Role of human resources in revitalizing the State

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GPAB, DPADM, UNDESA, September 2004

Executive Summary

Many developed and developing countries are currently facing critical ‘brain drain’ in the public sector, including considerable erosion of managerial, administrative and technical capacity. More attractive remuneration in the private and non-governmental sectors; loss of pride in the concept of public service; increased politicization and decline in standards of professionalism; and gradual decay of national governance systems, have all contributed to the lowering of prestige of employment in the public sector. Traditionally, talented young people have opted to join the public service because of opportunities for challenging work, prestige and career advancement potential. Today, this is often not the case in many countries.

Evidence suggests that essential to restoring pride in the public service is the introduction of meritocratic recruitment and promotion of public servants. Countries where political appointments run deep in the civil service, combined with low remuneration of officials and weak institutional checks and balances, have generally achieved much lower rates of economic growth and social development. The findings of major research initiatives have concluded that meritocratic recruitment and long-term career rewards seem to be the most important factors in explaining the bureaucratic performance of countries. Developing nations and transition economies would therefore do well to opt for the establishment of a merit-based career system as one of the key instruments to professionalize the civil service.

While many countries have responded to globalization pressures and opportunities in recent years by undertaking significant policy and organizational reform, the underlying indispensable element of improving the quality of human resources in the public sector, including leadership abilities, appears not to have received the same attention. Policy and organizational reform, combined with leadership commitment are essential prerequisites for the development of a strategy to strengthen the capacity of the human capital with the aim of improving public administration. However, without leadership, policy and organizational reform will not work, and capacity development of human resources will not enhance public administration.

It is generally accepted that institutional effectiveness in the public sector in terms of the quality of organization, rules and norms is heavily underpinned and sustained by the quality of leadership and the capacity and motivation of the human capital. Capacity development of leaders and staff should therefore be at the centre of efforts to reform the public sector. As a result, human resources management (HRM) should not only be a support function involved in the planning and management of personnel processes and procedures, but also have the mandate to design and implement strategic HRM approaches that will better equip the organization to realize its goals. This will require that the status of human resources managers be enhanced in corporate structures and decision-making processes in the public sector.
I. Human resources management at crossroads

Recent efforts to reform public administration have generally included the re-definition of the role of the state in public management, as well as greater emphasis on collaboration with the private sector and civil society in service delivery. In most instances, the objective of these efforts has been to re-focus and strengthen the capacities of the public sector to meet ever growing economic, social and environmental challenges. The state is increasingly expected to reform, to decentralize, and to contract out in order to become more efficient and responsive. The principle of efficiency has very much assumed central importance in today’s public management. One apparent implication of this shift in societal values is the changing role of senior civil servants in public management. An underlying trend seems to be emerging suggesting that senior civil servants are gradually becoming more political and less technical, as public institutions assume more operational autonomy, and citizens’ demand enhanced efficiency and responsiveness in service delivery.

People are the lifeblood of any organization and therefore the primary agents of reform and renewal in public administration. The knowledge, skills, values and attitudes of public servants are at the heart of state performance. However, all these four attributes have to be developed simultaneously if marked improvement is to be achieved in the performance of individuals, organizations and societies. In this context, it is particularly important to devote more efforts and resources to develop the values and attitudes of staff that underpin a high-performing organizational culture in the public sector.

The field of human resources management has undergone significant evolution in the past few decades as globalization and other pressures have forced governments to redefine the role of the state and recalibrate public administration capacities. The re-conceptualization of HRM methodologies and practices has always been a direct response to the demands and objectives of wider public sector reform. Skilled, competent and motivated staff and empowered, responsible and accountable managers are very much the foundation for greater productivity and effectiveness in service delivery in the public sector.

A major weakness of so many public sector reform programmes to date has undoubtedly been lack of leadership commitment. While countries successful in strengthening public administration pursued different reform strategies, they all had in common leadership that possessed the political courage and determination to make difficult decisions and to implement the agreed strategies. However, any effort to unlock the human potential for enhanced public sector performance will require the development of an effective enabling environment.

A. Creating an effective enabling environment for people management in the public service

The civil service is under severe strain in many countries due to various converging factors. A greater role for the private sector in national development, for example, has shifted the responsibility of public administration from operating the economy to steering and facilitating it. This realignment of responsibilities within the governance system has increased the need for public administration capacity to co-ordinate, to formulate policy options, to resolve conflicts, to promote private sector development, to manage sub-contracts, and to enforce legal and regulatory frameworks, to give few examples. Changing social values are also
exerting major impact upon the character and operations of the civil service worldwide. Brought together, all these trends are requiring new human resources competencies, professional behaviour and values of civil servants.

A values shift has also taken place in many countries as it relates to the relative importance of public sector employment vis-à-vis the private sector. This shift has eroded in a major way the image of the public service and turned the private sector into an ‘employer of choice’ for most well-educated and talented young people. This trend is not likely to be reversed without a convincing response by the state, including addressing the issue of pride in public sector employment; the remuneration of civil servants; better definition of the role of the state in public management; development of core competencies of staff; as well as host of other motivational and inspirational factors that have always meant so much for talented young people, aspiring to a career in the public service.

Recent changes in labour markets are also providing talented staff with unprecedented opportunities for career mobility and professional growth. The demand for highly competent staff in many developing countries is shifting as the result of growth in employment opportunities in the private and non-governmental sectors. This shift in demand would normally result in higher wages for senior staff in the civil service according to economic theory. However, salary decisions in the public sector very seldom follow such a flexible pattern. The perceived inability of the public sector in many countries to offer competitive conditions of service to competent staff is making it more-and-more difficult for governments to attract and retain highly skilled civil servants.

In this context, the paper will particularly review three important enabling factors for raising public sector performance, namely, (a) restoring pride in the concept of public service, (b) enhancing respect for professionalism, and (c) improving conditions of service for staff.

(a) Restoring pride in the concept of public service

The ongoing erosion of public service capacities is clearly one of the signal phenomena of our times. This erosion takes on numerous forms, but is widespread throughout the world. In almost every country, it manifests itself in the loss of prestige and diminished attraction of the public service profession, which until very recently, was an avenue of choice for young and talented individuals in many countries. The decline in the prestige of the public service has greatly undermined the ability of the state to fulfil its constitutional mandate. In some developing countries, with high unemployment rates, the public service is now regarded as the avenue of last resort from the prevailing uncertainties. Even so, it is the unskilled, or those with limited marketable aptitudes, which the government is able to attract.

At the highest levels, the public service is having great difficulties attracting competent specialists, policy advisers and managers. It seems that this erosion in human resources capacities in the public sector has reached critical proportions in many parts of the world, particularly, considering the growing demands of citizens for enhanced efficiency and responsiveness in service delivery. Whether perceived or real, the trend towards politicization and privatization of every public sphere has meant for public servants a growing sense that they no longer serve the “common good”, the citizen or the state, but rather an individual, or a

1 See keynote address by Gerald and Naomi Caiden at the American Society of Public Administration (ASPA) National Congress in Phoenix, Arizona, March 2002.
Traditionally, talented young people have opted to join the public service because of opportunities for challenging work, prestige and career advancement potential as mentioned earlier. Career development prospects, in fact, have generally been considered a determining factor in retaining highly competent staff in the civil service. But more recently, other variables, such as, remuneration and the professional image of the public sector, have assumed great importance as well. At the same time, the required competencies of civil servants are rapidly changing due to many converging factors at the local, national and global levels. Governments therefore need to put in place an enabling environment and appropriate incentives to promote the retention of high quality staff in the public service.

To achieve this goal, governments will have to devote more resources towards enhancing the image of the public service, requiring major investment in the creation of a positive and credible image of the work performed by civil servants. This also includes raising the profile of outstanding public servants; providing interesting learning and training opportunities for deserving staff; offering top young graduates an attractive career in the public service; conducting orientation programmes for new staff; encouraging the media to report more from the work of public servants; organization of special events and open houses to publicize the work of public organizations; introducing awards for excellent team, as well as individual performance; and celebrating a ‘Public Service Day’ etc.

Essential to restoring pride in the public service is the introduction of meritocratic recruitment and promotion of civil servants through high entry standards and opportunities for career advancement based on performance. This means also tapping into talent in under-represented groups to ensure that the civil service adequately represents all relevant segments of society. Meritocracy bestows prestige on employment in the civil service and encourages high quality staff to choose government as the ‘employer of choice’. A merit-based recruitment and promotion system, which has become an integral part of the ‘psychological contract’ between staff and managers in the public sector, is also likely to foster a culture of performance-orientation and professionalism in the civil service, thereby forging better congruence between the expected and actual behaviour of civil servants.

One way to improve and retain very qualified young staff members is to develop better promotion policies. For example, an opportunity to be given more challenging tasks and to be promoted through one’s own achievements may play an important part in recruitment and retention. Another way to recruit highly qualified young graduates to government could be to provide attractive opportunities for more intensive vocational and professional training in the public service. A programme to build-up the professional capacities’ of talented young staff, combined with attractive career development potential, could play a key role in enhancing the competitiveness of the public sector in recruiting top graduates vis-à-vis the private and non-governmental sectors.

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2 The term ‘psychological contract’ was first coined by Prof. Chris Argyris in the 1960s and is defined as the unwritten and un-codified area of employment relationship. A key feature of the ‘psychological contract’ is that the individual assents to make and accept certain promises as he or she understands them. The extent to which promises and expectations are met by the employer will generally have a pivotal impact on the health of the ‘psychological contract’. 

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(b) Enhancing respect for professionalism

A number of analytical studies have attempted to review the relationship between the quality of human resources in bureaucracies and development performance of countries in different parts of the world. James Rauch and Peter Evans (1999)\(^3\) conducted a study on bureaucratic structures in 35 less developed countries. Rauch and Evans examined whether bureaucracies with the main "Weberian" characteristics perform better. Their evidence suggests that they do; particularly on issues of meritocratic recruitment, but also with respect to internal promotion and career stability. A United Nations University\(^4\) (UNU) study has also highlighted the importance of career stability, higher wages and neutrality of civil servants in explaining efficient implementation practices in the public service.

The findings of the Rauch and Evans study also support the hypothesis that well-functioning bureaucracies can promote growth and reduce poverty.\(^5\) Towards this end, competitive or merit-based recruitment and promotion is considered essential for building an effective bureaucracy as mentioned earlier. A well-functioning civil service is generally characterized by professionalism, efficiency and responsiveness, impartiality, high ethical standards, esprit de corps, and long-term perspective. In sum, there is solid congruence between the expected and actual behaviour of public servants.

However, in many countries, the civil service doesn't meet these criteria, but is rather characterized by patronage, clientelism, low level of professionalism and efficiency, and high degree of corruption. Institutional capacity and political will are therefore very much required to transform the organizational culture in the public sector in such situations. Some countries are already making solid progress in this regard. In Africa, for example, South Africa, Namibia and Ghana, have made concerted efforts in recent years to bring their civil service laws into conformity with high standards of professionalism and ethics.

The restructuring of the public service in many countries in recent years has often resulted in some retrenchment of civil servants and recruitment of new ones from the private and non-governmental sectors. While the new entrants have often brought with them private sector values and practices, this strategy, at the same time, has sometimes created new challenges, such as the need for intensive skill-building of the incoming staff to enable them to comprehend existing policy frameworks, as precondition for the design of effective implementation strategies for improved service delivery.

The adoption of the New Public Management (NPM)\(^6\) model has also generally resulted in

\(^3\) Bureaucratic Structures and Performance: First Africa Results, Julius Court, Petra Kristen and Beatrice Weder, 20 December 1999.
\(^4\) Ibid.
\(^6\) "New Public Management is a field of discussion largely about policy interventions within executive government. The characteristic instruments of such policy interventions are institutional rules and organizational routines affecting expenditures planning and financial management, civil service and labor relations, procurement organization and methods, and audit and evaluation. These instruments exercise pervasive influence over many kinds of decisions within government. While they do not determine the scope or programmatic content of governmental activity, these government-wide institutional rules and organizational routines affect how government agencies are managed, operated and overseen: they structure that part of the government process usually described as public management. In recent years, political executives, central agency leaders, and legislators in numerous settings have demonstrated interest in policies affecting public
greater political accountability of senior policy makers in government. But, how the evolving civil service system will balance the traditional principle of political neutrality of public servants, which has underpinned the career-based system, with new demands for enhanced responsiveness of civil servants or what is often termed ‘professionalism’ will most likely be a significant challenge under the NPM framework. While this question is central to the design of any professionally-oriented civil service system, and the preferred model will differ from one country to another, there is consensus that institutional frameworks in the public service should always promote high ethical standards and responsiveness, as well as the application of the merit principle in recruitment and promotion.

In most developing countries, where the supply of highly trained staff is generally low, combined with weak institutional systems of checks and balances, the establishment of a career system would seem to be much more likely to strengthen both professional personnel management and the administration of the public sector.

In a more complex and demanding working environment, civil servants, while advancing the public interest, increasingly need more high level competencies and skills to relate to politicians, other government departments, as well as key stakeholders, including more in-depth knowledge of society itself. It has also been argued that civil servants need greater understanding of the complexities of political and administrative decision-making processes. A clear understanding of roles and responsibilities in the administrative system is essential for an efficient and responsive delivery of public services. Clear understanding of issues such as separation, subordination and collaboration between politics and public servants is also critical for effective public management.

(c) Improving conditions of service

The above-cited Evans and Rauch study concluded that meritocratic recruitment and promotion and adequacy of pay was correlated with economic growth, as well as with investors’ perception of bureaucratic capability, even after allowing for income and educational differences. This finding highlights the importance of adequate pay in attracting and retaining highly qualified staff in the service of the state. This argument was also stressed earlier in the paper in the context of fast-evolving labor market conditions in many countries.

However, in many developing countries the remuneration of civil servants, particularly senior officials, has been rapidly declining in recent years, compared with peers in the private and non-governmental sectors. At the same time, the number of public servants has risen significantly due to political pressure to find work for those unemployed. The net result has been significant erosion in the salaries of civil servants, which has seriously undermined the competitiveness of the state as an employer of high quality staff. In addition, the salaries of senior officials that formulate public policies and direct their implementation have often been allowed to erode more than those in the lower echelon of the civil service for political reasons, seriously undermining the ability of the state to recruit talent in important senior level posts.

While the wages of civil servants is not the only incentive to attract competent staff to government, salaries are an increasingly important factor when competing for new staff, particularly highly qualified young graduates. In some countries, governments are also having...
great difficulties recruiting staff with specialized expertise, such as IT experts.

There is no universal standard of the optimal ratio between remuneration in the public and private sectors. In some countries, such as Singapore, the salaries of civil servants may in fact be higher than those in the private sector. However, this is the exception to the rule. Generally the remuneration of public servants compared to private sector employees is considerably lower. However, if the performance of the civil service in many countries is to be significantly enhanced, governments, in many instances, will have to reduce the number of public servants, decompress the wage structure, and raise average wages. This process, on the other hand, is always going to be politically difficult and require extensive consultations with representatives of staff unions.

Some countries are also introducing new remuneration policies and creating performance-based incentives, as well as other incentives to attract and motivate staff. A few countries, for example, have introduced independent remuneration review boards to guide the government in decisions concerning salaries of top officials in government based on well-defined criteria. Similar mechanisms have also been introduced for the other two branches of the state, namely, the Legislature and the Judiciary. These institutional approaches have generally introduced greater professionalism and transparency in salary decisions of senior officials in the public service. In addition, governments are devoting more attention to non-monetary incentives, such as flexible working hours, workplace safety, learning opportunities, and high standard of technical equipment to attract and retain quality staff in the public sector.

II. Managing people as a strategic resource

The revitalization of public sector performance will require the adoption of a holistic strategy as mentioned earlier. This section will propose five key management strategies to improve human resources management in the public sector.

A. Reforming legal, policy and strategic frameworks

As the result of the changing role of the state and strengthening of public administration, a number of countries, both developed and developing, and from different cultural, political and historical backgrounds, have either recently, or are currently in the process of undertaking significant reform of legal, policy and regulatory frameworks governing the management of human resources in the public sector. The objective of these reforms is usually to achieve greater efficiency, responsiveness and accountability in the public service, through more open and flexible employment frameworks, while trying to preserve the benefits of continuity and institutional memory, generally considered important strengths of closed career-based systems. It is not clear how these reforms will affect the level of professionalism in the public sector in the long-term, particularly in developing countries and transition economies.

While there is general consensus on the core competencies required for an effective public administration, there is much less agreement amongst politicians, practitioners and academics on the most appropriate institutional framework to foster the development of those important skills. Two competing models have evolved over the past few decades, offering possible solution to governments to this challenge. The first one is the traditional career-based system, while the second one is the job-oriented New Public Management (NPM) model. Both have important strengths and weaknesses, but are very much premised on
different administrative precepts, assumptions and value systems, ultimately offering quite a contrasting profile of the ‘ideal public servant’.

The NPM, for example, has been heavily influenced by the ideas of institutional economics, accounting and management theory, resulting in significant emphasis on the three Es – efficiency, effectiveness and economy – principles generally associated with the business sector. Whether to select the career-based system, the NPM model, or a mix of both, will always depend on the local context. For example, the NPM model would tend to be suited where the following conditions are met: large supply of skilled individuals in the labour market; respect for the rule of law; relative absence of nepotism, political clientelism or patronage in public administration; a tradition of transparency in recruitment, remuneration, and promotion of staff in the public service; and a culture in society of geographical and occupational mobility.

Even where the above conditions are present, the job-oriented model may stand a better chance in occupational groups that exist in both the private, and public sectors, and where the conditions of service are relatively comparable. On the other hand, it would seem that the above conditions are very seldom met in developing countries, whose capability and culture, in most instances, may not yet be ripe for the adoption of the NPM model.

Developing countries and transition economies would therefore generally be well advised to opt for the establishment of an effective central personnel management authority, capable of acting as a professional, fair, and apolitical guardian of the best traditions and values in the public service, and the adoption of a career system to ensure merit-based employment, coupled with strong focus on capacity development of staff. More recently, some countries have opted for a mixed model by setting-up a Senior Executive Service, to promote greater cohesion amongst high level officials in the public sector; to promote the maintenance of institutional memory; and to align the interests of key officers with that of the state. Other posts in the civil service, however, would be subject to open competition in the labour market according to this model.

The traditional career-based system would generally provide the best institutional framework for recruitment and retention of staff in the following functional areas: (a) where the government has monopoly, or where the private sector plays no significant role, (b) high degree of discretion and confidentiality required, (c) high degree of consistency demanded or where institutional memory is an important factor, arguably more important than the mastery of technique, and (d) where the need for neutral competence, objectivity and impartiality calls for some considerable degree of separation from both partisan activities and profitable pursuits. Posts falling in these categories would often include high-level policy analysts, policy advisers, programme managers, resources managers (financial, human, information), judges, auditors and controllers.

Considering the financial and economic pressures facing most countries, as well as recent trends in information and communications technologies (ICTs), in labour markets, and globalization more generally, there seems to be an emerging consensus that governments would be well-advised to consider gradual move towards the development of more open and flexible employment frameworks, while ensuring that they are also equitable, well structured and promoting the maintenance of traditional ethos and high level of accountability in the public service, including the impartiality, professionalism and long-term perspective of civil
servants. By now it is also well-accepted that no country can replicate human resources management reform of another country. Adaptation of reform measures to the local context will always be required.

Developing countries should therefore pursue a cautious approach when it comes to the adoption of civil service models originating in more economically advanced countries, as mentioned earlier. This means that while good public administration principles, such as efficiency, transparency, responsiveness and accountability, remain universally accepted, countries will have to adapt them to the local context. While the delegation of recruitment of staff from central agencies, such as public service commissions, to ministries and departments has generally proved effective, the existence of adequate oversight and quality control mechanisms in this area is essential to avoid abuse and malpractices. The delegation of recruitment responsibilities should therefore generally be devolved gradually, particularly in countries where there is lack of human resources management capacity in ministries and departments. Strong capacity for human resources management should therefore be built in parallel in ministries and departments as related functions are devolved.

Due to the evolving nature of business planning in public sector organizations, with more emphasis on well-defined outcomes and outputs, the strengthening of human resources management and the reform of financial management systems should also go hand-in-hand. Human resources management and financial management-related reform should therefore be carefully synchronized to ensure satisfactory alignment in the utilization of these key corporate resources. The implementation of different components of human resources management-related reform should also be internally well coordinated. In addition, human resources managers should play a more influential role in corporate decision-making processes, irrespective of whether the government decides to adopt a career-based system or the job-oriented model.

B. Defining common values and professional standards

Codification of principles and expectations of behavior of civil servants has always been a key component of public administration-related reforms. Public service professionalism is usually used to describe the behavior of civil servants when characterized by loyalty, neutrality, transparency, diligence, punctuality, effectiveness, impartiality, as well as other values important in the local context. Public service professionalism embraces the notion that public servants need to be imbued with shared values, and trained in core skills essential for the performance of their duties. For example, a career system based on the merit principle, which fairly and impartially recruits and promotes public servants, will always set the tone and tenor for other performance-related standards in the public service.

Further, well-articulated and fair human resources policies and practices as it relates to appropriate remuneration, training opportunities, disciplinary procedures and the like are also integral to the development of effective professional standards. More importantly, a culture of professionalism and pride needs to be progressively nurtured through the recognition of good work of teams and individuals, as well as correction of poor performance.

Public service ethics is generally defined as the broad norms that define how public servants, as agents of the state, and, where applicable, as members of an established profession, such as accounting, finance, economics, law, etc., should exercise judgment and discretion in
carrying out their official duties. A public service committed to professionalism is more likely to attain its goals if it has in place an effective ethics infrastructure, consisting of relevant rules, codes of conduct and guidelines that provide incentives for public officials to act in a transparent and accountable manner, and, where necessary, penalties for breaking professional norms and standards. Governments would also do well to intensify training efforts to make the public sector corruption-free.

The development of effective institutional structures and healthy organizational culture and ethos are essential for efficient and responsive public service management. The former can be described as the sum of the expected behaviors prescribed in formal documents and setting expectations regarding objectives and outcomes for a given course of action. The latter, by contrast, is defined as the actual behaviors observed in organizational life; the values, standards and norms, which are really put into practice by staff. A key objective of public administration-related reform, particularly at initial stages, is to promote greater alignment between the two. The compliance of members can be elicited either through the force of example, or as result of tradition or deeply ingrained habits. How this dynamics is brought about is a complex subject, which can only be explained by good understanding of the interaction between culture, incentives and capabilities in the public service at the national level.

As reiterated throughout this paper, the greatest strength of any public administration is the quality of its civil servants and managers. The art and science of management is therefore to create an organizational culture and environment that enables civil servants to contribute to their maximum potential. Experience has shown that in order to promote the development of a new culture in the public service and to build-up necessary human resources capacities, it is important to define carefully the core values, competencies and standards that are directly related to the successful performance of staff and managers. Once these have been defined, an appropriate country-specific Values Framework and Competency Model can be used as the base for capacity development and training in the public sector, as well as recruitment, promotion and performance appraisal.

As a first step in the transformational process, leaders should initiate a participatory process to define the common values of staff in the public sector, as well as core professional and managerial competencies. It is particularly important that the definition of the values, standards and core competencies be undertaken through a participatory process to promote awareness, ownership and accountability of staff. The adopted Values Framework and Competency Model should also be widely publicized in society to foster a culture of transparency and accountability in the public service.

C. Designing competency frameworks for key occupational groups

The development of effective public service management will not only require the adoption of an appropriate legal, policy and institutional framework, and the identification of sound professional standards and values, but, even more importantly, extensive skill development of staff as well. To promote sustainability of the reform process, governments would be well advised to involve civil servants in the development of institutional frameworks and professional standards, as well as in the identification of core competencies to be fostered in the public sector. The menu of professional competencies to be developed in the public sector will always depend on the local context, as well the strengths and weaknesses of the
human capital. An important objective with the definition of both core and specific competencies is to develop shared language as it relates to performance standards and technical and managerial excellence. To promote the realization of this goal, the paper suggests the design of harmonized competency frameworks in five core areas, namely, (a) leadership, (b) management, (c) policy analysis, (d) human resources management, and (e) information technology.

Empirical evidence suggests that 20 per cent of increased efficiency and productivity in public organizations can be explained by the introduction of new technologies, while the remaining 80 per cent depend more on the quality of management, leadership and innovation. How people are engaged, treated and developed in the change process will ultimately determine whether staff members are productive or not. In this sense, leadership is the driving force for reforms and innovations in the public sector. The exercise of leadership is therefore highly complex and requires very special skills and personal attributes, often associated with emotional maturity and intelligence. Many governments are undertaking reviews of leadership and management competencies.

The Public Service Commission of Canada, for example, recently undertook an extensive study to define core leadership competencies for the 21st century. These competencies were grouped into five main categories: (a) ‘intellectual’, or the capacity of leaders to understand and respond strategically and creatively to complexities inherent in the public service; (b) ‘future building’, or the ability of leaders to develop a vision for their respective organizations, (c) ‘management’, including action management, organizational awareness, team-building and partnership skills; (d) ‘relationship’, or interpersonal and communications skills; and (e) ‘personal’, including stamina and ethics, and values.

Better skills in policy analysis can enable public administrators to play a more effective role in national development. Public administrators need to have skills to develop, assess and evaluate different policy options. Policy analysis and development always requires careful balancing of interests of different stakeholders, affected by the policies concerned. To acquire and maintain policy analysis skills, public administrators need to have opportunities for regular ongoing education through university courses, by attending conferences and workshops, as well as by having access to other self-study resources.

To retain and develop its fair share of the best talent, public sector organizations need to adopt policies aimed at planning, recruitment, education, development and motivation of employees. To institutionalize these functions, they will need to put in place units and administrative systems, properly resourced and effectively managed. The latter requires strong cadres of human resources professionals, which should be properly developed through deliberate and sustained capacity development programmes, based on clear competency requirements. Human resources management should not be just a support function involved in managing personnel processes and ensuring compliance with rules and regulations. Instead, it must have the mandate and capacity to design and implement human resources management approaches to attain the strategic goals of the respective public sector organization.

The strategic use of information technology in government can result in more effective and transparent public administration, essential for improved economic development and competitiveness. Recognizing the potential benefits of enhanced use of information
technology in public management, governments are increasingly introducing such innovations into the management of both programmes and operations, particularly, in the areas of planning, financial management and accounting, delivery of public services, and human resources management. Training in the use of information technology should also become part and parcel of career development programmes in public organizations. This training should consist of different kinds of programmes, including basic training focusing on capacity development of public employees in the use of information technology, as well as specialized training for staff who are responsible for running information technology infrastructures.

D. Increasing the effectiveness of staff training

Capacity building is a comprehensive process of enhancing the ability of individuals to perform responsibilities effectively and to realize their potential. Training is the basic engine for administrative change. It involves the development of the requisite knowledge, skills, values and attitudes of staff at all levels. In a more complex and demanding working environment, civil servants, while, advancing the public interest, increasingly need more high level competencies and skills to relate to politicians, other government departments, as well as key stakeholders, including more in-depth knowledge of society itself. At the same time, there is great need to invest in capacity development of administrative support staff to promote more efficient public management.

Civil servants also need greater understanding of the complexities of political and administrative decision-making processes. Clear understanding of roles and responsibilities in the administrative system is essential for efficient and responsive delivery of services. Transparent, responsive and equitable administration of public policies is increasingly a clear expectation of citizens and politicians alike. Effective administration of public policies will therefore require a combination of technical, policy-making, administrative and managerial skills, which need to be systematically developed. Each organization should therefore have in place a training and capacity development strategy, aiming to foster a spirit of professional development, continuous learning, receptiveness to innovations and new approaches, and knowledge acquisition among staff. New methodologies and training tools also need to be developed to promote a culture of innovation and experimentation amongst staff in the public sector.

There is no single model more suitable than others when it comes to the delivery of training and capacity development of staff in the public sector. Each model has particular strengths and weaknesses. For example, central training institutions tend to promote greater sense of identity and solidarity among public servants, while universities may promote more critical problem-solving and exchange. The ‘learning organization’ model on the other hand, makes the institution itself the locus of knowledge acquisition and capacity development, particularly through internal mentoring and coaching. The selection of a particular institutional arrangement will always depend on existing capacities, as well as the national and regional context. Most national training strategies would therefore require a mix of different institutions to deliver capacity development and training. Regular assessments should also be undertaken of the effectiveness of training efforts. At the outset, the objective of training has to be firmly established. For example, is the goal to transmit values, skills or knowledge? This analysis will determine the selection of the respective institutional model.
E. Institutionalizing strategic human resources planning

The United Nations Committee of Experts on Public Administration emphasized at its Second Meeting in April 2003 the importance of member states adopting a strategy to combat ongoing erosion of human resources capacities in the public sector. According to the Committee, key elements of such a strategy should include: establishing human resources planning management systems and units; professionalizing the public service, including human resources management; enhancing the social value of service to the public; creating a learning culture in public institutions; and utilizing the best talent from unrepresented groups. The Committee also stressed the need to develop strong cadres of human resources management professionals in the public sector, including effective information management.

This paper suggests that governments may wish to consider institutionalizing a participatory process at the country level to prepare a medium to long-term strategy to assess the state of the human capital in the public sector. A regular analytical report on the ‘State of the Human Capital in the Public Sector’ could enable governments to measure more systematically the progress of capacity development efforts. The report could analyze key issues and trends affecting human resources management, including forecasting of current and emerging skills required in the public service; upcoming vacancies; succession planning; performance appraisal; remuneration; workload analysis; and staff development and training. The preparation of the ‘State of the Human Capital in the Public Sector Report’ could also promote the formulation of success indicators in priority areas to encourage monitoring of progress against benchmarks. Some countries, such as Australia, have already begun publishing annually a report of this nature. Institutionalizing such a process in central government could also strengthen the development of institutional memory in human resources management units in ministries and departments.

III. Unlocking the human potential for public sector performance

This section will discuss four essential strategies to enable governments to unlock the human potential for enhanced public sector performance.

A. Enhancing the status of human resources managers in decision-making

Considering that people are the lifeblood of the public service and agents of reform and renewal, there is growing recognition that human resources management should not only be a support function involved in the planning and management of personnel processes and procedures, but also have the mandate to design and implement strategic human resources management approaches that will better equip the organization to realize its goals. Because of the critical role of people in driving public sector reform, the status of human resources managers needs to be enhanced in corporate decision-making processes. Also, taking into account globalization pressures and opportunities, decision-makers in the public sector need to give much more attention to the development of effective HRM policies, systems and capacities.

Reversing the ongoing erosion of the human capital in the public sector in many countries, and turning staff into a major resource for the revitalization of public administration, will similarly require comprehensive planning and the creation of dedicated and highly qualified human resources management capacities in ministries and departments. It also requires
putting in place an effective enabling environment aimed at restoring pride in employment in the public service, raising respect for professional standards, as well as improving the conditions of service for staff. For example, if governments cannot enhance their competitiveness in the labor market vis-à-vis the private and non-governmental sectors, they will find it very difficult to recruit and retain highly competent staff.

The core message of this paper is that human resources capacity is critical to the quality of public administration in any country. Capacity development of the human capital, however, doesn't happen overnight or in a vacuum. It requires the development and effective implementation of a holistic and homegrown strategy, underpinned by long-term political commitment and leadership. Leadership is essential as the transformation process in most countries is more about reforming values and attitudes than the development of new knowledge and skills of staff. Changing the administrative culture in the public sector is also likely to require sustained efforts over a long period of time.

B. Instituting merit-based recruitment and promotion

Key to restoring pride in the public service is the introduction of meritocratic recruitment and promotion of civil servants through high entry standards and opportunities for career advancement based on performance. Meritocracy bestows prestige on employment in the civil service and encourages high quality staff to choose government as an ‘employer of choice’. A merit-based recruitment, remuneration and promotion system, combined with fundamental reform of human resources management systems and practices, is also likely to foster a culture of performance-orientation and professionalism in the civil service. Retaining highly qualified staff in the public service will also require the development of a strategy that includes the following: development of a plan to enhance the image of the public sector; promotion of equitable representation of all relevant groups in the civil service; provision of good career development opportunities; adequate job security; competitive remuneration; education and training opportunities, recognition and reward for excellent performance, and healthy working environment.

Whether countries should adopt a career-based system or the job-oriented New Public Management (NPM) model will ultimately depend on the specific local context and capacities. Where well-qualified human resources are in large supply and effective institutional oversight and compliance mechanism already well established, for example, the introduction of more open recruitment systems may in fact improve the overall effectiveness of government. In most developing countries, on the other hand, where the supply of highly trained staff is much lower, combined with weak institutional systems of checks and balances, the establishment of a career system would seem to be much more likely to strengthen both personnel management and the administration of the public sector, particularly as such a system promote the loyalty of the civil servant to the long-term interests of the state.

C. Strengthening leadership and managerial capacities

Effective management of the human capital in the public sector requires visionary and people-oriented leadership. A person occupying a leadership position has to mobilize people to tackle tough challenges in order to realize their potential. How people are engaged, treated and developed in the change process, will ultimately determine whether staff are productive or not. While the importance of developing sound policy and institutional frameworks for revitalizing public administration cannot be overemphasized, it is the leadership at all levels that essentially
drives the change process.

The revitalization of public administration, therefore, depends more than anything else on the commitment and determination of the political leadership. Leaders play a particularly important role in revitalizing public administration by providing the vision, the sense of direction, and the conviction that reform goals and targets can be realized. Commitment of political leadership is therefore essential for the formulation of a strategy to strengthen the capacity of the human capital in order to revitalize public administration at the national level.

As mentioned earlier, empirical findings support the notion that the quality of leadership is a determining factor in explaining successful public sector reform initiatives in individual countries. By promoting leadership development at all levels, governments can help inculcate a culture of problem-solving and initiative-taking in the public service. Leadership is also the driving force for reforms and innovations in the public sector. The exercise of leadership is highly complex and capacity development of leaders has to take this into account. For example, it has been noted that senior executives, while highly driven and results-oriented, often do not possess effective skills in building relations with staff and stakeholders. Another perceived weakness in the capacity of many senior officials in the public sector is sometimes lack of ability to project a strategic vision for the respective organization.

D. Investing effectively in capacity development of staff

Public administration cannot be reformed or revitalized without capacity development of staff. It involves the development of knowledge, skills, values and attitudes of staff at all levels in the public sector. There is no single institutional model more suitable than others when it comes to the delivery of training and capacity development of staff in the public sector. Each model has particular strengths and weaknesses. The selection of a particular institutional arrangement will therefore always depend on existing capacities, as well as the national and regional context. Most national training strategies would therefore require a mix of different institutions to deliver capacity development and training of staff. The first step is always to define the objective of the training effort and then to determine which institutional modality is most likely to be effective in realizing the respective goal.

For example, is the objective to transmit values, skills or knowledge? This analysis will determine the selection of the respective institutional model. Central training institutions, for example, are often considered well-suited to inculcate common values and standards in the public sector, while other delivery mechanisms may be more effective in imparting technical knowledge and professional skills. Therefore, the key issues to be considered in selecting appropriate institutional models for the delivery of training include (a) the purpose of the training, (b) the target group, (c) the specific content, (d) the training modality, and (e) the available resources.

Brief Resume
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