

World Public Sector Report 2005

Unlocking the Human Potential for Public Sector Performance (Highlights)

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Objective

How effectively govt institutions align the behavior of staff with the public interest is determined by the capacity, motivation and integrity of the human capital and the quality of leadership.

The main objective of the *Report* is to discuss the critical role of people and human resources management in effective public administration, with a particular focus on developing countries and transition economies...



Context

Evolutions in HRM building on a history of the thought and practice of public sector personnel management and following the reform trends and models of

(i): Traditional public administration;

(ii): Public management, including new public management (NPM);

(iii): Responsive governance emphasizing networks, openness and partnerships

Challenge facing public leaders

The HRM synthesis in the report calls for a public service that is:

- impartial,
- professional
- responsive
- that draws on the skills and resources of the private and civil society sectors.
- curbs corruption and exhibits high levels of neutral competence, efficiency and performance-orientation.

How to incorporate or reinvigorate desirable traditional civil service values, such as impartiality, integrity and respect for public service, while at the same time promoting management innovations and efficiency improvements, as well as encouraging more open, responsive forms of administration is the major challenge.



Key Messages

(i): Adopt a strategic approach to human resources management

- **A strategic approach to people management means effective integration of HRM aspects into policy formulation, decision-making and implementation processes in government.**
- **Workforce analysis and planning is central to strategic HRM in the public sector. Factors such as demographic shifts, labour migration, growing competition for talent, and the prevalence of HIV/AIDS in some countries, are all posing a daunting challenge to workforce planning in the public sector capacity to collect and analyze data on the magnitude of these challenges.**

(ii): Institutionalize merit recruitment and promotion

- **A merit-oriented and career-based civil service is decisive in explaining cross-country differences in the performance of governments in terms of the quality of services and the absence of corruption.**
- **Merit-based HRM policies are also essential to improve and maintain the prestige of public sector employment.**

Key messages continued

(iii): Strengthen performance management of staff

- Performance management and appraisal of staff has to become central to the work of government managers.**

(iv): Enhance accountability of civil servants to stakeholders

- The core civil service has a more complex and demanding role to play. Accountability must be multifaceted to be effective, and this places new demands on the discretion and professionalism of senior public officials. Their leadership is essential for preserving important values of impartiality and integrity while furthering communication flows and consultative mechanisms for interaction with society.**

ONE

- The *first chapter* notes that when governments perform badly, it is generally because they are unable to sustain the rules, norms, organizations and accountability arrangements that deliver good public services. “Rules on the books” are not transformed into effective internal norms and standards governing the behaviour of public servants. This means that institutions are unable to coordinate human action for the public interest. The ability of governments to create such institutional capacities depends heavily on the effectiveness of human resources development and management and the quality of leadership. This highlights that HRM policies and practices will have to be in professional hands.

TWO

External challenges confronting governments and posing questions about the sustainability and integrity of public sector human resources systems. Challenges with a direct impact on HRM are demographic shifts; trends in labour migration, including the so-called “brain drain”; and the impact of HIV/AIDS on labour markets and employment practices in the world. They bring unanticipated shocks & unexpected effects for the public sector management of human resources.

Recent reform experiences with particular focus on structural adjustment and downsizing; new public management; the rediscovery of the importance of core capacities, namely values and leadership; labour relations; diversity management; integrity and corruption; and ICTs.

Three

- Key frameworks, strategies and systems that need to be in place for effective HRM in the public sector. Governments need to start HRM reforms on the basis of their current needs rather than adopting blueprint models drawn from international “best practices”.
- Recent legal and regulatory reforms in the public sector to make civil servants responsive to multiple stakeholders in society. Emphasis on decentralized HRM and the introduction of mechanisms to strengthen individual accountability of public servants has been at the core of these reforms. There are some concerns that such reforms can undermine the maintenance of collective values and the coherence of government. Many governments are therefore striving to attain better balance between the strengthening of the responsiveness of civil servants and the promotion of coherence across the public sector. It is important that the values of *impartiality*, *professionalism* and *responsiveness*, be institutionalized, promulgated and protected by a prestigious, professional and powerful guardian agency at the centre of government

Four

Govts. lack ability to learn and adapt to circumstances of rapid change & experience difficulties in diagnosing problems early, selecting policy directions, designing effective and efficient programs, rectifying problems to avoid failure”.

Govts need to revitalize capability for policy-making and analysis. The policy-making capacity of Govts has been eroded by: politicization in the public service; weakening of the ability of the executive to recruit and retain high-quality talent; decline in the importance of policy analysis units vis-à-vis political advisers, in ministries; lack of statistics collection and analysis; emphasis on the management role of senior government officials vis-à-vis their policy-making role as the result of NPM.

- **A key characteristic of a “learning organization” is that it fosters respect for the professionalism and knowledge of staff. Govts need to adapt HRM policies and strategies to create incentives for generating and sharing knowledge among staff.**
- **The role of leaders in developing an environment of learning and trust is very important**