

From Problem to Solution

Commonwealth Strategies for Reform

Managing the Public Service
Strategies for Improvement Series: No. 1

Mohan Kaul



Commonwealth Secretariat

Managing the Public Service: Strategies for Improvement

A Commonwealth Secretariat publication series

This major publication series provides guidance to public service managers and policy-makers in areas of current concern. *Managing the Public Service: Strategies for Improvement*, provides the reader with access to the experiences and the successes of those many elected and appointed officials who are working with similar problems within comparable structures, and who are determined to make improvements. This lead publication for the series, *From Problem to Solution: Commonwealth Strategies for Reform*, sets the scene by illustrating the remarkable commonality of both the pressures for change and the responses, and draws conclusions for sustainable impact. Subsequent publications in the series examine topical issues in detail.

The series complements the Management and Training Services Division's *Public Service Country Profile* series which provides a country-by-country analysis of current good practices and new developments in public service management. The *Public Service Country Profile* series sets out the **where** and the **what** in public service management. This new *Strategies for Improvement* series provides the **how**.

Other publications in this series are:

- *Redrawing the Lines: Service Commissions and the delegation of personnel management*
- *Working Towards Results: Managing Individual Performance in the Public Service*

The publication of both series is funded by the Commonwealth Fund for technical Co-operation.

Dr. Mohan Kaul
Director
Management and Training Services Division

**From Problem to Solution:
Commonwealth Strategies for Reform**

Published by: Commonwealth Secretariat,
Marlborough House,
Pall Mall,
London SW1Y 5HX.

Copyright © Commonwealth Secretariat 1996

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise, without prior permission of the publisher.

May be purchased from:
Commonwealth Association for Public Administration
(CAPAM)
150 Eglinton Avenue East, Suite 306
Toronto
Ontario
CANADA M4P 1E8

Telephone: 1 (416) 488 1504
Facsimile: 1 (416) 481 6510

or from the Commonwealth Secretariat's distributors:
Vale Packaging Ltd
420 Vale Road
Tonbridge
Kent TN9 1TD
Britain

Telephone: +44 (0) 1732 359387
Facsimile: +44 (0) 1732 770620

ISBN: 0 85092 452 9

Printed by the University of Toronto Press Inc.

From Problem to Solution:
Commonwealth Strategies for Reform

Managing the Public Service
Strategies for Improvement Series: No.1



Commonwealth Secretariat
1995

FOREWORD

by the

Commonwealth Secretary-General

The Harare Commonwealth Declaration identified just and honest government as a key element of Commonwealth values. Public Service Reform was accordingly included as one of the priority programme areas in the Secretariat's work plan, in recognition that an efficient public service is a necessary underpinning of justice and honest government.

The Commonwealth has a strong comparative advantage in this area. Commonwealth co-operation in relation to public administration is facilitated immeasurably by the similarities that exist between all Commonwealth countries in relation to the nature of its underlying principles and values of neutrality.

Many Commonwealth governments have experienced pressures for reform and have adopted similar strategies by re-defining the relationship between policy-making and administration; introducing greater accountability, task-definition, performance measurement and delegation of the control of resources; the need for closer collaboration with the private sector; the acceptance of continuing organisational review; and the importance of the quality of service.

The Secretariat's work with Commonwealth governments highlights both the diversity and the commonality of reform programmes, and the key distinctions between domestic and external pressures for change. It also reveals a movement from macro concerns over the role government should play in socio-economic development, to a more focused concern for the development of specific strategies for improvement in public service.

In summary, the debate has moved from the problems to the solutions.

This publication illustrates the degree to which new areas of consensus are emerging in the implementation of public service reform in Commonwealth countries, and I hope it will make a useful contribution in the review and development of national strategies in the management of public service reform.

Emeka Anyaoku

ACKNOWLEDGEMENTS

This publication reflects the findings from a number of Commonwealth Secretariat activities in the area of public service reform, including from a series of roundtables, workshops, consultations, advisory missions, specialised training programmes and country case studies on good practices. The objective of these activities was to learn from various experiences and explore methods for strengthening Commonwealth co-operation in the area of public service reform. These activities were lead by the Secretariat's Management and Training Services Division and financed through the Commonwealth Fund for Technical Co-operation.

The preparation of the publication owes much to the close collaboration of Commonwealth Governments and to the valuable contributions that we received from a large number of organisations and individuals.

E. N. Hare
Deputy Secretary-General
(Development Co-operation)

CONTENTS

Introduction	1
The Pressure for Reform	3
Re-defining the Problem – The Changing Role of Government	6
A New Outlook – Focusing on Solutions	9
A Framework for Change	14
Strategy 1 – Improving Policy Development and Co-ordination	21
Strategy 2 – Restructuring and Organisation	28
Strategy 3 – Re-orienting the Organisational Culture	34
Strategy 4 – Managing Human Resources	40
Strategy 5 – Commercialising and Developing Partnerships	50
Strategy 6 – Improving Financial Planning and Control Systems	55
Strategy 7 – Harnessing Information Technology	61
Future Challenges	66
Conclusions	68
Bibliography	69

INTRODUCTION

This publication is the lead volume for a series which the Management and Training Services Division is producing on the subject of Public Service Management: Strategies for Improvement. So far, we have published country profiles of Canada, Malaysia, Malta, New Zealand, Trinidad & Tobago and the United Kingdom. In addition, a number of round tables, workshops, advisory missions, training programmes, and conferences were organised, including the Inaugural Conference of the Commonwealth Association of Public Administration and Management held in Charlottetown, Canada, all of which enabled officials from throughout the Commonwealth to meet, share experiences, and learn from one another.

This lead publication, Commonwealth Strategies for Reform, develops a framework for the management of public service reforms, based on successful innovations and practical strategies which have been developed and implemented across the Commonwealth.

The first section highlights the pressures that Commonwealth countries have faced which have triggered public service reforms and have led to fundamental changes in the role of the government in the management of socio-economic activities. The two sections that follow aim to draw out the common strategic approaches across the Commonwealth and provide a framework for public service reform focusing on practical solutions. These are followed by seven practical action strategies which have been widely deployed in improving the management of public services within the Commonwealth countries.

The final section identifies the critical challenges, within and outside the public service, which must be addressed in order to sustain public service reform and underpin accountable administration for just and honest government.

I am grateful to Mr. Nick Manning, Adviser, (Organisational Structure and Design), for his valuable assistance in the preparation of this publication. I also wish to thank Mr. Michael Gillibrand, Adviser (Commercialisation), and Dr. Olu Fadahunsi, Adviser (Management Development), for their useful contributions. I would also like to express my gratitude to Ms. Leanne Miller and Mr. Roy Chalmers for providing assistance in the bibliographical research, editing and other aspects of production for this publication.

Mohan Kaul
Director
Management and Training Services Division

THE PRESSURE FOR REFORM

Since the mid-1970s, governments have been increasingly concerned with adapting and developing the structures and values for the public service that will achieve greater efficiency, and more responsive and flexible services. This movement has been pushed largely by a combination of economic crises and geo-political changes which have led to reduced financial resources for governments. However, it has also been pulled by a sense of new possibilities: the development of a new set of managerial strategies which promise to lever greater results from fewer resources.

INCREASING DEBT AND ECONOMIC PRESSURES

Over the last two decades, changes in the role and responsibilities of government have been largely driven by economic pressures.

Most fundamentally, the balance of payments problems faced by many countries in the Commonwealth eroded exchange rates and government purchasing power. Terms of trade have been such that developing countries could not cover their needs for imports of manufactured products. As many of the imports were needed by government itself, this was a crisis of national capacity as much as a restriction on consumers.

Increasing recourse to borrowing as a source of revenue for government led to levels of external and internal debt which were greater than total GDP. In some countries, levels of annual debt servicing rose to 80 per cent of the total government budget. Noting this alarming trend somewhat belatedly, the lending institutions withdrew credit facilities and, during the 1980s, sources of borrowing dried up dramatically. This was in sharp contrast to the 1960s and 1970s when even private banks willingly and enthusiastically lent large amounts of money to governments.

Over the same period, multilateral agencies had invested large sums in developing countries needing to develop their infrastructure, and bilateral aid was often available, especially for countries on the political 'frontline' of the cold war. Subsequently, the multilateral and bilateral funding agencies adopted new loan policies with a clear focus on financial return. The outcome was that these agencies became more unwilling to provide funds for general budget purposes at the same time as the private sources were reducing.

The result was the infamous "Third World debt crisis" of the early 1980s, the scale of which ensured that private sector bankers have refrained from most further sovereign loans.

During the same period that the ‘debt crisis’ developed, exploded onto the world and has remained here, other economic changes have rapidly emerged. Regional trading blocs such as the EU, NAFTA, ASEAN, MERCOSUR, have replaced the traditional divisions between East and West. New technologies have fundamentally altered production systems and created new trading structures. All these pressures have implications for the public service in the areas of national policy formulation and of the uniformity of regulatory and other institutions.

HIGH EXPENDITURE – POOR PERFORMANCE

As levels of government expenditure, already high as a proportion of GDP, increased further with every year, far outstripping revenue, the cost of government became unsustainable. The need for reductions in government expenditure became urgent and inescapable.

Most crucially, however, the over-expensive machinery of government was under-performing. The persistently poor performance of the public sector was eroding confidence in the abilities of the government and the state-owned enterprises to provide the necessary goods and services for citizens. It was not only the case that the financial performance of government services and enterprises was economically inefficient, but that their operational performance was also functionally ineffective.

Within a few decades, government services had acquired a reputation worldwide, with a few notable exceptions, for poor products, services and attitudes.

As a result of the poor reputation of government services, demands for improvements in the quality of services by the recipients of public services have represented a distinct and powerful pressure for change. These demands have been felt in several ways. First, as informed taxpayers, citizens have indicated a clear limit to their willingness to purchase unattractive and inefficiently produced public services through their tax contributions. Second, electoral issues are increasingly shaped by dissatisfaction with public services. The machinery of government is no longer simply taken for granted and the nature and quality of public services is now open to question.

NEW IDEOLOGY – NEW IDEAS

The general collapse of the centrally planned economic systems of the Eastern bloc countries underscored the poor performance of government services worldwide. This collapse demonstrated that the solutions to the problems of poor public services not only required a managerial re-think in all government operations, but also dictated a reassessment of the fundamental responsibilities of government in

economic policy and public service. Post-war certainties concerning the activities that should be undertaken by the government, by the private sector, or by NGOs faded rapidly.

As these fundamental shifts in political ideology and economic policy challenged constraining orthodoxies, a new set of managerial ideas spread globally. As the upsurge in liberal market economic policies and in liberal democratic political philosophies led to a new and narrower definition of the role of government, the new institutional economics, combined with a wave of private business-style of management practice breaking across the public sector, ensured that what government services remained were structured and managed very differently.

Significant external pressure for the adoption of these new economic policies has been exerted by donors and lenders, but managerial pragmatism and political conviction have also played their part in motivating reform programmes. The new ideas and ideologies are rapidly distributed by the global media, which in turn form a pressure for change in their own right.

A CONTINUING PROCESS

The pace of change in the public service, driven by the changing role of governments seeking to respond to a rapidly shifting economic and social environment, will not slacken. Social expectations, led by increasingly global media, will continue to rise. Developments in information technology will enable further dramatic organisational restructuring. National competitiveness will increasingly depend on flexibility in highly skilled workforces, requiring fast responses from a government that it is increasingly enabling rather than providing the directions for change. Above all else, economic pressures will continue to mount. For many Commonwealth countries, growth depends on large flows of foreign private investment. Any recent accomplishments, and there have been many, are continually threatened by the growing volatility of capital markets and by exposure through indebtedness to rising interest rates.

This publication sets out some current strategies for achieving productive change within the public service. These strategies provide responses to pressures for reform, they do not remove them.

RE-DEFINING THE PROBLEM THE CHANGING ROLE OF GOVERNMENT

Traditionally, the shortcomings of the public service have been seen as organisational problems capable of solution by appropriate applications of political will, powerful ideas, and managerial determination. Recent years have seen a new problem identified – government itself. It has been argued with increasing force that it is the over-ambitious scale of government, seeking to intervene and provide services in areas where it has no proven track record of success, that is the problem. The overriding concern with economic growth has led to a re-focusing and narrowing of national goals, suggesting that there must also be a re-focusing and narrowing of government institutions and responsibilities.

The role assigned to government in the planning and management of national economic and social activities has undergone fundamental reassessment in both developed and developing economies within the Commonwealth. Despite consensus on the need for change, there continues to be controversy on the appropriate role of the state.

SETTING DIRECTIONS – GUIDING AND FACILITATING

Many countries are now seeking modes of administration that avoid the errors of both Soviet-style planning and the grandiose corporate planning approaches popular in the 1960s. Those countries are accepting the need to change the role of the state as a route towards improved economic efficiency. The restructuring that has followed has been shaped differently by the ideological, political, structural and cultural contexts but, consistently, the preferred role of government has changed from acting as the principal vehicle for socio-economic development to that of guiding and facilitating that development.

Economic liberalisation, transfer of state-owned enterprises to the private sector, reductions in the size of state bureaucracies, and contracting out work, have been placed higher on the strategic agenda. The strong movement towards liberalisation of economies is underpinned by a desire to achieve fresh appraisal of what government does best. National economic and social policy *formulation* remains inescapably as one of the main functions of government, but policy *implementation* is a separate question.

The situation, however, is far from straightforward. Underneath the general current towards 'leaner and meaner' administrative structures, there are many eddies in the opposite direction. Economic liberalisation brings with it an increased requirement for regulatory activity, as does the increasing concern for the environment. Equally,

the strong pressure towards consumer-oriented services can lead to requirements for more rather than less government, with an emphasis on 'transparency' rather than size.

ENTREPRENEURIAL GOVERNMENT – EMPHASISING PERFORMANCE

As government moves from a concern to do towards a concern to ensure that things are done, the managerial focus has increasingly been directed away from formal processes and towards results. This very striking managerial shift has been strongest in developed and newly industrialised countries, but the reform themes relate closely to the changing mood within other settings and described, as "the emergence of entrepreneurial government".

In different settings, different paths are being followed towards a similar set of goals. In Britain and New Zealand, systemic and radical reform measures have been adopted utilising the new managerialism to the full to re-orient the public service and to decentralise its functions. In other settings, such as Singapore and Malaysia, new approaches have been added to the existing administrative tool-kit available to government. New managerial tools have facilitated incremental reform, enhancing managerialism without radically destabilising the more traditional features of the public service.

FROM CONVICTION TO COLLABORATION

The debate concerning the new role of government has matured. In most developed Commonwealth countries in the 1980s market-oriented, private sector techniques emerged as the sole path to holding down public sector budgets while allowing some opportunity to meet increasing public expectations. As the ideological rigour underpinning this approach softened, a more dispassionate view of the advances made has been possible. Sound management supported by pragmatism, enterprise and a clear sense of mission, have emerged ahead of ideological conviction.

Reforms have attempted to improve the context for private sector development. In some settings, this has led to a change from viewing government as an obstacle to development which must be removed, to seeing it as a potential solution which must be appropriately targeted. Public/private partnership is increasingly viewed as a positive route to performance improvement.

NEW ROLES – CONCERNS FOR CHANGE

In some countries, concern has been expressed that the extensive changes in the role of government currently being considered are not always based on a sufficient awareness of local conditions. The political leadership of some developing countries have argued that failures in development planning are not because of the level of state intervention but because of its nature and in particular its failures in not allowing for popular participation, in not addressing the unique social environments, and in not encouraging transparency and accountability. Government was not in error in setting itself its tasks, the argument runs, it failed in the manner in which it sought to undertake them. It is the style of management and not the role of government which is the problem.

The reasons for government involvement in economic and social management have not disappeared. The lack of domestic private capital, the risk of foreign domination of the economy, and the monopolistic tendencies of some sectors remain as obstacles to be overcome. Memories of the original motivation for nationalisation have been brought to the fore again by the privatisation plans of some of the developing countries.

The public sector remains important for the proper operation of market forces. A publicly-provided infrastructure has always been a foundation for the development of the private sector in both capitalist and mixed economies. In developing countries the infrastructure in place to allow market forces to function is so limited that the government has to assume a major role, particularly in the provision of the necessary social, educational and economic support for the market.

Against that background, pressure to review and reduce the role of government may appear to threaten a system in which there is already insufficient experience, inadequate resources and a volatile political environment and could be destabilising; incremental improvement of the basics may be more pertinent.

A NEW OUTLOOK FOCUSING ON SOLUTIONS

All governments would like to be more efficient, more cost-conscious, more responsive and more accountable. The difficulty is that although failure flaunts itself and is easily spotted, success is more modest. It is easier to identify what the public service must escape from than to point out exactly where it must go.

Public service reform programmes in Commonwealth countries have identified several themes which are key to the international quest for a new role and style of government. There is no single solution which will lead to success. There is, however, a new managerial approach without which success is unlikely.

THINKING DIFFERENTLY ABOUT THE ROLE OF PUBLIC SERVICE

The reforms introduced into the public service over the last two decades have seen a very different role for the public service. With national economic and competitive success increasingly determined by fast moving open markets, dynamic enterprises and highly skilled workforces, the public service has entered the equation as an active player, proactively developing and managing regulatory frameworks, and responding to growing expectations of service quality.

Reform programmes have reflected the two broad aims of increased efficiency and effectiveness. While the public service must produce more from fewer resources, it must also ensure that those products are the right ones. Through their focus on efficiency and effectiveness, successful reform programmes have broken the perceived linkage of recent years between public ownership on the one hand, and an equilibrium of under-achievement and stubborn resistance to change on the other. Within increasingly sophisticated managerial frameworks, public ownership can provide a sound framework for cost-effective services.

Above all else, recent public service reforms have indicated the degree to which the public service has become a dynamic variable in the equation of successful government. In an era when competitive success relied significantly on primary production, managed markets and secure industrial capacity, the public service represented a force for encouraging stability. Its role was, above all else, that of managing stable regulatory frameworks in the context of relatively low public expectations of government services.

THINKING DIFFERENTLY ABOUT SERVICE-USERS

Successful reform programmes are powered by a determination to make public services more responsive to the needs of the people who use them. A re-conceptualisation of service-users as consumers of public services has meant that passive recipients of services are increasingly seen as active customers, and serious attempts are being made to find out what those customers expect.

Most fundamentally, this new outlook provides the outline of the virtuous circle which is driving many reform programmes. As customers, service-users are encouraged to demand more as governments increasingly believe that it is the pressure from its customers which will force improvements from the public service.

THINKING DIFFERENTLY ABOUT ADMINISTRATIVE STRUCTURES

The administrative reforms being adopted in many countries emphasise the significance of distinguishing between political and managerial responsibilities within the new structures. To some degree, this identification of responsibilities and the separation of policy formulation from implementation is a necessary precursor to strengthening accountability. In most situations this is a broad movement rather than a precise surgical operation. Policy formulation is not that readily separated from implementation, political responsibilities for policy definition are not easily defined, and managerial responsibilities for implementation rapidly become political when problems loom. However, most reform programmes are underpinned by some clarification of these boundaries.

THINKING DIFFERENTLY ABOUT STAFF

The Commonwealth experience has indicated clearly that successful reforms are built on a foundation of balanced organisational and attitudinal changes. For example the comprehensive revision of traditional public service personnel management policies, supported by tight monitoring of total staff numbers and costs, is accompanied by a conscious process of re-orientation for staff in which both quality of service and accountability to the public are being emphasised. Such a deliberate process of changing attitudes, in step with reforming structures, highlights the central role of staff commitment to change. The process of reform must capture the imagination of existing staff if they are to lead to sustainable service improvements.

CHANGING VALUES AND ATTITUDES

Increasing concern with the quality of service provided to the public is acting as a particular catalyst in developing an organisational culture where outputs are the overriding preoccupation. Recent developments are linking such attitude shifts with a renewed focus on commitment to the organisation and flexibility.

Recent reforms within the public service have represented a major challenge to the traditions and values of the public service. At worst, the increasing interchangeability of public and private sector staff at senior levels raises the possibility that neutrality within the public sector can no longer be taken for granted. More subtly, the less tangible products of the public sector, regulation and law enforcement, might arguably take second place to a preoccupation with concrete service delivery.

At best, however, the move from a climate of administration towards one of management has offered an opportunity to tighten up roles and responsibilities at all levels. The concern for quality and the increasing identification with the public requesting service are important aspects of the new culture. This gives rise to the possibility that a new public service value system is emerging in which quality, like probity more traditionally, is taken as a moral as much as a regulatory issue.

HARNESS INFORMATION TECHNOLOGY

Strengthened accountability fits with a broader concern to adopt a more managerial approach, with tighter definition of tasks, measurement of performance, devolution of resource control, improved monitoring, and clarified incentives. Such moves are underpinned by a broadening in the scope of information technology applications. Accompanying the traditional payroll and other mass computing applications, governments are implementing new systems for information retrieval, electronic data interchange, executive information, and work-flow automation.

These information technology developments are contributing towards increased efficiency in the public service in two ways. First, they are directly contributing towards service improvements and effective resource utilisation. Second, developments in information management are allowing the development of a broader range of organisational structures. Flatter structures, emphasising team working but simultaneously allowing for tighter monitoring of service outputs, are a key development here. The debate about business process re-engineering has been very largely driven by the development of more effective management information systems.

CREATE SYNERGY BETWEEN THE PUBLIC AND PRIVATE SECTORS

Recent reform programmes fully recognise the interdependency between the public and private sectors. On the one hand, the public sector is dependent on the services of the private sector. On the other, it is ultimately responsible for the climate in which that sector thrives or otherwise. Public service reforms are clarifying the boundary between the two, with clearer models for government purchasing of externally produced services and for specifying the government's intended outcome in strengthening the capacity of the private sector.

Within the more pragmatic management culture increasingly adopted by governments, a broader range of choices is available for the intervention in, and withdrawal from, areas of social and economic activity. The public/private 'synergy' is maintained by a flexible and frequently tactical choice of strategies and actions.

RESPOND TO CORRUPTION

Corruption, in varying degrees, is a reality in all areas of government. While perceptions of its nature and extent vary, it provides a strong impetus for reform on two levels. First, concern exists in some countries that independence left a residue of endemic corruption. Fundamental reform was seen as necessary to change the value base and the procedures that sustained this state of affairs. By contrast, other countries have more recent concerns regarding the growing number of public sector scandals, which could be related to the fast pace of change.

In both situations, the response of government has been to introduce widespread reform programmes with the broad aim of reversing any perception that corruption is a 'low risk – high reward' activity.

USE THE FULL MENU OF ORGANISATIONAL OPTIONS

The new thinking about systems and structures recognises that to maintain an effective capacity for strategic intervention in all areas of socio-economic activities, governments must no longer restrict their selection of structures and methods to those traditionally employed within the public service. Increasingly, governments are selecting the most effective organisational option from an increasingly broad portfolio, from corporatisation through to contracting out, dispassionately drawing on models which have their origin in both the public and private sectors. Such responses imply a managerial style which facilitates a rapid response capable of driving through change.

The new responsibilities for the centre concern change. The context for the public service is that of fast-changing labour markets, rising consumer expectations, and rapid developments in technology. Managing stability is no longer the key task for the public service.

Thinking differently about systems and structures requires a determination to make space at the centre of the public service for the long-term visioning and for the nurturing of future excellence. Active management of the regulatory frameworks are the key to this. Determining, imposing and policing a fixed array of regulatory frameworks, whether in financial or personnel management, is no longer the priority of the central co-ordination and control agencies. Monitoring the impact of the regulatory frameworks, and guiding the development of new arrangements which will guide the service towards its long-term goals confronts the centre with a more dynamic and substantially more challenging set of tasks.

A FRAMEWORK FOR CHANGE

A checklist for sustainable public service reform programmes emerges from Commonwealth experience:

1. *Does the programme have strong political commitment?*
2. *Does the programme set a credible pace?*
3. *Is there a focal point for change?*
4. *Is there adequate ownership across the public service?*
5. *Does the reform balance increased consumer expectations with managerial performance?*
6. *Will it result in the public service feeling the consequences of good, or poor, services?*
7. *Is there sufficient institutional support outside the public service?*
8. *Does the programme balance immediate goals with open-ended continuous change?*
9. *Does the programme embody practical strategies for action?*

POLITICAL COMMITMENT

The importance of securing the highest level of political authority to an administrative reform programme, the commitment of ministers and senior officials, is identified consistently as a major influence on implementing successful public service reform.

As well as high-level political support, encompassing the Prime Minister, President and Cabinet, reforms also require the support of the chief executives at the organisation level. Examples of such reforms that were politically driven at the highest level include the U.K., Malaysia, Singapore and New Zealand.

- Such support was evident when the Hon. P.J. Patterson, Prime Minister of Jamaica stated that "...I do not envisage that the new role of government is minimalist or will result in its eventual disappearance. Rather, it suggests government of a somewhat different nature and better kind. It certainly implies movement towards catalytic government: One that concentrates on facilitation, regulating, and monitoring; one that focuses more on 'steering than rowing'."
- The Canadian Government initiated in the late 1980s a programme of public service reforms and restructuring called Public Service 2000 (PS 2000). It was announced by the then Prime Minister, Brian Mulroney, in the autumn of 1989. A co-ordinating secretariat was set up in the office of

the Privy Council, the equivalent of the Cabinet Office in other countries. Ten task forces composed of very senior government officials (deputy ministries, and equivalent) were established to look at aspects of reform programme. An overall policy document was written on the basis of the reports of the task forces and published as a government white paper.

The challenge of securing commitment is profound, particularly at a time when the rhetoric of public service performance improvement is as prevalent as the reality. Commonwealth experiences suggest sustainable commitment has three elements at both political and managerial levels. First, commitment to change involves a willingness to indicate a clear preference for the future; to say what an improved public service would look like and what it is in the past that must be left behind. Second, it also entails a willingness to take responsibility for, to own and to accept praise and blame, for the process that will lead to that future. Finally, commitment requires a preparedness to describe and repeat, as often as possible, both that preference for the future and the process for getting there.

In Trinidad and Tobago, the change in public service was envisaged as a set of processes. Three important roles were identified in the management of this process. The first was a **change sponsor** where the individual or group uses organisational power and influence to legitimate the change. Given the nature of the government transactions, the Cabinet or key minister played the role of the change sponsor. In Trinidad & Tobago, a Cabinet Minister was appointed in 1991 for the first time and given a mandate to implement public service reform.

The second role was that of **change agent**. This individual is responsible for implementing or helping to implement the change. Such a person must possess a range of skills and competencies and should have the trust of the organisation. A core of change agents therefore needs to be identified, some from within the government circles and some working as consultants from outside.

The process needs to ensure the involvement of the trade union and other associations representing the workers. In Trinidad & Tobago, this has been pursued through involvement of various representatives in planning committees and task forces at every stage of the reform process.

A CREDIBLE PACE FOR REFORM

Successful reform programmes have been incremental as often as they have been dramatic. Broad front, big push reforms are not the only model, selective and opportunistic approaches have led to significant improvements in many settings. It is credibility, to the public, to the political leadership, and above all to the public service itself, which is the determinant of success. The reform programme in New Zealand has been radical and fast-moving. Some aspects of reform in Mauritius have been longer-term. Both have worked within the constraints of the support

available to them, and neither have promised more than they could realistically deliver.

- In 1984, the newly elected Government of New Zealand felt that the state cost too much and contributed too little to wealth-generating activities. By 1989, legislation had been passed which converted trading departments and corporations into businesses along private sector lines, which passed hire and fire responsibilities from the government to the chief executives of ministries, and which comprehensively restructured financial management systems.
- Performance management is being introduced in Mauritius on a cautious timescale, with considerable emphasis placed on piloting all systems in different public service settings, to ensure that all steps towards the delegation of remuneration and recognition carry the support of all involved.

The Government of Malta appointed a Public Service Reform Commission when it initiated a radical reform of its public service in 1987. The role of the Commission was to "examine the organisation of the public service, and recommend means by which the Service can efficiently respond to the changing needs for effective government".

At the same time an Operations Review was undertaken with a view to examining the structures of government in order to determine the extent to which these were conducive to the effective delivery of public services, and to make suitable recommendations for their improvement. The two initiatives, the Reform Commission and Operation Review were closely linked by sharing a common research team and the Secretariat to ensure complementarity of their outcomes.

The changes proposed as a result of this reform exercise included the setting up of a Management and Personnel Office within the Department of the Prime Minister, which also included a Staff Development Organisation for the development and nurturing of the human resources within the civil service. A Management Systems Unit was also set up to facilitate the bulk of changes proposed by the Reform Commission and Operation Review.

A FOCAL POINT FOR CHANGE

Comprehensive reform programmes require a strategically placed central unit, able to monitor progress and where necessary, to drive progress.

- In Uganda, a public service review and re-organisation commission was appointed in 1989 with the major objectives of re-defining the role of government in meeting the development needs of Uganda and raising the efficiency and effectiveness of the public sector.

- In Zimbabwe, public service reforms involved setting up institutional machineries to implement and monitor the reform programme. In this regard, a number of units were created. These included the Monitoring and Implementation Unit in the Office of the President and Cabinet, the Human Resource and Management Services Directorate and Efficiency Unit in the Public Service Commission, and the Training Directorate in the Ministry of the Public Service.

OWNERSHIP ACROSS THE PUBLIC SERVICE

The management of change requires that public servants at all levels feel a sense of involvement in the process, and that they share the vision and want the change. Involving staff in change from the beginning makes it more probable that those who will have to live with the changes feel some commitment to the new order.

- In Trinidad and Tobago, a series of departmental retreats were held to facilitate this process of staff involvement. Over a period of one year approximately, fifty per cent of the public service participated in these retreats. Retreats have also been popular in other Commonwealth countries – recently a retreat was organised in Barbados and attended by the Prime Minister and ministers.
- In New Zealand, during the period of major restructuring of government functions, there was a concerted attempt to input “change managers” into key departments to meet responsibility for restructuring. Some of these were deliberately quite short-term appointments.

BALANCING CONSUMER EXPECTATIONS

At their core, public service performance improvements are pushed by increasing expectations from consumers as much as they are pulled by increased managerial expectations. Successful reform programmes require a balance between these two forces.

- In the Singapore public service, year-on-year efficiency savings are required from departments. At the same time, public expectations of service standards are encouraged to rise, with complaints comprehensively detailed.
- The Prime Minister of Namibia has noted that, at the same time that performance evaluation and accountability mechanisms are to be

strengthened within the service, "we must make sure that everyone is told what kind of service they can expect to receive".

The recent U.K. White Paper, *Continuity and Change*, indicated that the delegation to agencies and to departments will continue, with individual units increasingly responsible for their own management structures. Restructuring and de-layering will reduce the size of the civil service from 533,000 at April 1994 to significantly below 500,000. Control and co-ordination of departments and agencies will be undertaken by strengthened performance contracts and more demanding performance standards.

At the same time, the Citizen's Charter initiative is ensuring that consumers are aware of the standards expected from public services, and have full access to complaints mechanisms and to redress if the standards are not met.

FEELING THE CONSEQUENCES OF GOOD, OR POOR, SERVICES

The traditional model for the public service has been criticised for its remarkable resistance to productive change. In focusing on process rather than product, it remains aloof from the disappointments of both its funders and its consumers. That criticism is double-edged. The public service is also insulated from the rewards of a job well done. Little positive feedback is offered to the public service for areas in which, perhaps despite major resource constraints, it has delivered an effective service.

Reform programmes are finding avenues for feedback to the public service, to ensure that improvements, or deteriorations, are recognised. Performance management systems are providing some approaches for linking assessing achievements against organisational goals. More radically, in some settings, budget allocations are being increased to high-performing organisations at the expense of those which are seen to be under-performing.

- In Zambia, performance targets are being introduced at all levels of the public service.
- In the U.K., funding for schools is increasingly determined by the popularity of the school with parents.

BUILDING INSTITUTIONAL SUPPORT OUTSIDE OF THE PUBLIC SERVICE

An effective public service is not an isolated, autonomous body. It relies on an interconnected network of civic society organisations and interest groups, whose specific concerns are harnessed to support public service performance. Many

managerial options proposed for inclusion within public service reform programmes rest on the capacity of external civic, professional and political institutions. Contracting out of services, for example, presupposes that there is a legal profession and a judicial structure capable of policing agreed contracts, and a political structure with the capacity to manage the trade-off between short-term job losses and long-term efficiency gains.

Secure financial management regimes presuppose technical and professional capacity in financial managers, and presuppose the existence of professional groups capable of policing a professional code of conduct. Coherent remuneration negotiations in the public service assume that representative staff bodies are in place which can negotiate on behalf of public servants without undue fragmentation. Sustainable reform programmes themselves, entailing delicate balances between long- and short-term gains, require mature political structures able to focus on a broad manifesto. Without such supporting institutional capacity, such managerial options are more illusory than real.

- The National Institutional Renewal Programme in Ghana is designed to strengthen the capacity of all public sector institutions, locating public service improvement as one stream of a larger programme.
- The development of local government structures in South Africa, particularly in rural areas where previously no formal local structures existed previously, forms part of a strategy to ensure that services can be provided with secure political backing.

OPEN-ENDED CONTINUOUS CHANGE

Public service reform programmes must contain specific targets if they are to have focus. The targets must be specified and achievable. Equally, however, reform programmes must note that reforms will be continuous. There is no final point and the pace of change is likely to increase significantly.

The reforms instituted in Malta clearly noted that there were specific aspects of the service which must be improved urgently. Equally, they recognised that there was a long-term, open-ended process of reform ahead.

In its recommendations for the public service, the Public Service Reform Commission in Malta reported that:

"In essence, the changes being proposed should:

i. restore the institutional fabric of the public service

The public service is part of the institutional framework of government; it has a distinct identity and value system which has been obscured. The Commission wishes to see the distinction made once more, with the public service recognised and respected in its own right.

ii. build its organisational structure

Measures are needed to enable the service to meet the targets that are set for it and to help it adapt to new needs and circumstances.

iii. safeguard employee rights

The exercise is premised on fair treatment of staff, which goes beyond the adoption of fair standards of selection, compensation and reward; it includes staff development, and the establishment of mechanisms to settle matters affecting individual and collective rights of employees,

These over-arching objectives are inseparable and must be recognised as such. Progress towards the attainment of each depends on progress towards the attainment of the others."

PRACTICAL STRATEGIES FOR ACTION

A series of seven practical strategies can be identified within reform programmes. These practical strategies are set out in the following chapters:

1. *Improving policy development and co-ordination*
2. *Restructuring the organisation*
3. *Re-orienting the organisational culture*
4. *Managing human resources*
5. *Commercialising and developing partnerships*
6. *Improving financial planning and control systems*
7. *Harnessing information technology*

STRATEGY 1 IMPROVING POLICY DEVELOPMENT AND CO-ORDINATION

The ability to deliver sound and achievable policy is a key indicator of the health of the public service. Two key components of strategies for improving policy development and co-ordination emerged from Commonwealth Roundtables and advisory services. First, the need concentrate on strengthening the institutional mechanisms required for sound policy development, implementation and review and, second, the higher order need for policy frameworks for the reform process itself.

ENHANCING POLICY CO-ORDINATION AND ANALYSIS

Policy development, with its cycle of policy appraisal, through identification of options, decisions, implementation, monitoring and evaluation, is being given greater emphasis and more systematic attention within Commonwealth governments as a part of their public service reform.

If government is to make well-informed decisions on matters of public policy, it requires high quality policy advice. Policy advice is now explicitly identified as an output of many core agencies in New Zealand. In July 1991, the Minister of State Services directed the State Services Commission of New Zealand to review the provision of policy advice by government departments to identify ways of improving its cost effectiveness. The direct cost of providing policy advice in New Zealand is around \$400,000,000 annually and there are approximately 1,000 Policy Analysts working in the New Zealand Public Service.

The lack of policy analysis skills has been identified as a key weakness within the public service in many developing countries. In some countries this has been addressed by strengthening the offices of the President or Prime Minister, and the Cabinet Office machinery, through the development of policy units (Britain, Australia, New Zealand, Zambia). In other countries inter-ministerial committees have been set up for special policy issues and national forums involving private and public sectors have been established. The National Renewal Programme in Ghana, and Malaysia Inc, are two examples. Independent policy institutions, special committees of secretaries and task forces are some of the other mechanisms which have been set up (Zambia, Malaysia).

In 1991 the New Zealand Government instigated a Policy Advice Review in response to concerns regarding the quality, relevance and coherence of the advice it was receiving from public service departments. One outcome of that Review was a Policy Advice Initiative – a series of ideas and actions focused on the production of policy advice within departments. Steps within the Initiative included:

- The promotion of exchange of policy staff within the public service;
- The adoption of a 'benchmark' approach to assessing the trade-off between price and quality in the purchase of policy advice. The Treasury developed costing standards for policy based on analysis of the costs of all policy units. The objective of this was to give ministers and chief executives comparative price information to guide choices on the quality and quantity of policy advice purchased;
- The development of a policy analysis framework for use as an analytical tool by the ministry staff. Introduction to the policy framework is part of the induction process for new staff and, in addition, a training video has been produced;
- The development by departments of their own quality indicators for their policy advice outputs. The Treasury, for example, has a set of detailed quality parameters under the headings of: completeness, relevance, communicability, timeliness, cost-effectiveness, reliability and assessment of quality;
- Specialist training in methods and techniques used in policy analysis for many policy analysts. Some staff were involved in exchanges and secondments to overseas policy agencies or policy units within departments;
- Short and tertiary level courses covering the qualitative and quantitative aspects of policy analysis by private training organisations and Victoria University, Wellington.

■ In Malaysia, national-level policy analysis and evaluation is done by the Economic Planning Unit of the Prime Minister's Department. The Implementation and Co-ordination Unit monitors the implementation of programme components. This unit is the secretariat to the National Development Council (NDC) whose functions are:

- to ensure that the implementation of government policies and strategies is in line with the objectives of the National Development Policy and the Sixth Malaysia Plan;
- to monitor and evaluate the implementation strategies of programmes and projects under both the Policy and Plan.

STRENGTHENING CABINET OFFICES

While there are examples of successful improvements in policy analysis and co-ordination, experiences throughout the Commonwealth have been varied and results sometimes patchy. In many countries there is a considerable need for strengthening and enhancing policy analysis skills within the Cabinet Office given their central role in national policy making processes.

Most Commonwealth countries have retained a model of Cabinet Government in which Cabinet committees are responsible for making major decisions on policy issues. Traditionally, all ministers are collectively bound by decisions of Cabinet which meets in private. The Cabinet Office of the Prime Minister's Department or President's Department functions as a Secretariat to the Cabinet. New policies are initiated and proposed to Cabinet by the respective Ministers, with a Cabinet Paper containing the rationale for policy change prepared by the Ministry.

In Jamaica, a priority of the Civil Service reform was to establish the necessary capability under the Prime Minister's personal authority to command and control the formation of strategy and the policies for development of resources, money and people to implement it. The Prime Minister's Office has full responsibility for bringing together issues which impact on government strategy and presenting them to Ministers. It also takes a lead role in corporate planning for the Government as a whole, and monitors and directs the implementation of policy.

- In the U.K., Cabinet Office instructions on preparation of Papers for submission to Cabinet say that all proposed policy changes should make clear what is to be achieved, by when, and at what cost and how this achievement is to be monitored. Departments are also required, where there are public expenditure implications, to clear these with the Treasury before submitting to Cabinet.
- A major priority for the Government of Australia was to have a Cabinet system that enabled government ministers collectively to make strategic policy decisions but not have to worry about too many matters of detail. As a result the Australian Government clarified and focused the roles of standing Cabinet committees.
- In New Zealand, a single Department of the Prime Minister and Cabinet, combining the policy advice role of the Prime Minister Office and the Cabinet servicing role of the Cabinet Office, was created in 1990 to improve policy co-ordination.

IMPROVING POLICY PRESENTATION

In line with moves towards a customer orientation, governments have an increasing duty to inform the public about new policy measures.

Improving policy presentation has a number of objectives. These include creating and maintaining an informed opinion about the business of government; using publicity to help the government achieve its purpose; helping and advising in all matters bearing on relations between the government and the public; and advising the government of the public's reaction to particular policies or actions.

- In Malaysia, the Ministry of Information is generally responsible for policy presentation. Public Relations Officers from the Department of Information under the Ministry are stationed in various ministries and departments to ensure that official news and information are released through:
 - press releases
 - press conferences
 - ministerial interviews
 - senior officers' interviews
 - special launchings.

The Government of Trinidad and Tobago has developed a Communication Strategy to disseminate information on government plans and policies. The intention is to critically influence their reception and acceptance by the general public, and their sustainability and ownership by public servants. The main objectives of the Communication Strategy are:

- to bring co-ordination and focus to the Government's communication activities;
- to provide a standard against which achievements may be measured;
- to ensure that all members of the public are reached.

The Strategy uses all forms of communication and media, including:

Print Media

- reform bulletins which are published by the Office of the Prime Minister and highlight, on a quarterly basis, reform activities within the public sector;
- newspaper articles on specific activities/plans in ministries/departments;
- pamphlets, bookmarks, and flyers which provide information on the vision, goals, and objectives of the reform effort in the public service.

Electronic Media

- videos which portray public servants in the process of change: used for both information and training;
- television programmes which are aired nationally and which outline the developments and progress made in Public Service Reform, as well as day-to-day government activities of interest, e.g. inside Parliament;
- radio programmes

Advertisements

- there has been some discussion on the use of strip advertisement, posters, etc. which keep 'reform' in the minds of the public at all times;
- specially printed T-shirts, pens and key rings presented to participants of training courses and similar events which become prized possessions in the public service.

Expositions

- one exposition of the business of the public service has already taken place in Tobago and the success of that venture has led to requests for a similar event in Trinidad.

Establishment of a communication presence in ministries

- decentralisation of the Press/Public Relations section of the Information Division of the Office of the Prime Minister and the siting of the officers in ministries to work directly with the ministries and Permanent Secretaries.

EXTERNAL POLICY ADVICE

External management advisory capacity available to governments is also being strengthened to provide a market of contestable policy advice available to government by purchase or through presentations as lobbying platforms. This allows the testing of strategic options and increases both the planning capacity and the policy development transparency of government.

- In Malaysia the importance of ministries receiving public views on policy formulation is highlighted under the Malaysian Incorporated policy. In the process of making a policy proposal ministries solicit views from certain sections of public. For example the Ministry of International Trade and Industry, through its annual trade and industry dialogue with trade associations, gets feedback on the effectiveness of government policies on trade and industry.
- In Trinidad and Tobago formal consultations with the public take place through tripartite committees, such as the standing committee, which is chaired by the Ministry of Labour and comprises representatives of government, private and public enterprises and labour. Additionally, Green Papers are issued for public comment and through communities' stakeholder meetings.
- In the U.K. there are suggestions that the provision of policy advice should be put on the same contractual basis that now applies to service delivery mechanisms for other departments. The Treasury and Civil Service Committee of the House of Commons recently examined this topic and heard suggestions from some quarters that senior officials should be employed on fixed term contracts with a clear remit related to producing answers on policy issues. Under the present system however, most policy proposals still originate from ministers and civil servants who are designated to produce policy advice. Political advisers play a part in this process and the Prime Minister's Office has its own advisers in the form of the central policy unit. This unit is headed by an officer of Deputy-Secretary level who is in charge of a team of eight people producing ideas on domestic, economic and foreign affairs for the Prime Minister.
- In Botswana the Government is in the process of setting up an independent institute for development of policy analysis.

Canada has placed growing emphasis on consultation and public-private partnerships to reflect the recognition that shared problem solving leads to policies which are both better and seen to be better. The result is more effective and credible government. A wide range of consultative committees have been developed and include:

- **National Round Table on the Environment and the Economy:** An independent, multi-sectoral forum which promotes the principles and practices of sustainable development in all regions of Canada.
- **Canadian Labour Market and Productivity Centre:** An innovative approach in which the private sector sets the agenda and plays a significant role in the development and implementation of public policy.
- **International Trade Advisory Committee/Sectoral Advisory Groups on Industry and Trade:** Formal mechanisms for consulting business, labour, consumer, academic and environmental experts on international and domestic trade policy.
- **Pre-Budget Consultations:** The new Minister of Finance has recently fulfilled a commitment to "open up" the federal budget process. A Round Table discussion with economists from across the country, as well as a series of four national conferences, has been designed to acquire both expert and public input.

STRATEGY 2 RESTRUCTURING THE ORGANISATION

A number of approaches are being adopted by developed and developing Commonwealth countries alike to put some distance between policy formulation and its implementation. A strengthened policy core at the centre of the machinery of government is less prone to 'capture' by existing interests within the public service.

Within that framework, there is increased delegation to the operational or service-providing departments and ministries, and the increasing establishment of arms-length agencies or business units within the public service. This is consistent with other moves towards decentralisation and the greater sharing of power between national or federal structures and the public service at provincial or local levels.

This pattern of restructuring is driving change in managerial roles and responsibilities.

A STRONGER CENTRE

Increasingly, the control and co-ordination agencies at the centre of the public service are being restructured to provide smaller, simplified and more effective policy management units which are competent to represent the collective interests of government, able to co-ordinate the increasingly autonomous ministries, agencies and departments, and to meet the corporate requirements for more collective consultation on policy issues and setting common management standards.

A reduced need to focus on the mechanics of implementation enables the full Cabinet to concentrate on fewer and more important issues. Implementing agencies lie well outside of the central policy management core, facilitating the possibility of privatisation or partial contracting out of services.

Recent structural reforms in the U.K. Government can be grouped under several headings:

- reduction in the role of government itself;
- restructuring of central control authorities, including the Cabinet Office, Treasury, and Civil Service Commission;
- review of the arrangements for distribution of functions and for co-ordination of policy and administration between ministries;
- re-organisation of the relationship between central and local government, and
- delegation of executive tasks of government to subordinate and accountable bodies or agencies.

- In the U.K., the Government undertook a process to examine how, and whether, an activity needs to be performed within the public service. Increasingly sharp restrictions have been drawn between the role of government in policy-making and regulation, and the provision or purchase of services.

Arms-length operating agencies have raised constitutional and political implications and the accountability issue is far from resolved. It is developed Commonwealth countries that have mostly pursued agency creation, and here the development is forcing a re-consideration of the role of public servants at the centre and their relationships with politicians. Traditional values of political independence for the policy advisers are now being reaffirmed.

DELEGATION – CREATING OPERATING AGENCIES

Traditionally, the primary structural choices facing government concern the height and breadth of departmental bureaucratic pyramids. Accountability is assumed to flow upwards, with the administrative dimension funnelled smoothly towards the Permanent or Chief Secretary, and the political dimension towards the Minister. By contrast, recent experience shows governments are choosing from a considerably broadened range of structural options. This development has reduced the previous consistency across the machinery of government. Unity remains a feature of the public service, but uniformity is assuming less relevance.

The Canadian Government, in its White Paper of December 1990, included establishment of special operating agencies as one of the key items for public service reforms. Special Operating Agencies have the following characteristics:

- a. they are discrete units of sufficient size to justify special consideration
- b. they are concerned with delivery of services rather than with policy advice
- c. they are amenable to the development of clear performance contracts
- d. they are operating under a stable policy framework with clear on-going mandate
- e. they are staffed with managers and employers committed to the SOA goals

Special Operating Agencies are established by the decision of the Treasury Board. Submissions include a business plan and a performance contract, the framework document with mission statements and flexibilities of operating relations. These are approved by the minister responsible who decides when a unit is ready to be considered by the Treasury Board to formalise an agency. Each agency remains accountable to the Deputy Minister and Minister, however the Deputy Minister will assign the full range of authority for running the agency to its Head who will concentrate on meeting the agreed performance goals for service and values that are a hallmark of this new type of Government Unit in Canada.

The establishment of Statutory Boards in Singapore, Executive Agencies in the U.K., and the experience of corporatisation in Australia has allowed a clear delineation between the functions of policy formulation and policy implementation. In this way, areas of relative freedom from bureaucratic constraint have been created in which a more business-like climate can be maintained. Establishing an operational unit around a clearly demarcated and coherent set of functions, allows the development of operational goals, uniting staff with a clarified sense of mission.

The creation of agencies has enabled the commercialisation of government departments (Malaysia, Ghana) and the delegation of financial responsibilities through management contracts (India, U.K.). In some countries responsibilities are being further devolved at provincial and local levels (South Africa, Sri Lanka, India).

- The Statutory Boards in Singapore were created to achieve specific social development goals. They were designed to counter the traditional public service emphasis on regulation and monitoring, and were structured specifically to encourage the return of talent previously lost to the private sector.

Reforms in the New Zealand education sector illustrate the principles of devolution. The intent of the reforms was to abolish the Department of Education which had previously dominated both policy-making and the delivery of education services. The new system was based on the following features:

- Schools would be the basic building block of education administration, with control over their educational resources, to be used as they determined, within overall guidelines set by the state.
- The running of the school would be a partnership between the professionals and the particular community in which it was located. The mechanism for such a partnership would be a board of trustees.
- Each school would set its own objectives within overall national guidelines set by the Government. These objectives would reflect the particular needs of the community in which the school was located.
- Schools would be accountable through a nationally established agency for the public funds spent on education and for meeting the objectives set out in their charters.
- Schools would be entitled to purchase services from a range of suppliers.
- A Ministry of Education would be established to provide policy advice.

- Executive Agencies in the U.K. were intended to redress the historical preference for policy development over service delivery within the civil service.
- In 1987, one of the key radical structural reforms of government in Australia was to amalgamate a number of government departments reducing the total to eighteen. The restructuring and amalgamations had the following objectives:
 - reducing the overlapping of associated policy areas;
 - reducing the formal co-ordinating mechanisms and bureaucratic layers;
 - enabling every department to be represented by a minister at all Cabinet meetings.
- In Trinidad and Tobago the organisational structure of ministries/ departments and their varying responsibilities fall under the purview of the Prime Minister who determines the functional description of ministries based on the political mandate. Each ministry/department has been asked to develop strategic plans which will identify core purpose statements and clarify their major functions.

DECENTRALISATION AND DEVOLUTION

In the Commonwealth developing countries in particular, many governments are also decentralising responsibilities to regional levels. South Africa is working on a new constitution which favours the provinces. Zimbabwe is decentralising responsibility in areas of health, education and social service welfare to local government. Sri Lanka has established elected provincial councils.

While in principle, service provision at provincial and regional levels are more sensitive to the needs of local communities, in practice, enhancement of responsibilities depends on the viability and vitality of the local government system and the capacity of local agencies to strengthen social infrastructure and improve access to resources.

Decentralisation mirrors the broader devolution of managerial authority and has been one of the key strategies of reform. Traditional bureaucracies have been characterised by a high level of central control and direction. Increasingly, it is being accepted that managers in public service must be held responsible for results

but be allowed to manage. In Trinidad and Tobago, as in many other countries, such devolution will require legislative and even constitutional changes.

Efficiency within government has also been improved through restructuring of central/local, or federal/state inter-governmental boundaries. Clarification of mutual roles and responsibilities and, in particular, the rationalisation of mechanisms for financial transfer between levels of government, has heightened efficiency and enhanced fiscal transparency.

- Devolution of powers through to eight provincial councils has been envisaged as a major historical landmark in the evolution of political and social institutions of Sri Lanka. It also provided a unique opportunity to restructure the administration in a manner that would strengthen and enhance democratic policy by the people.

CHANGING MANAGEMENT ROLES

Reform programmes are demarcating the political/administrative boundary more clearly. Authority is explicitly delegated to senior officials in exchange for accountability for performance. Monitoring is achieved through performance agreements and the specification of expectations within short-term contracts for staff at senior levels to provide the basis for ministerial review of achievements.

These moves have been accompanied by efforts to strengthen the managerial role of senior staff. Traditional bureaucratic/administrative models have seen some separation between the financial, strategic, and personnel responsibilities of senior managers, particularly in the context of the historically strong roles given to Public Service Commissions and similar bodies. Within more autonomous functional units these three responsibilities

Within the U.K. Civil Service there has been a drive since 1988 to place more responsibility in accountable units or agencies, following an Efficiency Unit Report – "Improving Management in Government: The Next Steps". Such units or agencies have individual chief executives in charge of operating against demanding performance targets in an organisation matched to a particular task. This is underpinned by an accrual accounting system. There are now 97 executive agencies within the central government.

A recent U.K. White Paper identifies further organisational changes consistent with this broad direction in which the central departments (Treasury and Cabinet Office) are focused on strategic issues, resource allocation and facilitating best practice. The centres of departments are smaller, concentrating on policy-making, essential finance and personnel functions, the strategic management of agencies and the much more common task of purchasing services from external providers. A total of 125 to 150 agencies with considerable management freedom operating within the framework of the Citizens Charter are envisaged.

can be brought together, enhancing the managerial authority of the agency chief executive.

- In Malta, Permanent Secretaries and all senior appointments are made involving a performance agreement for one to three years.
- The Botswana Government is considering introducing a performance contract for Permanent Secretaries as accountable officers of each ministry.

The emphasis on the achievement of departmental or ministerial goals has the consequence of fragmenting the traditionally uniform public service, and is replacing the traditional procedural concerns of the public service with the pursuit of explicit objectives. In some settings this re-orientation has served to emphasise the 'vertical' relationships within government, increasing accountability to the political leadership, while simultaneously reducing 'horizontal' linkages between ministries. As a result, the focus on the collective interest associated with more traditional models of public service is reduced.

In 1988, New Zealand passed the State Sector Act. The main features of the Act included:

- changing the relationship between ministers and permanent heads (renamed as chief executives or CEOs); CEOs are appointed on contracts of up to five years;
- chief executive performance is now subject to a formal appraisal system conducted by Treasury and the State Services Commission (SSC);
- the former centralised employment system run by the SSC was replaced; the chief executive of each department became the employer of all staff within the department;
- the industrial relations regime applying in the public sector was closely aligned to the private sector.

STRATEGY 3

RE-ORIENTING THE ORGANISATIONAL CULTURE

Reforming the public service does not stop at restructuring the organisational environment within which public servants operate. Although this is essential, there is a limit to the gains that are to be achieved through improved structures and increasingly formalised expectations. Strategies for reform must ensure that public servants are self-motivated by a new set of values and assumptions, and most crucially that their own aspirations coincide with organisational goals.

DEVELOPING A CUSTOMER-ORIENTATION

Recent changes within the public service are encouraging a view that public services, like those produced in the private sector, are products to be tested against the needs of service users. This changed emphasis has been encouraged by a conscious reshaping of the work culture to achieve a customer-orientation.

The U.K. Government has made the customer-orientation of public services a priority through the Citizen's Charter, launched by the Prime Minister in July 1991. The Charter is a ten-year programme of radical reform to raise the standards of public service and make them more responsive to their users.

There are six principles which the Government believes should underlie all public services:

- **Standards:** Setting, monitoring and publishing explicit standards for the services that individual users can reasonably expect. Publishing actual performance against these standards.
- **Information and Openness:** Full, accurate information readily available in plain language about how services are run, what they cost, how well they perform and who is in charge.
- **Choice and Consultation:** The public sector should provide choice wherever practicable. There should be regular and systematic consultation with those who use services. User's views about services, and their priorities for improving them, should be taken into account in final decisions on standards.
- **Courtesy and Helpfulness:** Courteous and helpful service from public servants, who will normally wear name badges. Services available equally to all who are entitled to them and run to suit their convenience.
- **Putting things right:** If things go wrong, an apology, a full explanation and a swift and effective remedy. Well publicised and easy-to-use complaints procedures, with an independent review wherever possible.
- **Value for money:** Efficient and economical delivery of public services within the resources that the nation can afford. Independent validation of performance against standards.

Courtesy campaigns, customer-care training, and comprehensive complaints procedures ensure that service users are seen as active, freely choosing customers rather than passive recipients of monopolistically provided state services.

- The Malaysian Government has emphasised throughout the public service that the customer is paramount. Recent guidance notes that the focus of management has shifted to the quality of the final product or service.

The main focus for reforms in the U.K. public service are to widen choice and competition and improved value for money. New Zealand, Malaysia, Namibia, Singapore, Mauritius also emphasise the significance of focusing on service quality for consumers.

CLARIFYING PUBLIC SERVICE ACCOUNTABILITY

An emphasis on personal and institutional accountability runs through all current reform programmes. The practical mechanisms for highlighting accountability include performance contracts, for individuals and agencies, and more systematic feedback to the public concerning the cost and quality of services. This public reporting exposes poor performance by senior officials, agencies, departments or other institutions, including that caused by corrupt practices and is discussed in more detail below.

If enhanced accountability is to act as a pressure for performance improvement, it must be matched by enhanced managerial authority. Devolving responsibility to senior managers allows them the financial and procedural latitude necessary to

The traditional role of auditing in Trinidad and Tobago has been to conduct of regularity audits, embracing all aspects of compliance with laws and regulations and of financial accountability. More recently however, information is also being sought on whether government agencies are achieving the purpose for which they were established and whether they are doing so economically, efficiently and effectively. Consequently, auditors are increasingly being called upon to perform audits that go beyond the traditional determination of whether funds were spent in accordance with legal and financial requirements. This new audit, sometimes called performance auditing or comprehensive auditing, seeks to determine whether monies were used in an economic manner and whether programme results were achieved.

In 1986, the Auditor General's Department established a Comprehensive Auditing Division and introduced full comprehensive auditing procedures in its work programme. To date, eight such audits have been undertaken.

In addition, training was undertaken in the area of management auditing. In 1993, seventy persons were trained to conduct management audits and eight were trained as trainers.

deliver the outputs for which they are held responsible. Modernising the role of the Public Service Commission represents a particular aspect of this necessary devolution to managers or agency chief executives.

- In Australia, state public service boards are being abolished in favour of smaller Commissions, and their controlling role is changing to one of personnel services adviser, training resource, and review body.

The nature of accountability is increasingly affected by the changing relationship between the public sector and the community. There has been a shift towards formalised and specified contractual relationships, capable of being monitored and, where necessary, enforced. While this increased formality enhances accountability by offering rights of redress not previously available, some accountability is increasingly legalistic rather than co-operative.

PUBLIC REPORTING

Public reporting is the practical means by which openness and transparency in government are improved. It is in keeping with a customer-oriented approach. Providing information on the financial and managerial performance of departments enables the public to understand and where necessary criticise or support what the public service is seeking to achieve. This encourages a sharing of national vision, values and aspirations and, very particularly, stimulates an enhanced level of public expectations about public services.

- The Access to Information Act in Canada gives citizens and corporations the right to access to federal government records that are not of a personal nature. The Act aims to make the widest possible use of information within the government, subject to legal and policy constraints.

In the U.K. a Code of Practice on the release of government information came into effect in April 1994. In essence, the principle steps envisaged in furthering the initiative are:

- launch policy and invite reactions;
- receive comments during consultation period;
- identify areas of concern over implementation;
- provide guidance material and training for staff who will be dealing with applications and for senior staff who will have to make the more difficult judgements;
- possible attitude training to ensure that more information is released as a matter of course;
- consider publicity material for new schemes of applying for information. Make sure it is in plain language and easily understood;
- monitor take-up and problems.

EMPHASISING QUALITY

Quality management is the creation of a culture of commitment to identifying and meeting customer requirements throughout whole organisations, within available resources. The approach defines standards for each area of activity, from which performance standards are set for each member of staff and unit of management. Performance is then regularly assessed against customer expectations and satisfaction. Commitment to quality management is openly avowed and performance is made public.

The special focus on quality management in Malaysia began with the launching of the Excellent Work Culture Movement in November 1989. The primary objective of the movement was to enhance public awareness on the importance of providing quality products and services, thereby institutionalising a quality culture where a mind-set of quality becomes a way of life. The basic philosophy of quality management is that it is a continuous process of making improvements aimed at satisfying customers through continuous problem-solving and innovation.

The term 'customer' has a broad meaning: any citizen engaged with government, or any person acting as proxy for the public. For example, New Zealand includes the minister as a proxy customer for the policy advice outputs of the department.

The idea of quality management originated in the private sector, but has become increasingly relevant to government as rising expectations have highlighted areas of unacceptably low standards of service to the public, to officials and to politicians. There is growing experience in Commonwealth countries in improving the reputation of government through applying quality management approaches within the public service.

Improvements in quality require improvements in human resource management, with an emphasis on leadership, team-building and performance management, and restructuring, particularly organisational changes leading to flatter pyramids and improved communications.

Changes in the work culture and systems are encouraging respect for excellence at all levels. Success within the public sector is recognised and rewarded. Practical and measurable quality standards are set, with participative mechanisms established to ensure that the need for quality has a broad ownership at all levels of staff. The Malaysian public service provides a clear example of a successful strategy for recognising excellence through the series of awards it offers.

- Singapore was the first public service to introduce Work Improvement Teams, developed from the Quality Control Circles employed in successful and innovative private sector companies. These teams allow groups of

staff from varying levels to discuss obstacles to quality openly and honestly, and to devise practical solutions for service improvement.

- The Botswana Government introduced the Productivity and Quality Improvement Programme in 1993 by creating Work Improvement Teams (WITS) within various institutions and departments.

DEVELOPING A PUBLIC SERVICE ETHOS

The public service ethos is more than a series of injunctions, listing attitudes or behaviours which are not allowed. It is a positive climate in which doing the right thing coincides with what public servants do in fact want to do. The traditional values of the public service emphasise merit, equity, probity, integrity, ethical conduct and political independence. The values of the new culture must also include leadership, quality, productivity and openness. Creating a working culture which incorporates this value set must involve employees and public in the change process.

Public service reforms develop the organisational culture through strengthened employee involvement, transparency in the change process, rewards for team work, recognition of individual effort, and consultation with clients and users.

The formal development of codes of ethics within government marks a significant step in moves towards articulating public service values at a time of rapid change within the culture and practice of the public service.

- The Malaysian programme for inculcating positive attitudes provides a successful example of a practical approach to the establishment of appropriate values within an increasingly entrepreneurial public service.

The Government of Trinidad and Tobago has adopted the following vision for the public service in its current public service reform activities.

A public service which:

- demonstrates a sense of caring for both its members and its customers;
- is client-driven, always conscious of the needs of its public;
- produces prompt results;
- constantly seeks motivation;
- promotes and demands high standards of performance from its members;
- provides for the growth and development of its members;
- has a "high-speed" processing capacity;
- is results-oriented;
- has a high profile leadership; and
- is adaptable to the changing external environment.

■ The public service of Botswana strives to adhere to the following values and principles:

- prompt and courteous service to people;
- honesty, integrity, faithfulness to the principles of fairness and impartiality;
- neutrality, transparency and permanency of the services;
- professionalism and quality service;
- frugality and prudence in the use of funds; and
- perseverance and patience in the pursuit of good services.

STRATEGY 4 MANAGING HUMAN RESOURCES

Improved human resource management systems within the public service aim to recognise, encourage and reward both team and individual performance. Recent reforms have utilised practical approaches for measuring performance and for managing under-performance, very particularly through increasing managerial autonomy at departmental and agency levels.

The new approach to human resource management is, above all else, concerned with motivation and encouragement. Recognition of individual effort, and systematic efforts to strengthen team working, are fundamental to current approaches. The renewed emphasis on merit and achievement is strengthening equal opportunities policies in employment and the determination to minimise corruption.

FLEXIBLE STAFFING AND RECRUITMENT PRACTICES

Open recruitment procedures, with wider recruitment for senior posts, are ensuring that vacancies are filled on the basis of skills and competence, weakening the assumption of a career-based public service with semi-automatic promotion on the basis of time served. At senior levels, low reward, high security positions are being replaced with the exact opposite.

A number of governments have successfully experimented with developing flexibility in working conditions (Australia and New Zealand); moving collective bargaining from the entire public service to the work place (Australia, New Zealand and U.K.); and the application of private sector law to the public sector (New Zealand).

- Some of the most successful Asian economies recognise the importance of recruiting the most talented people available and improving their skills through constant training. Hong Kong and Singapore carry out aggressive recruitment at entry level, entice high flyers for further training, and generally pay attractive salaries compared with the private sector.

As the emphasis continues to shift from high security careers, shaped by length of service and seniority, towards shorter term employment contracts and achievement-oriented promotion, a new cadre of responsive managers is emerging.

This shift away from a career public service has been emphasised by the establishment of Senior Executive Services in Australia and New Zealand, offering

appointment contracts, performance measurement, and intra-service mobility. The expectation is that public sector managers, often recruited from the private sector, will have a high level of managerial skills and talent and will be flexible enough to manage effectively in any government agency.

- Singapore has maintained a systematic focus on efficiency as the sole criterion for retaining or retiring senior public servants. Seniority is not the basis for promotion and many of Singapore's Permanent Secretaries are comparatively young.

There is an increasing emphasis on encouraging mobility within the public service. Encouraging officers to move between departments on promotion or transfer is seen as an effective way of achieving versatility and professionalism within the service. Such mobility also assists with developing career paths and succession planning.

- In Australia the practice of mobility is spreading through middle management and lower levels. Many agencies are increasingly filling middle management vacancies by external transfer from another agency or department. As a result, the career service is seen as being Australian public service-wide and not just limited to the department joined at career entry.

RECOGNISING ACHIEVEMENT

Incentive packages, such as the Malaysian New Remuneration System, which ensure that skills and, in particular, personal achievements are recognised and rewarded, are also becoming more widespread.

- The Government of Singapore has made a commitment to pay public servants market rates for their abilities and responsibilities in order to attract and retain the talent it needs. As a result, senior public servants in Singapore earn salaries which are extremely high by international standards.
- The Malaysian Government places great emphasis on giving due recognition to public servants who perform well. This appreciation is seen as important to provide motivation to officers to improve their performance in line with the aim of providing quality services. One of the measures implemented in this area is the Public Service Innovation Awards to recognise individuals for practical ideas and implementing them to improve the quality of public service. An officer who has successfully introduced an innovation in the service stands to win a cash award of RM1,000 together with a plaque.

The New Remuneration System (NRS) came into effect on 1 January 1992 in Malaysia. Under this system consideration for promotion, salary increments, training and placement of government officers is based on the officer's performance on the job and contribution towards the organisation and the civil service.

A significant aspect of the restructuring of the civil service in Malaysia was the reclassification of 574 schemes of services into 19 service classifications. These, in turn, were divided into three service groups: top management, management and professional, and support group. The service groups are divided into salary grades. The top management has seven grades. The management and professional groups have three grades each, whilst the support group has a maximum of thirteen grades. The number of grades under the old system for Group 'A' was 30, Group 'B' was 16, Group 'C' was 20 and Group 'D' was 47.

The reclassification significantly reduced the number of grades in the public sector pay system in Malaysia with fewer grades and consequently the civil service has a flatter organisation structure. A performance-related pay system was made possible through the introduction of the matrix salary schedule in which the pay increase of a civil servant is related to his or her job performance.

Panels, formed under each government agency, review job performance and decide on one of the four possible types of salary movements or increments:

- a. static (no increment);
- b. horizontal (normal, one increment);
- c. vertical (merit increment, which ranges from greater than one to double the normal increment); and
- d. diagonal (merit increment, which ranges from double to triple increment).

Performance review techniques which identify strengths and weaknesses of individual contributions, and personal career planning, are being introduced in performance management strategies which ensure that personal ambitions and aspirations are harnessed towards the overall service of government.

- The Canadian Government has made it a policy to inform employees of the results expected of them in the performance of their work; to make them aware of the standards against which their performance will be judged; to provide them with feedback on a continuing basis and periodic formal feedback; and to act on the conclusions of employees' performance reports.

In the South African Public Service, the following performance-based compensation systems have been introduced and are currently utilised to grant special recognition to personnel who have distinguished themselves from their peers through sustained above-average work performance. This is expected to stimulate the initiative of personnel and to encourage them to be more efficient and effective. Components are:

Merit award system – applicable to all public servants. A cash amount, calculated at either 18% or 10% of basic annual salary, depending on the evaluation of results, can be made to an individual.

Special recognition by way of either cash payments or commendations can be granted to personnel for suggestions, invention, improvements, etc.

Departmental-specific award system where awards, bonuses or allowances may be granted to persons of exceptional ability, or to those who possess special qualifications utilised to the benefit of the employer and those who have rendered sustained meritorious service over a long period.

- The Government of Botswana is developing a “Cascading Performance Management and Staff Appraisal System” involving performance-related and bonus pay, and appointments on contracts.

In Malaysia the New Performance Appraisal System embodies several key principles or elements:

- the determination of annual work targets, a mid-year review and the adoption of an ‘open’ process of performance appraisal;
- the recognition of activities and contributions rendered outside the scope of official duties;
- the introduction of additional evaluative criteria and detailed weighting system;
- the use of different performance appraisal forms according to grades and divisions in the civil service;
- the establishment of Co-ordination Panels on Performance Appraisal and Salary Progression to ensure fair and just appraisals.

The performance appraisal system evaluates performance according to targets and goals set. Under the new performance evaluation exercise, close provision of the performance of officers is done on a frequent and regular basis. This will enable the Reporting Officer to write a good and accurate annual report. This system demands open communication and close interaction between the supervisor and the subordinate. The Officer concerned will note clearly the system and opt for the grading and evaluation of each critical factor.

The new performance appraisal system fulfils the requirements of the personnel management systems such as salary progression or promotion in placement of staff as well as determine annual work targets of the staff and establishing performance standards. Civil servants and management and professional groups have to attend specific courses before being considered for promotion.

- In Zimbabwe, a new performance appraisal system is being developed. The new system is focusing on objective setting, measurable outcomes, training needs and continuous dialogue between managers and staff. Efforts are also being made to develop meaningful indicators for quality of outputs at various levels.

TAILORED TRAINING AND DEVELOPMENT

Current reform programmes are adopting a highly pragmatic approach to maximising the effectiveness of all levels of staff. Training and development programmes to ensure competency are increasingly tailored to individual needs.

Throughout the public service of Canada, staff training and development is given high priority. Close attention has been paid to the objectives, coordination and cost-effectiveness of training and development, so that overall effectiveness has increased. Training and development are provided on a wide variety of subjects:

- Specialist skills and knowledge directly related to current job – as job content becomes more complex and varied, updating is required.
- Generalist skills for job enrichment and wider participation in the department and in the public service.
- Training for taking advantage of new technology and working arrangements, eg. computer skills, networking, and telecommunications.
- Continuous and adaptive learning.
- People-related skills and principles, such as ethics and the management of diversity.
- Service-related skills and approaches, eg. training in service quality.
- Language training is important, given the bilingual character of Canada and the public service.

- The Malaysian Government focus on establishing key national institutions capable of providing highly targeted training to strategic personnel provides a useful example of current developments in this field.
- Imaginative training initiatives have been initiated in a number of countries. In Britain and Mauritius training is being tailored to rank, and Singapore, Ghana, Australia, and Trinidad and Tobago have all instituted customer service training for staff.
- The Australian public service, through the work of the Joint Australian Public Service Training Council (JAPSTC), involves management, unions and the education sector in developing a service-wide approach to training, revolving around core competencies. Competency-Based Training (CBT) is being developed in the Australian public service as the principal mechanism for achieving higher levels of skills and career opportunities for

individuals. Opportunities are also provided for higher level training for the Senior Executive Service.

- The Indian Government has developed specialised customised training programmes for senior public servants using prestigious management and business schools in the country, as well as organising foundation programmes at the National Academy of Public Administration.
- In Malta, a staff development organisation has been established to coordinate all development activities, ranging from senior management training to specially focused programmes.
- The Government of Mauritius has recently set up a Mauritius Institute of Public Administration and Management (MIPAM) which will concentrate on management and supervisory training.
- The Botswana Government has recently set up a specialised institute of training, the Botswana National Productivity Centre, to develop productivity and quality improvement training programmes for various levels of public service.
- The Ghana Institute of Management and Public Administration (GIMPA) has expanded its activities to meet the increased demands of training as a result of public service reforms in Ghana.
- The Zimbabwe Institute of Public Administration and Management (ZIPAM) has recently been restructured to provide senior level training to meet the new demands of the reform programme.
- In Trinidad & Tobago, the thrust of public service reform initiatives in respect of training is to develop a cadre of managers in the public service capable of managing in an environment that will demand from them an entrepreneurial spirit and a greater degree of autonomy. Specialised training programmes are being organised, from Permanent Secretaries downwards.

CONTROLLING WORKFORCE

There are few settings where workforce downsizing is not, at the very least, under discussion. Current developments emphasise the importance of controlling costs and raising productivity, more than simply containing or reducing staff numbers.

- The U.K. civil service provides departments with a limit to their running costs rather than on their allowed staff numbers. This allows more flexibility to managers, and also reduces the time spent by managers in seeking imaginative responses to short-term workload pressures.
- The objective of the new Government of Namibia after independence was not necessarily to trim the size of the public service but to enhance its efficiency and effectiveness by modifying public service structures and putting the right people in the right jobs.

Management of redundancies is a reform component of last resort. Ideal or otherwise, it is, however, a pressing issue within many public services, particularly following structural adjustment programmes.

Malaysia established a Steering Committee on Reduction in Size of the Public Service which is responsible for considering changes to the administrative system, institutions, posts and personnel. The Steering Committee has introduced various measures to control the size of the Civil Service including:

- **Control in the creation of posts:** Priority has been given to creating posts in critical areas which would contribute to the growth of the economy and the competitiveness of the nation.
- **Review of the status of vacant posts:** Vacant posts which are no longer required, or which do not add value to the performance of the agency, will be abolished.
- **Re-organisation of agencies under the New Remuneration System:** Organisational structures of agencies are changed in order to create a flatter organisation and optimise the use of resources.
- **Review of the status of statutory bodies:** Statutory bodies were reviewed to identify if any were duplicating roles, had achieved their objectives or were carrying out roles and functions similar to government departments. As a result a number of posts were abolished.
- **Enhancing the pace of the privatisation programme:** The privatisation of government agencies/services continues to be actively pursued. Since its implementation in 1984, a total of 86 projects have been successfully privatised.
- **Use of computers and office automation equipment:** The use of computers and equipment for office automation in government agencies has expedited daily routine work as well as cutting down on the usage of existing staff. The excess workforce can be deployed to carry out new activities without the need to create additional posts.

Major programmes of redundancy management within the public service must be linked to more systemic approaches to controlling workforce size. Strategies for controlling workforce size, and for managing redundancy, must be founded in a

strong culture of realism concerning likely future funding and the need for continuing performance improvement.

- The Singapore experience of a zero growth strategy and financial capping, and the Malaysian experience of public sector salary cuts, introduced into these settings during periods of national economic difficulties, provide powerful examples of public sectors being tutored in this culture. The zero-based reviews of public sector structures and costs undertaken in Singapore every five years further emphasise this culture of realism by focusing on what is to be done rather than what has already been achieved.
- In Uganda, the reduction in size of the public service was advised through the removal of overdue leavers and co-host workers, voluntary retirement schemes, and reviews involving the rationalisation of ministries and departments.

Experiences have highlighted the importance of clarity of purpose in driving through a contentious but unavoidable redundancy programme. A rational and purposeful approach is most politically and administratively feasible when popular support for the government is at its highest, and when there is internal political and managerial cohesion. Natural disasters such as drought, floods and externally determined problems such as economic recession, result in conflicting pressures. They may provide the impetus for cost-reduction measures, including redundancy programmes, as well as a common

A major component of the Civil Service Reform Programme in Zimbabwe is the reduction of the size of Zimbabwe's civil service. Since 1992 the Zimbabwe Government, through the Public Service Commission (PSC), has adopted various strategies to reduce the size of the civil service. First, those posts that remain vacant in excess of 12 months were abolished. Second, obligatory reductions were effected in the form of giving up a certain percentage of positions in each of the ministries. Third, downsizing the service was done through voluntary retirement. The Zimbabwe Civil Service, up to 30 June 1994, had been reduced by 12,700, giving a shortfall of 10,300 to reach the target of 23,000 posts.

In addition the PSC has now embarked on a number of other measures which include:

- a. the reduction of administrative levels within the service, currently standing at 10 grades, from clerk to permanent secretaries. It is hoped that the collapsing of administrative levels will not only reduce the number of posts but will reduce the bureaucracy enhancing improved overall performance.
- b. contracting out of certain functions of line departments which can be better and profitably performed by private sector organisations.
- c. decentralisation of certain functions and activities of ministries to local authorities with a view to bringing goods and services closer to the consumer at provincial, district, and village levels.

and unifying external threat. Equally, however, they lead to pressure for improved services and hence an expanded workforce, and generate significant political tensions.

ANTI-CORRUPTION MEASURES

Current reforms are translating the broad appeals for transparency and accountability in government into operational systems for specifying the expected performance of staff and institutions. Governments have always been concerned to limit corruption, both because of the inefficiencies and inequities involved and because of its broader consequential impact on public life.

- The experience of Singapore indicates how strong political leadership and rigorous anti-corruption measures, enforced by powerful and incorrupt agencies, can turn corruption from a low risk-high reward activity into the reverse.

- The Government of Malaysia has given powers to an Anti-Corruption Agency to carry out positive vetting on public officers. This vetting is carried out from time to time to ensure that only officers who are not involved in corruption or malpractices are recommended for promotion; acting to promotion; optional retirement; receiving Federal or State Awards, etc.

The Mauritius Public Service, like all big organisations, is not exempt from malpractice. To minimise corruption, the following measures have been taken:

- an Ombudsman's Office exists to which members of the public can have recourse for the redress of their grievances;
- an Anti-Corruption Tribunal has been set up to deal with cases of fraud and corruption;
- a code of ethics to promote "responsible behaviour" within the service is under preparation; and
- a Public Complaints Bureau will be set up to examine complaints from members of the public.

The increasingly business-like approach implicit within many reform programmes is allowing anti-corruption measures to be supported by tighter employment frameworks for senior officials. Contracts are for shorter terms, with more detailed specifications, to ensure that performance monitoring is more rigorous.

Significantly, the development of large sticks is being matched by the growth of larger carrots. Salary levels are increasingly comparable with private sector positions to reduce the temptation of inducements to corruption.

EQUAL OPPORTUNITIES

Reform strategies increasingly recognise that the public service must be broadly representative of the public that it serves, both as a moral position and because this is a route to improvements in service quality.

- In South Africa, where improved human resource management is critical to the transition to the new public service, under-represented groups are being trained and collective bargaining rights are being extended throughout the entire public service.

The trend towards equal opportunities employment policies, and affirmative action, does not imply a break with traditional public service values and aspirations. Despite the major devolution of human resource management responsibilities, the U.K. will continue to maintain common standards of human resource management across the public service and in South Africa, affirmative action will not be pursued to the detriment of recognised public service values of merit, equity, probity, integrity, ethical conduct and political independence, or the more recently re-emphasised values of emphasis on leadership, quality, productivity and openness.

STRATEGY 5

COMMERCIALISING AND DEVELOPING PARTNERSHIPS

Public service reform is being driven by some fundamental questions. Should a service be provided by government? Should the service be provided at all? How will the private sector respond to government ceasing particular activities? How can government carry out its remaining functions more efficiently?

For core tasks, the challenge is to develop synergy between all the key players – the issue is not one of which agency does it, but one of how well it gets done.

FOCUSING ON EFFICIENCY

Since government resources are always under pressure, demand exceeds supply and expectations consistently exceed what can be afforded, there is a continuing requirement to review activities to ensure that resources are used to best effect and that government can demonstrate sound stewardship.

Efficiency programmes comprise both cost reduction without lower standards, and performance improvement at no higher, and preferably lower, cost. They question whether a task should be undertaken at all, whether it should be undertaken by government directly, or by contractors paid by government, or left to the private sector to consider its commercial viability.

The United Kingdom's Efficiency Unit, reporting to the Prime Minister's Adviser on Efficiency and Effectiveness, was created in 1979. The role of the Unit is to advise on how to improve the efficiency and effectiveness of central government and to help government departments to improve the value for money of the resource which they use. It does this through an Efficiency Scrutiny Programme.

From 1995, departments and agencies are drawing up efficiency plans early each year, indicating what measures they propose to take to stay within their running cost limits for the coming three years. These will include privatisation, contracting out and market-testing. The Efficiency Unit, in co-operation with the Treasury, will review these plans and discuss with departments where necessary.

The U.K. experience was to establish an efficiency programme, based on the development of in-house skills, and including the establishment of a small unit, directly accountable to the Prime Minister, with the responsibility for vetting and approving proposals from various ministries for efficiency savings. The unit is responsible for reporting on savings and benefits, which are publicised in the public service to create a climate of achievement.

Under the overall direction of a central co-ordinating unit, such programmes can progressively review the functions of all ministries with a view to ensuring that

only essential activities are undertaken, and whether privatisation of some services would be more efficient. Where there is no strategic reason why an activity should be privatised, corporatisation or contracting out should be considered.

COMMERCIALISATION

At its core, commercialisation allows agencies to act flexibly in response to market signals, even though they may continue in the public sector. Commercialisation entails transparent funding arrangements in which financial ‘ring-fencing’ identifies all funding inputs, including government subsidies, allowing subsidised and unsubsidised prices to be established for all outputs. It frequently involves vertical restructuring – the separation of interdependent activities previously undertaken within the same organisations. There is also generally a need to change the legal basis of the entity, to establish an organisation which is capable of trading and which can address commercial objectives.

- In Namibia, the Department of Communications has been commercialised with two corporations, namely Namibia Post and Telecom Namibia, freeing them of unnecessary restrictions and enabling them to adopt a more commercial and customer-oriented approach. The Namibian Press Association has also been commercialised and the Communications Commission is now going through the same process. The Namibian Government is also commercialising and privatising the promotion of tourism and wildlife resorts.

In 1985, the New Zealand Minister of Finance outlined five key principles for the re-organisation of state trading enterprises:

- non-commercial functions would be separated from major state trading organisations;
- managers would be required to run them as business enterprises;
- managers would be responsible for using inputs, for pricing, and for marketing their products within performance objectives set by ministers;
- the enterprises would be required to operate without competitive advantages or disadvantages, so that commercial criteria would provide an assessment of managerial performance;
- enterprises would be set up on an individual basis depending on their commercial purposes, under the guidance of boards modelled on the private sector.

MARKET-TESTING

Market-testing is increasingly employed as part of the hierarchy of reforms in public service management. Market-testing entails placing the activity or service in question for competitive tender, with internal and external bids assessed against

the same criteria. The approach can determine whether contracting out will be the most efficient way of carrying out public service activities which clearly needs to remain the ultimate responsibility of the public sector.

There are three principal benefits to be gained from the market-testing process. First, when considering whether to accept an in-house bid or give the work to an outside contractor, the evaluation will look at improvements in the quality of service available from innovative methods of service delivery. Second, there may be cash savings. It is axiomatic that where an activity is market-tested, and an external bid is successful, it will be because that bid offers greater overall long-term value for money than the current method of provision. Where an in-house bid succeeds, the process of opening up that public sector activity to competition in itself often creates opportunities for greater effectiveness.

Finally, experience suggests that market-testing will lead to raised standards by making expectations explicit within contractual arrangements. Greater clarity about standards of service and better monitoring of performance against those standards, regardless of whether the work is retained in-house, is a vital feature of public sector reforms.

It is, however, important to note the dangers of rapid introduction of competitive tendering without preparation, and the weakness of the private sector in some settings. The process also opens up the possibility of cartel formation after abolition of in-house providers, and the problem of fixed wage costs even after staff transfers.

The U.K. Treasury has produced detailed guidance in relation to market-testing for use by departments. According to the guidelines, each department needs to review its activities and identify candidates for testing. The questions to be addressed include:

- Is the function or activity essential? What are the implications of not doing it? Or of doing it in a reduced or combined form elsewhere?
- Can the activity be performed more economically by other means?
- What is the full cost of the level of service presently provided and that which is considered necessary?
- Is the function or activity organisationally discrete?
- What are the working methods, organisation and use of capital assets? What use is proposed of existing staff and assets?

In 1992, the Efficiency Unit acquired responsibility from the Treasury for the overall policy of market-testing although the responsibility for developing market-testing programmes rests with individual departments as they are best placed to know their own business and to identify which activities are most appropriate to market-testing. The Efficiency Unit also acts in an advisory capacity, encouraging departments to examine market testing possibilities and as a clearing house for best practice to ensure that all departments are equally aware of the prospects and of the practical considerations that they need to address.

CONTRACTING OUT

Contracting out has been well tested within government. Although specialist services have always been purchased from the private and non-government sectors, it is the development of market-testing techniques which is providing the strategy for assessing the ability of the market to provide goods or services historically considered to lie at the core of government. Significantly, market-testing is showing considerable potential as a technique for stimulating change through the assessment of internal efficiency. In some limited situations, where contracting out is not feasible because of market weaknesses or political restrictions, the development of internal markets is being explored with, as yet, uncertain results.

In Trinidad and Tobago, ministries and departments have been asked to determine whether a service might be more effectively provided by an external agency. Services already contracted out include:

- maintenance services for new police stations (such services are to be phased out in all police stations);
- security services at the Inland Revenue Division, the VAT Administration Office and the District Revenue Offices;
- security services at the post offices and mail delivery between Piarco Airport and the General Post Office.

Flexibility and a concern for service quality and sustainability, rather than preconceptions concerning the efficiency of the private sector, have been the key features of successful initiatives.

- A recent strategy for the development of the level playing field in New South Wales, Australia, took care to avoid disadvantaging the competitive position of organisations simply because they were government entities.

IMPROVING PARTNERSHIPS

The development of partnerships with non-government organisations and the private sector has emerged as a key element in implementing development policies and programmes.

State monopolies have been maintained by complex regulatory regimes designed to ensure safety or equity. At the same time, these have served to maintain areas of public service as the exclusive preserve of government organisations. Opening up areas of public service to private or NGO suppliers, while maintaining standards in areas where consumer choice will have insufficient impact, requires a complex

readjustment of such restrictions. Extensive and successful experience is now available, illustrating strategies for measured de-regulation and regulation.

- An example of a government which has successfully facilitated and managed such partnerships is illustrated by the establishment of Grameen Bank in Bangladesh which has effectively developed programmes and direct benefits for poor sectors of society.
- India has also had successful experience with the NGO role in implementing education, national planning and rural development programmes.
- Partnerships have been built with the private sector in Britain, Australia and New Zealand through the contracting out of work previously exclusive to the public domain.

In Malaysia, the mechanism to facilitate partnership and collaboration with industry is through the establishment of consultative panels. Ministries and departments at federal, state, and local district levels are required to establish panels. These panels collaborate on issues pertaining to the specific functional areas of the respective departments.

The apex of these consultative panels is the Malaysian Incorporated Officials' Committee, chaired by the Chief Secretary to the Government. Its members are captains of industry, representative organisations of the private sector, and senior government officials. It seeks to identify areas of co-operation and collaboration, to improve the delivery of services from the public sector, and to work towards improving public administration in so far as it concerns the critical operations of the private sector.

STRATEGY 6

IMPROVING FINANCIAL PLANNING AND CONTROL SYSTEMS

The traditional financial concerns of government emphasise probity. Public money must be fully accounted for, and procedures must emphasise upward reporting of financial decisions, and strict enforcement of tightly specified budget headings.

Current reforms are underpinned by fundamental changes in the emphasis of financial management systems. The concern with probity is matched by a growing concern to enable managers within government to act as public sector entrepreneurs, fully utilising the value of capital, goods, and staff within government to deliver specified objectives.

OUTPUT-ORIENTED SYSTEMS

Major procedural and policy shifts have affected public service financial management, making it performance or output-oriented. Budgets are determined on the basis of the goods or services – the outputs – of a department or agency. In effect, government is purchasing a specified quantity and quality of services from the public service.

This significant shift in orientation is accompanied by other developments, including the provision of efficiency dividends to departments (U.K., Australia), the introduction of charges for the use of capital (New Zealand), payments by departments for internal government services (Australia), and a shift from cash to accrual accounting (New Zealand and U.K.).

In 1990, the Government of Malaysia introduced the Modified Budgeting System (MBS). The objective of the MBS is to improve the budgetary process, particularly in relation to accountability, allocation of resources and the implementation of programmes by government agencies.

MBS stresses the relationship between inputs, outputs and the impacts of a particular programme or activity. Under this system, government agencies are required to determine their achievement targets in terms of outputs and impacts of every programme or activity for which there are 'Programme agreements' between the agency and the Federal Treasury.

In providing performance measurement of programmes/activities, the MBS is in line with the 'value for money' concept which strives to achieve three objectives: economy, efficiency and effectiveness.

- New Zealand's financial reporting is completely output-oriented, and Malta and Australia carry out three-year forward plan estimates.

DELEGATION

The move towards an output orientation fixes attention on the range, quality and volume of services which government is seeking to provide within its financial allocations. Delegation of financial responsibility gives managers some leeway to consider alternative methods for ensuring that those agreed services are provided.

In the U.K., the introduction of delegated budgetary responsibilities necessitated the development of new financial management procedures. Under the traditional system, managers were excluded from controlling a number of non-cash resource items, such as depreciation, cost of capital, debtors, creditors, stock balances, and rents. The focus, and assessment of performance, on the basis of value for money criteria, has implied the need for financial management information which shows how total resources are applied and managed, in addition to information on cash payments and receipts.

- In New Zealand, this approach is developed to the point where Ministers are effectively purchasing the outputs (goods and services) from departments. The outputs required from departments are precisely detailed in the specification of the performance required of the fully accountable chief executives. This provides room for entrepreneurial flexibility in meeting targets by offering them greater control over the purchase, use and sale of departmental assets necessary to produce the required outputs.
- The delegation of authority to levy user charges on corporate customers for some academic institutions in India is providing an incentive to market services more actively.
- Australia has introduced user-pays principles to public sector agencies, so that when one part of government needs a service from another, it is increasingly common that it has to pay for it. The purpose of this approach is to make it clear to managers that nothing is cost-free and to encourage them to modify their behaviour accordingly. Before ordering a service, the manager who has to pay for it will ask whether or not it is essential.

INTRODUCING ACCRUAL ACCOUNTING

Experience in this area is very strongly influenced by the innovations implemented within the New Zealand public sector.

Good practices in decision-making on the allocation of resources, and in the specification and subsequent assessment of financial performance, require financial information that is timely, relevant and reliable. Since cash accounting records

money received at the time it is banked and money spent at the time it is paid out, it does not provide sufficient information to measure the full cost of producing goods and services in a given period. It also provides only limited information on the value of assets and liabilities.

While cash-based accounts give an accurate view of an entity's cash flows, accrual-based accounts give a fuller picture of its operations and overall financial position, since it relates activities to the period in which costs are incurred or revenue is earned, regardless of when or whether money changes hands. It keeps track of assets and liabilities, and records changes in their values.

Accrual reporting thus gives a clearer view when financial implications extend beyond a year and encourages a longer-term focus in decision-making. It also facilitates more meaningful assessment by ministers and legislators of the performance of government entities and of the managers responsible for them.

Accrual accounting is a logical tool of accountability when viewed from purchase and ownership perspectives. In the case of departments, the government is often the principal purchaser of their output (the goods and services produced) and at the same time is their owner.

The information yielded by accrual accounting is of use in the specification and assessment of performance in respect of both output delivery and stewardship of assets. The purchase interest requires information on quantity, quality, time and place of delivery, and cost of outputs. The ownership interest requires financial information which distinguishes capital and current expenditure and revenue, and reflects a notion of capital maintenance. Accrual accounting provides information relevant to these interests and facilitates comparisons between competing providers.

The period required to implement full accrual accounting is heavily dependent on the level and availability of accounting skills.

Public sector reform in the U.K. has demonstrated the need for additional, more robust indicators of financial performance than traditional cash-based accounting arrangements can provide. New accrual-based financial reporting is seen as an adjunct to traditional cash reporting (not a replacement for it), which will enhance the tools available to assess and reflect performance in terms of value for money. The U.K. Treasury is introducing a pilot study on accrual accounting in a number of departments. The study will consider:

- whether the new system is demonstrably useful to departments in terms of allocating resources and improving value for money;
- whether the cost of introducing the new system is reasonable;
- whether it will provide information to Select Committees, MPs, academics and the public, in terms of enhanced accountability.

- In New Zealand, the move from cash to accrual accounting was scheduled to take two years. This involved departments specifying their outputs as well as installing new computer software, and introducing new banking, costing, monitoring and reporting systems. The scale of the change to long-established procedures was huge. Most departments employed consultants to assist with the transition, and many have retained staff with scarce skills on contract.

CAPITAL CHARGING

Capital charging underlines the significance of good estate management. Traditionally, capital investment has been a free good for public service managers. This has not encouraged the responsible use of assets and has led to over-bidding for capital funds. The developments in the U.K., and in other settings, indicate the growing concern of governments to ensure that fixed assets are fully utilised and regarded as investments requiring careful husbandry. The end point of these developments is to ascertain a real cost for services, to heighten efficiency and economy.

If departments do not bear the cost of capital, they may be seen as the preferred provider, even when more efficient producers exist. Ignoring this cost is likely to result in poorly informed decision-making and misallocation of resources. Very particularly, the government is more likely to achieve value for money when capital is no longer treated as being free, because the bias in favour of capital-intensive production is addressed.

Reform programmes recognise that if the prices charged for government services do not recover the total costs, including the cost of capital, then the government is effectively providing a subsidy. This may or may not be the government intention, but a government should be in position to decide explicitly whether, and to what degree, to subsidise a particular activity.

In the U.K., government capital charging operates at two levels:

- The general, externally imposed rule that departmental trading units and Agencies must include in their costs (on which their performance is partly based), interest on capital at a rate fixed by the Treasury. This is part of working to a "full economic cost" (FEC) base.
- Within Agencies of central government, the National Health Service and local government in the U.K., interest is normally charged within the management (internal) accounts to impress upon local managers the real costs of the assets they hold and thereby encourage efficient use of them.

Capital charges are most effective when combined with a consistent financial management framework and accrual accounting. Together, these changes provide departmental chief executives with the opportunity, incentive and information to produce desired "outputs" at the lowest cost.

- Before implementation, reliable information on the net assets of departments must be available. In New Zealand this information is provided in audited accrual accounts (including a balance sheet) which all departments are required to produce. The financial management reforms in New Zealand have illustrated the significance of adopting appropriate accountancy approaches from other sectors. Capital charging ensures that the opportunity costs of tying up capital within departments are fully captured.

IMPROVING ESTATE MANAGEMENT

Land, buildings, equipment and infrastructure owned by the government (the estate) represent a massive accrued investment. This huge resource is commonly neglected and often not systematically recorded or valued. Management of this resource is now being recognised as a key area for reform and development.

Increased awareness and understanding of the size, nature, value and condition of property, coupled with increased management authority, responsibility and accountability for the estate, brings added value-for-money to the public sector's mainstream activities by allowing for better use of these assets and releasing cash and management time. By making it apparent that the estate is not available free of charge, by allocating management time to its active development, by making the estate finances visible, and by demonstrating a committed will to change ingrained habits and behaviours, the estate can and should make a valid contribution to better value-for-money from government expenditure.

Since the estate is a part of mainstream activity it should feature as strongly as other topics in mainstream management training courses. The objective should be to train managers to take an active and informed interest in the whole of their asset base. Managerial awareness will increase if managers' performance on their property assets is judged and valued with the same vigour as their people management or financial skills.

Based on the experience of New Zealand, a programme for improving estate management, should consider the following:

Local managers are, more often than not, unaware of their estate ownership, occupation and physical condition. A basic database will permit key decisions to be made on the future of the estate portfolio. The following should be considered:

- an inventory of assets, including the type of land holding/tenancy;
- an assessment of their condition and future maintenance needs;
- an appraisal of the functional suitability of the assets; and
- valuation of the asset, based on its existing use and, for comparison, its alternative use value.

In constructing and making use of such an inventory, senior management is committing itself to the development of their estate. Senior management commitment is an essential pre-requisite to active and radical estate management.

To enable property to play a part in the organisation's strategic business plan, it is necessary to devise an estate strategy designed to promote occupational efficiency, fitting within the overall business strategy. Such a strategy will cover the identification of:

- accommodation that is well suited to current needs;
- surplus land;
- assets requiring improvement or alteration to make them fit for today's needs and tomorrow's demands; and
- land and property that is surplus to requirements and which should be used for other purposes or disposed of.

An accurate analysis of these dimensions will enable the cost of occupation to be calculated.

It must be recognised that benefits are derived over a long timescale. Major restructuring of large and complex estates cannot be achieved quickly, but with professional help, significant benefits will be forthcoming.

PUBLIC REPORTING ON FINANCES

Developments in the style of public reporting by agencies and departments to expose the financial position and annual performance achieved to public scrutiny has further encouraged a climate of openness and public accountability. The annual audited financial summary statements in Canada and the consolidated balance sheets prepared for the Crown in New Zealand represent significant developments here. Strengthened roles for government auditors and the increasing use of value-for-money reviews are further steps in this direction.

STRATEGY 7

HARNESSING INFORMATION TECHNOLOGY

Information technology is fundamental to the strategies for public service reform, both because it is key to service improvements, and because developments in information technology are driving organisational and system change throughout the public service.

Computerisation in the public service has traditionally been built around highly centralised systems within the government, mainly geared to financial, accounting, and statistical systems. Sectoral activities within the public service, including agriculture, health, and education, had gained relatively little from computerisation. In the late 1970s and 1980s, the increased availability of micro-computers at reduced prices and the growing awareness of the limitations of the centralised large national systems led the change in this established pattern.

Developments in communications systems have enabled governments to plan for integrated information technology communication networks which have enhanced the use of computers at all levels in government. Computers are now being used at the level of local authorities and rural offices as well as in agriculture, education departments, health authorities and in most public services involved in the delivery of services to customers.

INVESTING IN INFORMATION TECHNOLOGY

Government departments are major users of computers and management information systems, and these have become a major item of government expenditure.

While there are disparities in the extent of information technology investment in the public service between countries, there are broad patterns. The public sector plays a dominant role in the use and development of IT systems and major improvements have been achieved in revenue collection, financial management and accounting and inter-departmental communication systems.

- Significant automation programmes have been implemented in Australia, Singapore, Malaysia, Malta, Mauritius and the U.K. Information technology has also been used in providing better interface with customers by developing one-stop/non-stop service centres and public information systems in Malaysia.
- In New Zealand such systems were estimated to cost the taxpayer NZ\$400,000,000 annually since 1992.

- In Singapore the budget for computerisation had also increased to S\$150,000,000 in 1990 from S\$14,000,000 in 1985. In 1990, Singapore had 107 main-frame and mini-computers and 10,000 personal computers and terminals, 293 operation application systems and 606 computer professionals in various departments and government institutions.
- In Malaysia M\$243,000,000 was spent in 1993 on information technology compared with M\$197,000,000 in 1992. In terms of sectors, the biggest approval in 1993 was for administration and finance (M\$153,140,000) followed by education, social and support services and land and agriculture. In the five years from 1989-1993 the Malaysian Government has approved a total investment on information technology amounting to M\$851,490,000.

INFORMATION TECHNOLOGY POLICY

Many governments have developed policy frameworks which provide a public service-wide focus for effective planning and management of information systems, technology, and organisational engineering involving information technology.

The New Zealand Government has recently set up three bodies to advise on information technology policy.

- **Inter-departmental Committee of Information Technology** made up of representatives from six departments and convened by the State Services Commission. Its function is to advise on issues relating to the Government's role as a user and purchaser of IT. It considers the collective interests which cross departmental boundaries.
- **IT Policy Unit** housed in the Ministry of Commerce, whose scope is to advise on IT issues relating to the Government's role as a social/economic policy-maker. These have included copyright and education.
- **IT Advisory Group** made up of 10 leading private sector managers. Their role is to advise the Minister for IT on issues relating to the government as economic policy-maker from a supplier and user perspective.

Other governmental bodies include the Government Communications Security Bureau which has an advisory role on matters of computer security.

- Canada has recently released a blueprint paper suggesting ways of using new information technology to deliver improved services to the public. The blueprint for renewing government services using information technology could result in substantial changes in the way technology is implemented throughout government and how public sector workers carry out their duties.

- U.K. experience supports a strategic approach where departments identify and prioritise group elements for information systems and ensure compatibility with other existing and planned systems. This benefits the approving authority by providing a backcloth against which to consider each proposal for expenditure.

Information technology frameworks require clear co-ordination and identified lead agencies capable of tracking fast-moving developments in technology and systems.

As a result of reorganisation in June 1993, an Office of the Information Management Systems and Technology was created within the Treasury Board of Canada. The Chief Informatics Officer (CIO) heads this Office.

The mandate ranges from policy development and implementation, administrative re-engineering, to what has been called "the care and feeding of the information technology community".

The activities of the Office support the government's restructuring objectives and provide a vision for transformation. The following elements are included:

- service and support functions rationalised across departments and programmes to reduce duplication and streamline operations;
- services delivered directly to the clients, or made easily accessible to them, through electronic means;
- a standard suite of inter-connected management and employee system tools, available at the fingertips to support decision-making and service delivery;
- a standards-based tele-computing infrastructure in place to enable integrated government operations across the country;
- routine processes (80 per cent of all business activities) automated to reduce costs and the need for human intervention.

- Within the U.K. civil service, the Government Centre for Information Systems (part of the Office of Public Service and Science, itself part of the Cabinet Office) is responsible for promoting business effectiveness and efficiency in government through the use of information system. While its customers are chiefly government departments and executive agencies, its business environment is wider and includes European and other national governments. It provides specific services to government departments and agencies, such as helping them plan their spending on information systems and advising them on the best use of their information technology by evaluating various systems available against needs and value for money.

- In Singapore the National Computer Board (NCB) was formed in 1981 to promote, implement, and guide the development of information systems in the Singapore Civil Service. The Civil Service Computerisation Programme (CSCP) was introduced by the NCB in September 1981 to improve both efficiency and productivity in the Civil Service by promoting the widespread use of computers amongst Civil Service.

In Malaysia, information technology planning takes place both at both the macro- and micro-level. At the micro-level there is a National Committee on Data Processing (NCDP) which has been entrusted with the role of formulating national policies and promoting the usage of IT for administrative modernisation and national development. The Malaysian Administration Modernisation and Planning Unit (MAMPU) is the Secretariat to NCDP. To assist the NCDP in carrying out its activities, MAMPU has established three advisory committees, the Administration and Implementation Committee, the Technical Operations Committee and the Education and Training Committee. Guidelines have been prepared to assist MAMPU as the central agency responsible for government computerisation and all government agencies in their computerisation efforts.

APPLICATIONS FOR EFFICIENCY AND QUALITY

Information technology applications, particularly when taking advantage of networking opportunities between departments, are achieving significant efficiency savings for the public service.

In many of the Commonwealth countries, the use of information technology has been undertaken with the aim of replacing existing manual systems through a major office automation programme. Computerised text processing, information storage and retrieval, and communication systems have been introduced to increase efficiency and enhance productivity.

Experience has shown, however, that there are some cautions. As departments are increasingly able to exercise autonomy in the development of their management information systems, it is important that information technology managers have adequate training and guidance to support their decisions. Equally, the management information systems in public service must take into account the statutory requirements that apply to information technology. For example, in New Zealand, under the 1957 Archives Act, government departments are not allowed to destroy records without permission of the Chief Archivist.

- Computerisation has made extensive inroads in the Singapore Civil Service and has enabled it to improve efficiency by reducing manpower costs. The Singapore Civil Service Programme has generated S\$2.71 in return for

every dollar spent on computerisation and reduced the need for 5,000 posts in the civil service by automating manual and repetitive tasks and streamlining operations.

- In Malta one of the key parameters of the strategic plan for public service reform is based on maximising the information resource through the sharing of information, within the confines of Malta's legislation to avoid duplication in information collection and maintenance. In order to achieve this, the Government of Malta has established an open client-server architecture platform that allows seamless access of applications systems from a single workstation, with appropriate security safeguards. This infusion of technology has been very significant in a relatively short space of time, with applications systems in place, or in the course of development, in most major areas of government.

- The Malaysian Government's objective is to move towards an era of paperless bureaucracy. A public service network is being established as a facility which enables government agencies to offer their counter services on-line to the public using the computer and network facilities of the post offices. It is hoped that this public service network will support the provision of "one-stop non-stop" services to the public.

- The Canadian Government recently announced a blueprint for renewing government services through the use of information technology in Canada and thereby bringing services to clients and providing them with "single-window" accesses for multiple services.

Malaysia has established a Civil Service Link to act as an information centre responsible for acquiring, organising and making available on request, information concerning the public service.

The Civil Service Link's functions include:

- creating a repository or database containing information related to public sector administration and management;
- providing users with the facilities to access information, either on-line or off-line;
- acting as a clearing-house for applications/requests for government information;
- promoting the creation of public domain databases in government departments;
- promoting research and development in government information and its utilisation; and
- linking up other such databases in government agencies to its computer system.

FUTURE CHALLENGES

No public service reform programme can be complete. History does not come to an end; new challenges and new opportunities will combine with unfinished business from the past to maintain pressure for further change.

NURTURING THE PUBLIC SERVICE

There is a strong relationship between accountable government and effective public administration. Successful public service reforms are not neutral technical activities which can be undertaken regardless of the context, they rest on open political debate and democratic constitutional structures.

The experience of the last three decades indicates strongly that there is no hidden hand guiding and protecting the institutions of the public service. Public service organisations can decline in effectiveness and service quality as readily as any others. Any distinctive strength or integrity in the public service derives from a network of people and institutions which collectively buttress its ideals. Remove or fail to build enough of the network and the public service structures will result in the decline of the public service over time.

Many reform programmes have necessarily focused on technical possibilities for changing the public service and its systems and have achieved very significant improvements. It is possible that in focusing on the technical aspects of the public service, reform programmes may have paid insufficient attention to the potential weaknesses in the supportive network within which the public service operates.

STRENGTHENING INSTITUTIONS THAT PREVENT DETERIORATION

Further attention must be given to effective structures outside of the core public service – the Office of Ombudsman, the Human Rights Commission, an effective Audit Commission – and the capacity of government to establish investigatory commissions with the power to reveal administrative deficiencies and enforce sanctions. There is a strong relationship between democratisation and effective public administration. Effective accountability is dependent on the existence of sound institutions, effective political leadership and democratic constitutions.

STRENGTHENING INSTITUTIONS THAT DETECT FAILURE

Consideration must also be given, particularly in Commonwealth developing countries, to setting up consumer groups and associations which put adequate

pressure on the government for the improvement of public services. There is a paradox in developing countries in that although the quality of public services is much lower than those in developed countries, there is much less demand from individual consumers on the government to improve the quality of services. If the quality of public services has to be improved, there is a need to recognise consumers and create structures which facilitate consumer pressure for improved public services.

MINIMISING CORRUPTION

Corruption is not the sole preserve of developing countries. Even in countries where there have been strong democratic structures, there are many instances of corruption and some indications that opportunities for corrupt practices may be increasing as the new value systems, emphasising individual freedoms over community values, gain. In strengthening the public service ethos, the decision makers and politicians must establish a consensus around new values which balance the need for personal achievement and personal fulfilment with collective responsibilities. Corruption cannot be minimised unless political actions receive same scrutiny as administrative actions.

SUPPORTING NEW OPPORTUNITIES

The continuing pace of development in information technology and communication systems and applications provided the opportunity to develop new organisational models that provide a motivating working environment for public servants, and which are less addicted to stability than previous structures.

The increasing pace of technological development is coinciding with the end of uniformity in the public service. Centrally determined standards and systems, service-wide pay and grading arrangements, and procedural consistency, are giving way to local structures and systems shaped around the needs of the activity, the needs of the consumer, and the capacity of the public service. This increasingly diverse public service will be less and less amenable to hierarchical management or to control by ever more detailed contractual relationships.

The increasing possibility of a network-based public service could change the profile of the public servant. The challenge will be to continue the improvements in discipline and loyalty that some reform programmes are demonstrating, while moving further towards self-motivating, self-policing public servants, who see the public service as an opportunity for creativity rather than risk-avoiding career.

CONCLUSION

Public service reforms have been driven by economic pressures and by increasing expectations from consumers, and have been enabled by the renewed sense of managerial possibility which has emerged internationally. Although all governments have sought to reduce the size and cost of their operations, while improving performance, individual governments have adopted a discriminating approach in seeking to enhance public service performance. Despite the common elements, frequently imposed on rather than chosen by government, reform programmes have shown a distinctive variety.

While there is global concern about the performance of the public service, there is no unique solution or approach. There are as many lessons to be learned from the successful experiences of the developing countries, as from the developed countries. Each country needs to identify its priorities according to the local circumstances, drawing upon the mix of other experiences from both developed and developing countries. In short, countries have to develop local solutions to global challenges. Moreover success depends as much on an incremental approach to implementing change – a step by step process, within the framework of a clear long-term vision – as it does to a single big push.

In setting out the new outlook on the public service which has underpinned reform movements, in identifying the framework for reform strategies apparent from Commonwealth experience, and in considering the detailed reform strategies which fall within that framework, this publication has sought to expose what is happening in order to emphasise choice. Politicians and managers may have no choice but to succeed, but they do have many choices in designing their strategy for success.

In making those choices, there must be a recognition that people are at the heart of the public service and therefore managing human resources must be at the centre of public service reform programmes – not technology or market forces. While people are at the heart of change and its architects and beneficiaries, they can also be the losers and therefore the opponents of change. It is important that individuals who understand and support change are involved in the reform process. Governments need to empower those who are working for change.

Above all, the public service as the protector and provider of essential services, and as the symbol of an accountable government in action, must recover and retain its pride. The service must escape from the role of passive victim, overwhelmed by larger economic and social developments. The public service must not only be a part of the national and international changes taking place, it should be at the forefront of the process – guiding, initiating, innovating and managing.

BIBLIOGRAPHY

The Changing Role of Government: Management of Social and Economic Activities, Commonwealth Secretariat, 1991

The Changing Role of Government: Administrative Structures and Reforms, Commonwealth Secretariat, 1992

Administrative and Managerial Reform in Government: A Commonwealth Portfolio of Current Good Practices, Commonwealth Secretariat, 1993

Commonwealth Association of Public Administration and Management (CAPAM) Proceedings of Inaugural Conference, Commonwealth Secretariat, 1994

A Profile of the Public Service in Canada, Commonwealth Secretariat, 1994

A Profile of the Public Service in United Kingdom, Commonwealth Secretariat, 1995

A Profile of the Public Service in Malaysia, Commonwealth Secretariat, 1995

A Profile of the Public Service of Trinidad and Tobago, Commonwealth Secretariat, 1995

A Profile of the Public Service of Malta, Commonwealth Secretariat, 1995

A Profile of the Public Service of New Zealand, Commonwealth Secretariat, 1995

Commonwealth Association of Public Administration and Management (CAPAM), Proceedings of 1995 South Africa CAPAM Conference

The Management and Training Services Division of the Commonwealth Secretariat (MTSD)

Managing for success

For managers in developing Commonwealth countries facing challenges ranging from public sector to enterprise turnaround, MTSD provides practical advice and rapid assistance through tailored packages of consultancy and strategic training. It assists with public service modernisation, organisational reform and restructuring, commercialisation, business planning, management development and the introduction of appropriate management and financial information systems.

Training for excellence

MTSD can assist in identifying training needs at sectoral, organisational or business unit levels. It provides top level training for senior staff and helps develop national and regional centres of excellence in priority areas. MTSD draws on the expertise of specialists within the Commonwealth Secretariat and can call on an extensive network of international experts to develop leading edge training programmes in strategic management, information systems, environmental management and enterprise development.

Building on strengths

All MTSD assistance programmes are sensitive to local needs and build on the strengths of existing staff and institutions. MTSD provides particular opportunities for women in the public and private sectors to develop their management skills.

Initial enquiries and requests for assistance can be made to:

The Director
The Management and Training Services Division
Commonwealth Secretariat
Marlborough House
Pall Mall
London SW1Y 5HX

Telephone: (+44) 171 839 3411
Facsimile: (+44) 171 747 6335

Cover design by Ashlyn Amichan

Copyright © Commonwealth Secretariat

Published by the Commonwealth Secretariat

Printed by the University of Toronto Press Inc.

May be purchased from:

Commonwealth Association for Public Administration and Management
(CAPAM)

150 Eglinton Avenue East, Suite 306

Toronto

Ontario

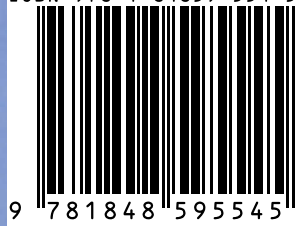
CANADA M4P 1E8

Telephone: 1 (416) 488 1504

Facsimile: 1 (416) 481 6510

ISBN: 0 85092 452 9

ISBN 978-1-84859-554-5



9 781848 595545