

A highly important aspect of this exercise was to move away from the then-existing schemes for recruitment and promotion. These schemes laid too much emphasis on promotion on the basis of seniority; the main task was therefore to establish the principle of promotion by selection on the basis of merit.

However, most of these schemes were regulated by collective agreements to which government and trade unions representing particular occupational categories were signatories at the time of the last major reorganisation of the public service (1974-1980). It was therefore necessary to renegotiate these agreements comprehensively.

Implementing change

Government and unions have concluded separate collective agreements on each occupational category, as a result of which employees are now classified as follows:

- Administrative Class
- Executive Class
- Clerical Class
- Education Class
- Medical Class
- Scientific Class
- Engineering Class
- Legal Class
- Nursing/Paramedical Class
- Pharmacist Class
- Agriculture Class
- Environment Class
- Technical Class
- Industrial/Supervisory Class

Each Agreement stipulates:

- a salary structure for the relevant class;
- entry requirements for each grade;
- career progression;
- additional benefits/allowances; and
- other special arrangements, such as concessions in matters of selection for employees in service on the respective dates of signing of the agreement.

Job descriptions in respect of each grade also form part of the Agreements.

The most important long-term result of this exercise is that there is now a much clearer understanding of the career path and range of duties in each class and a greater emphasis on selection by merit.

The negotiation of fresh collective agreements on the basis of the new pay structure and of new selection criteria entailed painstaking and laborious negotiations with no less than ten different trade unions which represent the various occupational categories in the public service.

In view of the anticipated duration of negotiations with the trade unions, the first step was to enter into a preliminary agreement with all the unions: this laid down the framework and terms of reference of the exercise, the approach and criteria to be used and an interim assimilation of existing grades into the new pay structure of twenty scales. By virtue of this interim salary and wage assimilation, Government also addressed some of the long-standing grievances over pay levels.

In the knowledge that this exercise was bound to take a few years to complete it was also agreed that the final Agreements reached and the definitive assimilation of employees would be retroactive to 1 January 1991.

The 'Preliminary Agreement' signed in December 1990 was also a breakthrough for government employees, in the sense that for the first time ever the Government of Malta bound itself to review the salary structures and other conditions of service of its employees every five years.

After each union representing public service employees had signed the preliminary agreement, and the revised pay scales came into force, the Management and Personnel Office formulated proposals for definitive reclassification of all public employees. The proposals, and the submissions of trade unions, then became the subject of fresh negotiations dealing with individual occupational categories.

The regrading exercise began in mid-1991 and up to December 1994 about 90 per cent of all employees (i.e. about 29,000) were covered. It is expected that the exercise will be completed by June 1995.

The regrading and reclassification placed a heavy burden on the Management and Personnel Office. Its most immediately visible cost is the additional expenditure on personal emoluments, of the order of several million Maltese Liri annually. The exercise is, however, also notable for having been undertaken without any serious disturbance in public sector industrial relations. For this reason, it provides greater assurance that the changes introduced will prove lasting.

1.2 Improving strategic human resources planning

Strategic Human Resources Planning (SHRP) is a process which allows an organisation to ensure that it has, and continues to have, the appropriate number of employees with the skills required to deliver its programmes and services. The SHRP programme helps to ensure that the Maltese public service is able to retain the 'brightest and the best' of its staff.

In the strategically planned workforce:

- the current supply and distribution of staff resources is continually reviewed against current and future needs of the organisation;
- redeployment of staff resources is planned to meet changing needs of the organisation;
- plans for staff reductions and increases are made by each business unit in the context of the needs of the whole organisation;
- staff are recruited, trained and developed to meet current and future needs of each business unit;
- business unit organisational changes support the agenda, strategies and business plans of each business unit and of the organisation as a whole;
- each element of the organisation's business plan is supported by an analysis of associated human resource implications.

The context for change

The public service is under pressure to provide an efficient and effective service. Concurrently, there are pressures for financial restraint and staff retrenchment.

An effective allocation and utilisation of staff will contribute towards meeting these potentially conflicting goals. A number of major obstacles must be overcome in order for this issue to be addressed. Included in these are an absence of:

- well-ordered and valid information regarding staff, their roles and the structure of the organisation in which they work;
- techniques to redeploy staff effectively;

- training programmes to equip staff with new skills to perform more effectively their current or future work;

- developmental opportunities for staff;

- opportunities for promotion for the 'best and brightest'.

Additional human resources and organisational issues will come forward as Malta pursues its interest in European Union membership. EU employment policies and laws which encourage fair pay, adequate protection from risks (including employee health and safety) and support for vulnerable groups, have implications which Malta must anticipate and accommodate.

Through SHRP, senior civil servants will be provided with well ordered, current and valid information regarding their staff, the roles of those staff, and the nature and structure of the organisation within which they work. Through analysis of this information, management will be able to more effectively develop, deploy and utilise staff.

Implementing change

The full SHRP programme for the Malta Public Service is designed with three interrelated phases:

Review and Redesign

Phase One consists of the development of a complete and accurate picture of the organisation. The resultant picture is the starting point for development of new and changed organisational structures, and actions required to implement them.

The database initiative builds on a number of previous initiatives. The Top Structures project identified the new senior management positions of government. This project set in place the revised organisational structure of the Service. In addition, a complementary exercise proposed new organisational structures for the General Service middle management group. A good deal of employee data was already available on an older Payroll/Personnel System.

As part of this Phase of the programme, ministries and departments reviewed the work they produce, the procedures employed and any organisational changes which may be necessary to promote more efficient and effective operations.

As a result of the analysis of ministry reports carried out by the Management and Personnel Office, the next phases of SHRP will be developed in consultation with permanent secretaries. These phases will be designed to enable permanent secretaries and heads of departments to more effectively restructure their organisations, and to better develop, deploy and utilise their staff.

Most of the work in Phase One of SHRP has been performed by staff of the Human Resources Branches which are still under development in each ministry. These are assisted by published guidelines and procedures, and through direct training and assistance which is provided by the Management and Personnel Office, and the Management Systems Unit. The role of the local Human Resources Branch is critical to this and to later phases of SHRP.

Reallocate

The second phase of the programme will build on the review stage by identifying strategies to assist ministries and departments in reshaping their structure to meet operational requirements. Techniques which will match and align existing staff to the requirements of the organisation will be employed, including planned recruitment, staff development, staff redeployment and out-placement, as well as arrangements for alternative working hours.

Where necessary, requirements will be met through the use of information technology, or the use of service contracts.

Revitalise

In the third phase, strategies will be developed and implemented to foster and facilitate opportunities for promotion and development for public officers across the public service, and to promote alternative and more effective types of employment relationships. Examples of techniques to be considered include retirement incentives for senior staff, training and developmental assignments, and recruitment and promotion techniques.

Extensive consultations with trade unions representing public employees will be required regarding many of the initiatives and policies proposed in later phases of the project. An employee communication plan is also essential to the proper introduction and operation of the plan.

A pilot project incorporating all phases of the SHRP programme was initiated in the Ministry for Transport, Communications and Technology early in 1994, with full support from the Management Systems Unit and the Management and Personnel Office.

Linkages will be established between SHRP, and the already established business and financial planning and decision-making processes of government. These various initiatives will be co-ordinated to ensure that each is mutually supportive of the others. Human resource managers in ministries will become more involved in advising heads of departments on the human resource implications of planned business initiatives.

Links will also be established with change initiatives relating to human resources management, including the establishment of fully functioning Human Resources Branches in each ministry, delegation of disciplinary control and recruitment, delegation of authority to approve leaves of absence, promotion on merit, pay for performance, performance management and succession planning.

SHRP database collection, maintenance and reporting requirements will be supported by a new Payroll/Personnel System which is under development (See Section 5.1). The new software will offer a central database with decentralised input of all new and changed employee information including:

- grade and position history;
- performance management results;
- qualifications;
- courses taken;
- discipline;
- leaves of absence; and
- languages.

An organisational record of units of the public service down to the level of individual positions will also be included. The system will offer a wide range of flexible 'standard' reports, plus a sophisticated *ad hoc* reporting capability. An Executive Information System feature is planned to be added to the system during the first year of operation.

One influence of the decentralised data input feature of the system is to encourage the Management and Personnel Office, as the central human resources management agency, to monitor detailed activities on the system only on an exceptional basis.

It will focus more on trends and patterns in the HR function and in the public service, rather than on individual transactions.

The data collection/review process (phase one of the programme) which began in the summer of 1993, took 18 months to complete. The programme hereafter will focus on maintenance of the database, and on-going one-year cycles of planning and review.

1.3 Improving performance management

The Management & Personnel Office (MPO) has taken steps to implement a system of employee appraisal among executive and administrative staff in 'Category B' grades, as well as among 'Category A' officers who are not on a performance agreement. The target population of 2,000 staff excludes approximately 3,200 others in corresponding grades in the Police Force, teaching, medical services and other professional services. The appraisal system adopted is known as 'performance management'.

Performance management:

- provides a formal structure for establishing work expectations, evaluating performance and planning action which links with organisational goals;
- ensures that both supervisor and employee have a clear understanding of what is expected;
- emphasises honest, frank, two-way communication between supervisor and employee;
- ensures that employees receive regular feedback which is specific, constructive and job-related;
- allows for the identification of skills and knowledge that need to be developed so that employees can perform more effectively;
- enables employees to develop in their jobs through coaching, counselling and training.

This programme endeavours to promote appraisal with a different outlook from traditional appraisal systems. It views employees as a resource to be nurtured and sustained in order to enhance performance. Hence, managers are seen as coaches, rather than judges of employee performance.

The context for change

Performance appraisal in the Maltese public service dates back to pre-independence years. The system nominally in force is intended to carry out a retrospective review of the performance, qualities, abilities and promotability of every employee by supervisors and heads of departments. Reports were initially confidential, but the scheme subsequently became 'open appraisal': employees are asked to endorse the report and, if they dissent from ratings given, are entitled to appeal to a Reviewing Panel. 'Open appraisal' in a small society, and the link between performance appraisal and judgements on promotability are cited as reasons why the system gradually fell into disuse.

The introduction of revised systems for the appraisal of public service employees is now a major objective of the MPO.

Implementing change

Following a period of development by a project group comprising representatives from the Management & Personnel Office, the Staff Development Organisation (SDO) and the Management Systems Unit (MSU), agreement was reached in September 1992 to implement a 'pilot' trial across the public service to test the application of the proposals to 'Category B' staff employed in different working environments.

The 'pilot' ran for a period of six months, from January to June 1993. It involved approximately fifty staff at the level of Scale 10 (Principal Officer) and above, who were located in eleven of the thirteen ministries. Of the staff involved, eleven were co-opted as co-ordinators whose role was to provide support and guidance to participants during the trial, as well as to provide feedback to the project group on the progress and problems of the system. A training workshop on procedures for co-ordinators preceded the 'pilot'; and during the course of the trial, another workshop offered training on individual feedback and review skills.

On completion of the trial, participants and co-ordinators were invited to complete an evaluation of the system and of their own experiences; over 85 per cent responded. The data was analysed and used to support recommendations for the full Performance Management Programme. As a result, procedures and forms were redesigned to simplify the appraisal process, and to provide clearer direction to assist in developing training plans.

A factor making for the success of the 'pilot' trial was the involvement of departmental co-ordinators. The implementation of performance management envisages this continued participation being linked to the establishment of Human Resources Branches in ministries.

One question raised regularly during the 'pilot' was *"What's in it for me?"*. There are, currently in operation, many reward practices, such as overseas training, overseas visits and educational sabbaticals, that can be linked to the application of the Programme, and there was agreement to the effect that performance management should reinforce the merit principle. Where the system is applied, increments will only be awarded to those that merit them, this is, employees whose performance ranks as *"Exceeds job expectations"* or *"Meets job expectations"*. The same criteria would normally be used when considering promotions and study awards.

In the longer term, the Performance Management Programme will be linked to mechanisms for succession planning and career management.

Approximately one year was required to devise and test the programme. This has now been approved in principle, but a decision is required to implement it among the selected group. An implementation plan drawn up for this purpose envisages a time-scale of six months.

No firm timetable has been drawn up either to revise the approved programme for application within excluded staff groups in 'Category B', or to develop a system for application within grades in 'Category C' and 'Category D'.

The implementation of the Performance Management Programme throughout the public service could vary considerably, according to the size and complexity of ministries and departments. It is likely that one set of procedures will not apply across the entire public service, as the focus of appraisal and development will vary in accordance with the level and complexity of an employee's position and relationship with management.

An MPO directive on the programme stipulates mandatory requirements in respect of each scheme that may eventually be employed:

- The performance of employees must be formally planned and reviewed at least once each year.

- Performance expectations will be defined jointly between supervisor and employee.

- Performance expectations will be based on the employee's normal, on-going duties and responsibilities.

- Training and development will be provided to employees where such assistance is required to allow an employee to perform satisfactorily.

- Employees will be provided with a written assessment of their performance which will clearly indicate whether their performance has exceeded, met or not met job requirements.

Besides the officer being reported on, the programme involves:

- supervising officers;
- Human Resources Branches in ministries;
- heads of departments and permanent secretaries;
- the Management and Personnel Office.

The heavy demands made on supervisors' time by the programme, and the corresponding tendency to carry out superficial assessments at the eleventh hour, were among the concerns expressed by participants in the 'pilot' scheme. Care will be taken to obviate these risks at the time of full-scale implementation.

To date, the trade unions have only received informal notification on the project. As implementation draws near, it will be necessary to notify them formally of management's intention to introduce the system. An extensive communication exercise will also be required to explain the working of the programme and the cost/benefits for departmental management and employees respectively.

The public service must be seen to take full responsibility for implementation and maintenance of the Performance Management Programme. This is a joint responsibility to be shared between each ministry and MPO, both of which must allocate resources of the requisite quality and in sufficient quantity to the programme. Because of the numbers involved and the management levels, it may be necessary to adopt a phased approach to implementation in some ministries.

The project group, constituted as at present with representatives from MPO, SDO and MSU, will continue to operate with the following remit:

- to provide help and guidance to both MPO and ministry Human Resources Branch staff in the implementation and running of the programme;
- to review the operation of the appraisal system at the end of the first year and to report on its effectiveness;
- to prepare for eventual extension of the programme to other groups of staff.

1.4 Introducing a performance-related pay scheme

Pay for performance is based on the simple premise that pay should be tied clearly to results. Staff to whom this system applies know exactly what is expected of them, how well they are doing – and are paid accordingly.

The pay for performance scheme approved for the Malta Public Service provides incentives for individual excellence while fostering a more results-oriented style of management. It promises a more challenging work environment, higher departmental productivity and better service to the public.

The scheme applies to officers appointed to "Top Structures, Category A" posts, i.e. all Permanent Secretaries, Directors General and Directors.

The success of this new pay plan depends on the contribution and participation of each officer in Top Structure, Category A. As key members of the government management team, they can help realise the potential of this approach which has as its basis the management of human resources.

The context for change

The objectives of the introduction of performance-related pay are:

- to increase the effectiveness of senior public servants;
- to foster dialogue among senior officers about organisational goals, strategies and personal effectiveness;
- to ensure that government receives consistent value for allocated finance and human resources.

Six fundamental principles underlie the pay for performance programme:

- increasing productivity, i.e. delivery of results and quality service;
- pay based on performance, i.e. rewarding excellence;
- a participative leadership style;
- the linking of individual and organisational objectives;

- a climate of openness and trust;
- fairness and consistency.

It should be stressed that pay for performance is not an end in itself, but a management technique designed to advance the objectives of the Government of Malta as a whole. The scheme has been designed to be simple, easily communicated and readily understood.

Implementing change

The scheme was initiated in July 1992, and was timed to coincide with the rationalisation of top structures in ministerial portfolios. Officers serving in these positions were offered appointment in the grades of Permanent Secretary, Director General and Director, linked to a three-year performance contract. The terms of the contract included payment of a substantive salary (Scales 1 to 4) attached to the post, standard benefits, and a graduated performance-related bonus.

Orientation and training sessions were held to explain the concept and ensure understanding. The scheme operates on a financial year basis (which is a January to December cycle) and therefore ties in with business planning objectives. Reviews are held at mid-term and a formal assessment takes place at the end of the annual assessment period.

Process

The Pay for Performance Scheme includes two crucial processes:

- performance appraisal; and
- individual pay determination.

Performance appraisal

The foundation of the pay for performance programme, and the key to its success, is the performance appraisal process. To be understood and accepted, a performance appraisal process must be carried out in an open and credible manner by people who understand the nature of the task assigned and the results that can be expected.

Every effort was made to alleviate concern about the objectivity of appraisal.

Performance agreement

The Performance Agreement approach has been selected as the appraisal method. This is a participative process in which individual officers, their supervising officers and, where appropriate (as in the case of permanent secretaries), their respective ministers, agree upon job objectives in keeping with approved business plans, and then jointly assess performance against these standards.

The Performance Agreement approach includes four distinct stages:

- negotiation;
- formulating objectives;
- continuing review;
- annual review.

Format of agreement

Each participating officer is responsible for drafting a Performance Agreement in accordance with approved guidelines as to content and form. This document must be reviewed with the appropriate supervising officer (to whom the officer is immediately responsible, or the minister if appropriate), to ensure that departmental as well as government and ministry objectives are addressed.

The content sets out goals and targets which reflect:

- government priorities as stated by the Prime Minister;
- ministry priorities and operational objectives (business plans);
- personal goals for development; and
- key leadership thrusts which are applicable to all participating officers.

Two-level review

The Scheme provides for two levels of review. The first level review occurs between the officer and his supervising officer, with the outcome of this review being monitored by the supervising officer's superior. This is a fundamental policy which assures the person being appraised that a fair and consistent approach is being taken.

Supervising officer functions

Each supervising officer has several key activities which are scheduled in advance for each participating officer throughout the pay for performance cycle. These can be detailed as follows:

- Within first month of cycle negotiate new objectives and standards of performance for the year.

- From beginning of month 1 to the end of the cycle, informal continuing reviews of performance agreement, *plus* formal review at six months.

- Within last month of cycle meet with other supervising officers and other officials, such as the Secretary to Cabinet, the Permanent Secretary for Finance and the Director General MPO, who can provide input to the review of the officer; meet with officer to discuss past performance relative to objectives; obtain concurrence of final supervising authority regarding performance rating; inform officer of performance-related bonus payment when final approval is obtained.

Individual pay determination

The basic principle of the scheme is that it is linked to an individual's achievements. The programme will succeed in motivating officers only if they are fully confident of its effectiveness and fairness; confidence depends on each individual's understanding of, and experience with, the system. All participants are therefore briefed about the principles, policies and procedures which shape their salary adjustment. In particular the allocation of **bonus pay** should be well understood.

The performance rating

The overall contribution and performance of participating officers is recommended by each supervising officer, reviewed at the next level of supervision and the final result co-ordinated and approved by the Permanent Secretary, Office of the Prime Minister.

Performance pay in the scheme is categorised and awarded thus: Commendable performance (five per cent), Superior performance (ten per cent) and Exceptional performance (15 per cent), subject to an approved overall distribution curve which ensures service-wide equity and consistency.

In introducing the concept of performance pay for senior public officers, care was taken to obtain acceptance of the principle and of its mechanics at political and top management levels. The scheme was approved by Cabinet, and designed in close consultation with the Head of the Public Service (the Permanent Secretary, Office of the Prime Minister) as well as senior management and personnel office staff.

There is no intention to implement pay for performance beyond the top structures of the public service. Nevertheless, performance pay schemes can, in addition to the above, be designed to cover group or team-working situations. In organisations which suffer high labour turnover such schemes may be introduced as a further incentive to retain staff: one such scheme has been approved for Correctional Services Officers. Performance pay strategies can give a clear message about behaviour that is consistent with the direction and values of an organisation.

The preparation and acceptance of the Pay for Performance Scheme took over a year. The planning stage:

- examined options and selected the most appropriate programme;
- prepared detailed procedures and supplementary guidelines;
- identified target groups;
- projected cost;
- prepared a communications strategy.

The scheme is designed to operate on an annual review basis. An evaluation of the scheme took place on completion of the first year of operation, as a result of which the scheme now operates as described above.

1.5 Enhancing staff training and development

Training is recognised as a key component of Malta's public service reform. Accordingly, the Staff Development Organisation (SDO) was established in 1990 as the Service's 'home' for training. The SDO's mission statement is:

> *"to foster and, where appropriate, provide training and development activities and approaches which help the public service to deliver economically, equitably, efficiently and effectively, policies and programmes which meet the requirements of the Government and citizens of Malta."*

Training activities currently undertaken by the public service fall into three broad categories: central training, overseas training, and departmental training.

Central Training

The Staff Development Organisation directly undertakes training relating to skills that are applicable service-wide, as well as more specific needs common to a number of departments.

The SDO's current range of training programmes covers a wide variety of fields including:

- leadership and supervision;
- change management;
- personnel and financial management;
- European Union policy and organisation;
- language training;
- use of IT applications;
- induction and refresher courses for administrative and clerical staff.

The number of trainees per year has increased from 2,300 in 1991 – SDO's first full year of operations – to 6,000 in 1994.

Overseas Training

Malta is at a stage of development where its educational and training infrastructure can cater for most training needs up to and including university graduate level, except for highly specialised areas. Accordingly, most public servants sent for training abroad at government expense attend either specialised short courses or postgraduate degree programmes not available locally.

Some 600 officers are sent for training abroad each year. Of those who take postgraduate courses, the majority – sixty-four per cent – are medical or paramedical staff, and another twenty per cent are in education.

Departmental Training

Departments also train their own staff – this in the form of either on-the-job training for new entrants or else formal courses in specific fields. Such courses are often carried out in conjunction with SDO.

No exact figures are available for departmental training. However, the development by a number of departments – including Social Security, Works, Customs, Public Registry, Education and Public Lotto – of their own fully equipped in-house training facilities, is a clear indication of departmental commitment to training.

The context for change

The Public Service Reform Commission identified training as a priority need for renewal of the public service. While the service was no newcomer to training, having a history of activity in this field dating back at least four decades, training had been severely scaled back in the recent past owing to budget constraints.

Broadly speaking, training is considered as having three main roles to play in public service reform:

- Cultural change: that is, to motivate public servants, make them more receptive to reform, and overcome what the Public Service Reform Commission termed *"an organisational culture inimical to change"*.

- To impart skills in areas such as management, information technology and other fields where expertise is absent or where the Commission found management competencies to be particularly lacking in the service.

- To ease the introduction of reform initiatives by providing specific information and skills to enable public servants to operate new systems and follow changing requirements.

Implementing change

In any country a decision needs to be taken on whether to assess training needs for the public service as a whole or on a department-by-department basis. For the Malta public service, the SDO attempted to reconcile both perspectives in the first year of its operations, when training needs identified by the Public Service Reform Commission were followed up. A detailed questionnaire addressed to each department in the public service, and lengthy interviews with respondents, served the dual purpose of encouraging departments to identify training needs, while furnishing data for a Service-wide training plan.

Following this exercise, the SDO formulated terms of reference for Departmental Training Officers, and organised a small unit to furnish technical support and advice for departmental training initiatives. Concurrently, the SDO circulated its initial training plan to inform departments of services provided centrally in response to service-wide training needs.

Six priority areas were identified:

- Senior Executive Development. This comprises three strands, namely, role conferences for permanent secretaries and heads of department meeting under the chairmanship of the Head of the Public Service; training for the management of change; and developmental programmes for officers who are about to be promoted to top posts.

- Human Resource Management. This programme is intended to facilitate the introduction of new human resource management policies in the public service, and to support the human resource management organisation provided throughout the public service through ministerial Directorates of Corporate Services.

- Financial Management. This programme focuses on the training needs arising from the introduction of business planning, new format of financial estimates and internal audit.

- Information Technology. Quantitatively, this is the largest programme: its scale matches Government's investment in information technology for the public service. Training is carried out jointly by the SDO and the Information Systems Division of the Management Systems Unit.

- Continuous Development. Large numbers of public employees, particularly those in clerical, junior executive, technical and supervisory grades, had not been exposed to formal training in relevant skills. The Continuous Development Programme therefore offers a range of induction, refresher and remedial training experiences.

- European Union. This programme, which is closely associated with Malta's preparation for membership of the European Union, sponsors language training, supports a network of EU Desk Officers, and offers briefings on EU policy, law and administrative procedure.

The SDO's staff is organised as small teams (two to five members) which carry out needs assessment, provide, sponsor or sub-contract training in respect of each programme.

Closely linked to training needs assessment and the provision of training is the choice of mechanism by which officers are selected for courses; by central nomination, or call for nominations (SDO); or according to departmental or individual initiative, with central training organisations servicing demand on a cost recovery basis.

Which of these mechanisms is chosen depends on each country's circumstances and the stage of its reform programme. As the Maltese public service remains highly centralised, and the terms and pace of reform are set centrally, the SDO has opted to lead departments. However, it may move closer to the cost recovery model once decentralisation of human resource management takes place, and departments take the lead in initiating their own agenda for change.

The provision of public service training on a large scale naturally requires the existence of a well-developed national training infrastructure. A public service may itself develop part of this infrastructure out of its own resources. Shortly after the SDO was established, work began on fitting out a small central training centre, and on establishing a network of Departmental Training Officers who assist the SDO in assessing training needs, and promote training within their departments. In Malta's case the public service could also draw upon three other sources:

- expatriate consulting expertise recruited for reform initiatives through the Management Systems Unit;

- a fast-developing private sector training industry; and

- a relatively well-developed national education system.

If staff development is taken to mean identifying those having potential and ensuring that this potential is developed and used to the full, training is only part of the process. The other part is moving people both laterally and upwards within the public service in order to maximise their contribution. This is invariably a more challenging undertaking than the provision of training.

However, a number of initiatives are under way which should address difficulties in this area:

- introduction of a Public Service Act;
- delegation of appointments and discipline;
- performance management programme;
- business planning.

Training is not a time-bound activity. Changes in policy, procedures and technology present an on-going requirement to update skills and knowledge. However, the Staff Development Organisation has been able to observe and assess the outcome of its training effort over the last four years. Its experience serves to confirm the importance of training to reform, but also cautions against exaggerating the benefits achievable:

- Training is not necessarily an effective means of changing organisational culture. Cultural change through training is a difficult undertaking in which small gain is bought at great effort. Care must be taken to avoid the naive assumption that people with inconvenient ideas can simply be re-educated.

- Training is most effective when it focuses on imparting specific skills that are applicable in the short term, and when trainees have an *incentive* to use their new skills and a *context* in which to apply them. Because these conditions were present – people were given equipment, encouragement, and technical support – information technology training has helped disseminate the use of personal computers throughout Malta's public service.

- It follows that unless training is part of a wider drive for change, its value will be lost. Trainees will simply revert to their old ways the moment they resume work. The idea of training as a catalyst – that if you train enough people, change for the better will follow on its own – is not tenable in reality.

Finally, it should be said that, when change encounters obstacles and hard decisions have to be taken, it may become tempting to fall back on training as a painless route to change. However, reform cannot stay on course unless there is determination to overcome the inevitable resistance to change, and a clear vision to avoid getting side-tracked into futile byways.