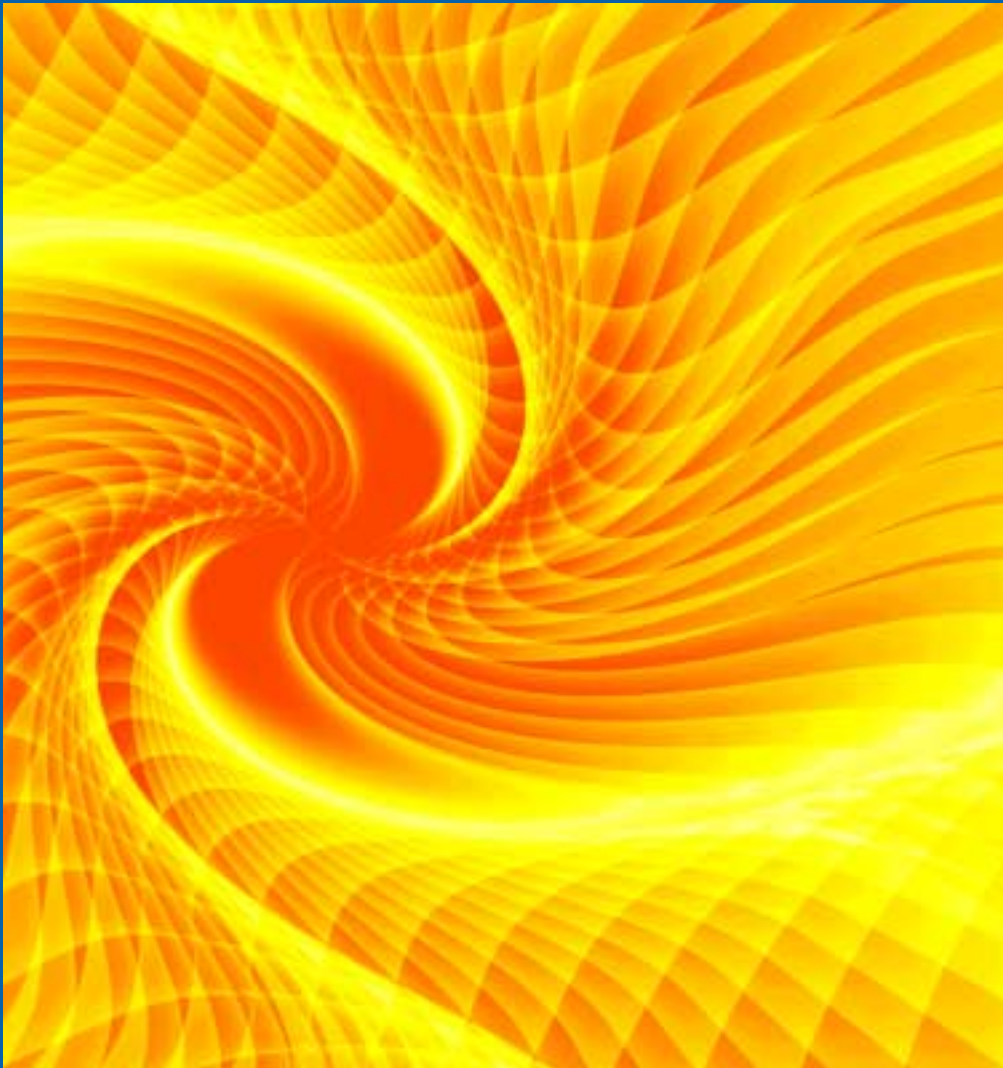


Introducing the

World Public Sector Report 2005

Unlocking the Human Potential for
Public Sector Performance



United Nations

*"People are the lifeblood
of the public service"*

UNLOCKING THE HUMAN POTENTIAL FOR PUBLIC SECTOR PERFORMANCE

The field of human resources management (HRM) has evolved significantly in the past decades as external and internal pressures have forced governments to redefine the role of the State and recalibrate public administration capacities. This evolution, while responding to contemporary economic, social, political and technological developments and reflecting current trends in public administration doctrine, builds on a longer history of the thought and practice of public sector personnel management.

As part of this process of evolutionary reform, many governments are currently grappling with the search for a new synthesis of traditional and modern principles and techniques of public administration and management. This search for a new synthesis involves striking a balance between three broad models in public administration, namely *traditional public administration*; *public management*, including *new public management* (NPM); and an emerging model of *responsive governance* that emphasizes networks, greater openness and partnerships with civil society. Each one of these models offers principles, tools and techniques that are essential in addressing contemporary challenges facing public sectors worldwide.

Highlights

Getting the sequencing right

The World Public Sector Report (WPSR) emphasizes that reform of HRM will depend on the pre-existing structure of public administration in a given country and that HRM policies and practices have to be in professional hands. It also argues that governments would be well advised at early stages of reform to focus their efforts on institutionalizing a merit-oriented career civil service before embarking on more complex initiatives, such as devolution of HRM. In this context, the importance of both political will and political feasibility when initiating reform is particularly highlighted.

Managing people as a strategic resource

The WPSR reviews some of the key frameworks, strategies and systems that need to be in place for effective HRM in the public sector. It stresses that governments would do well to start HRM reform on the basis of their current needs, developing and adjusting gradually to meet the requirements of the day rather than adopting a blueprint model drawn from an international “best practice”. The report furthermore advocates managing people as a strategic resource by proposing an integrated and holistic competence model.

Sustaining capacity

Some of the major external challenges confronting governments and affecting the sustainability of human resources systems in the public sector are examined in the WPSR. These include demographic changes; trends in labour

migration; and the impact of HIV/AIDS on the public service. The report also discusses recent reform experiences with particular focus on structural adjustment; NPM; labour relations; diversity management; integrity and corruption; and ICTs.

Strategic HR development

The WPSR points out that many observers believe that governments have lacked the ability to learn and adapt to circumstances of rapid change such as those experienced during recent decades. Governments tend to experience great difficulties in diagnosing problems early, selecting policy directions, designing effective and efficient programmes, rectifying problems and avoiding what is commonly referred to as a “public sector failure”. The concept of a “learning organization” is proposed as a potential framework for public sector reform, with strong prominence given to the role of leaders in paving the way.

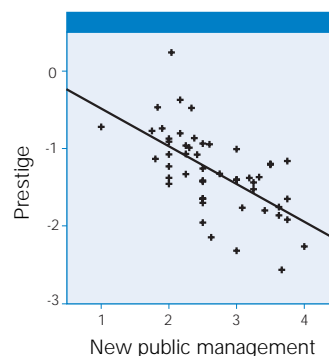
Statistical analysis

The WPSR provides quantitative analysis that complements the discussion in the main body of the report. The analysis confirms a positive correlation between merit-based appointment and the quality and the integrity of the public service, but not the prestige of public sector employment. Moreover, better remuneration of senior officials increases the quality and integrity of bureaucracies and, in most parts of the world, enhances the prestige of public sector employment.

Despite some evidence of efficiency improvements attributable to NPM, the analysis finds that NPM, measured indirectly as the extent to which senior officials intersperse private and public sector careers, has no apparent effect on the quality or integrity of the public service. NPM is associated, however, with low prestige of public sector employment (figure 1), making it more difficult and expensive for government to recruit and retain a fair share of the best talent.

These findings, along with several other notable correlations, are presented in the report.

Figure 1.
Link between prestige and new public management



Source: UN/DESA

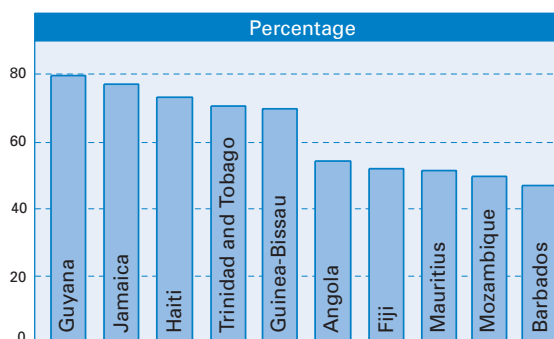
Case studies

Apart from many country examples, the WPSR also provides more in-depth focus on selected national challenges, such as the impact of ageing on the public service in China; experiences with performance pay in Mauritius; the challenge of pension reform in Brazil; as well as the costs and benefits of labour migration in the Philippines.

The challenge of retaining a critical mass of talent in the public service is of particular importance to countries which are enduring the adverse effects of significant labour migration. As the report shows, the emigration rates of highly educated workers from developing to OECD countries are extremely high in countries with small populations and in countries which have emerged from civil strife in recent years, such as Angola and Mozambique (figure 2).

Figure 2.

Developing countries with highest emigration rates of highly educated people to OECD countries



Source: OECD

Selected messages

The report makes a series of recommendations to further strengthen HRM in developing countries and transition economies. Selected messages include the following:

1. Professionalizing HRM: *towards "strategic specialism"*

HR staff must be specialists, not generalists. They should not be confined to playing a restricted, bureaucratic and reactive role. Instead, HR staff should have real input into strategic decisions about HRM, as well as decisions on how to achieve the core objectives of government. HR staff, however, cannot play this role effectively without greater emphasis on workforce planning based on quality data and analysis.

2. Merit appointment: *the best person for the job*

Strengthening appointment on merit is one of the most powerful, yet simplest ways in which governments can improve their efficiency.

3. Remuneration: *balancing motivation and equity*

Adequate pay is a key component in improving and sustaining the motivation, performance, and integrity of public servants.

4. Performance management: *supporting and developing staff*

Performance management and appraisal of staff has to become a central responsibility of government managers.

5. Outsourcing: *a double-edged sword*

Contracting out can be a liability if not undertaken with great care, and caution is also required not to attribute the success of outsourcing to the wrong causes. Savings are typically the effect of marketization rather than constraints or incentives for managers.

6. New public management: *solutions chasing problems?*


There is little evidence that NPM strengthens the quality and integrity of the civil service. In fact, many local problems in developing countries are quite different from those that NPM seeks to solve.

7. Leadership in the public sector: *"walking the talk"*

New leadership skills are required of public servants. Leaders need to have the capacity to motivate, communicate and collaborate in order to create commitment and a shared vision.

8. HRM at crossroads: *challenges and opportunities*

Responding to major external challenges such as demographic changes, labour migration, and HIV/AIDS is critical to strategic HRM and sustained public sector performance.



The World Public Sector Report is a biennial publication of the United Nations Department of Economic and Social Affairs (UN/DESA). Previous editions include: *Globalization and the State* (2001) and *E-government at the Crossroads* (2003).

The World Public Sector Report focuses on major trends and emerging issues in public administration as highlighted by the United Nations Committee of Experts on Public Administration. The report conducts policy analysis with the aim of providing policy makers, practitioners and civil society with recent experiences, data and research findings on important topics related to the public sector.

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