

## **A BLUEPRINT FOR SUCCESS**

### **GET THE BIG PICTURE CLEAR**

Public servants, Service Commissioners, and politicians are under pressure as never before. The pace of change within the service, rising public expectations about service quality, and increasing resistance from tax-payers are challenging all players to produce more, quicker, with less. At times of pressure, bigger pictures are harder to see.

This publication has noted the public service personnel management tasks which must be undertaken, and has noted that there are key values which must be upheld and that this requires strong institutions with real commitment to those values. It has also explored the nature of the key players in public service personnel management.

Within the Commonwealth tradition all the tasks, all the values, and all the key players are necessary. They constitute the building blocks of a neutral and effective public service. At a time of rapid change, many officials and policy-makers can lose track of this larger picture. Certainly, many public service reform debates take place from a position of determined myopia in which any change is scored according to the degree to which it represents a win for one institution or a loss for another.

Win/lose debates are inevitable, but they are also inevitably harmful. Any genuine debate on the future of the public service must begin with an acknowledgement that it is the strength of the public service in its entirety, the values it espouses, and its ability to underpin national development, which must serve as indicators of the worth of any proposed change.

At times of change, win/lose debates cannot be avoided, but they can be minimised. They must be put in a larger context – and this might require a determined programme of awareness-raising discussions involving the highest levels of government.

### **ESTABLISH THE DIALOGUE**

Within the Commonwealth, incremental change is the most commonly favoured approach to public service personnel management delegation. Successful incremental developments must meet the requirements of all stakeholders.

The first step is to establish a mechanism for on-going dialogue between the Service Commissions and the central personnel office. Representatives should ideally be at the highest level: Commission chairpersons on the one hand and on the other the head of the public service, together with the head of the central personnel office.

The relationship between the central personnel office and the Service Commissions inevitably raises issues of co-ordination relating to detailed aspects of selection and discipline. These should be dealt with at a lower level. The top-level meetings should serve primarily as the forum where both government and Service Commissions – particularly Commissions – can define their requirements in relation to a decentralised personnel management system. Under what conditions would a Commission be willing to begin delegating its powers? What sort of support would a Commission require from the government? What sort of safeguards would it want to maintain within a decentralised system?

An additional set of considerations may have to be addressed where ethnic and social diversity is a particularly sensitive issue. Public perceptions may be that selection decisions under a decentralised system would be biased against one group, particularly where the upper echelons of the service are perceived to be dominated by a different group. Where there are centrally-administered mechanisms to balance group representation within the public service, there will be particular pressure to retain these mechanisms in force.

A necessary solution in this situation may be to delegate at least some staffing powers from the Service Commission to the central personnel office rather than directly to departments. In any event, it is the regulatory framework that is managed and updated by the Service Commission which must ensure that ethnic representivity is safeguarded. For example, the Australian federal government sets representation targets for departments.<sup>31</sup>

#### **IF DELEGATION IS TO HAPPEN – START NOW**

Constitutional change may or may not be a requirement in the long term, but the government should pursue any progress that can be achieved under existing arrangements. Whereas delegation from the Service Commissions may have constitutional implications, it is within the gift of government to amend the rules and regulations administered by the central personnel office and the Ministry of Finance which act as central controls and restraints on line ministries. In addition

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<sup>31</sup> See Public Service Commission (Australia), *op. cit.*

to the managerial benefits associated with delegation, reallocating responsibilities from these units at the centre to the line can facilitate the broader debate in several ways.

First, it sends a signal throughout the public service that the government intention is to empower managers and line ministries – not to disempower the Service Commissions.

Second, it establishes that it is not government intention to replace one central control agency, the Service Commission, with another, the central personnel office. A clear marker is placed that the overall intention is to delegate powers to the line

#### **The path of delegation in the United Kingdom**

Delegation in the British civil service has been a very gradual process. It began in 1964 when the recruitment of clerical staff was devolved to departments, though the Civil Service Commission (which was responsible for external recruitment) still continued to approve appointments. Clerical recruitment was devolved to departments altogether in 1983. Internal promotions had never been under the purview of the Civil Service Commission.

In 1991, all recruitment below Grade 7 was also devolved, and in 1995 the cut-off point was further raised to Grade 5 (a senior management level). In addition, the centre is also in the process of delegating power over pay and grading to departments: the idea of a single, centrally-maintained classification structure for the civil service is coming to an end in Britain.

The role of the Civil Service Commission is now to issue standards of conduct, to make external appointments down to Grade 5, to hear appeals, and to commission selection audits. The centre makes internal appointments at Grades 1 to 5, issues broad rules or guidelines on selection, and promotes best practice within departments.

Within the line, managers are responsible for selection, discipline, performance rewards and career development. Personnel management units have come into their own as contributors to departmental personnel strategies and policies, and providers of support services to line managers. These units are responsible for pay and grading below Grade 5, succession planning, auditing and monitoring line performance, and providing services in connection with selection, discipline, and training as requested by line managers.

*Source: Hugh Taylor, Head of Management Development Group, Cabinet Office, U.K., presentation to working group meeting, Malta, 15 May 1995.*

– not to reallocate them within the centre. There are some cautions to be noted here, very particularly, the need for secure systems in the line ministries capable of assuming the delegated responsibilities and the points raised earlier concerning

the need to be seen to be exercising tight central control over staffing in situations where questions of ethnic and social diversity are highly politicised.

Finally, as in any change management exercise, the most difficult aspect of change is to establish that any change is possible. Institutional habits become deeply engrained quickly, and change appears to be all but impossible. Small incremental changes indicate that change is possible and achievable.

Maximising the opportunities existing within the current constitutional arrangements as an initial step is a crucial pragmatic step. To emphasise the possibilities that exist, Appendix D provides an analysis of the constitutional position in one region, the Caribbean, to illustrate the degree to which rapid change is possible.

#### **BUILD A CONSTITUENCY FOR CHANGE**

Support from interested parties and the general public is crucial. The creation of a broad consensus in favour of delegation will provide impetus to the process and make it harder to justify reluctance to accept change.

This inevitably requires that the concerns of the various stakeholders are dealt with sensitively and accommodated where possible. The degree to which issues such as ethnic and social representation may influence the course of delegation has already been noted.

Gaining support from the general public calls for a different approach. The public have no reason to be concerned with the precise distribution of functions between Service Commissions, the central personnel office and line departments. The public's concerns centre around the speed and quality of service and value for money: administrative procedures only receive attention when they are seen to be getting in the way of these requirements. In these circumstances, making a public case for delegation will mean explaining in as simple and graphic terms as possible how procedural changes can make it easier for managers to offer more efficient services or save money.

#### **ALLOW FOR THE POSSIBILITY OF RETREAT**

To be acceptable to Service Commissions, agreement on a programme of delegation would probably depend on there being provisions for retreat. The Commissions would want to "test the waters" and retain the option of reversal if initial delegations do not work out well.

This possibility could be introduced through instruments of delegation that are time-limited and can only be renewed by the Commission's explicit decision. Alternatively, delegation agreements might provide for revocation by the Commission if it appears that the delegated powers are not being used well.

This may seem unsatisfactory to the government on the tactical grounds that the Commissions will insist on a retreat at the first sign of difficulty, rather than working through any short-term implementation difficulties. However, such a risk must be accepted by government if it is to offer any reassurance to the Commission that it has a pragmatic rather than ideological commitment to delegation as a route towards service improvement.

### **INTRODUCE A POSITIVE FRAMEWORK FOR CHANGE**

Shifting responsibilities is unsettling, for agencies at the centre and for line ministries and departments. Both the removal and the addition of powers cause concern and resistance. The ideal change model is one in which the overall process for reallocating responsibilities is clear and well understood. For the reasons discussed in this publication, delegation is unlikely to attract unanimous support, but procedural transparency will assist.

A positive framework for change consists of a set of safeguards showing how the risks associated with delegation are to be managed and minimised. Delegation requires re-regulation, not de-regulation. Delegation of personnel management within the public service is not the establishment of a free-for-all in which line ministries and others choose local procedures while the centre looks on powerlessly. A positive framework will signal to the public service that delegation will happen as and when certain conditions are met.

A positive framework is the guarantee that when and where delegation happens, safeguards will be in place. The framework might indicate that delegation will be accompanied by:

- clear definition of lines of accountability between departmental heads, heads of ministries, and Service Commissions, establishing explicitly how responsibilities are allocated;
- comprehensive guidance to line ministries on the development and application of selection criteria;
- guidance on the composition, operating procedures and reporting relationships of selection boards;

- unambiguous guidance on appeal mechanisms.
- a clear framework of accountabilities ensuring that appointments and promotions are made on merit and within allocated budgets.

Selection methodology is one of the most widely criticised aspects of central personnel management. Appendix C provides a model methodology which might be issued to line ministries and departments within a positive framework for delegation.

#### **BUILD LINE MANAGEMENT CAPACITIES**

As delegation proceeds, it will become important to ensure that ministries and departments have the capacity to exercise their new powers competently and effectively. Many countries have found that this means creating specialised personnel management units in the departments and equipping them with the necessary expertise.

Trinidad and Tobago is setting up human resource management units in ministries, to be staffed by professionally qualified public servants. Malta too is setting up model human resource branches in some ministries as a prelude to establishing dedicated units in all ministries.

In Malta, ministry human resource units will cater to the needs of departments within the ministerial portfolio. They are part of a developing administrative structure in each ministry which is headed by a director of corporate services. The reason for locating the decentralised personnel function in ministries rather than departments is to gain economies of scale. Some departments have little more than a handful of staff and clearly could not sustain an upgraded personnel function.

There are two considerations to bear in mind in establishing ministry personnel units. First, such an initiative entails a risk of re-centralisation within the line even as delegation from the centre is sought. Delegated powers should be placed in the hands of line managers not personnel units: these units should play a supporting and enabling role.

Second, consideration should be given to the stage at which it is most appropriate to introduce ministry personnel units. Existing personnel offices may be quite capable of handling the powers that are likely to be included in the first stages of a programme of delegation. More sophisticated personnel units would be required at a later stage. Delegation in Britain has followed such a gradual course, with departmental personnel offices taking on significant new roles only at a relatively late stage in the process.

<b>Stages of Delegation</b>			
<i>Stage of Delegation</i>	<i>Role of Commissions</i>	<i>Role of other main actors</i>	<i>How standards are monitored by Commissions</i>
limited	Specification of rules, procedures for selection and discipline	Central agencies specify rules; line managers take delegated decisions; Department HR units play limited role as yet	Detailed monitoring to ensure that rules and procedural requirements are followed
moderate	Shift from specification of rules to setting of standards, values, guidelines	Central agencies set standards; Department HR units begin to take on importance	Auditing of selection processes to test against standards
significant	Setting of core values, standards only	Department HR units play central role in departmental personnel management	More general auditing; constant review of regulatory framework

#### **CREATE AVENUES FOR ACCOUNTABILITY**

Delegation will require the gradual development of an accountability structure by which line managers can be held accountable for the management of their staff. In its fully developed form, this structure operates at three levels: individual, organisational, and service-wide.

- At the *individual* level, targets, goals or standards are set in order to evaluate the line manager's ability to use his or her delegated authority well. This implies the existence of an effective performance management system which includes the management of staff as one of its key areas of assessment.
- At the *organisational* level, a department needs to ensure that the personnel decisions taken by line managers and the policies set by its personnel unit are directed to the attainment of the department's organisational goals. This means a system of organisational planning that links objectives to overall goals and ties these to individual performance targets for managers.

- At the *service-wide* level, Service Commissions and other central authorities which are delegating their powers must monitor the exercise of delegated powers by departments and take some form of corrective action where deficiencies are identified. Central monitoring may also be backed up by a requirement to report to the legislature on the exercise of delegated powers.

Compliance costs must be borne in mind and these accountability requirements may be unnecessarily elaborate at an early stage of delegation and should be developed as a delegation programme proceeds.

The introduction of formal accountability structures carries a risk that preoccupation with written reporting obscures the underlying aim, which is to monitor and improve performance.

#### **TRAIN USERS OF THE NEW SYSTEM**

Training will play an essential role in the introduction of any new system. Line managers must be familiarised with the system and given guidance on how to operate it. A “critical mass” of specialists capable of advising line managers and handling the more technical aspects must be built up within line departments, the central personnel office, and the Service Commission’s permanent staff.

In addition, special senior-level seminars will assist as a prelude to discussions about change between the government and Commissions. Participants would include the most senior public servants in the prime minister’s office and the Commissions’ Secretariats, as well as Commissioners themselves.

The purpose of the sessions would be to familiarise participants with the value to and potential role within the system of modern, well-designed selection mechanisms. They could provide valuable common ground for the discussions.

#### **ENCOURAGE THE DEVELOPMENT OF A NEW ROLE FOR COMMISSIONS**

The role of Service Commissions is significantly different in a decentralised personnel management system. One stage removed from the management detail, the Commissions will focus on the monitoring of staffing and discipline, the periodic updating of procedures and guidelines, the renewal of delegation agreements, and the exploration of further delegation of powers once the initial system is refined and evaluated.

## **Monitoring the Use of Delegated Powers**

In Canada, the federal Public Service Commission delegates its authority to heads of department (known as deputy ministers) by means of formal delegation agreements. Each agreement is a legal instrument agreed between the Commission and the deputy head. It defines what authority is delegated and establishes performance standards according to which the deputy head's exercise of the delegated powers will be reviewed. Examples of such standards include:

### *Limited use of non-permanent appointments*

- 80 per cent of term employees to have less than two years' continuous service with the department;
- 95 per cent of acting appointments to last less than twelve months.

### *Employment equity*

- recruitment rates for specific social groups to be consistent with labour market availability;
- promotion rates for specific social groups to be consistent with internal availability.

### *Competitiveness in selections*

- term and permanent recruitment to be by competition except for specific exceptions;
- reclassification of positions to occur only where incumbents have held the position for at least six months.

### *Quality of selection process*

- qualifications to be linked to job responsibilities, to be consistent with Standards for Selection and Assessment, and to be measurable;
- assessment tools used to judge competency of candidates to be appropriate to position, qualifications, and chosen selection methods.

Reviews are carried out periodically on the basis of an exchange of information with the Commission. The Commission gathers additional information through special audits and evaluations. Each review analyses the deputy head's performance according to the established indicators. It can establish standards or targets to be met by the deputy and state any concerns the Commission may have regarding the deputy's exercise of his or her delegated powers. It may also include an agreement between the Commission and the deputy on services to be provided by the former to assist the deputy in his or her management of staffing.

The Public Service Commission also prepares an annual report to parliament which assesses the exercise of delegated powers throughout the public service using service-wide performance indicators. The report would assess departmental achievements, highlight areas of continuing concern to the Commission, and establish objectives relating to those concerns.

*Source: Michèle Veilleux, response to questionnaire, 26 April 1995, p. 12.*

More profoundly, however, Service Commissions must strengthen their role as the guardians of key values within the public service. Public services increasingly need a centre of concern about long-term institutional issues: professional standards; the sense of *esprit de corps*, and the development of organisational means by which such concepts can be given practical significance.

This role has been taken up by Commissions in Canada, Australia and New Zealand. They fulfil it by, among other things, issuing leading-edge publications, holding seminars, identifying and disseminating examples of best practice in personnel management, and involving themselves in staff training and development. Commissions in these countries have taken a position at the forefront of administrative reform.

Service Commissions' autonomy allows them freedom of movement in dealing with professional issues which makes them ideally suited for the task. Service Commissions are likely to remain constitutionally mandated to preserve the values of the public service. Increasingly, they must find the long-term strategies which will guarantee excellence in the public service of the 21st century. Those strategies will rest on influence and leadership, not on detailed control.