Public Sector Management

A Millennial Insight

NIRMAL KUMAR BETCHOO

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NIRMAL KUMAR BETCHOO

PUBLIC SECTOR MANAGEMENT

A MILLENNIAL INSIGHT

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Public Sector Management: A Millennial Insight
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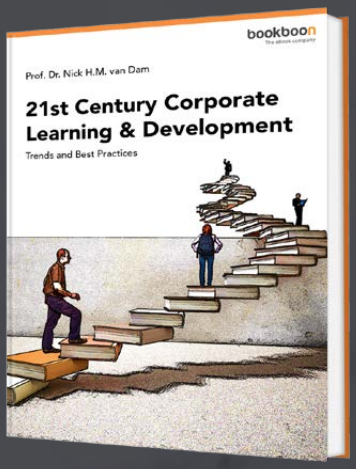

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PREFACE

Public Sector Management: A Millennial Insight is my latest text on the challenging topic: public administration. This book follows an earlier publication *Introduction to Public Sector Management*, which I published in my home country, Mauritius, in 2005. Compared with the earlier publication, this book offers a new approach to public administration based on developments occurring in this millennium's first decade and which are likely to shape forthcoming years.

This book is written in a simple manner by discussing each key issue likely to influence public sector management. Issues range from an outlook of the public sector, the general management functions in the public service, to problems on change along with relevant human resource management topics like recruitment, welfare, training, and development.

To better discuss current issues in public sector management, new themes like public sector governance and e-government have been included to provide students more learning opportunities while keeping readers abreast of on-going developments in this area. The final chapters focus on politics and the public sector's future with scholarly points of view of contemporary thinkers in the ever-evolving field of public sector management.

This book's content is based on material available online from trusted sources, reference books, and journals that provide insight into contemporary public sector management. The approach is global in there is no specific environment where this publication is based since examples for illustration are taken from diverse sources that cover emerging and developed economies. Contributions from various authorities like the Organisation for Economic Cooperation and Development (OECD) an the Australian Victoria government, along with leading papers like Harvard Business Review or Forbes, enabled me to be more aware of potential developments that now affect the public sector. As an author, I was pleased to see how public administration varies from country to country while it retains the fundamental principles of planning, quality, and integrity in the same way worldwide.

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This book contains 14 chapters on key public sector management issues, around 15 case studies and insights, a bank of 140 short questions to test understanding, 80 multiple-choice questions with answers covering the whole book, and 50 structured essay-type questions.

Public Sector Management: A Millennial Insight is a companion for public administration undergraduates studying first general modules. This book may also suit Management Graduates and Post-Graduates who wish to explore this area. The text is fully referenced to stimulate further reading.

NIRMAL KUMAR BETCHOO
JULY 2016

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NOTE FROM REVIEWER

I am very privileged to read and review this helpful book *Public Sector Management: A Millennium Insight* before publishing. My changes follow advice from eminent scholars like George Orwell, William Strunk, and Elwyn Brooks White. Where possible, sentences have been made active, positive, and shorter. Words are shorter and plainer by letters or syllables to increase clarity of expression. Simple verbs have taken place of phrases, and vivid verbs in lieu of adverbs.

This is my first experience as a reviewer but I personally humbly admit that this project, seen from a different eye, contributes better to understanding Public Sector Management today. It was my pleasure to collaborate with author Dr. Nirmal Betchoo for this publication that will surely be of use to students.

CYRUS JONES, GRADUATE, JOHNS HOPKINS UNIVERSITY, USA
JULY 2016

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1 INTRODUCING PUBLIC SECTOR MANAGEMENT

Aims

Introduce the concept of public sector management.
Understand the nature of public sector management.
Learn about the need to reform the public sector.
Discuss the public sector's importance.
Highlight the services provided by the public sector.
Discuss the challenges of the public sector.
Identify the typical role and activities of a public officer.
Debate the concept of the public service.

Introduction

Public Sector Management concerns governance in each contemporary country. The State is possibly among the largest or the single most important employer in almost all countries. Public service personnel comprise of people employed by public authorities at central, regional, and local levels and include civil servants and public employees. Public authorities are expected to provide high-quality services to their citizens and decent work for their workers.[1]

The public sector covers upstream core ministries and central agencies, downstream bodies include both sector ministries, and non-executive state institutions. Upstream bodies involve core ministries and agencies at the government's centre, such as the Ministry of Finance and offices that support the head of government, which have functions that cut across sectors.[2]

Downstream bodies include both sector ministries and agencies, as well as education and health providers which deliver and fund services under the State's policy direction. They also include a diverse group of more autonomous bodies such as regulators and state-owned enterprises and corporate bodies which, in many countries, still provide the majority of infrastructure services despite extensive privatisation. Non-executive state institutions include judiciaries, legislatures and institutions such as supreme audit institutions.[3]

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Public Sector Management is an important part of public service as it is accepted capable managers will drive change in the sector. Too often, the public sector has been considered as a weak partner of any economy because it is associated with dull jobs, lack of prospect, bureaucracy, bottlenecks, and red tape.

An African outlook of the public sector

With most African countries attaining independence in the late 1950s and 1960s, the public sector is seen as the pivot that will promote socio-economic development. The basic function of the public sector, which comprises institutions for making decisions regarding interests of various kinds, was to provide goods and services to citizens based on 'realisation and representation of public interests and its possession of unique public qualities compared to business management'.[4]

An argument for reforming public service

Since the 1980s, developed and developing countries have been embarking on public- sector management reforms. The role and institutional character of the State has been questioned, and the public sector has been under pressure to adopt private sector orientations. The earlier reforms aimed at shaping a public administration that could lead national development and was based on the same institutional peculiarities inherited from colonial times. More recently, the World Bank and other donors in Africa have been concerned with finding other ways of organising and managing public services and redefining the role of the State to give more prominence to markets and competition, and to the private and voluntary sectors.

The alternative vision, based on issues of efficiency, representation, participation, and accountability has sought to create a market-friendly, liberalised, lean, decentralised, customer-oriented, managerial, and democratic State. The public service – ministries, parastatals, and extra-ministerial departments – has always been the tool available to African governments for the implementation of developmental goals. It is seen as a pivot African economies' growth. It manages an appropriate and conducive environment in which all sectors of the economy can perform optimally, and it is this catalytic role of the public service that propelled governments all over the world to search continuously for better ways to deliver their services.[5]

This sector remains, however, the economy's productive component even if such productivity remains unseen. Compared with the private sector, the public sector is a provider of services, not the profit-making counterpart. The role of the State is changing and the Civil Service or public sector is increasingly being called upon to be a proactive "facilitator" and an "agent of social change."[6]

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The Civil Service's key functions in this competitive environment can be summarised as follows:

- developing creative, strategic policies;
- designing and delivering services directly or in partnership which meet the public's needs;
- using public money efficiently, while upholding core values of integrity, impartiality, honesty, and objectivity.

The Civil service's challenge increased over the years. As developing economies progressed from a subsistence one to a service-oriented one, the importance of the civil service has substantially increased. The scope is no more limited to the internal economy because of external challenges. It has been felt the civil service must contribute to the globalisation concept where it must shed off its limited domestic inclination to a more open, flexible, pro-active philosophy evidenced in a dynamic sector.

To this end, the public sector should be on the move. No more room for complacency and inertia, no more need to speak of inefficiency and sluggishness. The public sector should partner the economy and collaborate with the private sector and foreign institutions. It should offer value for money services while aiming to serve excellently due to greater exigency from communities and stakeholders. Though it is hard to shed off certain clichés, the public sector must keep pace with changes and development.

In the next paragraph, a Case Study explains the need for a modernised public service that performs better to citizens and develops capabilities of offering better and tailor-made public service to society.

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Case Study: The need to maximise the performance and potential of all employees and organisations[7]

We work in a dynamic workplace with roles and opportunities spanning policy, diplomacy, operational management, programme management, process improvement, and service delivery across national issues as diverse as driving economic growth, responding to climate change, and tackling obesity. We recruit on strict principles of merit and probity, and have traditionally attracted a skilled and professional workforce. The Civil Service's effectiveness depends on the performance of its leaders, managers, and staff ultimately. Yet, the feedback points to we are not making the best use of our talent and expertise. We must take quick action to prepare for the demographic challenges of an ageing workforce. To achieve the vision for the future, we need to recruit regularly, become an employer of choice, and set the highest value on staff's quality and performance at all levels, in all roles. To support this, we need a renewed focus on achieving greater equality of opportunity, diversity, and gender equality across our workforce so over time we build a Civil Service that more closely reflects the society in which it works. This means significantly changing how we choose and train staff and set new expectations about performance levels we will accept. To be successful we will need to significantly expand our strategic human resource capability and create a step-change in how we lead and manage HR practices.

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Source: The Civil Service Renewal Plan (2014) A Vision and Three Year Action Plan for the Civil Service, UK.

Questions:

1. What are the key concerns of a contemporary and accountable public service?
2. What are the main considerations in developing the future of the public service?
3. How can the public sector benefit from an expansion of its human resource capability?

The need for a contemporary public sector

Modernisation and efficient performance of public administration are essential to making changes that will substantially improve effective functioning of the state in all its dimensions.[8] The State's general goals in managing public administration is to improve the quality of public administration entities and public services to boost a country's social and economic development and improve the quality of life of its citizens. The pillars on which this aim will be built include economisation, information, and personal development across all structures and at all levels of public administration. The citizens and satisfaction of their needs must be at the centre of attention in organising how public administration works. At the same time, the public administration system needs to be made more transparent for citizens, enabling them to adequately and reasonably take part in decision-making and control. It is important they be able to have a majority of their needs accommodated at a single contact point, in keeping with the principle "information should move around, not the citizen".[9]

A glimpse of services provided

It would be difficult to comment lengthily on the range of services the public sector provides. Civil service activities span throughout the country. In villages, towns, and cities the imprint of the public sector is inevitable. From primary schools to health centres, from Citizen Advice Bureaus to police stations, the government spans its activities broadly in all countries. The bland perception is the public service is centred in the capital city and services are offered from Head Offices. This perception is unavoidable but does not clearly illustrate how the civil service influences communities pervasively.

Easily Accessible, essential public services are:

- Health services by the Ministry of Health and Quality of Life.
- Police service and surveillance by the Police Force.
- Education provided to primary, secondary and tertiary institutions by the Ministry of Education.
- Postal services provided by the Ministry of Information Technology and Telecommunications.

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Other services that are apparently less noticeable but are still highly regarded are:

- Documentation in the different ministries.
- Preparation of financial statements and accounts.
- Counselling and advice.
- Processing of documents.
- Feedback and replies to different parties concerned.
- Processing information and inputting them as data in the Central Statistics Bureau.
- Processing of forms linked with government finance, Income Tax.

Defining a Public Officer's role

A Public Officer, in his capacity as a government employee, can be described as follows:[10]

The public officer is a government employee

The public officer works for the government. Different clerical officers administrative and permanent secretaries in different ministries do all supervisory or executive tasks. Basically, a public officer attaches to a Ministry.

The public officer serves in the different departments of the government

The public officer works in different ministries – for example, the Ministry of Education and Scientific Research, the Ministry of Tourism, and the Ministry of Co-operatives. The incumbent is subject to mobility across or within the departments where he/she is entitled to work based on competences and qualifications.

The public officer works for the government and is entitled to such a duty for 24 hours

According to public service regulations, any public officer should firstly comply herself with his allocated job. In any circumstance, the Ministry needs his service, the civil servant should be ready to carry out the assigned duty.

The public officer normally holds a permanent, pensionable job

All public officers' jobs are permanent because once they join a ministry, they work on a probationary period for one year or two before becoming a fully-fledged employee. The job is then 'permanent' as it lasts until retirement.

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The public officer is entitled to pensions and retirement benefits by the State

Pension schemes are generally well structured and planned for public officers. This earlier contrasted with the private sector as a major attraction for public jobs. The pension scheme is also spread to parapublic bodies.

The public sector's attractiveness

The issue appears debatable, but more people are willing to join the public sector. In times of economic difficulty, it is clear more people are joining the sector. Jobs may have up to 10,000 applicants even if the salary they command are lower, if not, meagre at times compared with those offered in the private sector. Yet, there are several reasons that attract many young people to join the public sector. The 'Insight' in this chapter offers an illustration of why the younger generation known as Millennials could want public service jobs.

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Insight: Millennials are attracted to public service, but government needs to deliver

Results show government agencies are employers of choice for many young people. Perhaps federal agencies appear to offer the job characteristics that most appeal to the millennial generation: secure employment, work-life balance, and a chance to make a difference. Many millennials have experienced or seen first-hand the private sector's employment instabilities – caused by factors such as mergers, downsizing, layoffs, or companies going bankrupt – and have decided their futures are more promising if they are not tied to the volatility of the private sector job market.[11]

The research also asked students to identify the most important 'attractors' an employer could offer.[12]

The responses provided by at least 40 percent of students are:

1. Respect for its people – 53.7 percent
2. Secure employment – 52.5 percent
3. Creative and dynamic work environment – 49.1 percent
4. Professional training & development – 45.7 percent
5. Friendly work environment – 45.6 percent
6. Leaders who will support my development – 42.7 percent
7. High future earnings – 42 percent
8. Leadership opportunities – 40.9 percent

Public Officers' General Working Conditions

This section broadly speaks of the general employment conditions that public officers are entitled to in the common workplace settings. They could be basically similar in most countries.[13]

Permanent, pensionable jobs

Jobs are permanent and pensionable. People like to feel secure when they are doing a job even if the salary offered to them is fairly low. Many people, after time spent in a private company, may choose such a sector because of job security.

Regulated work hours

Generally speaking, hours of work are regulated. The 9 to 4 or 5 – working from 09 00h to 17 00h – concept is favoured throughout the sector but this does not relate to essential services like police, fire, and health services in particular.

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Relatively service-based, less cumbersome jobs

It is apparent that paperwork or related work looks less cumbersome than somebody doing a difficult task. Anyway, the general perception is that jobs are less demanding in government than in the private sector.

Status and recognition

Employees in the public service can claim themselves 'white-collar' officers. For most of the jobs done, employees work in offices. They are recognised and respected as public servants.

Decent salaries

Government are decent as every job bears a salary structure including the entry point, the top salary along with increments and other progress through the job. Such a structure avoids exploiting employees.

Central location jobs

Most jobs are done in the capital city and strategic locations of a country. People may feel valued to work in important offices in the city's administrative centre. Activities are also decentralised, however, depending on the nature of jobs.

Challenges to the public sector

Despite attraction provided by public service jobs, there remains certain disadvantages in the public service that deters young people to be attracted to government jobs. An OECD Report on public sector management highlights a few valid reasons supporting the lack of interest of people in joining public jobs.[14]

Lower wages compared to the private sector

When competing for new staff, especially young graduates, salaries are important. In some countries, this problem only concerns specialised staff (such as IT personnel). Wages prove be a crucial factor in retaining staff, especially after two to four years of service. The salary level is not the only critical issue. There is also the possibility of influencing one's own salary by performance. Pay systems are being developed which include elements based on individual/team performance or results. Surveys show that performance-based salary systems are attractive to young people.

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The image of the public sector is neither positive, clear, nor stimulating

Although there are exceptions among Member countries, young people do not rate public employment very highly. The public sector is deemed dull, bureaucratic, old fashioned, and the prestige of civil service low. In addition, citizens' trust in the State decreased, negatively influencing government's image.

Slow advancement including how seniority is more important than merit

A common belief is it is impossible to advance by promotion, and there is a fixed order, independent of performance. There is a weak tradition of recognising individual merits of employees.

Public sector is not reaching students and graduates in the way most commercial companies do

This applies to marketing vacancy posts, use of electronic recruitment as well as, for example, increasing knowledge on public organisations. Methods used to attract students are often more passive than active.

Changes in employee attitudes and values toward work

Individual employees' demand, to a much greater extent than before, conditions tailored for the person. This applies to job content, opportunities for development, career opportunities, work scheduling and salaries. A challenge for government organisations is to create workplaces that meet the preferences of both the organisation and the employees.

Career paths are unclear, career planning insufficient

To make career path opportunities clearer, we need strategic actions at several stages. Recruitment situations give employers the opportunity to explain career prospects. Questions include how to incorporate career planning in regular performance and career discussions and how to create pay and other HRM systems that promote both kind of careers: one leading to leadership positions and one leading to expert positions. Increasing mobility is closely related to this issue.

Staff development will be an increasingly important competitive factor

The public sector is challenged to use knowledge management to ensure everyday development is kept competitive and public organisations are at the edge of knowledge creation.

A perception of public service

Based from the French system of public administration, the following arguments support the rationale for what the public is in essence. This comprises certain elements of jurisdiction that help anybody understand the essence of public services and how they are inclusive both for public and privately undertaken activities on behalf of the public service. The texts have been translated from the original French language.

Several functions exist in a well-established legal system.[15]

According to set goals, the public service performs four main functions.

First, public services are distinguished for purposes of order and regulation (national defence, justice, civil protection, professional bodies), those aimed at the health and social protection (social security, public hospital), those for educational and cultural purposes (education, research, public service broadcasting) and those of an economic nature.

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The legal aspect of the public service is organised around three major principles. The first is that of *continuity* of public service. There is one aspect of the continuity of the state and has been called a principle constitutional by the Constitutional Council (1979). It is based on the need to meet the needs of general interest without interruption. Depending on services, however, the concept of continuity does not have the same content (total times for hospital emergencies, scheduled hours for others).

The jurisprudence of the State Council is very specific on this requirement: The principle of continuity should accommodate the constitutional principle which is the right to strike. Most public employees have this right, except for some categories for which strikes are prohibited (police, military) or limited by a minimum service (aviation, railways, radio, and television).

The second principle is of *equality* in the public service, another constitutional principle in line with the general principle of equality of all before the law, proclaimed by the Declaration of Human Rights and the citizen of 1789. It means each person has equal right to access the service, take part equally in financial charges resulting from services (tariff equal except for optional services such as music schools), and must be treated in the same way as any other user of the service. Therefore, the defect of neutrality – the principle which is an extension of the principle of equality – of a public servant, such as racism against a user, breaches ethics.

The last principle of the public service is that of *adaptability* or *mutability*. Presented as a corollary of the principle of continuity, it is more focused to providing the best service qualitatively rather than its continuity over time. This means that the public service must not remain static in face of changes in society; it must follow the needs of users (like organisational flexibility utilities) and technical evolutions (for instance during transition in the early twentieth century, electricity, gas).

Conceptual view of public service jobs

The public service can be defined in an organic or technical way.[16]

In an organic way, the public service is an organisation formed by agents and material resources intended to perform certain provisions within an administration like health like health services.

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In a technical sense, the public service is a general-purpose organisation; while utilities are pursuing a goal of profitability, they must primarily be designed to perform a 'public service mission'. The first goal is to satisfy public interest. The public service is justified only by this goal difficult to determine as variable in time and space (as recalled by the Constitutional Council in its decision of 26 June 1986).

The workplace legislation considers as belonging to this category, agencies that meet certain characteristics:

They must first meet the public interest, and therefore not to use profitability requirements or seek profit (unlike businesses). They must be attached to a public officer. An administration should control the activity of general interest traditionally.

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Nature of public service today

Public service jobs are all attached to the State. Parastatal organisations could be also part of public jobs as they follow similar work conditions offered by a public job. While the public job is entirely non-profit oriented, the parastatal job could be profit-oriented. For example, postal services in certain nations might not fall in the same category as other public activities like education or health. Postal services could be paid for by citizens and the holding company might be oriented to creating profit. Also, certain commodities could be provided by parastatal organisations. Water and electricity are two such essential products and services that could be both state-owned and privately-owned. The State regulates the provision of these commodities at reasonable prices for the public while the parastatal body could offer the same product at competitive prices with the intention of bringing profitability which is not, here, and the case of a full-fledged public entity.

The State may also encourage activities to be outsourced to private organisations with some control over them. For instance, surgery which cannot be easily afforded or met in public hospitals could be privately provided under government agreement. There is always a blurring concept between the nature of public service in what it was years ago and what it is expected to be today with new developments cropping up in business.

Points

The public service personnel comprise persons employed by public authorities at central, regional and local levels and include both civil servants and public employees.

Modernisation and efficient performance of public administration are essential to making changes that will substantially improve effective functioning of the state in all its dimensions.

The public officer is a government employee. He serves in the different departments of the government.

The public officer works for the government and is entitled to such a duty for 24 hours. He normally holds a permanent and pensionable job.

The public officer is entitled to pensions and retirement benefits by the State.

The general working conditions of public officers are: Permanent and pensionable jobs, regulated hours of work, relatively service-based and less cumbersome jobs, status and recognition, decent salaries, and jobs in a central location.

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Questions

1. Why is the public service an important function?
2. What is the main organisation of public sector management?
3. Identify certain characteristics of a public service job.
4. What are the benefits of a public job?
5. What can be certain constraints of a public job?
6. Why are people attracted to public sector jobs?
7. What changes may affect public sector jobs in the future?
8. How does the continuity concept apply to a public service job?
9. Can public jobs be undertaken by a private entity?
10. Explain the public mission concept of public jobs.

Further Reading

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2 PUBLIC SECTOR PLANNING

Aims

Understand and explain the concept of public sector planning.
Understand the nature of public sector planning.
Learn about the types of public sector plans.
Discuss the various types of the public sector plans.
Debate the concept of the corporate government planning.
Comment on the weakness of short-termism in the public service.
Discuss the relevance of the public sector tactical planning.

Introduction

This chapter provides a general view of planning in the public service by explaining why the State needs to plan to ensure its goals are met. There are different types of plans available and these depend on the choice government make. One can broadly learn about the relevance of strategic planning since this is the key concern at the State level but other types of plans do matter.

Planning remains an important consideration for the public sector. Given it is characterised by a vast organisation and a tall structure, planning is needed to sustain the future of the public service. Strategic planning may be considered more important and this should be undertaken at the executive level. Officials working closely with Permanent Secretaries will be also involved in such an exercise.

Some plans have been prepared in the form of documents that impact on the future of the different ministries, occupations and even the country.

Tertiary educational reform is an example of strategic planning. White papers on Health including reforms in the sector evidence long-term planning. Master plans in various sectors like agriculture, fisheries, information and communications technology, social security, among others highlight the need for strategic planning in government.

Government planning's purpose

Planning directs, reduces change's effects, minimises waste and redundancy, and sets standards to facilitate control.

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Plans give direction

Public sector executives are concerned about where their organisation is going and how they can contribute to reach the aim. This means establishing robust planning and control cycles covering their strategic and operational plans, priorities, and targets, including risk management processes.[1] They must simultaneously engage with both internal and external stakeholders on how such services and other interventions can best be delivered. They will then coordinate activities, cooperate with each other, and work in teams. Lack of planning will create disorder and prevent the departments from attaining their goals.

Planning reduces uncertainty

Since plans enable executives to think ahead, anticipate changes, and consider the impact of change, effective planning reduces uncertainty. Governments of sugar producing nations face a dilemma in relation to uncertainty in the sugar and the textile sectors. Broadly, action plans devised at the right moment can be wiser steps to avoid uncertainty and difficulties. Risks arise because of limited information and uncertainty about the future. In transportation construction projects, project managers face the risk of cost overruns, scope and schedule creep, and even waste, fraud, or abuse. Environmental, quality, and safety factors also represent sources of risk. And with megaprojects, managers run the risk of generating political controversy at the federal, State, or local level. An unrealistic assessment of risk, for example, could lead to overly optimistic estimates, resulting in unachievable goals and unmet expectations.[2]

Planning reduces waste

Planning can help reducing waste. When means and ends are clear, inefficiencies become visible and overlapping or wastage is reduced. Voluntary family planning is one of the most cost-effective investments a country can make in its future. Every dollar spent on family planning can save governments up to 6 dollars that can be spent on improving health, housing, water, sanitation, and other public services.[3]

Planning establishes parameters for control

Planning gives standards that facilitate control. Planning and control are linked. Planning sets goals and actions. Control attempts to correct the deviations from stated goals or actions.

Planning establishes control parameters:

Education: Number of State schools built, budget spent in developing infrastructure, Intake of students per year.

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Health: Budget allocated and spent in the health sector, quality improvement in health standards.

Tourism: Increase in the number of tourist arrivals, visitors from new markets, revenue and taxation receipts.

Types of plans: Terminology and definitions

Strategic plans

These are plans that are organisation-wide. They establish overall goals and position of an organisation in terms of its environment. They are long term oriented and most sought after in public service. For instance, transforming into a cyber-island or a city-state like Singapore.

Streib and Poister (1999) define strategic planning as something quite basic, that is, a planning effort or method 'to focus scarce resources, to maximise effort, and to exploit opportunities'. They state further that strategic planning: …seeks to revitalise an organisation by channelling effort toward the most important goals and activities.[4]

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The above-mentioned scholars surveyed local government managers about their strategic planning practices and included questions on the impact of strategic planning. They found, descriptively, top managers in local governments engaged in strategic planning overwhelmingly believed such planning improved performance, in terms of financial conditions, operations management, and delivering services. The use of strategies has military roots, and we hear of business strategies of different kinds. Strategic planning is an essential part of aggressive results-oriented management. It is a 'big picture' approach that appears well suited to our rapidly changing world.

Aims of Strategic Planning

Aim	Definition
Provide Strategic Direction	In setting direction, three purposes stand out: 1) strategic planning sets goals on where an organisation wants to go; 2) it indicates where resources are to be concentrated; and 3) it gives top priority and attention to strategic goals.
Guide Priority Use of Resources	Resources are scarce or limited. Strategic planning allows for sound and pointed allocation of resources – human, financial, and material.
Set Standards of Excellence	Strategic planning allows an organisation to establish shared values and standards of excellence.
Cope with Environmental Uncertainty and Change	Strategic planning aims to be flexible and provide contingencies for uncertainty and change.
Provide Objective Basis for Control and Evaluation	Strategic planning allows for marking success and failure. Performance measurement or tracking of strategic objectives and action plans are of significance and serve as a basis for control.

Source: Jack Koteen (1989). *Strategic management in public and non-profit organisations.* New York, NY: Praeger Publishers, pp. 25–26.[5]

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Public sector strategic planning

According to a joint initiative of the Organisation for Economic Cooperation and Development (OECD) and the European Union (EU) the strategic planning system at central public administration level nowadays consists of two main parts – management and budget. Management generally consists of mandate statement of mission, vision, values, internal and external environment analysis, medium term priorities, and directions of activities, monitoring, and evaluation, reporting, while the budget component consists of current situation analysis, goals, results and performance indicators of the budget programmes, funding programmes.

A strategic plan of state institution is management and a budgetary planning document which assure medium-term planning for central public administration institutions. It refers to the public policies under the competence of the institution and it offers a clear image of policies, commitments and measures that will be promoted at the institution level, but it is not a public policy document itself. A strategic plan of state institution supports the shift from a resources oriented management to a results based management.[6]

Strategies are long-term plans. Basically, senior managers prepare them for an organisation. It is a broad-based plan that requires a large amount of input from managers. Since the environment is less predictive in the long run, strategic plans mainly forecast the changes and make predictions.

Operational plans

These refer to plans that specify details on how to reach overall goals. They are normally done by operatives. Operational plans are routine and repetitive. The degree of complexity is lower than a strategic plan. In general, operational plans apply to a firm's operatives. Supervisors are empowered to put this plan to practice. For instance, monitoring daily attendance in the public service departments.

The operational plan is effective for the short-term. It is executed by operatives and quite often applied by the line manager or supervisor. The operational plan is detailed but it is also more easily interpreted and carried out by operatives.

Operational plans should be prepared by the people who will be involved in implementation. There is often a need for significant cross-departmental dialogue as plans created by one part of the organisation inevitably have implications for other parts.

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Operational plans should contain:

- clear goals.
- activities to be delivered.
- quality standards.
- desired outcomes.
- staffing and resource requirements.
- implementation timetables.
- a process for monitoring progress.

Short-term plans

These are similar to operational plans that cover a period of less than one year. Such plans are predictive in that they are quite easy and straightforward to plan for the short term. Note that short and operational plans are broadly similar in perspective. For instance, improving service to patients through effective time management.

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Long-term plans

These are similar to strategic plans that extend beyond five years. For instance, a Master Plan on Education or on Health is a long term plan that can impact on education for at least five years. These are less predictive than the short term plan. Long-term plans lay the strategy for the organisation and they have a large focus.

Specific plans

Specific plans have clearly defined aims. They leave no room for interpretation. They require clarity and a sense of predictability. When uncertainty is high, managers may not use such plans. They can choose directional plans.

Directional plans

Directional plans identify general guidelines. They provide focus but are not specific and exact. They are more flexible than specific plans. For example, reforming education to improve overall educational standards.

Objectives

Objectives are specific goals. The terms are used interchangeably. They state end results. Overall objectives must be supported by sub-objectives. Objectives form a hierarchy as well as a network. Further, corporate management and officers have multiple goals which are sometimes incompatible and may lead to conflicts within the organisation. Objectives represent the desired outcomes for people, groups or entire organisations.

Case Study: Mc Kinsey's strategic planning for governments worldwide[7]

The Mc Kinsey group helps public institutions build and execute strategies to achieve their policy and organisational goals. Public-sector organisations around the world face important questions about how to fulfil their core mission, respond to political and environmental changes, and deliver services to citizens despite reduced budgets. To answer these questions, organisations must undertake rigorous strategic planning – a process that can be difficult, especially in the context of a diverse stakeholder environment with numerous and often divergent interests and priorities.

Working in collaboration with senior leaders, the Mc Kinsey group helps public-sector organisations set a vision for strategic outcomes, build a robust fact base, rigorously assess options under uncertainty, design an actionable plan, win support from key stakeholders, and evaluate progress from design through execution to ensure that strategies have lasting impact.

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Drawing on insights from the private sector and decades of public-sector work, the Mc Kinsey group supports clients on a range of strategic topics, including identifying social, economic, and technology trends; synchronising budgeting and strategic-planning processes; designing stakeholder-engagement plans; and creating innovation programs at scale. The consultants advise public-sector agencies varying in size, scope, and geography – from regional health agencies in Africa to school districts in US cities, from national defence departments to municipal infrastructure and technology teams.

In the past five years alone, the Mc Kinsey group has supported more than 1,000 public-sector strategy projects. Examples include the following:

- advising a national government in Asia on a competitive tourism strategy that has led to revenue growth and significant job creation
- helping a government agency bring together three sub agencies that had historically developed their own strategic plans, creating an integrated approach with broad staff support
- supporting a US government agency in overhauling its approach to strategic priority setting; specific tasks included helping the client build alignment and develop a shared prioritisation process used by all ministers and senior officials
- assisting a major African government's tax division in transforming its process for handling budget planning and revenue allocation in the face of significant demographic and economic changes, resulting in improved collection rates
- supporting an Asian municipality in creating a strategic road map to grow into a major metropolis, attracting significant private investment, developing a 'go live' plan for a new automotive zone, and implementing new urban-planning incentives to ensure sustainable growth.

Mc Kinsey's global team of consultants has access to proprietary research, tools, and solutions that have been successfully tested and applied in various contexts. For example, the McKinsey Centre for Government's research on strategies for government innovation offers insights on how successes achieved in one department can be appropriately scaled across a national government. The consultants use proven approaches, such as the portfolio of initiatives and senior-team workshops, to help their clients identify solutions, accelerate innovation, and drive on-the-ground change.

Source: Mc Kinsey and Company (2016) Strategy, www.mckinsey.com

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Questions

1. What are the key planning activities undertaken by the Mc Kinsey group for their clients?
2. Why are private sector activities linked with that of the public sector in planning? What are their implications?
3. Why do various governments give credibility to Mc Kinsey in planning? What does the company offer as added value in its international business prospect?

Causes of corporate planning failure

Corporate planning is important in the public sector but there are reasons to believe that failure might exist in this area. The Guide for Pacific Policy Makers (2013) identifies certain causes of corporate planning failure Successful implementation of the corporate plan is as much about recognising, managing, and avoiding the common causes of failure as it is about positive change management.[8]

Particular causes of corporate planning failure in the public sector include:

- a lack of knowledge and understanding of what corporate planning involves.
- a lack of appreciation that the real value lies in the planning process rather than in the documentation.
- a lack of senior management involvement, commitment, and leadership.
- a lack of the application of management judgment, risk assessment, and choice to the range of stakeholder requirements acting on the organisation.
- lack of accountability.
- a lack of alignment between the corporate plan and the job descriptions and performance assessment system.
- attempting to impose a private sector planning model on the public sector without considering public.
- private sector differences.
- freezing the plan as soon as it is produced; corporate planning should be a living, evolving process.
- too little focus on implementation and change management.
- too little focus on managing the commitment of the staff toward the corporate plan.
- allowing the plan to become too complex and unwieldy to the point where it is not usable anymore as a day-to-day management document for all staff levels.

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Insight: Short-termism and the public sector

Short-termism is not only restricted to private-sector decisions about investment but can be related to policy decisions by governments. The pressure for short-termism in Government can arise in much the same way as it might in business. The power and ability of Governments and politicians to determine policies and influence the national agenda depends on remaining in government – that is, on the ongoing approval or satisfaction of the electorate. Accordingly, just as company executives might be motivated by the expectations of investors to adopt strategies aimed at delivering highly visible short-term results to protect their positions, so too might elected governments and politicians.

Possible Causes

Highlighting these short-term pressures is not intended to suggest that politicians or governments are driven exclusively by this focus or that it is the sole focus throughout an entire term in office. Yet, the overriding interest of politicians is to remain in or attain office by reacting to immediate electoral issues and concerns or more specifically to those constituencies that are particularly important to their re-election.[9]

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This is obviously no bad thing. After all, governments are elected to represent the interests and preferences of voters. In reality, however, there is no such thing as a perfectly functioning democracy and there is not complete certainty of outcomes – for voters or politicians – in elections. Policy choices can be highly complicated and difficult to convey, and often politicians and the bureaucracies that support them tend to have a monopoly on information about the relative long-term costs and benefits of different policies.

Taking these factors into consideration, and against the backdrop of the political realities, governments may exhibit public policy short-termism in the following ways:

- avoiding policies that have significant and clear short-term costs and/or less visible benefits that flow over the longer term.
- cutting spending in areas where it is difficult to observe the consequences of those cuts (especially over the short term).
- adopting policies for which winners are concentrated and losers dispersed.
- adopting short-term policies around elections that are not part of, or are inconsistent with, their broader long-term, policy strategy, including some which can be recouped after the election (such as spending that can be wound back or met by higher taxes once a Government is re-elected) and/or
- neglecting to discuss issues for which the costs of avoidance are not easily observable.

Short-termism or planning myopia

It is correct to associate short-termism with planning myopia in the government. This has little to do with criticism since short-term planning or actions are more likely to take place than long-term planning.

Weaknesses of short-termism

- Plans do not consider environmental factors that are likely to affect them.
- Short-term plans evidence planning myopia. What are the uncertainties of the future?
- Short-term plans may not bring about concrete results as important activities and goals may not be fulfilled in a few years only.
- Short-term planning may require senior public officials to plan on a piecemeal approach that is dangerous for the future of the departments.
- Short-term planning can be costly as each time new action should be undertaken. This easily adds to costs or overheads affecting the Ministry.
- Short-term planning is difficult for review and adjustment as measurement in the short-term may not provide genuine conclusions.

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Developing and implementing a medium-term framework

Developing and implementing a medium-term framework for linking policy, planning and budgeting can be accomplished progressively at a pace that fits a country's capacities. Some countries (like South Africa and Uganda) began by developing an overall medium-term framework for allocating resources between sectors through a top-down approach carried out by the Ministry of Finance. Others (such as Malawi) began with a more bottom-up approach, focusing first on developing MTEFs at the sector level to govern resource allocation within individual sectors. Countries often choose to begin at the sector level because this represents a manageable change from the status quo.[10]

Still, this approach should only be viewed as a building block to achieving a comprehensive medium-term approach. In the case of Pakistan, the sector approach has proven an important catalyst for focusing attention on government wide systems and processes. Many of the potential gains at the sector level, however, cannot be realised until the sector approach is combined with a central overall planning, resource allocation and budgeting system that supports a better balance between policies and resources at the intersectoral level.

Further, too much dependence on a sector focus can limit opportunities for responses that go beyond the sector. For example, the most effective health sector response might lie in the water sector, yet consideration of this could be excluded through a sector approach confined to health.

Tactical planning

Tactical planning is mid-term planning based over a time frame of one to three years or usually less than five years. It is in the middle of the road between operational and tactical planning. Governments are now keener to have agendas which are in between the two – the short and the long-term plan. A convincing argument here could be that government aims at completing its major plans within its mandate. In democracies, the typical time frame for government to stay in power is deemed to be five years. Since there is a possibility for a change at the Head of the State, these governments would like to have their agendas complete or near completion within the five years.

There is also the other argument in favour of tactical planning. The costs of major projects keep rising. The more time is wasted for such projects, the higher tends to be the cost. It becomes imperative for governments to consider the viability of mid-term planning and prefer it to long-term plans that bear, at times, exaggerated costs.

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A third argument in favour of tactical planning is the availability of amenities and services to customers. In a fast changing business environment affected by technological developments, governments are more willing to offer services in a shorter time span. For instance, the provision of high debit internet connections could be on the agenda of several governments. The quicker the service is available to customers, the better will be the perception that will be developed of the government.

In this sense, tactical planning fits well on the agenda of governments being both a political and socially-demanding issue. It is therefore a choice of the government to decide how and why to opt for mid-term state planning.

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Tactics blend together opportunity and strategy to enhance the odds that intended changes will be successfully implemented. They entail judgments on the pace and sequence of innovation, the organs that should be entrusted with the task, the sectors on which reform is to be concentrated, the political cast given the reforms, the extent to which the government associates or distances itself from the changes, decisions on whether to proceed by administrative fiat or through legislative authorisation, and many other implementation decisions. A good tactician considers how strategy can best be executed in the light of available opportunities. Tactical skill requires institutional memory, a keen sense of timing and hard-nosed decisions on the approach to be taken.[11]

Points

Planning remains an important consideration for the public sector. Given it is characterised by a vast organisation and a tall structure, planning is needed to sustain public service's future.

The aim of planning is to give direction, to reduce impact of change, to minimise wastage and redundancy, and to set the standards to facilitate control.

Plans give direction, reduces uncertainty, reduces wastage and establishes parameters for control.

A strategic plan of state institution is management and a budgetary planning document which assure medium-term planning for central public administration institutions.

The operational plan is effective for the short-term. It is executed by operatives and quite often applied by the line manager or supervisor. The operational plan is detailed but it is also more easily interpreted and carried out by operatives.

Weaknesses of short-termism include: low consideration for environmental factors that are likely to affect them and planning myopia.

Tactical planning is mid-term planning based over a time frame of one to three years or usually less than five years.

Government aims at completing its major plans within its mandate through tactical planning.

It becomes imperative for governments to consider the viability of mid-term planning and prefer it to long-term plans that bear, at times, exaggerated costs.

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In a fast changing business environment affected by technological developments, governments are more willing to offer services in a shorter time span.

Questions

1. Why should the government plan?
2. What are the benefits of public sector planning?
3. Identify certain constraints in public sector planning.
4. Identify three strategic plans of the government.
5. Why should a strategic plan consider the external environment?
6. Why does the government implement mid-term plans?
7. Why is tactical planning useful to a government?
8. What are the requirements of operational planning?
9. What are the challenges of operational planning?
10. What constitutes a contingency plan? Give an example.

Further Reading

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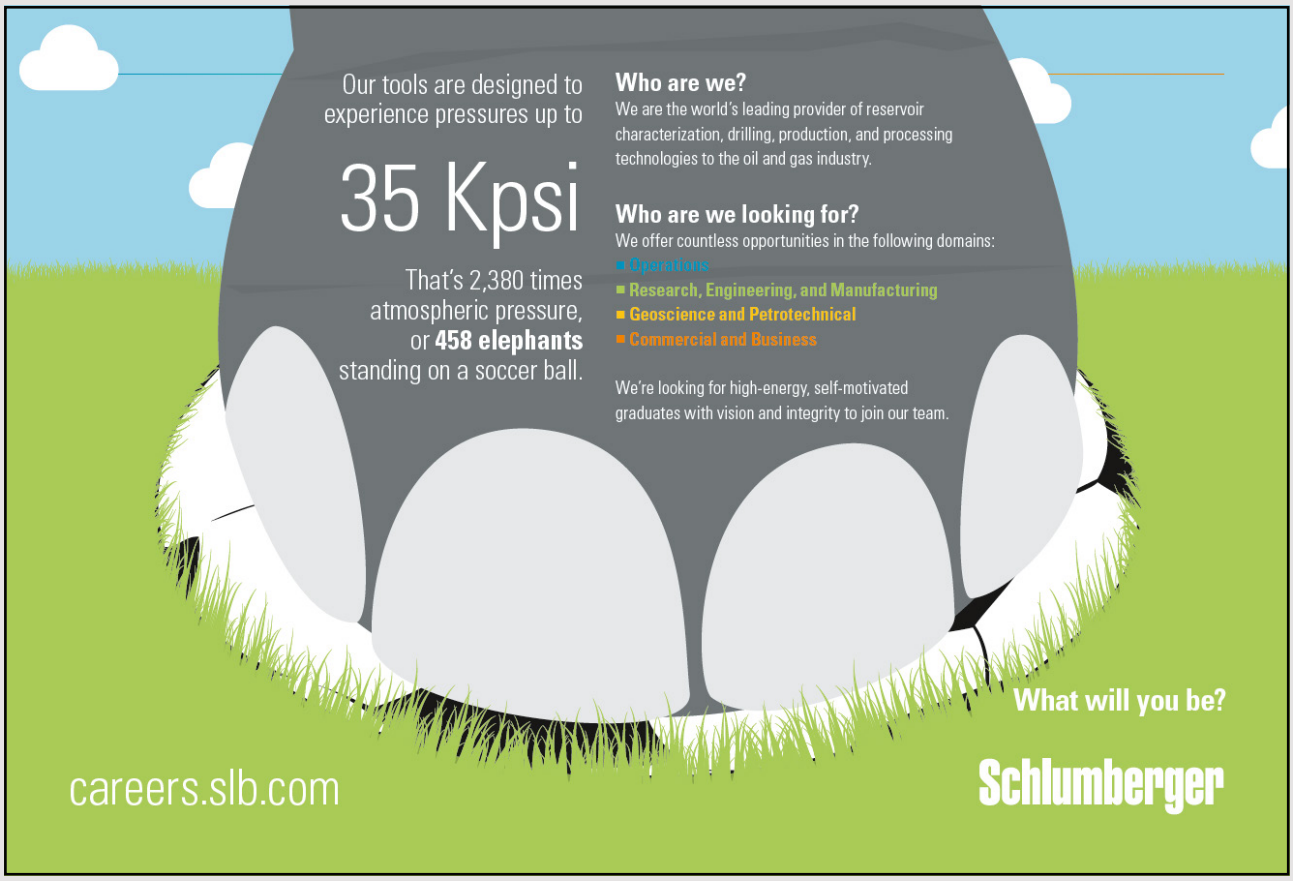

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3 PUBLIC SECTOR ORGANISATION

Aims

Understand and explain the concept of public sector organisation.
Understand the nature of public sector organisation.
Learn about the organisation concepts in the public service.
Discuss the various types of public sector organisations.
Understand organisational structure.
Comment on the importance of the regional concept of the public sector.
Discuss the importance of the flexitime organisation in the public sector.

Introduction

The public service operates according to a well-defined organisational and fairly rigid hierarchy. As explained earlier, it has a tall, formalised structure owing to many employees and departments. Organisation could not have been easy in the sector if such a structure and formalised practices would not be adopted. Permanent Secretaries and top executives in the public sector have to see how effective they should organise their activities so that they take place without major problem.

It is logical to assume activities take place accordingly but there is time consumption in having them processed before feedback is given to recipients. All departments do not display the same characteristics; some consider rapid feedback while others may confine themselves with many procedures which halt the speed which the public sector would normally be expected to work.

Organisational Concepts

Bannock Consulting (1999) provides a useful summary of the functions that public sector bodies undertake and that should be distinguished before reviewing organisational form:[1]

1. Policy functions: such as strategic planning, legal drafting, development of performance contracts, minimum standards, norms, policy analysis and evaluation, forecasting. These functions tend to be seen as 'inherently governmental' and requiring specialist skills, and are usually provided by core ministries within central government.
2. Co-ordination, supervision and performance monitoring functions: such as coordinating relationships between different bodies, monitoring the performance of subsidiary bodies, facilitating and enabling subsidiary bodies to reach their performance targets. These functions also tend to be seen as 'inherently governmental' and undertaken by core ministries.

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3. Service delivery functions: such as the provision of products or services to internal (other public bodies) or external (farmers, foresters, fishermen) customers. Service delivery is often provided outside of central government through contracting arrangements or by subnational government. When undertaken by central government this is normally performed by supervised bodies or executing agencies.
4. Support functions: such as financial management, human resources management, information systems, infrastructure, staff training, efficiency review and management audit; and secretarial services. These are increasingly contracted out except when seen as inherently governmental for security or other reasons.
5. Regulatory functions: such as licensing, certification, permissions, accreditation, inspection, compliance, and financial audit. These functions are also often seen as 'inherently governmental' and provided by statutory commissions and other arm's length bodies within central government.

Formal and informal organisation

A formal organisation means the intentional structure of roles in a formally organised enterprise. In a formal organisation, there is nothing inherently inflexible or unduly confining about it. On the other hand, formal organisations must be flexible. There should be room for discretion for taking advantage of creative talents, and for the recognition of individual capacities.

Chester Barnard, a management theorist, saw informal organisation as any joint personal activity without conscious joint purpose, even though contributing to joint results.[2] Informal organisation improves communication, enhances cohesiveness within formal organisation, and protects people's integrity.

The design of organisation structures should also assist in the creation of opportunities to employees at lower levels so that there can be chances for upward mobility or promotion. Too often tall structures overlook such an aspect by maintaining a high level of rigidity that stifles opportunities for advancement. It is therefore strongly wished to develop flexible structures that can help motivate public officers.

Types of Organisational Structure in the Public Sector

Feigenbaum (2016) identifies three types of public organisation structures namely vertical, horizontal and divisional that exist in the public service with their relevance to workplace situations.[3]

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Vertical Structures

Most government organisations are classic examples of vertical structure. Vertical organisational structures are characterised by few people at the top and increasing numbers of people in middle management and lower-level positions. Few people make policy decisions, and many people enact them. Governments often lean toward them because they create defined job scopes and powers – each person has a clear role to play. Vertical structure is the classic bureaucracy and is epitomised and originated in one of the oldest government functions: military command.

Horizontal Structures

Horizontal organisation charts are characterised by a few positions at top and then many positions on the next row down. In other words, there are very few supervisors and many peers or equals. While this structure is most common in professional organisations such as law and architecture firms or medical practices, a few types of government use this structure. For instance, in very small programmes – especially after budget cutbacks – certain city and county social services such as drug prevention or domestic violence education programmes may find themselves with only a few staff members. To deliver services or because they do job sharing, staff may work together cooperatively rather than in hierarchical order.

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Divisional Structures

Divisional structures divide function and responsibility based on speciality or geography – such as a market territory. In the case of the public sector, a few organisations such as courts use this system. For example, federal courts are divided into regional circuits and even most counties have multiple courthouses which hear cases from their defined territories within the country. These courts run parallel and are not affected by one another. Similarly, police and fire departments usually have precincts and battalions with specific jurisdictions for better functionality.

Degree of formalisation through the organisational structure

- Administrative Secretaries have to execute tasks as advised by the Permanent Secretary.
- Clerical Officers have to execute tasks as assigned by Executive Officers.
- Orders come from the top.
- Communication is essentially top-down.
- Rules and regulations are devised by senior executives and should be abided by junior staff.
- Activities are devised according to procedures established in the Ministry.
- Any important matter is agreed by senior staff.
- There is an established mechanism for complaints or grievances.

Organisation structure and design

An organisation structure describes the organisation framework expressed by its degree of complexity, formalisation and centralisation.

Complexity

Complexity considers the amount of differentiation in an organisation. The more differentiated and tall an organisation is, the more complex it becomes. Simple and lean organisations have a lesser degree of complexity. The public sector is affected by complexity since there are several departments and hierarchies. Also, there are many employees working in the ministries.

Formalisation

Formalisation refers to the degree to which an organisation relies on rules and procedures to direct the behaviour of employees. Normally, in taller structures there can be a higher degree of formalisation. In smaller and flatter organisations, this may be reduced to a great extent. Formalisation, as explained earlier characterises the public service through procedures, policies and abidance to rules. Formalisation can be said to create inflexibility.

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Centralisation

Centralisation is concerned with the concentration of decision making authority in upper management. In the former communist system, there was a high degree of centralisation. Power and authority resided in the hands of leaders and top executives. In a centralised model, decisions about the work or common tasks such as research, policy development, financial reporting, HR activities or filing are undertaken by a 'central' division whose only role is to perform these tasks.[4]

They perform this work for all the other divisions in the organisation. A variant of this concept is a shared service, where certain common functions – typically corporate functions – are shared across multiple agencies or business units.

Through the co-location of people with similar skill sets and work activities, centralisation can foster the development of highly specialised capabilities.

The benefits of centralisation can include greater innovation, arising from pooling of knowledge and expertise, cost savings arising from building core abilities or standardising procedures, and greater cohesion across the whole organisation because different parts of the organisation come together at the centralised point.

Many public sector organisations move between centralisation and decentralisation over time. They do this to capitalise on the benefits of each model that are appropriate for different stages of the organisation's lifecycle or the demands of the operating environment. For example, an organisation that is lacking cohesion or is having to work with reduced resources may move to centralisation. An organisation whose work has become more varied may move to decentralisation.

Decentralisation

Organisations that develop and expand definitely need to decentralise their operations for some reasons. Government aims at decentralising its activities to better attain the needs of local citizens. As such, government organisations work more closely with the public and the State is relieved from excessive co-ordination of tasks.

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A case for decentralisation

- Decentralisation helps government to have activities spread in various regions of a country. It better reaches the local community.
- It helps executives to take decisions on their own provided that they are empowered to do so.
- It improves flexibility in the activities in that they reach the community more rapidly.
- Better solutions can be implemented locally in line with the reality.
- Time can be saved by overcoming transport and disturbance.

Insight: Policy implications for decentralisation[5]

Decentralisation holds much promise, but whether it improves public service delivery depends on the institutional arrangements governing its implementation. Several conditions must be met before the full benefits of decentralisation can be reaped. First, for decentralisation to increase allocative and productive efficiency, local governments need to have the authority to respond to local demand as well as adequate mechanisms for accountability. Because granting authority without accountability can lead to corruption and lower productive efficiency, decentralisation needs to be accompanied by reforms that increase the transparency and accountability of local government.

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Second, functions need to be devolved to a low enough level of government for allocative efficiency to increase because of decentralisation. Low-level governments are likely to be aware of local preferences and, if able to do so, are likely to adjust service delivery accordingly.

Third, citizens should have channels to communicate their preferences and get their voices heard in local governments. But the existence of such channels is not enough. Influence public policies and oversee local governments, citizens need to have information about government policies and activities. The media play countries radio is especially important for disseminating information about government. The media, however, tend to focus on national events and politics. In a decentralised environment, adequate coverage of local events and politics is also important.

Organisation design

The construction or changing of an organisation's structure is referred to as organisation design. Every organisation is designed in its own way in relation to the above-mentioned factors. Organisational design is the art of dividing an organisation into operational parts, then connecting those parts together through structural arrangements and mechanisms for co-production, direction and control. The aim of organisational design is to ensure that the organisation works well and that it can deliver the results expected of it using the resources that are available to it.[6]

A poorly designed organisation will mean that the organisation will be taking more time, spending more money, losing more corporate knowledge, and losing more good staff than is warranted. If the organisation is poorly designed, it may not be able to produce the results expected of it at all.

Case Study: Demystifying organisation design in the public sector[7]

New strategies – or shifts in existing ones – frequently require organisations to rethink how they are set up; changes that are not accompanied by such a fundamental re-evaluation cannot have a lasting impact. This holds particularly true in the public sector, where organisations are regularly adapting to an ever-evolving environment, realigning to new leaders, navigating new responsibilities, and collaborating across jurisdictions or political lines. Organisation design should be at the heart of these changes in strategic direction.

So far, organisation design is frequently an afterthought for change-related programmes in both the public and private sectors.

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In the public sector, change is often driven by new directions in policy and new political agendas. Whether incremental changes or fundamental reforms, these new directions are often set without much thought for the impact that they will have on government organisations. This occurs in part because, regardless of the source of the reform, leaders of public-sector organisations are responsible for adopting these changes and making them happen. Faced with constraints such as limited terms and legislative or regulatory requirements, leaders can find organisation design a low priority when they are just looking to get reforms done.

But organisation design can provide effective and practical solutions to many stubborn issues confronting public-sector leaders. There are three main elements of organisation design – structure, individual capabilities, and roles and collaboration – that are essential to make change effective. In fact, there is a dynamic interplay among them. When structure, individual capabilities, and roles and collaboration are in alignment – and tightly linked with an organisation's strategy and mission – public-sector reforms are more likely to succeed.

Adapted from: Shananan, M., Bailey, A., and Puckett, J. (2011) Demystifying Organisation Design in the Public Sector, bcg.perspectives.

Questions

1. What are the factors forcing public organisations to change their structure?
2. What are the three elements of organisation design? Explain.
3. Identify the dynamic interplay between the key elements of organisation design.

Simplifying design of the public organisation

There is a political belief that more effective government can best be achieved by simplifying the complex and confusing landscape of public sector organisations. This will make it easier for the public to access services and for the organisations involved in developing and delivering them to provide a better, more joined-up service. In Scotland, for example, delivery structures need to develop a more integrated approach to cut through and remove bureaucratic barriers. Institutional arrangements in our public services need to make sense for a country of 5 million. This means a clearer, more focussed organisational landscape that will be more effective in driving forward our other commitments to change and improve service delivery.[8]

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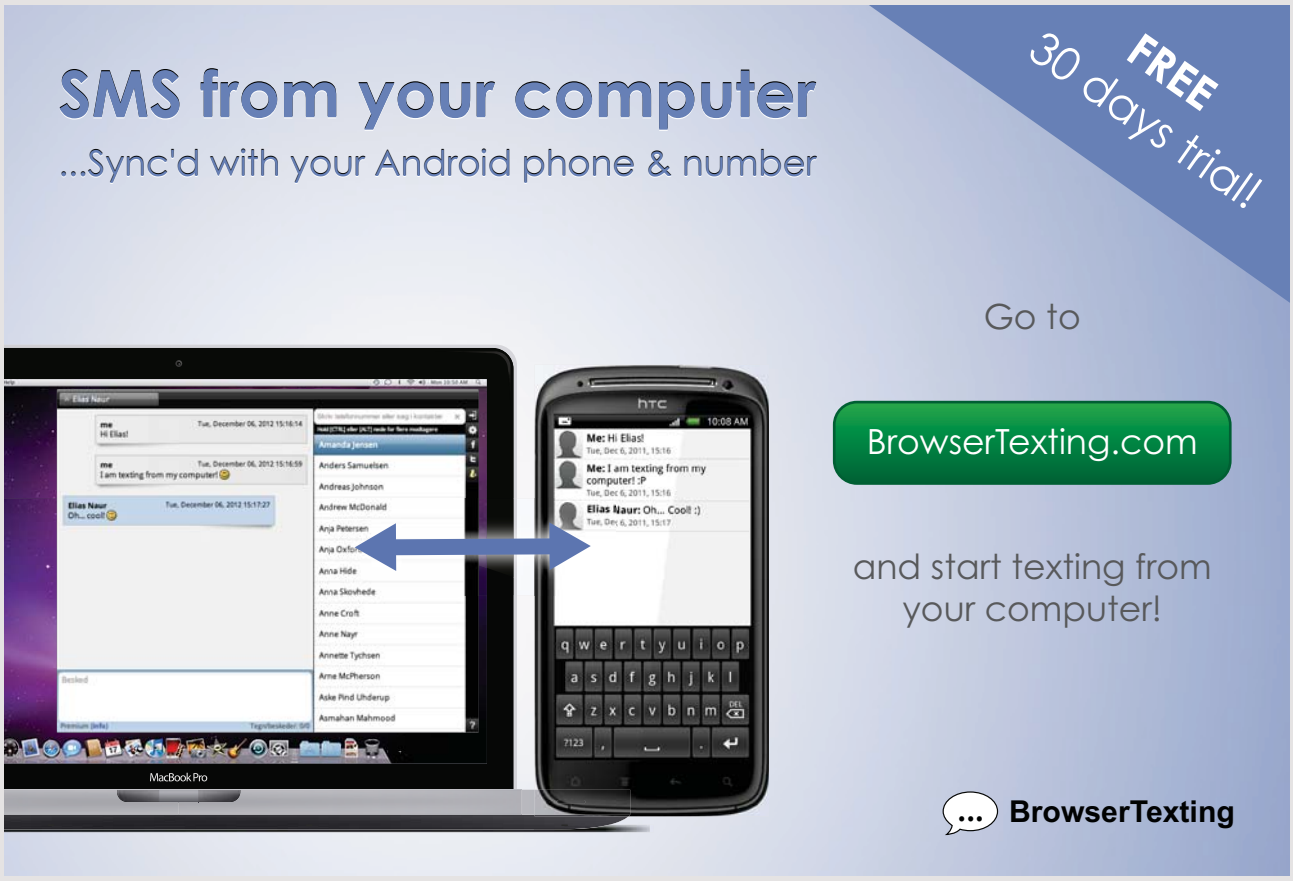
In this attempt to simplify organisational design, the Scottish Government's vision is to achieve:

- simpler structures which support the achievement of the Scottish Government's national strategic aims and local government's delivery of better outcomes for local communities
- transparent and clear public service decision-making, with streamlined scrutiny and control regimes, which facilitate Scotland's capacity to mobilise capital and grow our economy
- fewer, better structured arm's length bodies at a national level; which receive clear and integrated strategic direction from Government, while at the same time given room to deliver.
- collaboration and joint-working between public services, which is essential for delivering better services, facilitated through less heavy formal structures and fewer organisational boundaries cutting across decision-making.

Regional orientation

The main functions are kept at the headquarters. Some activities are decentralised on a territorial basis – North, South, West, Central. Many large organisations are decentralised in a geographical way.



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Establishing regions and decentralisation contribute to:

- reduction of regional imbalances by stimulating balanced development, accelerated recovery of delays in the economic and social field of the less developed areas, due to historical, geographical, economic, social, political conditions, as well as prevention of new imbalances.
- correlation of the governmental sectoral policies at regional level, by stimulating initiatives and valorising local and regional resources, aimed at a sustainable economic and social development, at their cultural development and at territorial cohesion.[9]

  It should be pointed out, however, that the existence of regional, provincial or local administrations does not guarantee in itself distance from the centre. Compared with frequent general provisions in which the principles of decentralisation or subsidiarity are affirmed, the national governments' powers of control and influence on policy are often very pervasive.[10]

Advantages

- Regional orientation places responsibility at a lower level.
- It places emphasis on local markets and needs.
- There is better face-to-face communication with local interests.
- There is a possibility of creating a training ground for future managers.

Disadvantages

- It requires persons with more general manager abilities.
- There can be a problem of top management control.

Government's choice for regional orientation

Since the nineties, the government has been a proponent for decentralisation. Various motives have influenced the public sector to become more decentralised.

- Traffic jam creates lots of problems and inconvenience to people.
- Decentralisation ensures that all the people get better access to governmental services.
- Expenditure can be minimised depending on situations.
- There may be more motivation for employees to provide better service, given they do not face such transport difficulty or disturbance.
- Public service becomes more responsive to the needs of the community.

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New organisational orientations in public sector

Flexitime

Often termed flexible working hours, flexitime is one of the most widely used alternatives to the 9–5 office pattern, and gives individual employees control over when to start and end their working day. It is popular with employers as well as employees as it can combine set or 'core' times of common agreement when all employees should be at work, with parts that can be individually adapted.[11]

Flexitime is a long standing and well used scheme, but there is a need to look at it afresh, and reassess its relevance for the higher education sector. This is in the light of changing organisational culture, and within the context of achieving greater work/life balance for employees. Good work/life practices, of which flexitime is one, offer a win-win situation for employees and employers in the higher education sector. Generally, there is a lack of data on the extent of flexible working in the sector, but flexitime is believed to be widespread, with informal flexibility in daily hours more the norm than formal schemes.

In some institutions however, formal flexitime policies have been in use for many years, and the time may now be right for reviewing these within the context of considering the work/life balance of all employees. Although flexitime is the most popular way of varying daily hours it has its limitations, and is not suitable for all job roles and workplaces, and other flexible options may provide better solutions. Flexitime works best, as with all alternative working patterns, as part of a package of options available to help employees balance their work and personal lives and the organisation meet its business goals.

In Mauritius, the Pay Research Bureau, a salary commission institution, maintains that the introduction of flexitime has several advantages and would be beneficial to both employees and organisations. It would relieve officers of their routine stress and help them to better manage the balance between work commitments, family responsibilities and lifestyle choices to the advantage of the service. Today's workforce increasingly consists of women, and workers in alternative family structures, such as single-headed and dual-earner families. Faced with more pressing demands from both the workplace and home, these employees must often divide time between these two competing interests. Among those most likely to benefit from greater workplace flexibility are prime working-age women, women household heads, and employees in two-earner families. Employees who would prefer this work pattern should, if possible, be allowed to make that choice which would help them to better cope with both the work and the household and child care responsibilities.[12]

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Government had previously considered flexi-time as an alternative to restructure activities.

Flexitime operates as follows:

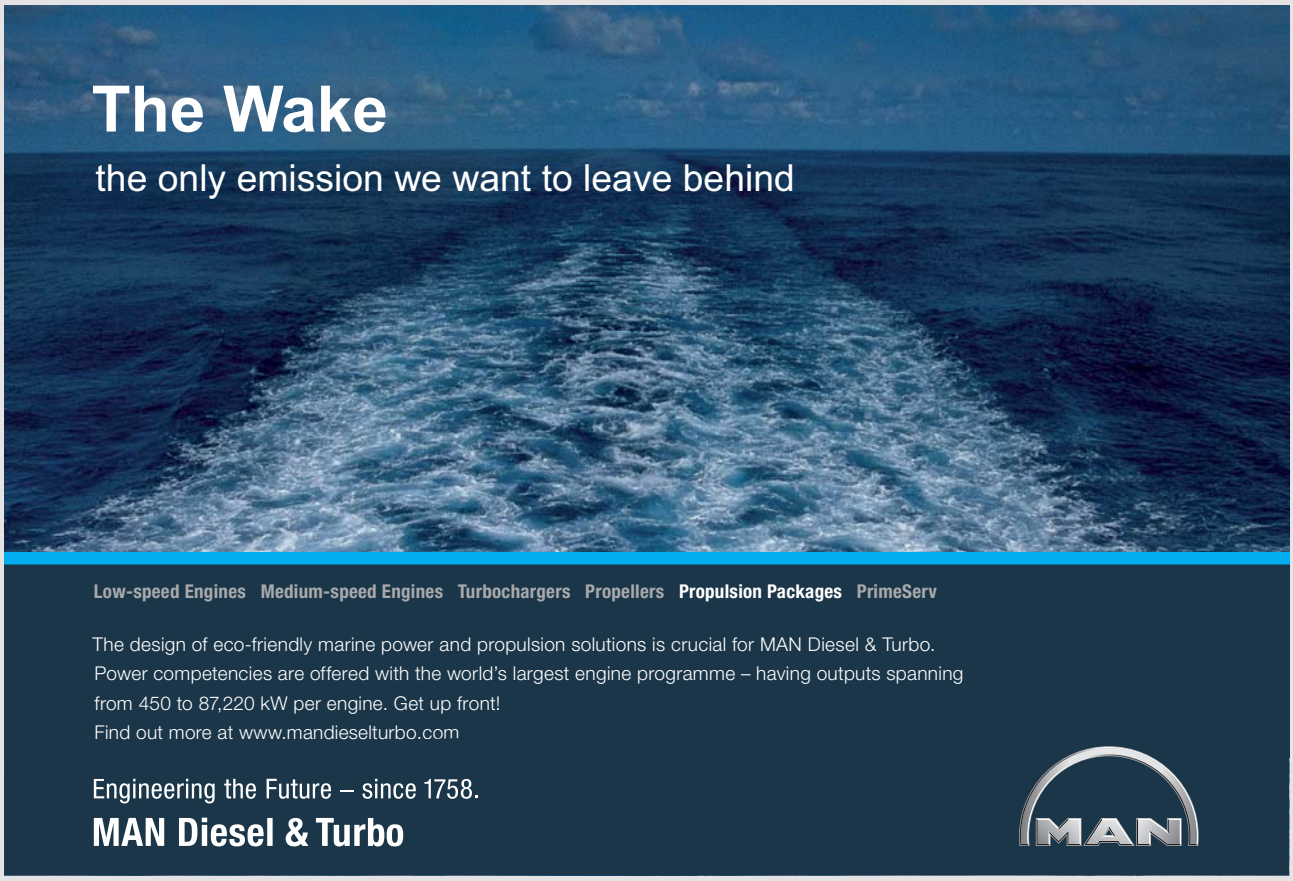
- Employees may call at work either at 9 a.m. or at 10 a.m.
- There will be core hours where each employee meets.
- Flexitime allows room for flexibility at work.
- Absenteeism can be remedied.
- Employees may be more motivated to work.
- Flexitime can help to save in terms of costs and overheads.

Points

The public service operates according to a well-defined organisational and fairly rigid hierarchy.

A formal organisation means the intentional structure of roles in a formally organised enterprise. Most government organisations are classic examples of vertical structure.

Horizontal organisation charts are characterised by a few positions at top and then many positions on the next row down.



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Divisional structures divide function and responsibility based on speciality or geography.

An organisation structure describes the organisation framework expressed by its degree of complexity, formalisation and centralisation.

The more differentiated and tall an organisation is, the more complex it becomes. Simple and lean organisations have a lesser degree of complexity.

Formalisation refers to the degree to which an organisation relies on rules and procedures to direct the behaviour of employees.

Centralisation is concerned with the concentration of decision making authority in upper management.

Decentralisation helps government to have activities spread in various regions of a country.

Organisation design can provide effective and practical solutions to many persistent issues confronting public-sector leaders.

The establishment of the regions and the decentralisation contribute to a reduction of regional imbalances and correlation of the governmental sectoral policies at regional level.

Questions

1. Identify the key organisation concepts in the public sector.
2. What is the relevance of support functions in public sector organisation?
3. Differentiate between formal and informal organisation of the public service.
4. What are the three types of organisation structures in the public sector?
5. Why is centralisation relevant to the public sector?
6. What is organisation design?
7. Why is there a need to simplify organisation in the public service?
8. Explain the need for decentralisation in the public sector.
9. What is the purpose of the regionalisation of public sector jobs?
10. What is flexitime and how does it affect organisation of work in the public service?

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4 E-GOVERNMENT PRACTICE

Aims

Understand and explain the concept of e-Government.
Define the concept of e-Government.
Understand the nature of e-Government.
Learn about the importance of e-Government in the public service.
Discuss the business case for e-Government.
Understand concepts of e-Government.
Discuss the stages of e-Government.
Understand the importance of e-readiness.

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Introduction

E-government is heralded as the success of the public service of the future. In an era where all people at work are users of smart technology, governments have discrete accepted and adopted new technological platforms to better serve the citizens. In a formal structure, let us say, back in the 1980s, paper work was popular and typical to bureaucratic organisations like the public service. Still, relying heavily on paper work can be the modus operandi of public bodies. But, changes are taking place worldwide prompting all governments to modernise by embracing e-government as a useful stand to communicate with the public.

Over the years, it has become customary for any user of government information or data to click on the State portal and find out the numerous possibilities of benefiting from services available online and at the click of the mouse. This chapter eventually embraces the relevance of e-government and purports it as the most vital tool that the State can have to better meet the demanding needs of the population. The topics covered include defining e-government, the purpose for e-government, e-readiness as well as opportunities and challenges therein.

Defining e-Government

There are several definitions on e-Government meaning almost the same but having a slight different view on it. This chapter analyses the various definitions of e-Government and how close these might be related. The main approach on e-Government can be described as follows: With the internet, e-Government can be used to work on and to solve political and social issues increasingly local: close to the point of origin. As such, e-Government creates a more effective and a more citizen orientated government with less costs for the administration.

E-Government refers to the simplification and the transaction of business processes by the use of information and communication technology (ICT) in the context of governance and public administration.

e-Government is the use of information and communication technologies in public administrations – combined with organisational change and new skills – to improve public services and democratic processes and to strengthen support to public policies.

e-Government is understood as the execution of administrative tasks and processes with the help of technical tools and media.[1]

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The World Bank, (2012) defines e-Government as the use by government agencies of information technologies such as Wide Area Networks, the Internet, and mobile computing that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.[2]

E-government's popularity

E-government has become a popular focus of government efforts in many countries around the world. More and more governments around the world have implemented and introduced e-government systems as a means of reducing costs, improving services, saving time and increasing effectiveness and efficiency in the public sector. E-government and Internet has made an essential change in the whole society structure, values, culture and the ways of conducting business by utilizing the potential of ICT as a tool in the daily work.

According to Alsheri and Drew (2007), the purpose of e-government is not only the conversion of traditional information into bits and bytes and making it reachable via the internet websites or giving government officials computers or automating old practices to an electronic platform. But it also calls for rethinking ways the government functions are carried out today to improve processes and integration.[3]

Governments have different strategies to build e-government. Some have created comprehensive long-term plans. Others have opted to identify just a few key areas as the focus of early projects. In all cases, however, the countries identified as most successful have begun with smaller projects in phases on which to build a structure. E-government researchers divide the process of e-government implementation into phases or stages.

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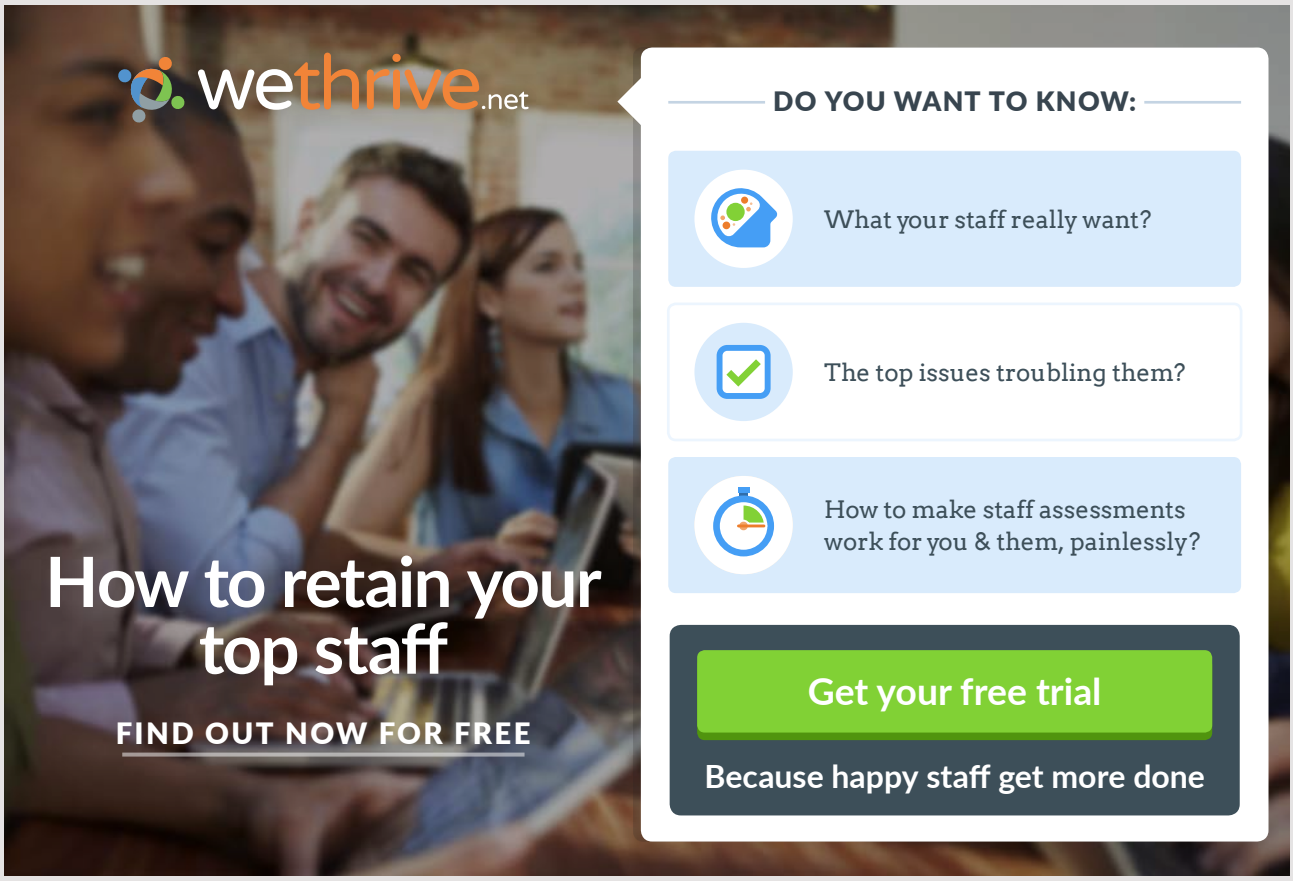
A business case for e-government[4]

E-government is now widely seen as being fundamental to reform, modernisation and improvement of government. The OECD defines e-government as "the use of information and communication technologies (ICTs), and particularly the Internet, as a tool to achieve better government". However, the real costs of and benefits of e-government have rarely been soundly and systematically evaluated. During the 'dot.com' boom, e-government enjoyed a healthy level of political and financial support. ICTs and e-government were seen as key tools for modernising public administrations and providing better government. The next stage of e-government, however, is likely to require investment in the development of services and systems whose benefits will sometimes be less readily apparent to politicians and policy makers, and to the public. This means that robust evaluation and monitoring of the costs and benefits of e-government needs to be better incorporated into e-government planning and investment. This is commonly referred as the need for e-government to be supported by a strong 'business case'. Without this, e-government implementers will find it increasingly difficult to obtain support for making the investments required to enable them to achieve the objectives that governments set for them.



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Governments need to adopt access for opportunity as a policy goal

Governments must specifically identify and discuss issues of real access – utilising the Access Model put forth herein – rather than issues of technology. The end goal should be access for opportunity, rather than solely access to ICT. In this context the governments need to develop and formally adopt E-government Plans and/or similar national ICT Plans that include access goals, economic development objectives, and long-term goals to achieve a knowledge economy/society.

Governments need to focus on knowledge societies

Governments need to re-think and re-engineer their development strategies towards building knowledge societies. A renewed commitment is needed to put ICTs within an integrated development framework to leap-frog the traditional long gestation phases of development and yield rapid economic and social progress for all. Governments need to include ICTs in all planning initiatives: To improve access-for-opportunity, countries must recognise the centrality of ICTs to development. The governments need to include ICT planning across all government sectors, particularly public education, public health, economic development, commerce and industry, law enforcement and security, and others – this integrated planning will lead to real e-government and ICT for development. E-government and ICT goals should be clearly articulated in terms of economic development and quality of life enhancements for all members of society.

E-readiness' concept

According to the Economist Intelligence Unit report (2009), digital development marches on. Connectivity continues to improve, and remains the major enabling factor for any country's ability to improve its e-readiness. Availability, however, is not enough to reap the full benefits of the ICT equation analysis shows that usage lags connectivity levels – another reason that overall scores have dropped this year – but that users around the world are finding increasing utility nonetheless, even in countries in the lower tiers of our ranking table.[5]

While usage levels are still in their infancy, encouraging signs are seen, ranging from e-participation efforts to actual use of online public services. In rich and poor countries alike, however, thorny policy issues arising from the very success of digital development remain largely unresolved. Widespread Internet usage, for example, naturally motivates telecoms carriers and content providers to explore ways to obtain more information – and thus sales – from their customers.

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The delicate social contract between digital consumers and the operators of digital channels will be tested in the coming years, as intensified revenue pressure increases service providers' need to utilise the Internet for intrusions that are both annoying for example, inbound advertising and potentially privacy-infringing ('deep-packet' inspection systems. The environmental impact of ICT usage is also likely to remain a concern for governments as long as climate change and carbon reduction remain high on the global agenda.

As the digitally connected world watches more videos and transfers more files, it consumes more energy. The expansion of one of the global economy's most essential resources – information – is having an unintended knock-on effect on other precious resources. The interplay between these two resource ecosystems underscores once again the reality that e-readiness is not fostered in a digital vacuum, but rather in a complex web of social, cultural, economic and political factors, ultimately driven by the usage imperative.

Case Study: E-government's value

E-government and innovation can provide significant opportunities to transform public administration into an instrument of sustainable development. E-government is 'the use of ICT and its application by the government for the provision of information and public services to the people' (Global E-Government Readiness Report 2004).[6]

More broadly, e-government can be referred to as the use and application of information technologies in public administration to streamline and integrate workflows and processes, to manage data and information, enhance public service delivery, as well as expand communication channels for engagement and empowerment of people. The opportunities offered by the digital development of recent years, whether through online services, big data, social media, mobile apps, or cloud computing, are expanding the way we look at e-government.[7]

The World Bank has embraced e-government in its efforts to modernise public sector and improve public sector delivery. For this reason, e-government initiatives are present in most projects in the Sector. E-government is considered a key facilitator to achieve the proposed reforms supported by the rest of the core areas, from public financial management to anti-corruption, including improving service delivery for citizens. In numerous projects, it has been demonstrated that e-government has had a remarkable impact on improving the efficiency and integration of public sector.

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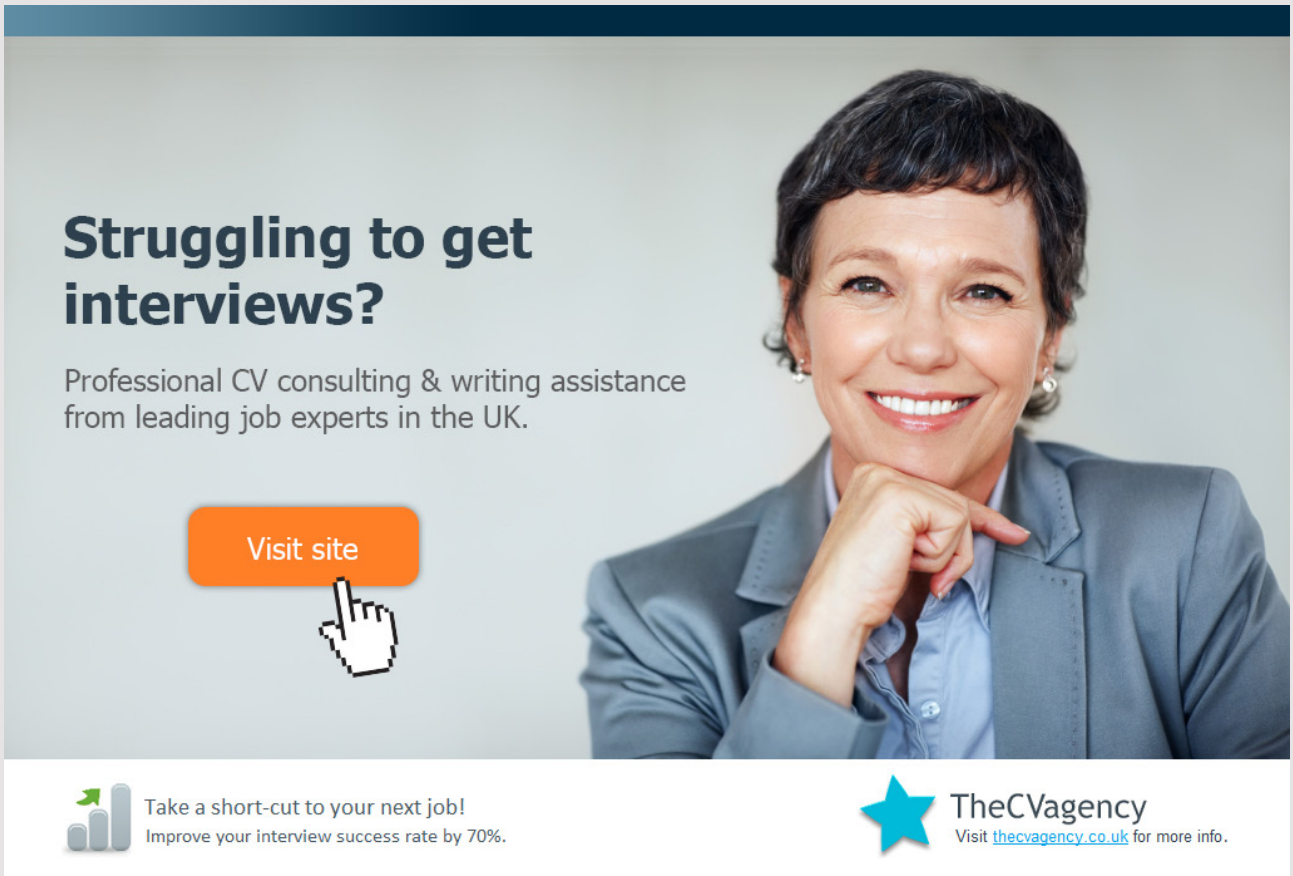
While e-government still includes electronic interactions of three types: government-to-government (G2G); government-to-business (G2B); and government-to-consumer (G2C) – a more holistic and multi-stakeholder approach is taking shape. Through innovation and e-government, public administrations around the world can be more efficient, provide better services and respond to demands for transparency and accountability. E-government can help governments go green and promote effective natural resource management, as well as stimulate economic growth and promote social inclusion, particularly of disadvantaged and vulnerable groups. ICTs have also proven to be effective platforms to facilitate knowledge sharing, skills development, transfer of innovative e-government solutions and capacity-building for sustainable development among countries. E-government can generate important benefits in the form of new employment, better health and education.

Questions

1. What are the opportunities offered by digital technology in the advent of e-government?
2. What are the implications behind the World Bank's initiative to promote e-government worldwide?
3. Why is it necessary to speak of e-government's benefits? What could be some of its limitations?



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Stages of e-government[8]

To help public administrators think about e-government and their organisations, provided a four stage e-government development and propose a 'stages of growth' model for fully functional e-Government.

Stage 1: Cataloguing

In stage one of cataloguing, initial efforts of state governments are focused on establishing an on-line presence for the government.

Stage 2: Transaction

In the transaction stage, e-Government initiatives will focus on connecting the internal government system to on-line interfaces and allowing citizens to transact with government electronically.

Stage 3: Vertical integration

Vertical integration refers to local, state and federal governments connected for different functions or services of government.

Stage 4: Horizontal integration

Horizontal integration is defined as integration across different functions and services. In defining the stages of e-government development, the vertical integration across different levels within similar functionality is posited to precede the horizontal integration across different functions.

Models of e-government

Models of e-Government are discussed in this section. Firstly, the Government to Government Model (G2G) relates how e-Government can be successfully implemented within state organisations, Government to business (G2B) deals with public and private sector interaction, and Government to Citizens (G2C) deals with the relationship between government and citizens. As such, one can note the pervasive use and implementation of e-government in all spheres of society.

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Government to Government Model (G2G)

According to Gregory (2007) G2G refers to the online communications between government organisations, departments and agencies based on a super-government database. Moreover, it refers to the relationship between governments. The efficiency and efficacy of processes are enhanced by the use of online communication and cooperation which allows for the sharing of databases and resources and the fusion of skills and capabilities. The vital aim of G2G development is to enhance and improve inter-government organisational processes by streamlining cooperation and coordination. Governments depend on other levels of government within the state to deliver services and allocate responsibilities.[9]

In promoting citizen-centric service, a single access point to government is the ultimate goal, for which cooperation among different governmental departments and agencies is needed. G2G facilitates the sharing of databases, resources and capabilities, enhancing the efficiency and effectiveness of processes. It represents internal systems and procedures which form the backbone of public organizations. G2G involves sharing data and conducting electronic transactions between governmental actors. This includes both intra and inter-agency interactions between employees, departments, agencies, ministries and even other governments.

Government-to-Business (G2B)

Government to business, or G2B, is the second major type of e-government category. G2B can bring significant efficiencies to both governments and businesses. G2B include various services exchanged between government and the business sectors, including distribution of policies, memos, rules and regulations. Business services offered include obtaining current business information, new regulations, downloading application forms, claiming taxes, renewing licenses, registering businesses, obtaining permits, and many others. The opportunity to conduct online transactions with government reduces red tape and simplifies regulatory processes, therefore helping businesses to become more competitive.[10]

Government-to-Citizens (G2C)

G2C deals with the relationship between government and citizens. It allows citizens to access government information and services instantly, conveniently, from everywhere, by use of multiple channels. Government-to-Citizens (G2C) model have been designed to facilitate citizen interaction with the government. The focus of G2C is customer centric and integrated electronic services where public services can be provided based on a 'one-stop shop' concept. This implies that citizens can carry out a variety of tasks, especially those that involve multiple agencies, without needing to initiate contacts with each individual agency. While e-Administration initiatives improve internal government processes, e-Citizens and e-Services deal with improving communication and quality of service between government and citizens. Finally, e-Society initiatives concern interactions of government with businesses and civil communities. As each domain develops and progresses, e-Government initiatives may increasingly fall into overlaps.

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E-government's benefits[11]

According to the World Bank (2002) E-Governance has the following benefits:

- It greatly simplifies the process of information accumulation for citizens and businesses.
- It empowers people to gather information on any government department and get involved in the process of decision making.
- E-Governance strengthens the very fabric of democracy by ensuring greater citizen participation at all levels of governance.
- E-Governance leads to automation of services, ensuring that information on every work of public welfare is easily available to all citizens, eliminating corruption.
- This revolutionises the way governments function, ensuring much more transparency in the functioning, thereby eliminating corruption.
- Since the information on every government activity is easily available, it would make every government department responsible as they know that every action of theirs is closely monitored.
- Proper implementation of e-Governance practices make it possible for people to get their work done online thereby sparing themselves of unneeded hassles of traveling to offices.

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- Successful implementation of e-Governance practices offer better delivery of services to citizens, improved interactions with business and industry, citizen empowerment through access to information, better management, greater convenience, revenue growth, and cost reductions.
- Further, introduction of e-Governance brings governments closer to citizens. So much so that today it becomes extremely convenient to get in touch with a government agency. Citizen service centers are located closer to the citizens now. Such centers may consist of an unattended kiosk in the government agency, a service kiosk located close to the client, or the use of a personal computer in the home or office.
- E-Governance practices help business access information that might be important for them at a click.

E-government's challenges[12]

This section explains the challenges of e-Government. They are namely the digital divide, the need to have effective infrastructure, a suitable and well defined law and policy on the use of e-Government, including accessibility, trust from users and providers of e-services, accessibility and the human resources required to make e-Government a reality.

Digital divide

Class, race, ethnicity, geography and other factors could lead to groups of people being disenfranchised. In many countries, content must be provided in more than one language or dialect. E-government must also discuss the needs of those who are illiterate. The digital divide is the gap between people who have access to the Internet and those who do not. Those without access cannot learn essential computer skills, cannot access information that can provide economic opportunities, and cannot share in the benefits of e-government. An exemplary illustration of how the digital divide can be bridged to benefit the rural poor is the Gyandoot Project, where the Internet connected a remote part of India to the government and the services it provides. As noted above, Jamaica enlisted postal workers to teach customers basic computer skills like email, and also created computer labs in local libraries, with the goal of empowering the rural poor to explore opportunities beyond their small communities, including the opportunity for increased civic participation.

Bridging the digital divide means more than just discussing race and class issues. Successful programs will create new opportunities for those who are traditionally isolated from government programmes. In particular, technology programs often leave women, immigrants and the elderly behind. An effort must be made to include these and other vulnerable groups.

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Infrastructure development

All countries implementing e-government have struggled to develop a basic infrastructure to take advantage of new technologies and communications tools. Many developing countries, even if possessing the will, do not have infrastructure to deploy e-government services across their territory now. These governments, such as the Andhra Pradesh state in India, must include in their e-government strategies efforts to build out their ICT infrastructure, developing novel approaches to solving the problem of remote connectivity to support e-government efforts. Others, such as Estonia, have partnered with the private sector to invest in programs that increase access and create an e-ready society.

Law and public policy

The application of ICT to government may encounter legal or policy barriers. Legislatures must ensure that laws are updated to recognize electronic documents and transactions. They must take proactive steps to ensure that policies support rather than impede e-government. Policymakers implementing e-government must consider the impact of law and public policy. Otherwise, any initiative will encounter significant problems. The effort must incorporate a holistic view, one that is not just focused on technology. Archaic laws, old regulatory regimes, overlapping and conflicting authorities can all greatly complicate or altogether halt a project. Legal reforms and new policy directives may have to be adopted before the online world can function smoothly.

Accessibility

Governments must serve all members of society irrespective of their physical capabilities. Online services will have to be designed with appropriate interfaces – this may have significant cost implications. Some developing countries have sizable disabled populations. These people could especially benefit from e-government services as they may not be able to travel to government offices. However, e-government projects need to accommodate the needs of the disabled – such as those who are blind, or do not have use of their hands. The World Wide Web Consortium is developing protocols and procedures to support disabled people (those who are blind, deaf or otherwise handicapped) in using the Internet as freely as any other person. Those efforts include software solutions, policy initiatives, and educational conferences.

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Trust

To be successful, e-government projects must build trust in agencies, between agencies, across governments, and with businesses, NGOs and citizens. When conceptualizing e-government, developers often do not realize the many boundaries, both physical and administrative, that the proposed project will cross. Yet, the success of e-government often comes down to building trust and common understanding with the variety of players early in the process. The biggest concern for most parties is that change brought about by a new system will negatively impact them. Almost every successful e-government project is a case example in building trust. The issue of trust also involves two issues of special concern to any online service: Privacy – protecting personal information the government collects about people. Security – protecting e-government sites from attack and misuse. Privacy and security issues have received extensive international attention.

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Workforce issues

Human resources must be structured and managed with e-government goals in mind. A well-trained and motivated workforce is critical to e-government success. Civil servants need training and leadership to integrate themselves into the new information structure. Policymakers need to expect that civil servants will feel threatened by e-government, either because they fear being caught for corruption or simply because they fear a loss of power. Leadership can play an important role and create a positive atmosphere for change by ensuring adequate training and rewarding those who support e-government changes.

Cost structures

While planning and budgeting in a changing climate is difficult, governments should seek to invest in sustainable programs that can produce savings. To implement a successful e-government program, policymakers need to develop specific and reasonably attainable goals and understand what resources are available to achieve those goals. Only then will they be able to formulate a plan that can be implemented in full, rather than being cut short before any gains are realised due to lack of resources.

Europe and e-government[13]

This section highlights the development of e-Government in Europe. Being a rich continent with high levels of Internet penetration, Europe maintains the lead in e-Government. Certain elements of e-Government namely the conditions in which they apply and their road map for effective e-Government are highlighted below.

The Malmö Declaration sets out 4 political priorities for all European public administrations over the next 5 years:

- Citizens and businesses are empowered by e-Government services designed around users' needs and developed in collaboration with third parties, as well as by increased access to public information, strengthened transparency and effective means for involvement of stakeholders in the policy process,
- Mobility in the Single Market is reinforced by seamless e-Government services for the setting up and running of a business and for studying, working, residing and retiring anywhere in the European Union,
- Efficiency and effectiveness is enabled by a constant effort to use e-Government to reduce the administrative burden, improve organisational processes and promote a sustainable low-carbon economy,
- The implementation of the policy priorities is made possible by creating the appropriate key enablers and by establishing legal and technical preconditions.

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Governments need to provide better public services with fewer resources. Each of the above political priorities works towards that aim, as well as providing new and better ways to engage with citizens. The emergence of innovative technologies such as 'service-oriented architectures' (SOA), or 'clouds' of services, together with more open specifications which allow for greater sharing, re-use and interoperability reinforce the ability of ICT to play a key role in this quest for efficiency in the public sector.

Insight: Small Island Developing State of Mauritius[14]

The government of Mauritius has put effort into developing their online portal and their telecommunication infrastructure. Their website www.gov.mu offers citizens an exhaustive list of e-services segmented by target persons (139 services), by domain (59 services), by ministry (53 services), by department (13 services) and parastatally (14 services). Even though Mauritius is one of the Small Island Developing States with a small land area and population, its economy has developed since independence from a small-scale focus based on agriculture, to a diversified middle-income economy. This increased the government's potential to invest in infrastructure, communications and education, which raised the Human Capital Index of Mauritius and raised its ranking in the regional EGDI. The government portal also offers citizens a platform for e-participation through chat rooms, a media library, blogs and discussion forums.

Developing nations' challenge

One of the main challenges for an e-Government project is the establishment of an appropriate and context tailored strategy. Every project or initiative needs to be rooted in a very careful, analytical and dynamic strategy. This seems to be a very difficult task, requiring a focus on many aspects and processes, a holistic vision, long-term focus and objectives. Many public institutions limit their activities to a simple transfer of their information and services online without taking into consideration the re-engineering process needed to grasp the full benefits. The government must have a clear strategy to overcome the barriers to change. Part of the strategy is to engage in a rigorous assessment of the current situation, the reality on the ground and the inventory of projects, articulate costs, impacts and benefits of programme as well as continuously monitor and evaluate the project upgrading.[15]

Points

E-government is heralded as the success of the public service of the future in an era where all people at work are users of smart technology.

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E-Government refers to the simplification and the transaction of business processes by the use of ICT combined with organisational change and new skills to improve public services and democratic processes and to strengthen support to public policies.

E-government is now widely seen as being fundamental to reform, modernisation and improvement of government.

E-government and innovation can provide significant opportunities to transform public administration into an instrument of sustainable development.

A four stage e-government development model for fully functional e-Government is cataloguing, transaction, vertical integration and horizontal integration.

Government to business (G2B) deals with public and private sector interaction, and Government to Citizens (G2C) deals with the relationship between government and citizens.

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The benefits of e-government are simplifying the process of information accumulation for citizens and businesses, empowering people to gather information, strengthening democracy by ensuring greater citizen participation and automation of services, ensuring that information on every public welfare work is easily available to all citizens.

Questions

1. Provide some definitions of e-Government.
2. Why is e-Government a necessity for public administration?
3. How is e-Government beneficial to public administration?
4. What are the stages of e-Government?
5. What does e-readiness mean?
6. How might law and policy be impediments to implementing e-Government?
7. What are some concerns of e-readiness?
8. Identify limitations of e-Government?
9. Are developing nations apt in developing e-Government?
10. What could be the advantages and disadvantages of implementing e-Government in developing nations?

Further Reading

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5 PUBLIC SECTOR LEADERSHIP

Aims

Understand and explain the concept of public sector leadership.
Define the concept of leadership.
Understand the nature of public sector leadership.
Learn about the current trends in public service leadership.
Differentiate between transactional and transformational leadership.
Understand some characteristics of transformation leadership.
Discuss critical leadership competencies for public managers.
Understand the role of women in public leadership.

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Introduction

Leadership development is neither new nor unique to the public sector. Why has it then become a hot issue? A common complaint is lack of dedication to the underlying values of public service and the interests of the citizens served. A common response seems to be the attempt to promote a certain kind of leadership. Leadership is a critical component of good public governance. Governance can be briefly described as how a nation's tacit values (usually articulated in some way in its Constitution) are 'institutionalised'. This has formal aspects such as separated powers, checks and balances, means of transferring power, transparency, and accountability. However, for these values to be actualised, they must guide the actions of public officials throughout the system. They must be imbedded in culture.[1]

Leadership is the constitution's core. It is at the heart of good governance. The most important role of public sector leaders has been to solve the problems and challenges faced in a specific environment. When we say we want more leadership in the public sector, what we are really looking for is people who will promote institutional adaptations in the public interest. Leadership in this sense is not value neutral. It is a positive espousal of the need to promote certain fundamental values that can be called public spiritedness.

Leadership is an important and crucial variable that leads to enhanced management capacity, as well as organisational performance. A leadership focus also plays an integrating role among various Human Resource Management components including recruitment and selection, training and development, performance management, public service ethics, and succession planning.[2]

Environment of contemporary public administration

One of the characteristics of public administration is that it is aimed at the future that is actions to be taken in the future. One certain feature of the future trend of events is that public institutions will continue to grow all over the world. The more highly developed countries will expand their existing services, particularly those concerned with education, highways, housing, public health, physical, social and economic planning, and urban development, and will embark on new tasks such as those mentioned above. The low-income countries are fully aware that the ambitious plans of economic and social development which they have drawn up, and are pledged to carry out, can only be realised with an efficient system of public administration.[3]

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Insight: General and common trends in developing future leaders

There is no single best model for developing future leaders, because each country has its unique public sector values to be emphasised and the management systems are different from country to country.

Despite the diversity of strategies and approaches adopted by OECD Member countries, some general and common trends in developing future leaders can be drawn from the country experiences.[4]

Define a competence profile for future leaders

In the UK and the US, the first step taken to develop future leaders was to define the competence profile for future leaders. The idea underlying this is that competencies required for future leaders could be different from those required for present leaders in terms of their responsibility, capability, and role.

For this reason, it is essential to predict what forms the future public sector will take, and what challenges will be faced to identify and develop leaders suitable for the future environment.

Identify and select potential leaders

Given the competence framework for future leaders, the next step is often to identify and select potential future leaders. This issue involves the choice of whether to select future leaders from outside or to nurture them in the public sector. If a country puts more emphasis on the former method rather than the latter, it should also discuss the question of how to recruit "the best and the brightest" candidates in competing with other sectors.

Urge mentoring and training

Once potential leaders are identified and selected, the next step is to train them continuously. For this purpose, some countries set up a specialised institution for leadership development. Others put greater emphasis on leadership in existing curricula and establish new training courses for the top executives or senior managers.

Keep leadership development sustainable

As developing future leaders takes a long time, it is very important to keep the leadership development sustainable. To do so, developing a comprehensive programme from the whole-of-government perspective is essential for developing future leaders. Allocating more of managers' time to developing leaders, and linking incentives with performance for better leadership are crucial to the success of leadership development programmes.

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Critical leadership competencies for public managers

Transforming and directing the energies of others into purposive action requires the right knowledge and information, skills, abilities and attitude. For that matter, effective leadership requires a balanced combination of job related attributes and personal qualities.[5]

The following comprise the competencies that are most commonly cited in the literature as being core to effective leadership:

Ability to inspire a shared vision

This must be attained by sharing the vision among management, employees and the stakeholders involved. Sharing a vision increases acceptability of leaders.

Strategic thinking

Thinking should be well-focused and directed. It should encompass both short and long-term needs of managers. There must be a sound knowledge of trends likely to impact on the public sector.

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Customer focus

One of the key requirements of effective leadership is that is customer-focused. All services should be geared towards meeting the needs of the customers in the most appropriate and satisfactory manner.

Decision-making

Decision-making is a key characteristic of excellent leadership in the public service comes from decision-making. Leaders must be accountable for the decision that they make but also aim at making the most satisficing decision for the benefit of their organisation.

Developing organisational talent

This is an aspect of talent management with the intention of harnessing the potential of employees and ensuring that the best capabilities are being developed. Evidently, talent is developed through appropriate training.

Delegation and empowerment

Leaders must have the ability to delegate power to their subordinates. Such empowerment favours decision-making at the departmental level but removes inflexibility caused by top-down directives.

Creating and leading teams

The development of teams could be a useful aspect to consider as teams are small groups with leaders aiming at developing new ideas but also working through structured and healthy competition among themselves.

Leading by example

Leaders in the public service have to show this competence of being inspirational in taking decisions that benefit the workplace. This requires a good management of personal and leadership ethics.

Personal strength and maturity

Public leaders must show maturity and strength in their decisions. They must show unity of command and direction as leaders. They must equally make decisions that show a certain degree of maturity.

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Effective communication

Public leaders are expected to inspire by communication. This can be an essential component of public sector management where poor communication causes dysfunctional management with ideas being poorly received and interpreted and lots of misunderstandings taking place.

Resilience

A characteristic of good leadership requires leaders to be resilient in that they have to accept criticism, very often bear the consequences of employee frustration and demonstration, but certainly, have the ability to 'jump back' again and do their business as usual.

Innovation/creativity

Public leaders are expected to demonstrate a high level of creativity in their endeavours. This allows them make good decisions, improvise whenever applicable and come forward with bright ideas for their organisations.

Transparency and accountability

These are two terms interchangeably used while they stress the importance for leaders to abide by high ethical standards. It is very important today for leaders to show this degree of accountability in the actions that they undertake.

Sound technical knowledge

Apart from strategic management knowledge, leaders have to show that they have the desired technical competences to undertake their activities correctly. Knowledge and possession of technical competences like sciences, economics, and statistics can help leaders discuss issues more confidently.

Ability to mentor others

In line with delegation and empowerment, leaders must demonstrate the ability to mentor others, especially, the younger generation and consider this attitude as a means of sharing competences but also developing future leaders.

Top leaders in the public service require the above competencies for a variety of reasons. Organisational or departmental teams must be directed towards a vision of the future in an inspirational manner; strategic goals must be found and communicated to all categories of public employees; organisational opportunities and constraints must be identified and appropriate responses developed, proper judgement must be applied in decision-making; and, once made, decisions must be implemented.

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Insight: Public Sector Leaders: Different Challenges, Different Competencies[6]

Today's public sector leaders are being asked to function with fewer resources and continually find new ways to tackle challenges. Leadership in the public sector is especially important; it not only influences the job performance and satisfaction of employees, but also how government and public agencies perform. Leadership is critical to good public governance, including good planning, efficiency, transparency, and accountability.

Public sector leaders also face different challenges than in the private sector, and perhaps call on different competencies. Public sector senior leaders are typically prone to follow and monitor rules and procedures and give clear directions about the way things need to be done.

Without many of the incentives available in the private sector, it can be a challenge for public sector senior leaders to motivate their employees. What's more, they may struggle with how to establish a positive working atmosphere that inspires people to deliver good public services.

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The Hudson study also found public sector leaders are more focused on long-term strategy and the creative process involved in building a vision. These are important aspects of mindful behaviour, which is considered effective leadership behaviour. The study found that public sector senior leaders are more oriented toward strategic leadership, one of the important aspects of leadership behaviour. And because the public sector presents unique conditions and challenges, it is crucial to identify employees who possess these important traits.

Once potential leaders are identified, they need to be nurtured. This includes formal and informal mentoring and training. For example, high-potential employees could be paired with senior employees for mentorship and coaching. Daily work also offers many opportunities to introduce employees to leadership situations. This could include making a presentation to management or heading up a team.

Through performance management, managers and staff members can discuss the employee's skills and lay out goals to put them on track for more senior roles. Formal training programmes involve future leaders learning skills and gaining knowledge in teamwork, managing conflict and organisational change, diversity and communication.

Leadership in any organisation is important, but developing good leaders in the public sector is especially crucial.

A vision for effective leadership

Leadership has some important common features across all sectors, but must also be adapted to the distinctive context of public services. The public sector itself is highly diverse in character, governance and size. Its boundaries have changed in recent years and will change again, and the concept of public service extends beyond the public sector. Nonetheless, some features of the public sector clearly distinguish it from the private sector: the political context, funding arrangements and accountabilities; the lack of market competition; the pressure to collaborate horizontally; and the distinctive ethos of public services.

A vision for effective leadership needs to reflect these features. It also needs to recognise:[7]

- personal characteristics that are not based solely around magnetism or charisma but also around the ability to motivate and bring the best out of others.
- organisational skills that recognise the complexity of contemporary organisations and focus on defining and communicating mission and strategy rather than issuing commands.
- the ability to work.

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Reshaping the organisational culture of public institutions

This is the time when we can have a rebirth in leadership and seize the opportunity to reform management practices in our public institutions. What does it mean to manage in government? Is that different from leading, and if so, what is that difference? Can managers be leaders? It is time to rethink management and leadership in the public sector.

With public trust in government at a low ebb and agencies struggling to do more with less, there has never been a greater need for leadership at all levels of government. We need a new paradigm for rethinking government management, one that can generate and empower new leaders at all levels and inspire a new generation of professionals to a calling in public service.[8]

Traditionally, government has been about hierarchy and structure, process and procedures, and order and discipline. The challenge facing government is that it has little choice but to capture many of the lessons being learned by innovative private-sector organisations about adapting to a rapidly changing world. The question is how.

The figure shows a transition where, as the government organisational model transitions from a top-down approach to a team-based approach – with empowerment, agility, and stakeholder engagement – the emphasis on leadership versus traditional management is on the rise.

Case Study: The changing role of public sector leadership[9]

The role of contemporary governments in Africa is very complex, especially with current issues of global interdependence, the communications and information technology revolution and the expectations of the public to be more involved in the decisions that affect their lives. With the advent of the Internet and open government, we need to acknowledge that the days of policy making behind closed doors might well be numbered.

As the support of government, the public service should work towards ensuring an effective administrative framework that delivers goods and services efficiently, maintains security, law and order and ensures access, fairness and justice – all of which are critical to a government that governs in a balanced manner. Hence the leadership function in the public service is crucial, while being well informed and able to deal with complex social problems it must recognise that, in the future, technology will have a profound impact on governance; that societies and the organised entities in them must be characterised by the learning mode; and that human resources rejuvenation is the key to renewal of the public sector.

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Despite huge strides in socio-economic development, leaders must be ready to continue to discuss fundamental public policy issues of poverty, education, housing, security and health as these will continue to dominate the public agenda. More importantly they will have to grapple with the dilemma of how governments can remain credible and focused when significant resources are not in their control or are assigned to organisations with limited ability to carry them through and lack accountability to the government. Leadership through good governance must be able to manage diversity, identify and develop key strategic areas, seek and nurture productive partnerships and focus on outputs as well as outcomes. The key leadership role would thus be to seek ways to build institutional, human resources and technological capacity to support governance.

The public sector leadership should equally measure up to the requirements of a quality culture in African organisations, a culture that gradually moves out of its traditional boundaries and transcends them to embrace compelling shifts in structure and content that discuss issues such as strategic vision and strategic planning, reengineering organisations by leading change, managing knowledge, internalizing quality, entering the digital age, building partnerships, managing for accountability and getting values and ethics right.

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Public sector leadership should respond to the real and daunting challenges facing African governments and enhance their capacity to deal with them. The key factor here is to differentiate between leading and managing. Leaders in the public service need to be constantly reminded of the need to go beyond management. In the words of Warren Bennis 'management is doing things right; leadership is doing the right things.' Effectiveness is what should be sought in programmes undertaken in the public service, or for that matter in any other field of work.

Effectiveness is very much a function of leadership, for effectiveness is not so much about the effort that went into carrying out a plan of action; rather it is whether the effort went into an action plan that is headed in the right direction in the first place. This kind of metamorphosis that is from management to leadership is going to have to deal with the intrinsic or personal elements of the individual leader. That is why it is equally critical to pay far more attention to the personal attributes of leaders in hoping to achieve what we want the public service to achieve as a whole.

Source: Elsir Mahgoub Ali, T (2007) The Role of Public Sector Leadership in Fostering Socio-Economic and Political Development in Africa, Ministry of Labour and Administrative Reform, Sudan.

Questions

1. How is governance linked to effective leadership in the public sector?
2. How might leadership, through good governance, be able to manage diversity, identify and develop key strategic areas of public administration?
3. Why is effectiveness a key function of leadership?

Transactional and Transformational leadership

Transactional leaders treat leadership as an exchange that is a transaction-relationship between themselves and their employees. In essence, they are saying, I will look after your interests if you will look after mine. Transactional leaders believe that employees are motivated by reward or punishment. These leaders give clear instructions to followers about what their expectations are and when those expectations are fulfilled, there are rewards in store for them and failure is severely punished.[10]

Transactional leadership is not a bad form of leadership, per se. In fact, it is part of the skill set needed of any effective leader. Transactional leadership, however, is not sufficient when it comes to creating significant change in an organisation or inspiring followers to achieve at higher levels. What is needed in these instances is transformational leadership.[11]

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Transformational leadership is unambiguously expected to decrease bullying, because transformational leaders strive to create an environment of trust, admiration, loyalty and respect, and they are also involved in the work process and focus on helping succeed each worker.[12]

Transformational leadership is about building relationships among people and creating real, significant change by emphasising values and creating a shared vision among those in the organisation. Transformational leaders generally rise during times of turmoil and change in an organisation. The first priority of a transformational leader is to identify and understand the needs of the people in the organisation and then elevate those needs. By focusing on their requirements, the transformational leader motivates people to achieve at higher levels and to produce the type of work they did not think they could. This increases the employees' beliefs in themselves and their abilities.[13]

Transformational Leadership's four elements[14]

Idealised influence

Idealised influence designates leaders seen as role-models by followers. They are admired, respected, and trusted. They inspire power and pride in their followers, by going beyond their own individual interests and focusing on the interests of the group and of its members.

Inspirational Motivation

Inspirational Motivation refers to the capacity of the leader to articulate in simple ways the goals and objectives of the group or organisation. It also refers to the capacity to create a mutual understanding of what is right and what is wrong. Transformational leaders provide visions of what is possible and how to attain it. They enhance meaning and promote positive expectations about what needs to be done.

Intellectual Stimulation

Intellectual Stimulation is linked to creativity and innovation. Through intellectual stimulation, transformational leaders help followers view problems in new ways. They encourage followers to question their own beliefs, assumptions, and values, and, when appropriate, those of the leader, which may be outdated or inappropriate for solving current problems.

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Individualised Consideration

Individualised Consideration means the leader is responding to each person's specific needs to include everybody in the 'transformation' process (Simic, 1998). Followers are developed to successively higher levels of potential. The transformational leader treats each member of the group as a unique person with specific needs, abilities and knowledge.[15]

Women's participation in economic and public life

Women's participation in economic and public life strengthens economic growth, equitable governance and public trust, from the community level to top policymaking circles. Equal access of both men and women to economic opportunities, in both the public and private sectors, contributes to a more equitable, sustainable economy. Public policies can only produce truly inclusive results when policy makers listen to both men and women, and integrate diverse perspectives.[16]

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Closing gender gaps in public life

Women's access to public leadership positions, whether in politics, the legal profession, the private sector or academia, remains elusive across the world. Women comprise only one in five parliamentarians and just 27% of judges worldwide. A mere 22% per cent of senior managers in economic and strategic positions in the European Union's public sector are women. Why are women still significantly under-represented in decision-making roles, despite increasing participation in the labour force and strong representation in the public sector? What does it take to empower women to lead in public life?

Strengthening women's voice

Despite progress and women's proven ability to lead, women's voter turnout is consistently lower than men's at both local and national levels across the world. What are the main barriers to women's political participation and expression? What is the role of government and political parties to address this gap?

Increasing the inclusiveness of policy making and programme delivery

The capacity of governments to incorporate gender considerations into government spending, policies and programmes – like looking at how different policy choices affect us – remains uneven. What does it take to develop more inclusive policy-making and budgeting processes? What are the main barriers to and opportunities for engaging a wide range of stakeholders in policy discussions?

Points

Leadership is an important and crucial variable that leads to enhanced management capacity, as well as organisational performance.

Transforming and directing the energies of others into purposive action requires the right knowledge and information, skills, abilities and attitude.

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The drivers of effective leadership are: the ability to inspire a shared vision, strategic thinking, decision-making, developing organisational talent, delegation and empowerment, creating and leading teams.

A vision for effective leadership recognises: personal characteristics that are not based solely around magnetism or charisma but also around the ability to motivate and bring the best out of others, organisational skills and the ability to work.

Transactional leaders treat leadership as an exchange that is a transaction-relationship between themselves and their employees.

Transformational leadership is about building relationships among people and creating real, significant change by emphasising values and creating a shared vision among those in the organisation.

Questions

1. Define the concept of public sector leadership.
2. Why is leadership essential in government services?
3. What might cause public leaders to be autocratic?
4. What are the characteristics of transactional public leaders?
5. Why might public leaders be sometimes obliged to adopt transactional leadership?
6. What are the elements that form part of a vision of effective leadership?
7. Why is it essential for public leaders to develop transformational leadership?
8. Identify some critical components of effective leadership.
9. What are the four elements of transformational leadership?
10. Why should women be encouraged in public sector leadership?

Further Reading

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6 MOTIVATION IN THE PUBLIC SECTOR

Goals

Understand and explain the concept of public sector motivation.
Define the concept of motivation.
Understand key issues motivating public officers.
Learn some selected motivational theories.
Identify the key levers in measuring public service motivation.
Understand some applications of public service motivation
Discuss the difficulty of motivating public officers.
Understand the need for motivating public officials.

Introduction

Motivation has long been a central topic for scholars and practitioners. An abundance of theories and approaches were developed to explain the nature of employee motivation. Another handful of studies were conducted in an attempt to discover whether public sector employees have different motivation antecedents than their private sector counterparts. And a special motivation theory, called Public Service Motivation (PSM), was conceptualised to explain how public employees differ from private workers in the level and type of their intrinsic desire to work and serve.[1]

Improving management functions and procedures of human resources in the public sector is a continuous and constantly evolving process. From the public officials the citizens and society require effective work in providing public services to the population. In comparison with the private sector, a lower efficiency in public sector is still noticeable in the world. The efficiency of state and municipal authorities depends not only on the education, competence and abilities of public officials. The efficiency of human resources motivation system has a significant impact on the effectiveness of state and municipal authorities. For the purposeful work results of the administration offices of human resources, it is important to analyse not only the existing functions and procedures, but also to investigate the factors that affect the motivation of human resources in performing the functions and procedures well.[2]

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Factors motivating public servants

The notion that people are motivated to work in the public service due to altruism, a desire to serve, or a wish to have an impact on society is a long-standing one. It is closely associated with the idea of public service ethos, which is rooted in an understanding that the public service is different from the private sector, both because of the tasks it performs and the behaviours it expects of its employees. Public service motivation is not the only or even the most important criterion of people choosing to take up, or remain in, public service employment. Recent research cites the superseding importance of good, or at least market-rate, levels of pay and security of tenure. The prevailing economic situation in the country and longstanding cultural issues which impact on the prestige and social standing of public officials are likewise relevant.[3]

However, public service motivation does matter, and among the intrinsic reasons that come into play when people chose where to work it is highly significant. Against a backdrop of global recession, many governments are increasingly seeking to reform their public service, reducing cost and increasing efficiency and effectiveness in the delivery of services. These changes are needed.

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Research is cautious against ignoring or minimising the negative impact on employee motivation and engagement of changes to terms and conditions and ways of working. In circumstances where extrinsic motivations are significantly constrained or even reduced, as is the case currently in the Irish public service, it is critical that managers are very aware of the importance of fostering and supporting the intrinsic motivations of employees.

Motivational theories

To grasp concepts of public sector motivation, it might be useful for learners to get an overview of the general motivation theories and think of their relevance and adaptability to public administration. A summary from Your Coach website allows us grasp the key concepts of motivation without going into much detail.[4]

Needs motivation theories

According to needs theories of motivation, motivation is 'the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual need'.

A need in this context is an internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that drives the person. These drives then generate a search behaviour to find particular goals that, if attained, will satisfy the need and lead to the reduction of the tension.

Needs are physiological or psychological deficiencies that arouse behaviour. These vary over time and place, as the can be strong or weak and influenced by environmental factors.

Equity theory

John Stacey Adams' equity theory helps explain why pay and conditions alone do notdetermine motivation. It also explains why giving one person a promotion or pay rise can have a demotivating effect on others.

When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation.

Employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others. The belief in equity theory is that people value fair treatment which causes them to be motivated to keep the fairness maintained in the relationships of their co-workers and the organisation.

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Alderfer's ERG motivation theory

Clayton P. Alderfer's ERG theory from 1969 condenses Maslow's five human needs into three categories: Existence, Relatedness and Growth.

Existence Needs

Include all material and physiological desires (such as food, water, air, clothing, safety, physical love and affection). Maslow's first two levels.

Relatedness Needs

Encompass social and external esteem; relationships with significant others like family, friends, co-workers and employers. This also means to be recognised and feel secure as part of a group or family. Maslow's third and fourth levels.

Growth Needs

Internal esteem and self-actualisation; these impel a person to make creative or productive effects on herself and the environment (for instance, to progress toward one's ideal self). Maslow's fourth and fifth levels. This includes desires to be creative and productive, and to complete meaningful tasks.

Vroom Expectancy Motivation theory

Whereas Maslow and Herzberg look at the relationship between internal needs and the resulting effort expended to fulfil them, Vroom's expectancy theory separates effort (which arises from motivation), performance, and outcomes.

Vroom's expectancy theory assumes that behaviour results from conscious choices among alternatives whose purpose it is to maximise pleasure and to minimise pain. Vroom realised that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. He stated effort and are linked in a person's motivation. He uses the variables Expectancy, Instrumentality, and Valence to account for this.

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Case Study: Motivation of Public Service Officials[5]

While public services are constrained in their ability to compete for top talent, it may not actually be in their best strategic, long-term interests to compete. Resources will always be a limiting factor, and the vagaries of human nature make the management, let alone motivation of public service officials challenging in the best of conditions. The discussion in this summary seeks to offer inspiration, insight and instruction as a starting point on the crucial journey to improve motivation in the public service. Public Service Motivation (PSM) is 'a person's inclination to respond to intentions grounded primarily or uniquely in public institutions or organisations'. It is a predisposition to provide services for the benefit of society.

Private and public sector workers differ in their intrinsic motivation to serve. The amount of effort that workers exert depends on factors such as personality and the type of intrinsic and extrinsic rewards that they respond to. Workers in the public service sector are typically seen as more altruistic than their private sector counterparts.

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An individual's PSM values influences his job choice and work performance; those with greater PSM values are often drawn to the government service. In a British study of longitudinal data, it was found that employees working in the public sector are attracted because of the intrinsic rewards and so, are more likely to be committed to their organisation. The authors also observed that larger numbers of people who are not intrinsically motivated accept jobs in the public sector when the extrinsic rewards are high.

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One study has identified four factors that draw people to the public service: attraction to public policy making; commitment to public interest and civic duty; self-sacrifice; and compassion. Another study classified motives for public service into different helping orientations.

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Source: UNDP Global Centre for Public Service Excellence (2014) UNDP Global Centre for Public Service Excellence.

Questions

1. Why are public officers attracted to intrinsic rewards in the public service?
2. What is the rationale for public service motivation?
3. What motivational differences might exist between public and private sector officials?

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Public service motivation

Motivation describes a reason or reasons for acting or behaving in a particular way. Typically, a desire and willingness or enthusiasm is implied. It is these positive attributes that energise, direct and sustain the relevant behaviour. People are motivated by many different considerations to work for and in government. The public sector has traditionally offered some strong extrinsic motivators that might attract people, such as security of tenure, career and development opportunities and the pension system.[6]

Vandenabeele (2008) has also identified 'quality of life' as an attraction of public sector work, with people having the impression that the public sector affords better flexibilities for those combining work with family or other commitments.[7] However, these extrinsic or rational considerations, which might lead a person to seek public sector employment lie outside what is widely understood by the terms 'public service motivation' (PSM). Rather PSM relates only to the notion that 'people are oriented to act in the public domain for the purpose of doing good for others and society'.

Measuring public service motivation

Much of the early research on public service motivation focused on establishing the existence of public service motivation by showing that public sector employees value intrinsic rewards more, and extrinsic rewards less, than their private sector counterparts (Wright, 2008).[8] Public service motivation was seen to be only connected to altruistic motives. Consequently, the level and type of a person's public service motivation, and other research propositions such as the prevalence of public service motivation and its impact on performance remained unanswered.

Initial steps to develop a public service motivation scale that could be used for research were made by Perry (1996).[9]

The twenty-four item scale is divided across a range of distinct dimensions or reasons why people are attracted to public service work (Perry, 1996; Wright, 1998). A few dimensions are mentioned below.

Public policy making's attraction

From a rational or individual utility maximisation perspective, it is suggested that people are attracted to public policy making as a way of maximising their own need for power, sense of importance or as a way of advocating a special interest that would provide personal benefits.

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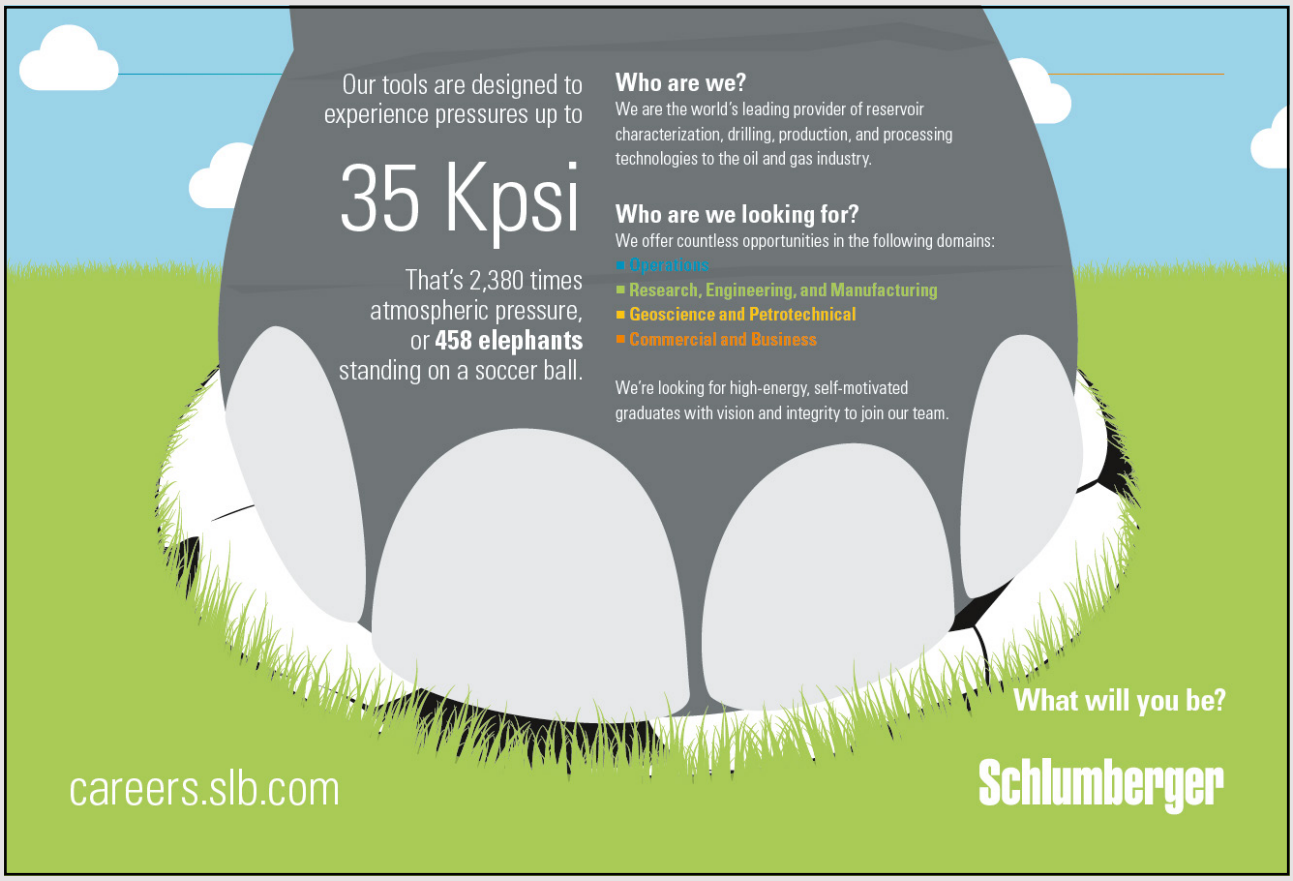
Desire to serve public interest

In other words, having a sense of obligation to society. As people work for the government, the implicit intention is that they are contributing something to society. A teacher, for instance, sells his expert teaching and knowledge to train students to become learned. In the same way, a doctor's responsibility is to save lives while working for the State.

Compassion or self-sacrifice

Dimensions that represent service as an emotional response to humankind. This is somewhat difficult to interpret as people might be attracted to money in the public service. There might also be the relevance of self-sacrifice as giving oneself to a job for the benefit of society. This might come from long hours of research that is publicly funded but of great use to society with perhaps some self-satisfaction to the researcher.

According to Wright (2008) Perry's contribution was significant as it provided 'a more comprehensive and theory-based conceptualisation of public service motivation than earlier approaches which only recognised altruistic motives for public service while ignoring the possibility that self-interested or rational motives might also exist.'



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Practising public service motivation

The table below provides both a strategy and tactics-oriented perspective in understanding how public service motivation concepts could be applied. Basically, strategies deal with the purpose or intention of key public service motivation concepts like meaning and purpose of jobs, and supportive environment. while tactics detail how the strategy can be put into concrete action that the public officer might be entitled to undertake.

Strategy	Tactics
Integrate public service motivation into HRM processes	• Use PSM as a selection criterion for entry into the public service • Provide opportunities for new recruits to learn about organisational values and expectations of employee behaviour that reflect public service values • Utilise performance appraisals that are not just task related but also reflect on competencies specifically relevant to public service work
Create and convey meaning and purpose in the jobs	• Convey social significance of job, if possible establish opportunities for direct contact between employees and beneficiaries of the service • Establish clear linkages between each employees' job and the overall mission of the organisation
Create a supportive work environment for public service motivation	• Create work structures that enhance self-regulation and empower employees • Commit to creating a supportive workplace environment and encourage cooperative workplace interactions • Align incentives with employees' PSM values • Design compensation systems that emphasise long-term attractiveness to employees and do not crowd out intrinsic motivations, for example pay increases on promotion
Integrate public service into organisation mission and strategy	• Articulate organisation vision and action that reflect commitment to public service motivation • Promote value-based leadership.

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Create societal legitimacy for public service	• Partner with educational and other institutions to incorporate public service values into curriculum • Advocate and provide opportunities for pre-employment public service experiences • Use media to bring public service to attention of society

Source: Paarlberg L., Perry, J., and Hondeghem, A. (2008). From Theory to Practice: Strategies for Applying Public Service Motivation, Oxford University Press.[10]

Government's appeal for employee motivation

Most governments call for employee motivation. In difficult times, government may be willing to emphasise sacrifice and commitment from employees. A slogan like 'The call too work and sacrifice' is commonly heard during the reading of the budget speech or a talk to employees.[11]

Such a situation presses employees to become wearier and more cautious. At this stage, it may be correct to accept that employee motivation reaches the lowest level. Motivation is therefore difficult to assess in the public sector even if government claims that the general mood of the nation is good.

Evidently, money is not a motivator as motivation theory suggests that it only reduces dissatisfaction. The real motivator should be work. At work, employees want to be recognised for their contribution and like to feel responsible for what they do.

It is worth noting that the level of commitment and motivation can dissipate over the years. When employees feel that the nature of their job keeps them stagnant, their motivation level declines. Younger employees may show more enthusiasm if they get a decent job with status and sound remuneration.

Insight: Why public officers are harder to motivate?[12]

In these highly-visible environments, managers need government workforces to be highly engaged if they are to succeed. This requires that public sector leaders understand and discuss factors that make increasing engagement in the public sector a special challenge. Here are seven factors that make motivating government employees difficult, plus one factor that is an advantage – and how managers can discuss them.

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Prevailing negative attitudes about government and government employees

Critics of government, including politicians and some media, portray public sector employees as overpaid and underworked. Understandably, these images hurt employee morale and engagement. One approach to mitigating this situation is to show public employees that their agencies are working to educate the public about what they do and how it affects the public's wellbeing. This can be done through press releases, public forums, websites, social media, and even outreach to schools. Managers can make employees aware, too, of how much power they have to shift public opinion.

Hard-to-measure achievement

Few things are more engaging than making important progress toward goals, but the goals of public-sector organisations are often hard to translate into objectively measurable units. Government managers must therefore clearly articulate long-term missions, values, goals, and impacts – and help employees see how their work connects. As one local government public servant put it: 'When I found myself getting down, I would head to the front lines. Being among the citizens we served reminded me why I was there and why it was important to keep fighting.'

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An older workforce

The government workforce is more educated and more white-collar than the private-sector workforce. It is also older. Government managers can leverage the upside and minimise the downside of these demographics by emphasising the kind of engagement that comes with applying long experience to solving critical problems. Managers can also maintain vitality in their groups by openly discussing retirement and helping older employees ease gracefully into the next phase of their lives. At the other end of the employee life cycle, it is crucial to recruit highly motivated new people to replace the departing baby boomers.

Constraints on the use of financial incentives

Government agencies usually can't provide performance incentives like large pay raises and bonuses; or perks like stock options, fitness centre club memberships, and car services. Faced with limited ways to reward and recognize performance, government managers need to focus on agency mission and impact, and also provide nonfinancial recognition. This includes adopting workplace flexibility practices, and providing non-financial recognition that sometimes means simply saying "thank you" and praising good performance.

Public visibility of government

The work of government is uniquely visible, due to open meetings/records laws that require agencies to meet in public and also provide, on request, meetings minutes, memos, decision documents, emails, and even text messages. This transparency means that public-sector managers committed to improving engagement need to help employees feel safe and secure, allowing them to feel comfortable voicing opinions, taking risks, and innovating.

Different employee motivations

Research has shown that public servants find meaning in their work by making a positive difference in the lives of the citizens they serve. This is an advantage in building engagement. Many employees enter public service because they are already committed to the mission of government. Agencies need to find, aggressively recruit, and then hire job candidates who are motivated by public service. Managers must then leverage public-service motivation by involving employees in decisions and helping them see and appreciate their individual contributions.

Points

Improving management functions and procedures of human resources in public sector is a continuous and constantly evolving process.

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According to needs theories of motivation, motivation is 'the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual need'.

The belief in equity theory is that people value fair treatment which causes them to be motivated to keep the fairness maintained in the relationships of their co-workers and the organisation.

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Private and public sector workers differ in their intrinsic motivation to serve. In a study of, it was found that employees working in the public sector are attracted because of the intrinsic rewards and are more likely to be committed to their organisation.

A few dimensions of measuring public motivation are: attraction to public policy making, a desire to serve the public interest, and Compassion and self-sacrifice.

A few factors that make motivating government employees difficult are: hard-to-measure achievement, an older workforce, public visibility of government, constraints on the use of financial incentives.

Questions

1. Why is motivation important to the public sector?
2. What are the key issues affecting employee motivation in the public service?
3. What is the relevance of Alderfer's three factor motivation theory?
4. How might expectancy influence public service motivation?
5. Explain the concept public service motivation.
6. Provide some applications of public service motivation.
7. Identify some key levers in measuring public service motivation.
8. Why is it hard to motivate public employees?
9. How might an old workforce be a constraint to public service motivation?
10. How might public visibility better motivate public employees?

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Further Reading

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7 CHANGE MANAGEMENT IN THE PUBLIC SECTOR

Aims

Introduce and develop the concept of public sector change management.
Explain the concept change management.
Explain the three levels of public sector change.
Discuss the need for change in the public sector.
Identify internal and external sources of change in the public service.
Discuss some new cultural values of change in the public sector.
Argument for employees resisting change in the government.
Learn the practical steps to embrace change in the public service.

Introduction

Change is a major component of a person's working life. Joining an organisation at a relatively young age, progressing during his career and ultimately attaining the top level are illustrations are changes taking place in the life of the public officer. While these changes are unavoidable and broadly unquestionable, changes at work might be issues where the employee finds himself in conflict with what she is actually doing and what might be expected of him in the future.

Change is a necessity for most organisations and the public sector is not exempt from it. It has been seen that public organisations are now espousing change more quickly than ever before because of the impact of internal and external factors. The need to downsize can be an external factor for change, the need to abide by new technology at work could be an internal factor for change.

Although change is essential, it may have some effect on the worker. For instance, an elder public officer might consider change to be a threat to him while this might be better espoused by a younger worker. The fear of the unknown, the threat of being surpassed by others and the apprehension that existing privileges might be lost could be some compelling forces that might undermine change.

This chapter starts by defining change and moves forward with an explanation of factors influencing public sector change and ways on how to bring about change in the most acceptable way.

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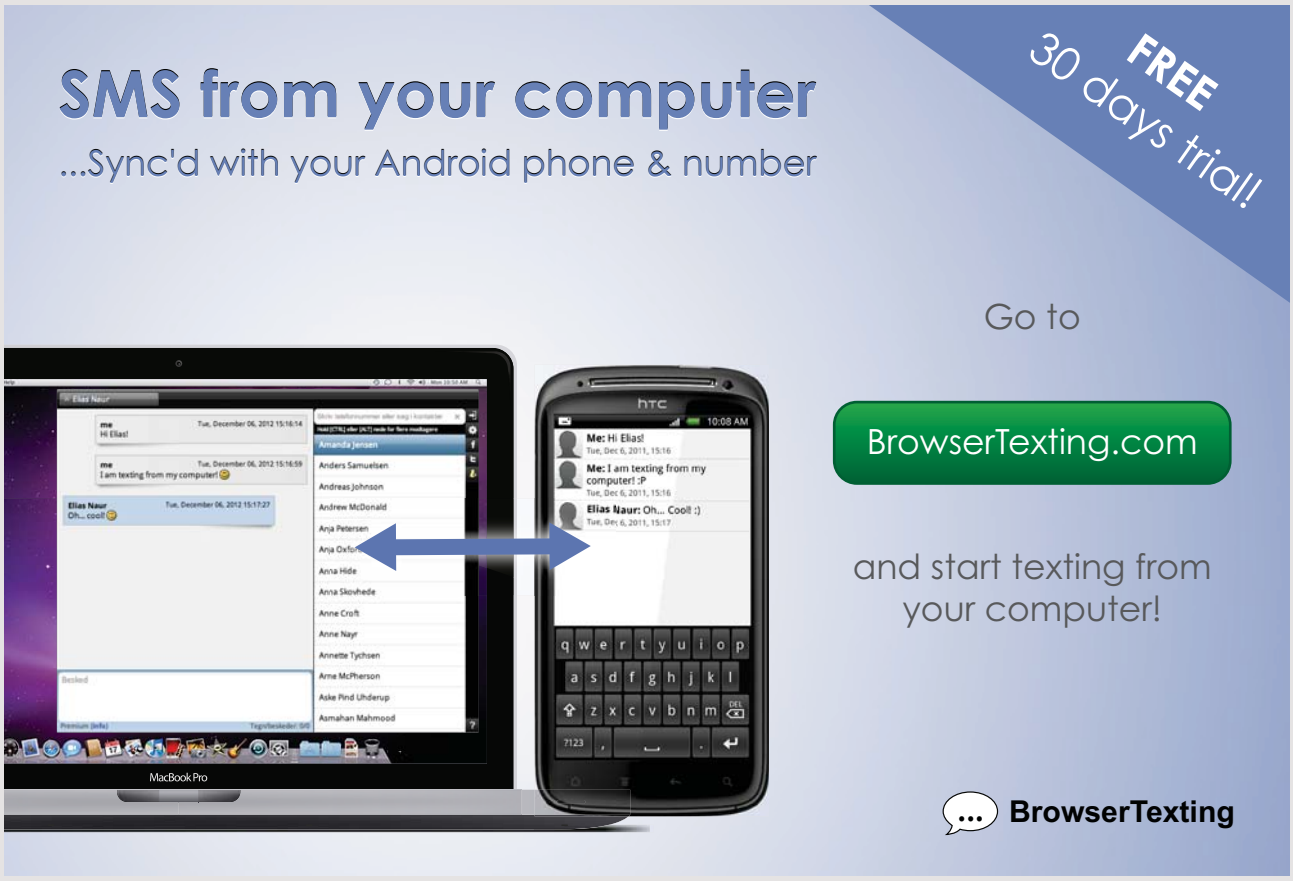
Defining Change management

Change management is the discipline that guides how companies prepare, equip and support people to successfully adopt change to drive organisational success and outcomes.

While each change and person is unique, decades of research show there are actions we can take to influence people in their individual transitions. Change management provides a structured approach for supporting people in any organisation to move from their own current states to their own future states.

Change management's Three Levels: Individual, Organisational, and Enterprise

While it is the natural psychological and physiological reaction of humans to resist change, we are actually quite resilient creatures. When supported through times of change, we can be wonderfully adaptive and successful.



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Individual change management

Individual change management requires understanding how people experience change and what they need to change successfully. It also requires knowing what will help people make a successful transition: what messages do people need to hear when and from whom, when the optimal time to teach someone a new skill is, how to coach people to demonstrate new behaviours, and what makes changes 'stick' in someone's work. Individual change management draws on disciplines like psychology and neuroscience to apply actionable frameworks to individual change.[1]

Organisational Change Management

While change happens at the individual level, it is often impossible for a project team to manage change on a person-by-person basis. Organisational or initiative change management provides us with the steps and actions to take at the project level to support the hundreds or thousands of people whom a project impacts.

Organisational change management involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change. Organisational change management then involves creating a customised plan for ensuring impacted employees receive the awareness, leadership, coaching, and training they need to change successfully. Driving successful individual transitions should be the central focus of the activities in organisational change management.

Organisational change management is complementary to your project management. Project management ensures your project's solution is designed, developed and delivered, while change management ensures your project's solution is embraced, adopted and used.

Enterprise change management capability

Enterprise change management is an organisational core competency that provides competitive differentiation and the ability to adapt to the ever-changing world. An enterprise change management capability means effective change management is embedded into your organisation's roles, structures, processes, projects and leadership competencies. Change management processes are consistently applied to initiatives, leaders have the skills to guide their teams through change, and employees know what to ask for to be successful.

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The end result of an enterprise change management capability is that people embrace change more quickly, and organisations are able to respond quickly to market changes, embrace strategic initiatives, and adopt new technology more quickly and with less productivity impact. This capability does not happen by chance, however, and requires a strategic approach to embed change management across an organisation.[2]

Change and public service

Organisational change is a reality of the 21st century. The forces for change are largely external, coming from increased demands brought by customers, competitors, suppliers, markets, government regulations and the advent of new technologies. Acquisitions and downsizings pose additional significant demands.

There are also common internal motivators such as: dissatisfaction with current performance when compared to established goals; the need to implement and gain the full benefit of new technologies; the increasing expectations of key people, especially senior management; new demands from the workforce, for example, for more influence, information, and increased skills; and, finally, the force of shared values that guide the organisation's desired relationships with customers, employees, and the community.

These issues are no less compelling for those who labour in government departments and roles. They are facing demands to 'industrialise' so as to become 'lean and mean.' These demands come from taxpayers, government officials and others who are horrified with the waste and poor service record that have been identified in all manner of government processes over many years.[3]

Need for public sector change

Today's world is highly competitive and demanding. Society is better informed and expects more from public and private organisations alike. Traditional public processes and institutions are less effective in satisfying people's needs. Globalisation, the wide use of communication and information technologies, and the coming of the knowledge society, among other factors, are rapidly changing the world's order. This has created new challenges to nation-states as people's expectations from government have increased, job seekers are more demanding on job content, and societies call for more investment in education, health, and society but are unwilling to pay more taxes.[4]

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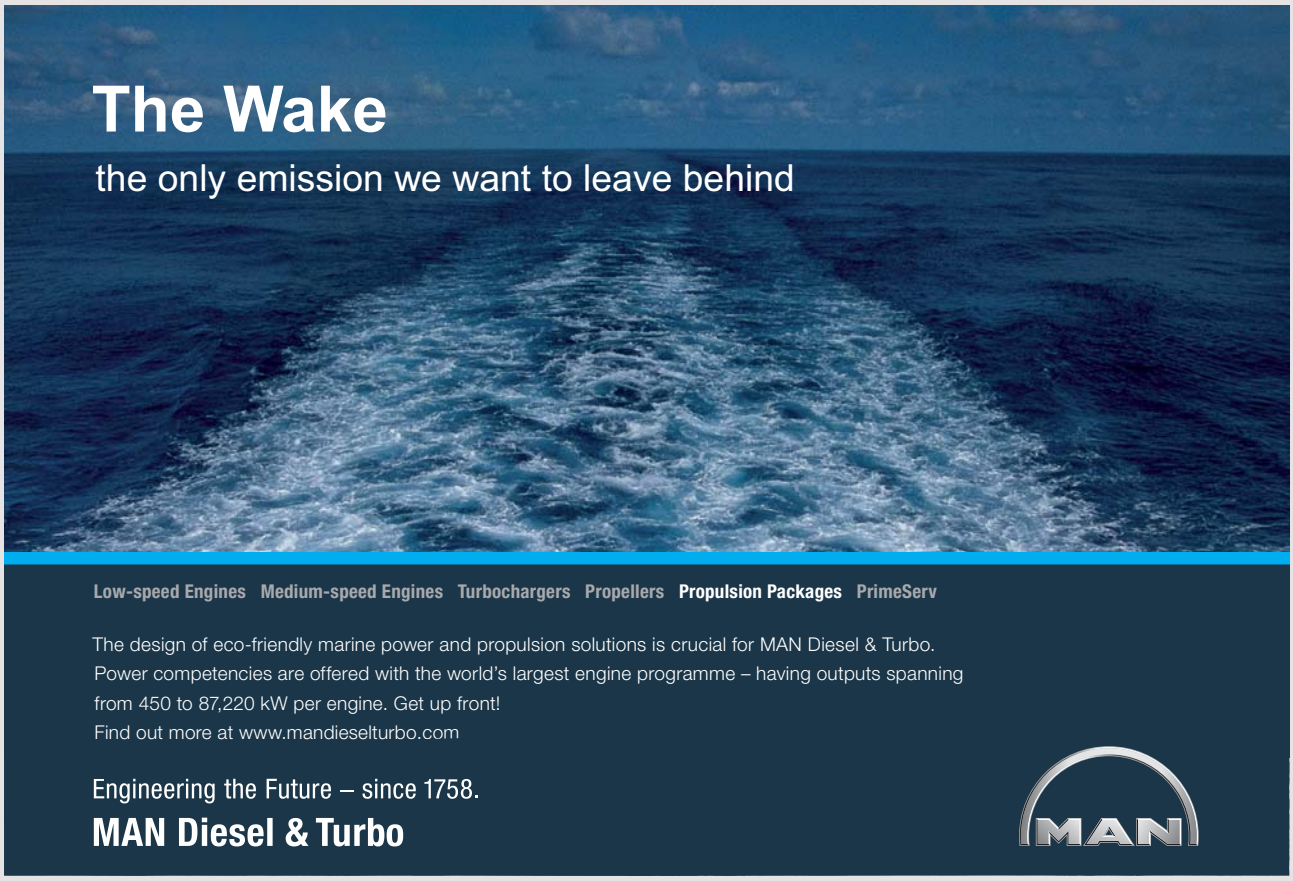
Personnel systems are becoming less adaptive to these new challenges. Traditional practices in public administration are the product of a different context with different priorities. Now, governments have a new role in society and are taking on new responsibilities but generally without tools to manage them. Public managers are expected to improve the performance of their organisations focusing on efficiency, effectiveness, and propriety which were not the priorities 50 years ago. Therefore, to respond to a changing environment, the public sector has to transform its structures, processes, procedures, and above all, its culture.

Public sector change and reform

Change and reform are two concepts commonly used in political and academic discourse. In politics, for instance, policy-making is described as a change-oriented activity aimed at transforming, modifying or altering the status quo. The notions of change and reform are used interchangeably but that, however, is not necessarily always appropriate. Reform is only one way of producing change; it implies a special approach to problem solving. Sometimes changes in organisations are part of any reform and some reforms produce little or no change at all. Whereas change as transformation or alteration may be an intended or unintended phenomenon, reform is a structured and conscious process of producing change no matter its extent. Reforms can occur in political, economic, social and administrative domains and contain ideas about problems and solutions.[5]



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Internal sources of change

Citizens' dissatisfaction, diminished trust in government and public participation in policymaking constitute a trigger force for change in government. The ability to manage change is determined, to a large extent, by the inclusion or exclusion of public participation in the definition of the reform agenda. Although an inclusive policy-making process demands more consultation and negotiation, it certainly encourages support for the reform initiative, particularly for long-term solutions, legitimises the entire process of policy-making, strengthens commitment from all stakeholders to the reform, and accelerates the acceptance and management of change.

For instance, Waugh (2002) argues that 'direct public participation in policy deliberations on environmental risk increases both the likelihood that the policy choices will fit local needs and the likelihood that local capacities to address community problems will expand.'

Internal events such as economic crises, political turmoil, ineffective response to natural disasters, health and sanitary emergencies may also provoke changes at the interior of the public sector to deal with problems better. In such cases, managing change may turn a complicated issue as the lack of information and awareness, and even mental and emotional preparation would hamper the acceptance of change. The introduction of a reform initiative poses the problem of adaptation to new circumstances. Incremental reforms, in contrast, would ease the understanding of change and diminish resistance.[6]

External sources of change

The external environment is changing fast and countries have a growing need for adaptations. However, countries are constrained by a complex interplay of agents from the public and private sectors at global, international, national and local levels. Constant interaction and dependence on resources have led national governments to be part of self-organising and interdependent policy networks. This factor has imposed significant restrictions on countries' ability to define independently their reform agendas because the introduction of change will produce a reaction from other members of the network as they are interrelated. Failing to acknowledge other agents' interests may result in policy failure and resistance to change.[7]

The transfer of ideas, innovations, and best practices among countries has been facilitated by global, international and transnational sources of policy change. The level of dependence among members of a policy network determines whether a process of policy transfer is coercive or voluntary and, in doing so, contributing to our understanding of the origins of change in government.[8]

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Expected new cultural values of public sector change

Public sector reforms are complex, in many cases unpopular, contested, fraught with risk, and require a long time to produce results and prove their benefits. This fact begs the question of how to maintain legitimacy, increase support, sustain the impetus for reform and avoid continuing losing people's trust while introducing controversial but needed reform initiatives. Effective management of change techniques should contribute to keep up the momentum for reform while overcoming any opposition to change.[9]

Traditional Values	Instruments of Reform	Expected New Cultural Values
Hierarchies of control	Citizens empowerment	Accountability
Conformity	Policy dialogue	Openness
Impersonality of work	Normalisation of employment conditions	Transparency
Authority through position	Delegation of authority	Efficiency Effectiveness
Command-control paradigm	Performance-oriented focus	Authority through leadership
	Trusted leadership	Managerial culture

Factors leading to resisting change

There are several factors leading to resistance to change in the public service. These are detailed below.

Lack of coherence of the reform and consistency with other reform initiatives may produce confusion and generate opposition

Reform initiatives may all come along in the government. This can be something affecting different ministries including parastatal bodies at a single time. It is important that the various reforms should have some degree of commonality to ensure that the reform remains focus and people see the change in a more focused manner.

Fear and uncertainty to a new work environment generate opposition to a reform initiative

New work environments could be impediments to change. For example, shifting to new offices and working under different conditions like flexitime could be barriers to ensuring effective public sector change since old customs and routine are harder to remove than accepting change.

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Negative implications perceived by people and groups may trigger resisting change

Negative implications of change are seen in the form of longer working hours, the need to learn and get trained, and getting used to new systems at the workplace including the loss of existing privileges. Sometimes viewed as 'worse than before', change becomes difficult to espouse.

Stakeholders may oppose a reform initiative's complexity if leaders and managers explain reasons unclearly

Leaders need to have the ability to bring transformation among the employees surely through administering change using transformational leadership. If this is not achieved, employees perceive such change to be rather 'undermined' than being a real need for the organisation and this is where the success of change is threatened.

Imposing change may generate opposition towards the reform initiative

The worse problem affecting change is through the imposition of ideas and strategy. If change becomes something mandatory, it will be difficult to reach consensus from public officers and also become very difficult in transmitting the change philosophy down the line.

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People at an organisation's different levels may perceive change differently

All people in the organisation may not have the same perception of change. Some can understand the need immediately while others, by virtue of their culture, skill or perception, think that change was unnecessary and that this is rather a position that favours management rather than themselves. Such resistance to change might be risky.

Diminishing human factor's value in process of change

The change process should involve human beings. It depends on the interaction of people to change and how they can negotiate, co-opt and even resist change initially. The psychological involvement of people in change is useful because this is where the real threats or questions affecting workers can be debated openly.

Lack of information and communication may increase uncertainty and distrust causing resistance to change

Once again, the need to have a clear line of communication with full explanation of change, its consequences, its benefits and certain shortcomings, need to be exposed so that arguments could be debated and the notion of change could be better understood.

Insight: Change Management Challenges in the Public Sector[10]

In the public sector, these shared issues with the private sector can be exacerbated by budget constraints, rules and regulations, employee morale, accountabilities and, in some cases, lack of motivation. Leaders must take the extra steps to include a comprehensive change management plan in their Employee Resource Planning (ERP) implementation. In many cases, this starts with comprehensive training of the leadership team. Following are five key steps to address potential challenges:

Clearly define implementation goals and objectives

Spend the time explaining how the ERP implementation fits with mission of the public sector entity. One can start with the concept of return on citizenship (ROC). Similar to what the private sector calls return on investment, ROC is the bedrock of the any public sector entity that spends taxpayer dollars to provide a service to their constituents. An ERP implementation is a way to enhance and improve that service. While it sounds obvious, ROC is often overlooked.

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Provide comprehensive training for leadership

Comprehensive ERP implementations are not common in the private sector, much less in the public sector. Therefore, it is important to take the time to train and inform leadership and project team about the purpose of the ERP implementation, their roles and responsibilities and what to expect throughout the implementation.

Include organisational change management

From a research that companies with effective change management and communications plans are 3.5 times more likely to outperform industry peers. In the public sector, this number is even higher. A change management plan includes taking the time to establish organisational readiness, conduct business process mapping, prepare workforce transition and training strategy documents, conduct change agent training, and prepare a change impact analysis. In addition, a communications plan needs to be prepared that includes strategies, tactics, target audiences, key messages, timing and activities.

Acknowledge the 'elephant in the room'

An ERP implementation will change the way employees perform their jobs. There will be resistance not only from the expected areas but also from unexpected and maybe even unknown areas. Be honest about this fact and address the pessimists by having a plan in place. There will plenty of unexpected bumps along the way so be wary of passive aggressive personalities, especially among key influencers in work groups.

Embrace and address Unions

Make unions a partner in the process and engage them from the onset of the Employee Resource Planning (ERP) implementation to ensure they have a clear understanding of goals and impacts. If there will be staffing implications, resolve them before you go-live. Partnering with unions will pay huge dividends in the success of your ERP implementation. Ignore them at your own peril.

Case Study: Managing change in public sector organisations

Public sector organisations are often perceived as resisting change. Many public sector organisations seek capacity – the ability to get things done – but not change which is a different way of doing old and new things. The introduction of increased use of appropriate change management strategies and methods in development cooperation will often be resisted due the difficulty of precise definition of their results and the uncertainty of their outcomes.

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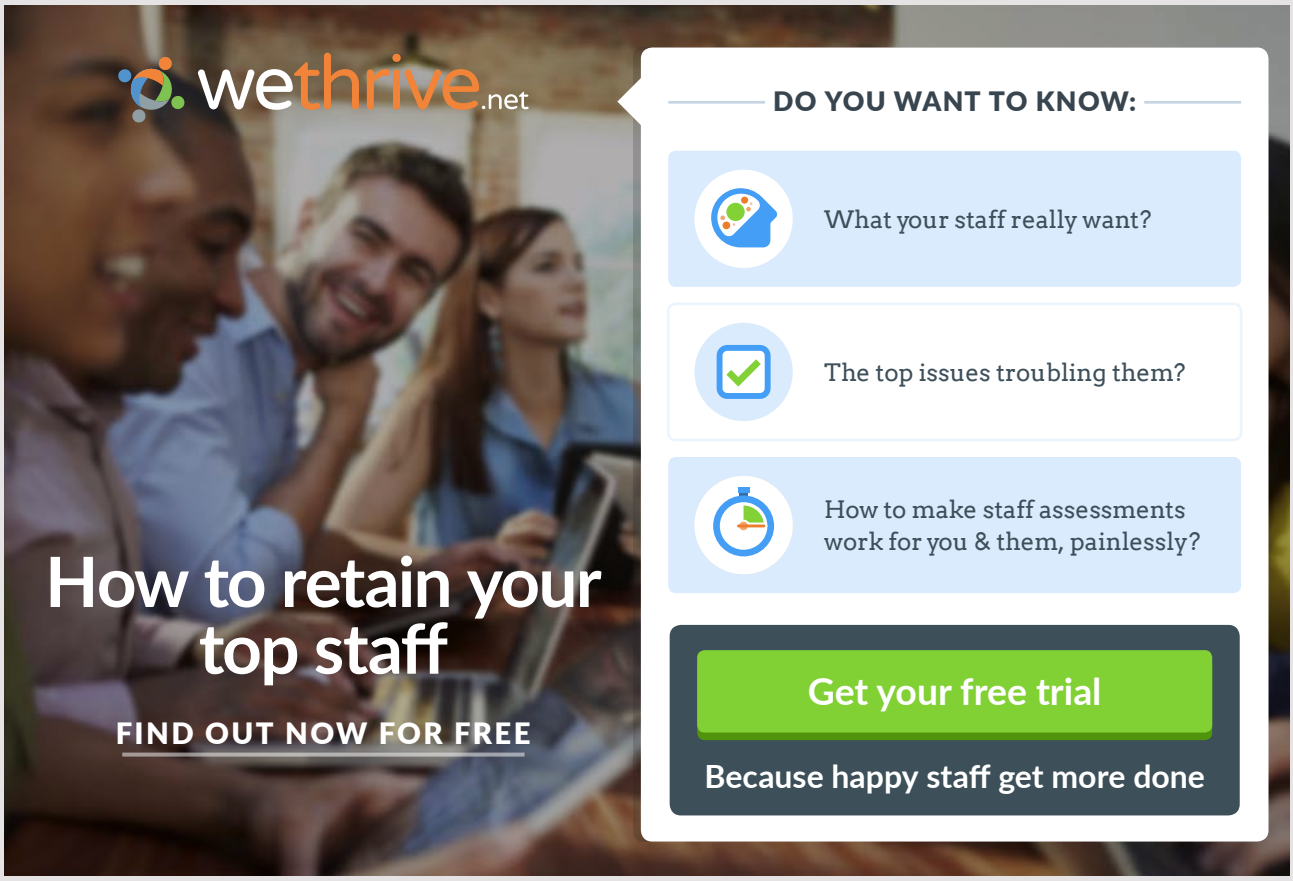
For many development practitioners change and capacity are distinct, but the evidence suggests that they are intertwined. Hence, it is important to understand what aspects of the status quo can be changed so that capacity development can take place. Identifying the boundaries of change management work is important as is identifying the risks and potential mitigation. Moreover, this is needed to manage expectations accordingly.

Different actors in change process have different powers and exert different influences. Thus, there is a risk that change model may represent 'political fix' – reflecting the interest of the more powerful players – or a response to donors' pressure as 'external drivers for change' without a genuine commitment, thus risking failure of the change effort. Change initiatives need to have a powerful guiding coalition and endogenous support, hence the importance of focusing on power relations and dynamics in the institutional landscape, as well as taking a more objective look at the role of donors as either drivers or facilitators of change cannot be overemphasized.



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Change models and processes that aim to change the culture of the organization are difficult to operationalise, because of the inherent difficulty in uncovering the informal systems that guide peoples' behaviour. Hence, using a mix of insider knowledge and experience, with objective outsider (outside to the organisation undergoing change) expertise and facilitation is essential throughout the process.

Increasing utilisation of appropriate change management strategies and methods will require:

- A highly flexible approach to result-based planning, budgeting and management that can capture process results and costing, as demanded by change management.
- Training for development agency personnel in process facilitation, negotiation and other specific change management methods and skills;
- Capacity development in this field requires experts, local and international, who have not only technical expertise but also coaching, management development and mentoring skills, to facilitate rather than direct.

Source: Capacity Development Group, UNDP (2008) institutional reform and change management: managing change in public sector organisations, Conference paper no. 5 working draft, November 2006.[11]

Questions

1. Why are change and capacity distinct while being intertwined in the public service?
2. Why should change initiatives need to have a powerful guiding coalition and endogenous support to be successful?
3. What are the appropriate change management strategies needed to bring change in the public sector?

Insight: A Practical Guide to Change in the Public Sector

Davis et al (2012) stated that public-sector organisations also struggle to make change stick, with many of their failures catalogued by the media in painful detail. What state has not tried to reform its health-care system, improve its public-transportation network, or implement a major IT programme only to give up after several years of minimal impact and ballooning costs? The dispersed accountability of government agencies and the intense public scrutiny given to the public sector combine to make real and lasting reform quite challenging to carry out.

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Because of the confluence of several forces, pressure is increasing on governments to undertake large-scale reform. The lingering impact of the global financial crisis, a long wave of retirements among the baby boom generation, and the new expectations and demands of a Web-connected citizenry are forcing governments to change how they do business – whether by creating new methods of service delivery or significantly cutting costs. On top of this pressure, the complexity of public problems – such as achieving stability in global financial markets – means that we are asking more of our public servants now than ever before.

These challenges can be readily overcome. By focusing on some specific aspects of leadership alignment, programme management, and execution, government organisations can substantially increase their odds of success and deliver lasting impact. And this effort can be made in addition to the normal course of operations if the leaders of these organisations are appropriately supported, allowing them to focus on the issues that are essential to making the desired change happen.[12]

According to Davis et al (2012), there is a proven approach can mitigate risks and help tame the multi-headed beast that major reform represents for a government agency. BCG's experience with scores of public-sector transformation programs suggests a set of five principles to guide the effort and raise the odds of success:

Recognise good policy is just the start

Public leaders should complement good policy with carefully sequenced and rigorous implementation. As such, bringing change to public bodies should not be abrupt and unexpected. It should follow a structured mechanism that allows public officers to understand the practicality of change and its benefit to the organisation.

Engage key stakeholders

Move key stakeholders beyond entrenched positions by finding points of commonality.

Keep the process forward-looking

Public administrators need to anticipate risks, allow for fast midcourse corrections, and ensure clarity on emerging progress. There should not be any reason to be discouraged while implementing reform or change. This should be undertaken in a pro-active manner.

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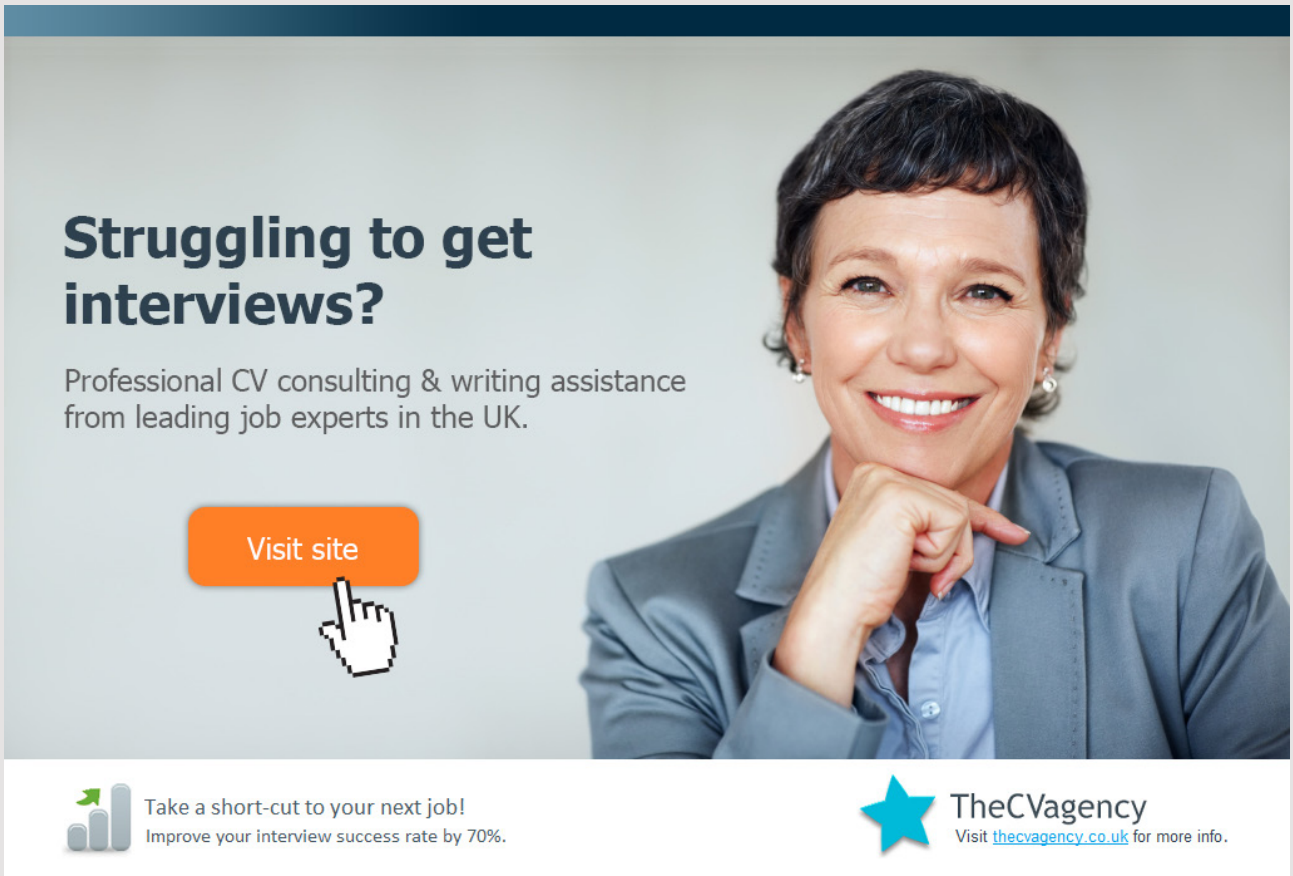
Focus leadership on the highest-priority issues

Public leaders need to support senior management with a strategic yet light-touch programme management office. On change, questions must be asked as to which the priority is for the moment and how this needs to be first tackled before other impending issues.

Embed change and spread the benefits

Managers will need to cascade change through every corner of the organisation, accompanied by a drumbeat of consistent communications. This will be dependent on how well they can sell their ideas to achieve change in the most effective manner.



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Public sector organisations as a 'special case' in organisational change[13]

According to Junge et al (2006), organisational change practice and research aims at the improvement and development of organisations for the purpose of enhancing effectiveness and responsiveness to external changes through better people management, competence, communications, systems and structures. It is not a discipline that has more practical relevance in one sector than in another – the methods and approaches of the discipline are being applied in business and government alike. Nevertheless, public sector organisations are frequently presented as a 'special case' in organisational change research, portraying the impression that bringing about change is significantly more difficult – and perhaps even impossible – in government organisations than it is in the private sector.

The challenge for public sector organisations is therefore to create an internal culture of change driven from the outside in which enables and requires public servants to innovate and implement change. At present, however, in the literature and in practice, one can only observe possible elements of a specific organisational change model for the public sector which would address this challenge. There are currently no coherent specific organisational change models which are generic to the public sector. Understanding and defining the true scope for organisational change interventions in the public sector will therefore depend on the development of specific generic public sector models for organisational change.

Points

Change management is the discipline that guides how companies prepare, equip and support people to successfully adopt change to drive organisational success and outcomes.

There are three levels of change management.

Individual change management requires understanding how people experience change and what they need to change successfully.

Organisational change management involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change.

Enterprise change management is an organisational core competency that provides competitive differentiation and the ability to adapt to the ever-changing world.

Internal events such as economic crises, political turmoil, ineffective response to natural disasters, health and sanitary emergencies may also provoke changes at the interior of the public sector to deal with problems better.

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The transfer of ideas, innovations, and best practices among countries has been facilitated by global, international and transnational sources of external change.

Factors leading to resistance to change in the public service are: Lack of coherence of the reform, Fear and uncertainty, Imposition of change and diminishing the importance of the human factor.

A practical way to manage change in the public sector is to engage key stakeholders, focus leadership on the highest-priority issues, embed change and spread the benefits.

Questions

1. Explain the concept change management.
2. What are the three levels of public sector change?
3. Why is there a need for change in the public sector?
4. Identify internal sources of change in the public service.
5. Discuss the external sources of change in the public service.
6. Identify some new cultural values of change in the public sector.
7. Why should unions be involved in public sector change?
8. Why do employees resist change in the government?
9. What are the practical steps to embrace change in the public service?
10. Why is the public service a 'special case' for change management?

Further Reading

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8 PUBLIC SECTOR GOVERNANCE

Aims

Understand and explain the concept of public sector governance.
Understand the importance of public sector governance.
Discuss the guidelines for public sector governance.
Understand the role of the government in public sector governance.
Appreciate the need for oversight in public sector governance.
Explain the need for ethics and integrity in public sector governance.
Explain the need to engage citizens in good governance.
Apply the concept of effective public sector financial governance.
Discuss the need for communication in public sector governance.
Identify the need for risk management in public sector governance.

Introduction

The public sector plays a major role in society. In most economies, public expenditure forms a significant part of gross domestic product (GDP) and public sector entities are substantial employers and major capital market participants. The public sector determines, through a political process, the outcomes it wants to achieve and the different types of intervention. These include enacting legislation or regulations; delivering goods and services; redistributing income through mechanisms such as taxation or social security payments; and the ownership of assets or entities, such as state owned enterprises. Governments also have a role in promoting fairness, peace and order, and sound international relations.

Effective governance in the public sector encourages better decision making and the efficient use of resources and strengthens accountability for the stewardship of those resources. Effective governance is characterised by robust scrutiny, which provides important pressures for improving public sector performance and tackling corruption. Effective governance can improve management, leading to more effective implementation of the chosen interventions, better service delivery, and, ultimately, better outcomes. People's lives are thereby improved.[1]

At its most basic level, governance covers 'the management of the course of events in a social system', whether such systems are conceived in organisational, sectoral or broader terms (Horrigan 2010).[2]

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In that sense, the governance of systems embraces their structures, internal and external interactions, and modes of decision-making and other behaviour. In this manner, Chhotray and Stoker formulate an all-embracing definition of 'governance' as follows (2009: 3):

Governance is about the rules of collective decision-making in settings where there are a plurality of actors or organisations and where no formal control system can dictate the terms of the relationship between these actors and organisations. In short, governance is concerned with how and why systems of all kinds are constituted and operated.[3]

The OECD (1999) principles define corporate governance as:

'A set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, thereby encouraging firms to use resources more efficiently.'[4]

Good governance guidelines for public sector agencies[5]

Effective agencies focus on achieving good governance through:

Strategy

This involves planning and structures, such as strategic and operational planning, organisational structure and having defined and appropriate roles and responsibilities

Culture

This relates to leadership and integrity, demonstrated in leadership structures and behaviours, executive oversight of strategic decisions, embodiment of leadership principles, conduct and values, employee engagement and commitment to service delivery.

Relations

These refer to communication and reputation, shown in internal and external communication and relationships, striving for a reputation for excellence, working across organisational boundaries.

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Performance

This relates to effectiveness and efficiency, through performance monitoring and evaluation systems and process, both at an individual and organisational level, as well as performance reporting.

Compliance and accountability

These involve meeting statutory and other obligations, through audit, delegation of authority, and having policies, processes and plans to manage finances, risk, human resources, as well as ethical, equal opportunity, occupational health and safety and record keeping obligations.

Insight: Good governance's value in managing public affairs[6]

A Good Governance Doctrine is one which will help governments, state enterprises and those who run them remain worthy of the trust of their citizens.

First and foremost, there must be sustained and committed leadership that embodies the core values of good governance. Direction starts at the top. Leadership can make good governance become a reality. When senior management is committed to transparency, integrity and accountability and lives by these standards, it will set the tone for staff.

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All organisations need a soul, a compass to guide them regardless of the pressures or turmoil which will come their way. Let me suggest a very short list of these values, those that I see as essential:

Integrity and Probity sit above everything. If everyone in an organisation acts with integrity and probity there will be no room for corruption. Staff will be hired on merit and professional competence not because of whom they know. All payments will be properly recorded; all decisions will be made based on judgment not graft.

A strong public enterprise has a strong sense of public service. That almost sounds old-fashioned in the 21st century but it is an important aspect of how well any government department or state enterprise is run. It encompasses both national and personal pride in providing high quality service to citizens and clients, and it leads on to the next one:

Next, there should be respect for one's own work, for one's client and for one's co-workers. Additionally, transparency and accountability are essential. Information is power, an adage often quoted, and it belongs to the people unless there is a threat to national security.

Roadmap for public sector governance

The '*Good governance guide*' which is a valuable reference for public sector employees with corporate governance responsibilities has identified *nine* key result areas of good public sector governance. This section considers each of the factors to be useful in the assessment of good governance. Although the key result areas are based on the Western Australian Public Services Commission guide, references have been made from various external sources to better develop and clarify the ideas.

Nine result areas are:[7]

- The role of government and public institutions in good governance
- Management and Oversight in governance
- Management and structure and governance
- Operations and Governance
- Ethics and Integrity in Governance
- Engaging citizens as partners in governance
- Financial governance
- Communication governance and
- Risk management and governance

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They are analysed below:

Government and public institutions' role in good governance

Every public sector entity or public service spends public money; how this money is spent and the quality of services it provides is critically important as citizens, users and taxpayers. Therefore, we need governance of public services to be of a high standard. Good governance leads to good management, good performance, good investment of public money, good public behaviour and good outcomes. The governors of public services organisations face a difficult task. They are the people handling governance – the leadership, direction, evaluation and monitor of the organizations they serve. Their responsibility is to ensure that they address the goals and objectives of these organisations and that they work in the public interest. They have to bring about positive outcomes for the users, as well as providing value for the taxpayers who fund these services. They have to balance the public interest with their accountability and compliance. There is clear evidence that many have difficulties in fulfilling these responsibilities.

Management and Oversight in governance[8]

Monitoring managerial performance and programme implementation, appointing key personnel, approving annual budgets and business plans, and overseeing major capital expenditures. Promoting high performance and efficient processes by establishing an appropriate balance between control by the governing body and entrepreneurship by the management unit. Monitoring compliance with all applicable laws and regulations, and with the regulations and procedures of the host organisation, as the case may be.

Oversight of public administration refers to the ability of an external body to review the conduct and decisions of government agencies and public officials. Such review may be by way of investigation, inspection or audit and can be based on a complaint, a legal obligation, or the oversight body's 'own motion'.

The aim of external oversight is to maintain the integrity of government agencies and public officials by holding them accountable for actions and decisions they will make while carrying out their duties. Accountability is a keystone of representative government, as it enhances public confidence in the government sector and, conversely, helps ensure that government is responsive to the interests of the public. External oversight also provides a quality control mechanism for any internal review process existing in government agencies. While customers should be encouraged to use agencies' internal review systems, in most cases they should have the option to seek to have their complaints resolved externally if they remain dissatisfied.[9]

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Governance's management and structure

One of the most important tasks for any trustee is to know about their own organisation's legal and governance structure and make sure it is suitable for what the organisation was set up to do. The legal structure, and the governance arrangements it sets in place, are a vital part of making solid foundations and keeping an organisation safe and secure. It means that those who get involved in its work are protected, whether staff, volunteers, trustees or service users. It also means the wider community and society can see the basis on which it operates.

All formal organisations must have a written set of rules laying down their objectives, the rights of members, and how to apply their assets. The generic term for this set of rules is 'governing document'.

Incorporation means creating a legal identity for an organisation that is separate from its members – a 'corporate body'. A corporate body exists in its own right and offers good protection to its members. Corporate forms limit the liability of their members unless otherwise indicated and a corporate body can enter into contracts and own property in its own right. Organisations that have a moderate to high level of risk may decide to incorporate to protect their members in the future.[10]

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Operations and Governance

A governance operating model may assist the board and management in fulfilling their governance roles. Such a model is likely to enable the board and the executive leadership to organise the governance structure and the mechanisms by which governance is implemented. By the same token, the lack of a governance operating model may lead to an incomplete or faulty governance structure, or to inconsistencies, overlaps, and gaps among governance mechanisms. Such inadequacies may lead to failure to enact governance policies that the board and management have put in place.

The sheer complexity of governance and the huge number of related procedures and other mechanisms in a global financial institution may indicate a need for a governance operating model. The elements of such a model may exist in many large companies. However, those elements may not have been connected, rationalised, and organised to provide the consistent guidance and incentives that executives, risk managers, and business unit leaders require. A governance operating model has the potential to address this need and thus enhance management's ability to implement governance and the board's ability to exercise proper oversight.[11]

In practice, a governance operating model should:

- Organise operational, financial, risk management, and reporting processes such that the board receives the information it requires to effect good governance and management and the business units can conduct their activities in ways that comply with regulations and serve strategic ends.
- Bring the organisation's governance framework down to the level of roles, responsibilities, reporting lines, and communications to bridge the gap between the governance framework (discussed in the following section) and operational realities.
- Sustain governance by creating a feedback loop in which the board and management can identify and respond to new business, operational, competitive, and regulatory needs.

Ethics and Integrity in Governance

Citizens demand evidence of governments' efforts and achievements in fighting corruption and promoting integrity. But assessing the effectiveness of governments' measures poses specific challenges, in particular the definition of a thorough and objective methodology. The political sensitivity and hidden nature of corruption make this task particularly difficult.

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A clear set of criteria allows decision-makers to develop a consistent and comprehensive approach to assessment. Using explicit criteria distinguishes assessment from other approaches to strategic management in which priorities are set without reference to exact decisive factors. A rigorous assessment considers several aspects of policy measures are discussed in the table.

Issues	Criteria
Are integrity policy instruments (like legal provisions, code of conduct, institutions, procedures) in place?	Formal existence of components of policy instruments.
Are integrity policy instruments capable of functioning as intended (realistic expectations, resources and conditions)?	Feasibility of specific policy instruments.
Did the integrity policy instrument achieve its specific initial objective(s)?	Effectiveness of specific policy instruments.
How significantly have policy instruments contributed to meeting stakeholders' overall expectations (for instance, actual impact on daily behaviour)?	Relevance, the extent to which specific policy instruments and actions contribute to meeting stakeholders' overall expectations.
Do the various elements of integrity policy coherently interact and enforce each other, and collectively support the overall aims of integrity policy?	Coherence of policy instruments, and their relationship with other elements of the policy.

An applied assessment framework responds to specific needs through tailored assessment criteria. Criteria can be defined both in relation to the context and the assessment process, so that they are:

Sufficiently specific – reflecting the specific purpose and the context of the assessment.

Transparently constructed – involving stakeholders in the assessment process, consulting them on the procedural steps and the development of specific criteria; ensuring that the assessment process reflect the views of stakeholders and could properly encapsulate their feedback to provide a multifaceted source for forming balanced judgments on policy implementation and its impact.[12]

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Case Study: Public sector governance[13]

Public sector governance focuses attention more discretely on governance in the public sector generally, or a designated level of government in particular. Governance in the formal system of government remains a distinct dimension of governance in its own right. It deserves separate consideration. Public sector governance concentrates on authority as applied to the governance of organisations in and across the public sector, including different levels of government and their interactions with one another and other societal groups. So, public sector governance is not limited to governance as applied only to the formal administration of government, largely through the executive branch of government. In the context of the system of government and public administration that lies at the core of public sector governance, the 'steering' role of government is paramount, not least in terms of the 'capacity of government to make and implement policy – in other words, to steer society'.[18]

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The term 'public sector governance' has been chosen to focus this guide on the governance arrangements for public sector organisations at the Commonwealth level in Australia, as outlined in the definition below. Public sector governance has a very broad coverage, including how an organisation is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. The concept encompasses the manner in which public sector organisations acquit their responsibilities of stewardship by being open, accountable and prudent in decision-making, in providing policy advice, and in managing and delivering programmes.

Considered from in the system of government, Commonwealth governmental bodies are responsive to one or more sources of public sector regulatory influence, according to their organisational type. This system of monitoring and review includes portfolio oversight and extends beyond the Commonwealth public sector and its members to other components of the executive arm of government (such as auditor-general, ombudsman, and other mechanisms of administrative review). However, considered from a broader governance perspective, Commonwealth governmental bodies are also increasingly subject to an array of public scrutiny and influence.

So, this system of monitoring and review also extends to other arms of constitutional government (like judicial review and parliamentary committee scrutiny) and, even further, to the non-government sector and community as well. To the extent that this reflects enhanced scrutiny of government and input into public policy and standard-setting from organisations and communities outside of government, it resonates with the tension that exists between state centric and society-centric views of governance.

Source: Edwards, M., Halligan, J., Horrigan, B., and Nicoll, G. (2012) Public Sector Governance in Australia, Australian national University Press, 9781921862908.

Questions

1. Why is it correct to state that system of government and public administration that lies at the core of public sector governance?
2. Why is it imperative for public sector organisations to acquit their responsibilities of stewardship by being open, accountable and prudent in decision-making?
3. What tension might exist between state centric and society-centric views of governance?

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Engaging citizens as governance partners

Engaging citizens in policy-making allows governments to tap new sources of ideas, information and resources when making decisions. All fine in theory, but where to start in practice? While not having all the answers, a new OECD book, Citizens as Partners, has closely scrutinised the issues, a range of country experiences and throws some light on the way forward.[14]

The starting point is clear. To engage people in policymaking, governments must invest adequate time and resources in building robust legal, policy and institutional frameworks. They must develop and use appropriate tools, ranging from traditional opinion polls of the population at large to consensus conferences with small groups of laypersons. Experience has shown, however, that without leadership and commitment throughout the public administration, even the best policies will have little practical effect.

The key ingredients for success in engaging citizens in policymaking are close to hand, including information, consultation and public participation. Information provided has to be objective, complete, relevant, easy to find and easy to understand. And there has to be equal treatment when it comes to obtaining information and participating in policymaking.

Financial Governance

Financial governance is important for good governance because the consequences of failure can be so devastating for a council. No matter how good the rest of a council's governance may be financial failure can bring it undone. Poor financial governance can imperil the council's existence. Good public financial governance is the legitimate use of power and authority in the management of a country's financial resources with integrity, transparency, accountability, equity and a result orientation to promote development.

There are key technical challenges in budget preparation, execution and reporting that affect a company's ability to utilise available resources competently and reliably in pursuit of our goals.

Here, steps needed to achieve sound financial governance are:[15]

- institutionalise timely, transparent, systematic and accountable political engagement with budgetary decisions throughout the public resource management cycle;
- strengthen revenue forecasting and the institutions that govern the development of our fiscal frameworks, including the use of pre-budget statements, and address the high use of opaque extra-budgetary mechanisms in the financing of public activities to enhance predictability and affordability in our key fiscal decisions;

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- ensure that our systems continue to improve the quality of spending, by strengthening comprehensive and effective medium-term strategic budgeting at central and sector level, using performance information better, and pursuing procurement reforms that ensure integrity, transparency and value for money in public procurement;
- ensure discipline, predictability and the rule of law in budget execution through improved and consolidated government cash management, improved cash planning and commitment practices and internal controls, and effective and risk-based internal audit systems;
- ensure further improvements in the coverage, quality and timeliness of internal fiscal information by regularising bank and other reconciliations, providing support for the implementation of consistent accounting standards across government and strengthening financial reporting practices.

The development of integrated financial management solutions must be approached strategically, ensuring that the solutions are achievable, sustainable and built on efforts to improve the underlying incentives for improved processes in budget execution and transactional record keeping.

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Communication and good governance

Good governance is defined as state capability and responsiveness – the 'supply' side of governance – and accountability – the 'demand' side of governance. Improving governance requires effective and sustainable public sector reform, and evidence suggests that communication activities can help to achieve reform.

At the process level, communication can foster support for governance reform by influencing opinion, attitude, and behaviour change among:

- leaders and policymakers (political will);
- mid-level bureaucrats (organisational will); and
- citizens (public will).

At the structural level, communication links citizens, civil society, the media, and government, forming a framework for national dialogue through which informed public opinion is shaped.

At the structural level, there are five entry points for communication strategies in governance reform. These relate to groups of stakeholders – between which strong accountability relationships are needed.[16]

- Public sector management (central executive): Support reform coalitions, middle manager buy-in and national government communication capacity.
- Formal oversight institutions (judiciary; parliaments): Support parliamentary coalitions, public reporting mechanisms and institutional legitimacy.
- Political accountability (political party and business leaders; civil society elites): Support multi-stakeholder coalitions, policy dialogue, and deliberation and debate.
- Local participation and community empowerment (local governments and communities): Support coalition-building, grassroots campaigns and local government communication capacity.
- Civil society and the media/private sector interface (journalists and editors; private firms): Support the engagement and participation of multiple stakeholders.

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Risk management and Governance[17]

A number of governments, such as Canada and the UK, have developed frameworks for the management of risks that may have an effect on their normal functioning and budgets. These frameworks provide general guidance on the principles of risk management to support government organisations to develop their own risk management processes. Such frameworks include identification and analysis of risks that may affect the pursuit of their objectives, as well as on-going review and improvement of risk management practices.

Most organisations intend to improve internal processes for risk management as well as to consider risk management in relation to the wider environment in which the organisation functions.

These frameworks provide guidance to risk assessment, management, and communication, and are moving towards enhanced risk management, including consideration of the needs to:

- Improve organisational and societal resilience
- Adopt proactive management approaches
- Establish stakeholder confidence and trust
- Strengthen reliable decision-making and planning
- Provide practical advice (beyond principles and concepts), and
- Focus attention on tackling organisational risk by identifying and treating both external and internal influences and factors that give rise to that risk.

Risk ownership, incentives, and reward

Governments constantly need to keep under review where responsibility for managing a particular emerging risk should best reside, as it is often difficult to identify who can or should 'own' an emerging risk. Risk ownership, a term used to describe only those who have a personal stake in a risk will deal with it, refers to creating links between cause and effect, between risk and reward. Some emerging issues offer opportunities as well as risks. By identifying a possible reward for those who decide to engage and spend money to mitigate an emerging risk – and who will get a return on their investment – , the chances of successfully dealing with it will be higher, especially if policymakers establish political and business links between risk and opportunity, and communicate such opportunities.

Points

Effective governance in the public sector encourages better decision making and the efficient use of resources and strengthens accountability for the stewardship of those resources.

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Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, thereby encouraging firms to use resources more efficiently.

Effective agencies focus on achieving good governance through: strategy, culture, relations, performance, compliance, and accountability.

Good governance leads to good management, effective performance, fair investment of public money, sound public behaviour and excellent outcomes.

Accountability is a keystone of representative government, it enhances public confidence in the government sector and helps ensure government is responsive to the public's interests.

A governance operating model may assist the board and management in fulfilling their governance roles.

Clear criteria allow decision-makers to assess consistently and comprehensively.

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Engaging citizens in policy-making allows governments to tap new sources of ideas, information, and resources when making decisions.

Good public financial governance is the legitimate use of power and authority in the management of a country's financial resources with integrity, transparency, accountability, equity and a result orientation to promote development.

Improving governance requires effective and sustainable public sector reform, and evidence suggests that communication activities can help to achieve reform.

Questions

1. Briefly describe the term good governance.
2. Draft some guidelines for effective public sector governance.
3. What is the role of the government in ensuring good governance?
4. How might management and oversight assist in good governance of the public service?
5. What is the relevance of ethics to good governance in the public service?
6. Why should citizens be engaged in good governance?
7. What is the rationale for good financial governance?
8. Why is the financial department under scrutiny for good governance?
9. How might communication ensure good governance?
10. How does risk management apply to good governance?

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9 PUBLIC SECTOR'S POLITICAL ISSUES

Aims

Introduce the concept of political influence and its role in public sector management.
Understand the importance of politics of public administration
Discuss the accountability of citizens in policy decisions
Understand the accountability of politicians in public administration
Appreciate the need for maintaining the neutrality of the public service
Have an outlook of Ethics in political administration
Define favouritism, cronyism and nepotism in political administration
Apply the concept political-administrative interface

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Introduction

This chapter addresses a useful component of public administration; politics. Politics is concerned with the members of the existing government in power. It is through the government that ministries which are also governmental departments operate. In most countries, whatever be their political structure, it is the government in power that decides what is to be done over the next few years that it is supposed to be in power. Evidently, there should be a choice of ministers who are likely to take up the responsivity of becoming servants of the democracy and the citizens during their mandate and they will have to show how effective they are.

This brings us to understand the role of politics in public administration. Generally, politicians will be held accountable for devising policies in their area of expertise, if ever, they are given the chance to head a department or ministry. Politicians are required to show a high degree of impartiality and neutrality in whatever they will undertake. It is broadly noted that most of the political decisions affecting the different departments emanate from the governmental mandate and this is normally what should be implemented when the politicians will be acting as ministers of the cabinet.

By just thinking of politicians as heads of cabinets, public opinion will vary significantly. Some will believe that politicians have total control of decisions affecting their department and top public officials might act as 'puppets' according to their whims. Others might have a neutral view of politicians if such people would respect ethical values and show transformational leadership in their endeavours. There will also be negative opinion of politicians if developments or changes are slow to occur in the public service while, at the same time, there is a high level of wastage, lack of transparency or 'laissez-faire' style of leadership.

Since public officers are expected to be neutral and comply with the government holding power today, they are in some difficulty between the choice of taking decisions as imposed from the top or making their own decisions. Employee autonomy and freedom of choice are granted in democratic public organisations, but there is always the apprehension that the politician or the Minister should have the final say. This creates embarrassment in public service administration and governance but it is also a fact that politicians want to see how their achievements re being seen both by the users of public service and stakeholders who also form part of the scenario.

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So long as departments or ministries are functioning correctly, the political influence remains good and acceptable by all the players in the system. But when there are allegations of malpractice, corruption, and poor performance, politicians are first to be brought to public attention. This is where the politician might be judged by the public and independent oversight institutions.

This chapter attempts to provide an overview of political issues affecting public administration taking into consideration that, despite there are variations in political administration, there are areas that are common to readers from different environments since issues like leadership, political influence, corruption, malpractice or alternately, governance, do impact on the day-to-day administration of this important organisation.

Insight: Importance of understanding public administration's politics[1]

Melissa Clary, Southern Nevada ASPA Secretary, explains the role and influence of politics in public administration. As public administrators behind the scenes, we are responsible for enacting most of these policy changes. We are tasked with achieving agency missions and providing public service in the heat of such political environments. It is simply not possible to approach a policy issue in American government without considering the leading political party behind the final decision or voting power. Understanding the political ramifications confronting elected officials in light of our bureaucratic processes and final recommendations is essential to accomplishing our agency tasks and achieving success. If an elected official is facing re-election, she will understandably vote differently than she might have had with a close election cycle closing in. The expressed justification for voting a certain way may not be heard or even addressed if the elected official is facing public scrutiny.

An added challenge in setting policy is to consider the multiple political interests facing a potential policy shift, such as those experienced in a multi-member elected council, board of supervisors, or commission system. To accomplish a task, management must consider the political interests and voting climate in which policy changes will occur. Knowing the political climate for an issue will change the timeframe, implementation, and message utilised by public administrators who set out to address new policy changes.

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Management and administrators higher up in the organisational structure generally understand the politics of policy making better than field staff and others situated further from government leaders and elected officials. Policy making is typically a confusing and unknown activity for field staff who do not directly concern themselves with the political maelstrom that is the governmental decision making process. It is no wonder field staff tend to identify management and agency bureaucratic leaders as being out-of-touch and ineffective when they do not deal with the political system in the same way these leaders do. Decisions like what programmes to cut or public facilities to close may not seem logical or justified to field staff, when in fact, there may be political heat facing bureaucrats making such decisions.

Citizens' Accountability in policy decisions

The doctrine of ministerial accountability means when civil servants appear before Parliament it is as ministers' proxies. They get neither credit nor blame. By contrast, in both Finland and Sweden, civil servants operate under legal frameworks which give them a considerable degree of autonomy and accountability. As we have already noted, political and constitutional systems are complex, and must be considered in their entirety.

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In the United Kingdom, the legal assumption is civil servants act on ministers' behalf, and exercise ministers' powers. In contrast, in Sweden and Finland civil servants are legally accountable themselves for the decisions they take, and will personally be held to account for those decisions. We have argued against the feasibility or desirability of a formal separation of accountability of this kind. Nonetheless, we believe civil servants could be considerably more open with Parliament without threatening the doctrine of ministerial responsibility.[2]

Politicians Accountability in public administration

Ministers handle:

- setting the overall strategy and policies of the Department.
- setting clear performance targets for each part of the Home Office and holding officials accountable for delivery.
- accounting to Parliament and the public for the policy and delivery of the Home Office.

In doing so they will:

- take and communicate clear and timely decisions based on evidence and accurate data – ensure decisions reflect an understanding of resource constraints.
- focus on policy and outcomes knowing weakness, in relation to both processes and individual performance, will be tackled.
- support the need for officials to make operational judgments, with the expectation they will be kept informed of matters which potentially have a strategic or reputational risk or impact – allow managers the freedom to deploy staff and resources to achieve the policy and performance objectives.
- review performance regularly and give feedback.

Ministers' roles and duties as politicians and administrators[3]

Ministers decide both the direction and the priorities for their departments. They should not be involved in their departments' day-to-day operations. In general terms, Ministers manage determining and promoting policy, defending policy decisions, and answering in the House on both policy and operational matters. Officials are responsible for:

- supporting Ministers in carrying out their ministerial functions;
- serving the aims and objectives of Ministers by developing and implementing policy and strategy; and
- implementing the decisions of the government of the day.

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Accountability documents

Ministers are concerned not only with the short-term performance of their departments, but also with the capability of their departments to continue to deliver government objectives in the longer term. Ministers' priorities for departments and the standard of performance expected of their departments are specified in several key accountability documents.[4]

One-year performance information is included in supporting information to specifying expected performance.

Medium-term performance information is included in the statements of intent, which are at least three-year documents setting out departmental strategic performance priorities, objectives, and capability.

Every chief executive agrees performance expectations with his or her responsible Minister. These expectations are outlined in the chief executive's job description and subsequent performance reviews.

Minister's role as a politician and decision-maker

Ministers are members of the executive arm of government and have both a collective and individual role. As a collective, ministers support the head of state and government to ensure the change society desires happens. They make sure to deliver their political manifesto's promises to the electorate. They also support the head of state and government in promoting and defending government policies, decisions and actions. They are collectively accountable for the government's performance, whether good or bad.

Ministers must speak for and defend other ministers to the public. This requires a minister to have a comprehensive understanding of other portfolios and the programmes, projects and services in those portfolios, as well as the progress that is being made. Ministers are their ministries' political head and public face. They set the policy agenda for their ministry, based on the overall government policy framework and the political manifesto, and provide political direction and guidance for their ministry to realise strategic policy goals critical for national development.

Ministers also help to mobilise financial resources for policy implementation; articulate their ministry's programmes and priorities in Cabinet; and provide information on their ministry's performance to parliament and the electorate.

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In the African context, the public looks up to ministers to deliver on the political manifesto and the promises made during their political campaigns. This is why members of the public channel questions on development to ministers through their Members of Parliament. Sometimes, the public demand certain development projects directly from relevant ministers, particularly if the ministers are their Members of Parliament. Ministers should not be involved in the day-to-day management of their ministry, nor in the hiring and firing of civil servants.

Maintaining public service's neutrality

Neutrality of the public service requires civil servants to be apolitical in carrying out their functions, and impartial in implementing government policies, programmes and projects. It is the neutrality of the public service that allows civil servants to serve different governments and ensure everything continues to run smoothly during the transition between two governments, which may not necessarily be formed by the same ruling party in multi-party democracies.[5]

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In a neutral public service, appointments, promotions and tenure of civil servants are not dependent on a particular ruling party or minister being in power, but on the prescriptions of public service acts and regulations. This minimises the possibility of civil servants serving partisan political interests instead of national interest. While political neutrality is supposed to be part of the public service ethos, the reality is most public services in Commonwealth Africa are not as apolitical as they are supposed to be.

With the advent of multi-party democracy in Africa, there has been a trend in some countries for civil servants to over-align themselves to the ruling political party, a situation that militates against political neutrality. Some countries have not been able to optimise utilisation of the talent they have because some talent is perceived as belonging to opposition parties.

Case Study: Political public sector bashing: unforeseen consequences[6]

Politicians who openly criticise civil servants' work should beware the impact on trust in the organisation. In a report on trust failures in organisations for the Chartered Institute of Personnel and Development, researchers studied trust levels across UK working population and found the trust among those working in the public sector, including the civil service, was lower than either their private or not-for-profit counterparts. While this is not surprising, as these are large organisations, our survey identified evidence of a distinctly negative climate.

The researchers spoke to groups of civil servants and found trust in the public service requires a careful balance, mainly because roles in the sector continue, despite changes in political leadership. Civil servants revealed how those at the top of their organisation have a distinct and important role in balancing their political masters. There must also be similar balance between staff and the public they serve.

Similar studies reveal while positive social identities are developed among group members, having an impact on a person's self-definition, the same attachment makes it unacceptable to fail to show due care for the collective enterprise of the group. In the focus groups with civil servants, it was evident they viewed themselves as being a public servant; an active occupational choice which may have distinct financial costs to them, but a strong identity nonetheless.

Little attention has been paid by organisational psychologists to politicians as a type of workers, and political psychologists have neglected insights that might contribute a broader understanding of factors that influence not only political campaigning, but also performance in office.

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Political leaders, recent performances show little evidence of their care and concern for the public servants who staff their ministries, and the public accounts committee is challenging the wisdom behind some of the choices being made.

Trust is a very fragile commodity; we have a few great examples, such as John Lewis, that show how effective leaders can manage through a crisis, and not only maintain, but actually enhance trust level among followers.

Trust is also developed and sustained through incremental steps, which include competence, respect, and integrity. Once trust has gone it can be very difficult to get back, so there are consequences in blaming followers for failures.

The research suggests in the civil service, those in the most senior roles need to be careful not to align themselves in toxic situations with their political masters and leave their staff feeling unsupported and undefended. Unfortunately, a further unforeseen consequence of public sector bashing will be the erosion of the talent pool both of those who want to become public servants, and also those who want to become elected politicians.

Source: Searle, R. (2013) Political public sector bashing: the unforeseen consequences, The Guardian, 25th September 2013.

Questions

1. What is the relevance of politicians in public sector decision-making?
2. Why do public officers need trust from politicians?
3. Why is leadership essential for politicians on public administration?

Insight: How power corrupts leaders

Most people have heard the line 'Power corrupts' – or the longer version, 'Absolute power corrupts absolutely.' The question often asked is 'why and how does power corrupt leaders?'

The answer is complex, but fairly clear. Leadership, at its core, is all about power and influence. Leaders use their power to get things done. A simple distinction is between two forms of power. Socialised power is power used to benefit others. We hope our elected officials have this sort of power in mind and are primarily concerned with the best interests of their constituents.

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The other form of power is called personalised power, and it is using power for personal gain. Importantly, these two forms of power are not mutually exclusive. A leader can use his or her power to benefit others, but can also gain personally – there are no poor former US Presidents! The obvious problem is when personalized power dominates and the leader gains, often at the followers' expense.

Yet, leaders can delude themselves they are working for the greater good using socialised power, but act in morally wrong ways. A sense of power can cause a leader to engage in what leadership ethicist, Terry Price, calls 'exception making' – believing the rules governing right and wrong does not apply to the powerful. 'For other people, this would be wrong, but because I have the best interests of my followers at hand could not have acted illegally because, it's ok for me to….' During Watergate, the argument was made President Nixon 'the President is above the law.'

Leaders can also become 'intoxicated' by power – engaging in wrong behaviour simply because they can and they can get away with it and followers are willing to collude and make such exceptions 'It's ok because he/she is the leader'. Some have suggested President Clinton's engaged in a sexual dalliance with intern Monica Lewinsky simply because 'he could.'

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Power has advantages and disadvantages for leaders.

On the positive side, power makes leaders more assertive and confident and certain of their decisions. This enables them to move forward on chosen courses of action. Leaders must use power to 'get the job done.'

On the negative side, the more people possess power, the more they focus on their own egocentric desires and the less able they are to see others' perspectives.[7]

Political administration ethics

Ethics is gaining prominence in the discourse about governance today. There are some perception standards in public life are in decline. This raises questions about the costs of misconduct on the part of those who have been entrusted with guarding public interest and resources. These costs are losses in trust and confidence in public institutions and losses in precious resources which were meant to support the economic and social development of nations and peoples. There is a move worldwide to restore a measure of trust and integrity in public institutions and officials, to safeguard democracy and promote better governance.[8]

Politics: favouritism, cronyism, and nepotism[9]

There is a strong consensus in the international development community on the need for civil-service reform in developing countries. The civil services of the more advanced countries enjoy merit selection, insulation from undue political influence, and – to the extent possible – arrangements to promote the productivity of civil servants. The civil services of the developing countries tend to be large, underpaid, and politicised. Senior cadres lack professional depth and often fail to provide any chain of continuity in government over the longer term. So, delivery of public services tends to be inefficient and, often, beset by corruption. In the last four decades in Sierra Leone, we have come to recognise most of the civil services appointments in the country are based on favouritism, cronyism, and nepotism due to corruption and misuse of public funds has been the order of the day. Hence the call to depoliticize the civil service in Sierra Leone is urgently needed.

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As favouritism is the broadest of these related terms, we'll start with its definition. Basically favouritism is just what it sounds like; it's favouring a person not because she is doing the best job but rather because of some extraneous feature-membership in a favoured group, personal likes and dislikes. Favouritism can be demonstrated in hiring, honouring, or awarding contracts. A related idea is patronage, giving public service jobs to those who may have helped elect the person who has the power of appointment. Favouritism has always been a complaint in government service. They believed connections, partisanship, and other factors played a role.

Cronyism is a more specific form of favouritism, referring to partiality towards friends and associates. Cronyism occurs in a network of insiders – the 'good old' boys,' who confer favours to each other.

Nepotism is an even narrower form of favouritism. Coming from the Italian word for nephew, it covers favouritism to members of the family. Both nepotism and cronyism are often at work when political parties recruit candidates for public office.

Political-administrative interface

A successful political-administrative interface in the public service is at the core of good public sector governance and effectiveness, which is critical for improved public service delivery and the achievement of national development goals. Although improving public sector effectiveness in service delivery and facilitating socio-economic development in Africa has been at the centre of the development debate in the last few decades, strengthening the political-administrative interface has not received as much attention as it deserves.[10]

Quality leadership focuses on the common good has been identified by most public sector practitioners, academics and commentators as one of the key factors that will enable most African countries to realise their national vision statements. In the context of the public service, this leadership is at political, technical and administrative levels. While there has been commendable effort among many Commonwealth African countries to develop the capacity of administrative leadership, most technical leaders and political leaders have not been adequately exposed to formal leadership training. This has, in some cases, contributed to leadership challenges that undermine the effectiveness of government ministries and departments to deliver outputs and outcomes to realise their national development aspirations.

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Another important aspect of leadership that has not been given enough light is the interface between political and non-political leadership in managing government business. Experiences of most Commonwealth countries in Africa indicate a negative and/or non-productive relationship between a minister and a principal secretary, for example, can divide a ministry, turn it into a micro-political battlefield and undermine its overall effectiveness. A positive relationship between these two on the other hand can motivate the whole organisation to deliver, regardless of the level of tech technical, managerial, and leadership competencies of the minister.

Points

Politics is concerned with the members of the existing government in power. It is through the government that ministries which are also governmental departments operate.

Politicians are required to show a high degree of impartiality and neutrality in whatever they will undertake.

Ministers are responsible for setting the overall strategy and policies of the Department, setting clear performance targets for the Home Office and accounting to Parliament and the public for the policy and delivery of the Home Office.

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Ministers are responsible for determining and promoting policy, defending policy decisions, and answering in the House on both policy and operational matters.

Ministers are concerned not only with the short-term performance of their departments, but also with the capability of their departments to continue to deliver government objectives in the longer term.

Ministers are members of the executive arm of government and have both a collective and individual role.

Neutrality of the public service requires civil servants to be apolitical in carrying out their functions, and impartial in implementing government policies, programmes and projects.

As a collective, ministers support the head of state and government to ensure the change society wants happens.

A minister sets the policy agenda for their ministry, and provide political direction and guidance for their ministry to realise strategic policy goals critical for national development.

A successful political-administrative interface in the public service is at the core of good public sector governance and effectiveness, which is critical for improved public service delivery and the achievement of national development goals.

Questions

1. Explain the importance the politics of public administration.
2. Why does the political issue influence public sector decisions?
3. Are ministers accountable for public sector performance? How?
4. What could be the positive impact of politicians on public sector management?
5. What is the importance of accountability of citizens in policy decisions?
6. Why should one understand the accountability of politicians in public administration?
7. Why is there a need for maintaining the neutrality of the public service?
8. Why should ethics be linked with political administration?
9. Define favouritism, cronyism and nepotism in political administration.
10. Apply the concept political-administrative interface to today's public administration.

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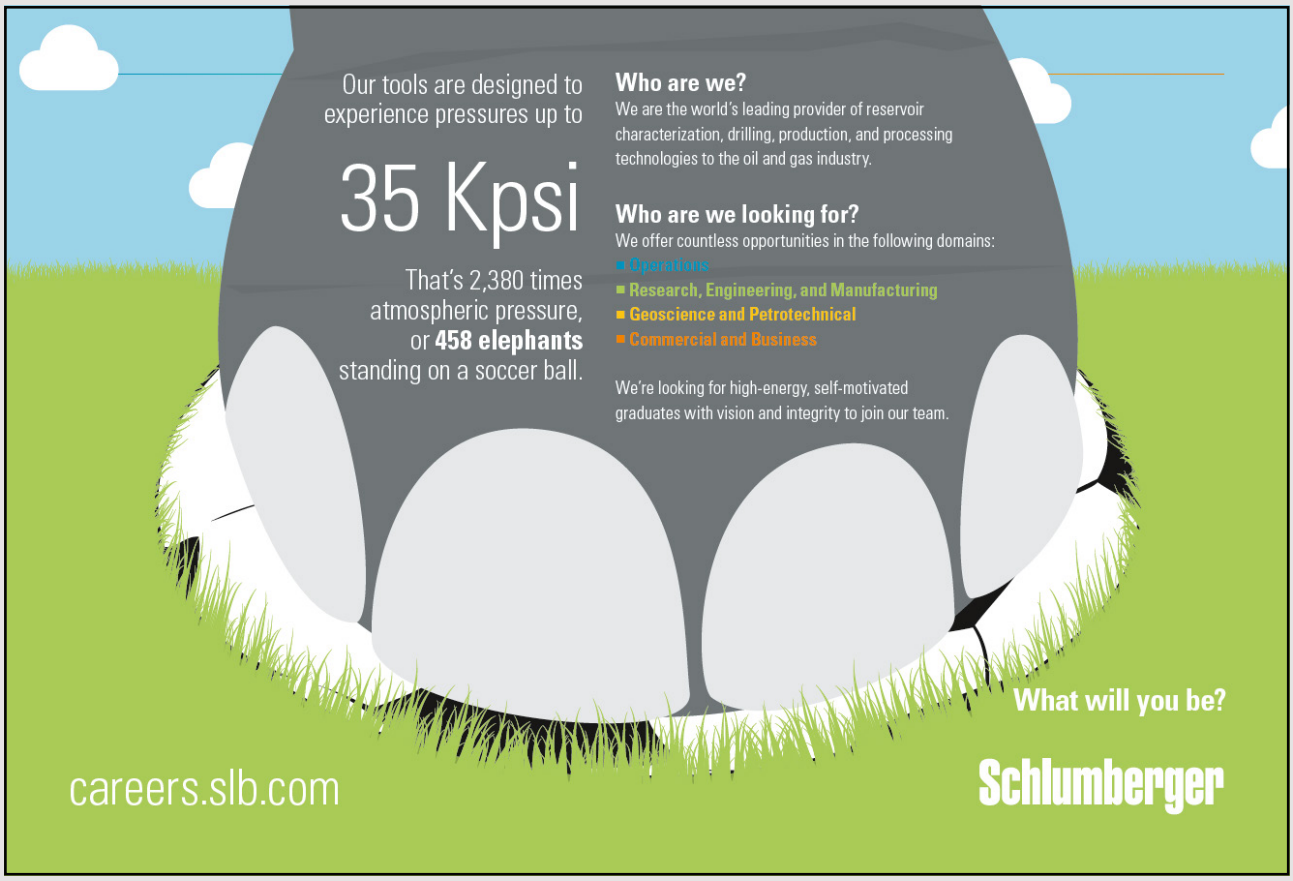
10 PUBLIC SECTOR FINANCIAL MANAGEMENT

Aims

Introduce and develop the concept of public sector financial management.
Define public sector financial management.
Discuss the importance of public sector financial management.
Explain the four dimensions of public sector financial management.
Understand government budgeting.
Identify performance-based metrics.
Discuss the benefits of public sector financial management.
Discuss the challenges of public sector financial management.
Explain some terminology used in public sector financial management.



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Introduction

Managing finances in the public service is essential for the efficient running of the government. Although the State departments are not essentially finance-driven, they still need finance to operate successfully. Generally, public bodies are provided with finance through the annual budget while they will rely on their operating budgets to manage the different tasks for their day-to-day running. As a convention, most of the finance is spent on the payment of wages, funding debts and paying for agencies or firms that provide their service to the different ministries or departments.

There is also the commercial aspect of certain public and parapublic bodies which might generate finance through the sales and receipts of certain tasks like paying and collecting fines, licence fees, taxes and other contributions both by the public and independent private corporations. These revenues might also be a major source of financing for public institutions as well as their survival.

A key concern for the public organisation is the need to manage finances in the most efficient and effective way. By relying on heavy budgets, the public sector is a heavy consumer of finances and care is ensured money is spent in the most accurate manner. Annual audit exercises state there many departments are under performing simply because they might lack finances while others are still poor performers despite finances might have been overly used with the threat of financial waste.

This chapter looks into the relevance of finance for government budgeting, the importance of managing finances, the benefits of developing governmental budgets as well as the benefits and risks involved in managing them. There is also a brief evaluation of performance metrics linked with setting performance ratios in assessing how effective the overall budget is.

Public Sector Financial Management

High-quality financial information in the public sector enables an accurate and complete assessment of the impact of policy decisions, supports external reporting by governments to electorates, taxpayers, and investors, and aids internal decisions on resource allocation (planning and budgeting), monitoring, and accountability.

In some countries, greater efforts are required to support public sector accountancy and the broader topic of public financial management.

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Although some professional accountancy organisations (PAOs) maintain a strong public sector membership and undertake services and activities to support public sector accountancy and financial management, many PAOs struggle to identify how they can support this area. Additionally, in some cases, legislation or organisational bylaws restrict support for public sector accountancy and financial management.[1]

The accountancy profession can leverage the:

- knowledge gained through development of systems of training, education, and preparation of accountancy professionals;
- experience assisting professional accountants in transitioning from national to international standards; and
- international insight into best practices in quality control and investigation and discipline to support public sector efforts to professionalize and enhance the capacity of their workforces, adopt and implement international standards, and develop internal processes for quality control in the government.

The importance of strong and sound public financial management

Public financial management is absolutely critical to improving the quality of public service outcomes. It affects how funding is used to address national and local priorities, the availability of resources for investment and the cost-effectiveness of public services. It is more than likely the public will trust public sector organisations more if there is strong financial stewardship, accountability and transparency in the use of public funds.

It is important for governments to get it right because it impacts on a broad range of areas including:

- aggregate financial management – fiscal sustainability, resource mobilisation and allocation
- operational management – performance, value-for money and budget management
- governance – transparency and accountability
- fiduciary risk management – controls, compliance and oversight.[2]

In addition, effective public financial management is important for decision making. Accurate financial information is often used as the mechanism to support decisions and ensure effective resource allocations.

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Michael Parry's Four Dimensions of Public Financial Management[3]

To have a clear understanding of the four dimensions of public financial management, this section has taken excerpts from Michael Parry's work in 2010. This is an essential piece of work whereby the dimensions are different but interrelated.

The first dimension is aggregate fiscal management in the sense all governments are indebted to managing finances so they work profitably and without budgetary constraints. In doing so, public departments are entrusted to have the most efficient resources mobilised so they achieve desired results.

The second dimension covers operational management which refers to the day-to-day running of public business. Performance management on daily business is important to ensure money is well used. Users of public services expect to get value for money for what they can expect from the government. This also depends on how budgets are managed by the public bodies.

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The third dimension covers fiduciary risk management whereby finances must be strictly controlled. Mismanaging funds corrupts and so is something to avoid. In this dimension, there is equally the need to have financial oversight in that external organisations as well as internal audits can cast a good glance on finances and see how well they are managed.

The last dimension, according to Perry (2010) considers governance which was covered in an earlier chapter. Under this dimension, two key elements are accountability and transparency. This is something essential today seen from the various scandals that affected large financial companies but equally apply to public bodies. It is government's wish the sound management of finances contributes to the advancement of the economy through a well-structured and high-performing public service. The dimensions are detailed below.

Dimension 1: Aggregate fiscal management

A fundamental requirement of every government is to manage its finances at the aggregate level. The accounting model represents the financial flows and resultant balance sheets and hence provides basis for monitoring, controlling and ultimately managing public finances. Three specific objectives of aggregate fiscal management are identified:

Fiscal sustainability

One of the most fundamental responsibilities for any entity is aggregate fiscal management to fund its activities from revenues and borrowings whilst remaining solvent – the objective of fiscal sustainability. For many countries achieving fiscal sustainability has become an increasing challenge over the last two years when faced with bailing out major financial institutions. This has posed new issues of aggregate fiscal management of sovereign entities and the implicit guarantees made by such entities regarding their banking sector. Sovereign entity debt is being "rated" in the same way as commercial entities on the basis of their balance sheet and future cash flows.

Maximising resource mobilisation

Almost all entities are constrained by limited financial resources. Public financial management (PFM) has an objective in managing resource mobilisation in policy fiscal goals.

Perceived strong public financial management will be a factor in encouraging both public and private inward investment. For poor countries this will include encouraging support from development partners. Also for poor countries, enhanced public financial management can be one element in improving the ability to absorb and utilise external aid, increasing resource availability.

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Resource allocation under policy priorities

It is tempting to see public financial management as 'policy neutral'; as providing the mechanism for implementing whatever policies a government adopts with no responsibility for the policies. But this view is naive. By deciding what to measure and how to present information, the accountant influences policy decisions.

PFM through the budget process should provide a mechanism for linking policy objectives with the constraint of financial resources. However, whilst the objective of resource allocation under policy priorities seems simple, it is difficult to achieve. This is due to articulating policy priorities, the interdependence between the measurement system, the identification of priorities, and the difficulty of making reliable forecasts extending several years into the future.

Dimension 2: Operational management

Financial management has a significant role in the operational management of the day-to-day activities of government.

Effective performance management

A major constraint of PFM is the accounting model of 'not for profit' activities does not provide an input-output model for the public sector. Inputs can be expressed in money units, but outputs are typically service delivery. This contrasts with the commercial sector where accounting is a universal input-output model using a common measure of money. Inputs (costs) and outputs (sales) are measured in money units and the difference of profit, also in money units, providing a comprehensive basis for performance management. The development in the public sector of performance measures and management is an attempt to address the gap by developing non-financial measures of performance.

Delivering value for money

The value for money objective could be seen as part of the overall performance management objective, but in fact it has a narrower perspective. Performance measures are concerned with achieving objectives. Value for money is simply a matter of ensuring PFM contributes positively to delivering value for money, which can be divided into effectiveness, efficiency, and economy.

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Managing within the budget

The public sector is budget-driven. Without a budget, governments lack legal authority to raise revenues or to make expenditures. When a sum is allocated in a budget it is to be spent for the purpose indicated. Over spending is a regulatory issue that will have to be corrected either by reallocation or by a supplementary budget. On the other hand, under spending represents a failure to utilise allocated resources. The objective of many public sector managers to spend the budget, neither more nor less, is in fact logically consistent with a budget driven process.

Dimension 3: Fiduciary risk management

A problem facing all entities is fiduciary risk – the risk of public money being stolen, used for purposes other than those intended, or used corruptly. There is a balance in fiduciary risk management between the cost of avoiding risks and the cost of such risks crystallising. PFM is part of the solution and provides important tools of risk management.

Effective financial control

The accounting system should provide a whole system of fiduciary controls, usefully summarised under European Union (EU) nomenclature as Public Internal Financial Control (PIFC).

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This includes:

- Internal controls within an organisation, for example payment authorisation process, managing against budgets, reconciliation processes, and so on. These controls should be specifically designed to minimise the risk of loss.
- Internal audit – the oversight system established by the management of an organisation under international standards of internal audit.

In addition, external audit provides an additional element of risk management. All public sector entities should have in place a structure of internal and external controls so as to reduce fiduciary risk to acceptable levels.

Compliance with constitutional legal and regulatory requirements

Governments operate in a rule bound environment. There is a hierarchy of regulation starting with the constitution and moving down through laws to the detailed financial rules, instructions and procedures. This bureaucratic structure is another element of fiduciary risk management and is designed to minimise the scope for activities which are not under public policy such as to minimise fiduciary risk.

Proper oversight of public finances

The last element of fiduciary risk management is oversight, particularly by the legislature. Typically, a committee of the legislature, like a 'Public Accounts Committee' will review financial and audit reports of individual units in Government, such Ministries and Departments. In many cases the review will be supported by technical staff.

An open and powerful oversight process can be a powerful tool in fiduciary risk management. It can lend power to the auditor, use parliamentary privilege to identify issues and make pronouncements and the mere existence of the system can be a powerful incentive for effective control procedures. At a sub-national level a similar system should exist through local government public account committees, audit committees and similar tools.

Dimension 4: Governance

The governance dimension has great significance in government because of the concept of government acting according to the will of the people. Whilst the people – the civil society – are the primary stakeholder there will also be external stakeholders, like lenders, multilateral organisations. Thus public sector governance has to meet the needs of all of these groups and at all levels of government.

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Governance structures that reflect the interest of stakeholders

In theory, a democratic government should reflect the will of the people and hence provides its own governance. In practice, the most democratic systems put intervening barriers between public will and government policy, and specific mechanisms are required to overcome such barriers. The issue applies at national government and local government levels, and particularly to government agencies managed by unelected officials.

Transparency

Transparency is broader than financial information, but financial information will be an important part of transparent government. This includes all of published budgets, financial statements and audit reports, as well as other financial information published by government. The messages in the data must be made explicit; this requires judgments as to the appropriate messages, and hence the provision of relevant financial information. This is the same issue as noted above on budget allocations; there is an interdependent relationship between the information and judgements based on the information. Financial information will identify specific issues depending on the way it is classified and aggregated.

Accountability

Accountability goes beyond transparency and involves identifying individual responsibility for actions. Thus it can be seen as the end point of a participative and transparent process. Again accountability extends beyond accounting issues, but the latter will be a major element of the accountability process.

The level of accountability interacts with the basis on which budget holders are rewarded, and affects a needed level of central control. Hence it has a profound effect on the design of the budget preparation, execution and accounting systems. PFM systems must have clear inbuilt assumptions about exactly how accountability will work – and they will need to be progressively redesigned as accountability improves. Therefore, they must be either flexible or inexpensive – an expensive inflexible system will hold up progress.

Government budgeting

Some of the important objectives of government budget are as follows: the reallocation of Resources, reducing inequalities in income and wealth, economic stability, management of public enterprises, economic growth, and reducing regional disparities. Government prepares the budget for fulfilling certain objectives. These objectives are the direct outcome of government's economic, social and political policies.[4]

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The various objectives of government budget are:

Reallocation of Resource

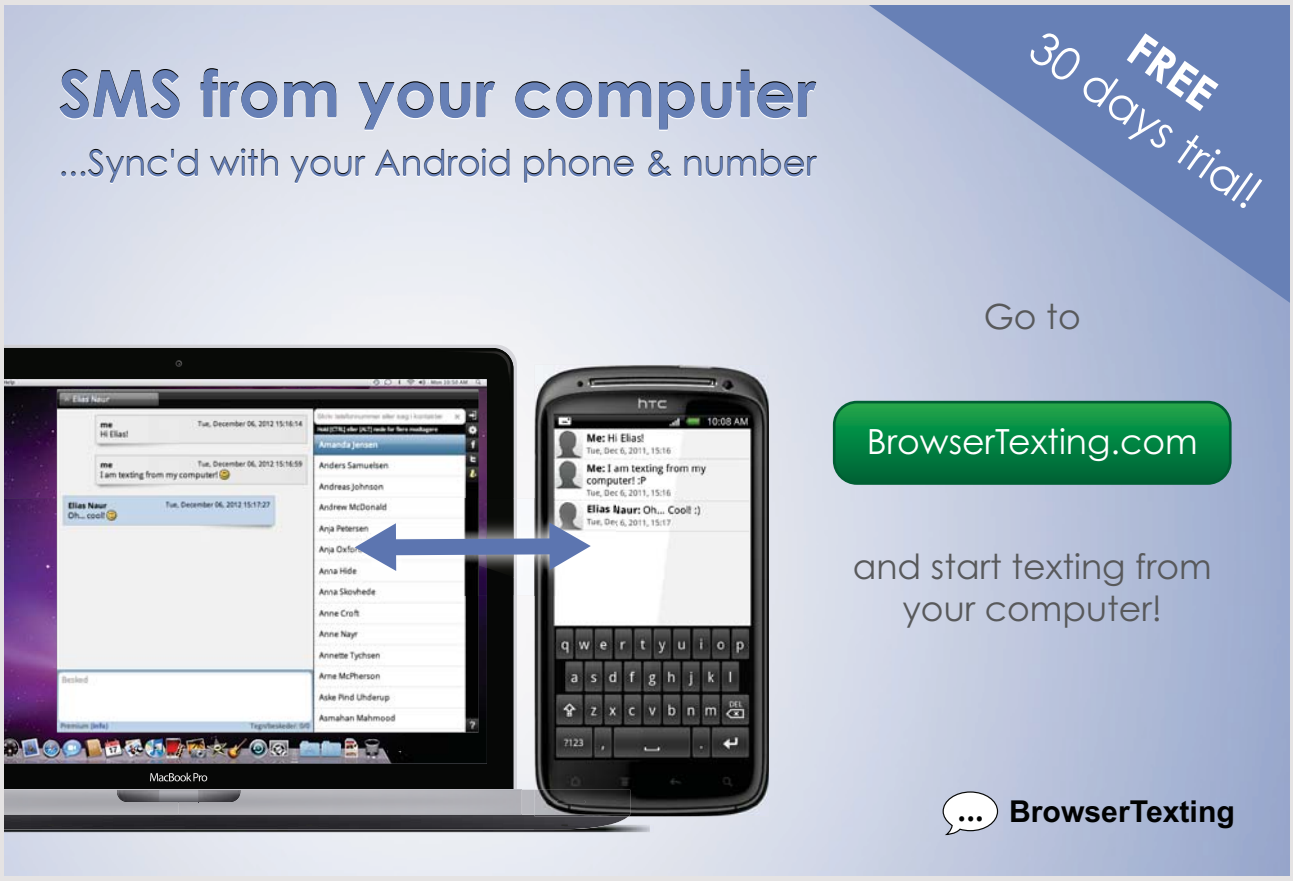
Through the budgetary policy, Government aims to reallocate resources under the economic (profit maximisation) and social (public welfare) priorities of the country. Government can influence allocation of resources through:

- Tax concessions or subsidies

To encourage investment, government can give tax concession, and subsidies. to the producers. For example, Government discourages the production of harmful consumption goods – like liquor and cigarettes, heavy taxes – and encourages the use of necessities by providing subsidies.

- Directly producing goods and services

If the private sector does not take interest, government can directly undertake the production.



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Reducing income and wealth inequality

Economic inequality is inherent in each economy. Government aims to reduce income and wealth inequalities through budgetary policy. Government aims to influence distribution of income by imposing taxes on the rich and spending more on the poor's welfare. It will reduce income of the rich and raise standard of living of the poor, reducing inequalities in the distribution of income.

Economic Stability

Government budget is used to prevent business fluctuations of inflation or deflation to achieve the objective of economic stability. The government aims to control the different phases of business fluctuations through its budgetary policy. Policies of surplus budget during inflation and deficit budget during deflation helps to maintain stability of prices in the economy.

Management of Public Enterprises

There are many public sector industries (especially natural monopolies), which are established and managed for social welfare of the public. Budgets are prepared to various provisions for managing such enterprises and providing those financial help.

Economic Growth

The growth rate of a country depends on rate of saving and investment. For this purpose, budgetary policy aims to mobilise sufficient resources for investment in the public sector. Therefore, the government makes various provisions in the budget to raise overall rate of savings and investments in the economy.

Reducing regional disparities

The government budget aims to reduce regional disparities through its taxation and expenditure policy for encouraging setting up of production units in economically backward regions.

Insight: Institutional drivers of efficiency in the public sector[5]

Overall, the evidence is scant surprisingly. Available research is inconclusive on the efficiency of varying inputs used or of changing managerial structures. Some findings emerged, however, in three areas.

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First, it seems efficiency gains could be obtained by increasing the scale of operations, based on evidence collected mainly in the education and health sectors. This effect is attributed to economies of scale that result from savings in overhead costs and fixed costs in tangible assets. However, the impact on other public sector values such as equity, access to services, and the quality of services needs to be taken into account.

Second, functional and political decentralisation (like spending responsibility) to sub-national governments also seems beneficial for efficiency. In principle, devolution of functional responsibilities, if accompanied by appropriate fiscal and political decentralisation, provides incentives for sub central governments to deliver locally preferred services more efficiently, as the burden and the benefits of public service delivery both accrue in the communities. Evidence from federal countries shows decentralised taxation reduces the size of government; however, evidence on the comparison of countries is inconclusive.

Third, human resource management practices also matter. The soft aspects of human resource management, such as employee satisfaction and morale, are considered to be the most important drivers of performance. While wages are still important for staff, non-monetary incentives are also essential. High wage levels – compared to similar work in the private sector – could lead to inefficiencies, although governments often are model employers and their wage policies reflect equity concerns as well. Wages are also important for attracting and retaining qualified staff, especially in case of skill shortages. Performance-related pay initiatives appear to have a low impact on staff motivation.

Use of performance-based metrics by government[6]

Many organisations use performance-based metrics in their budgeting processes, and this practice has become more common in the public sector. Regulatory demands have changed a great deal in a short time, and this form of budgeting helps governments determine whether funding is being allocated and make public policy decisions.

After years of fighting the global recession, governments face increased pressure to reach financial goals while simultaneously meeting the expectations of their citizens. Additionally, the recession made the expenditures of certain programs in some countries less predictable. The higher demands created a need for data-driven budgeting measures to ensure performance. Despite the recognized importance of performance-based budgeting, many governments still struggle to incorporate these measures into their budgeting processes.

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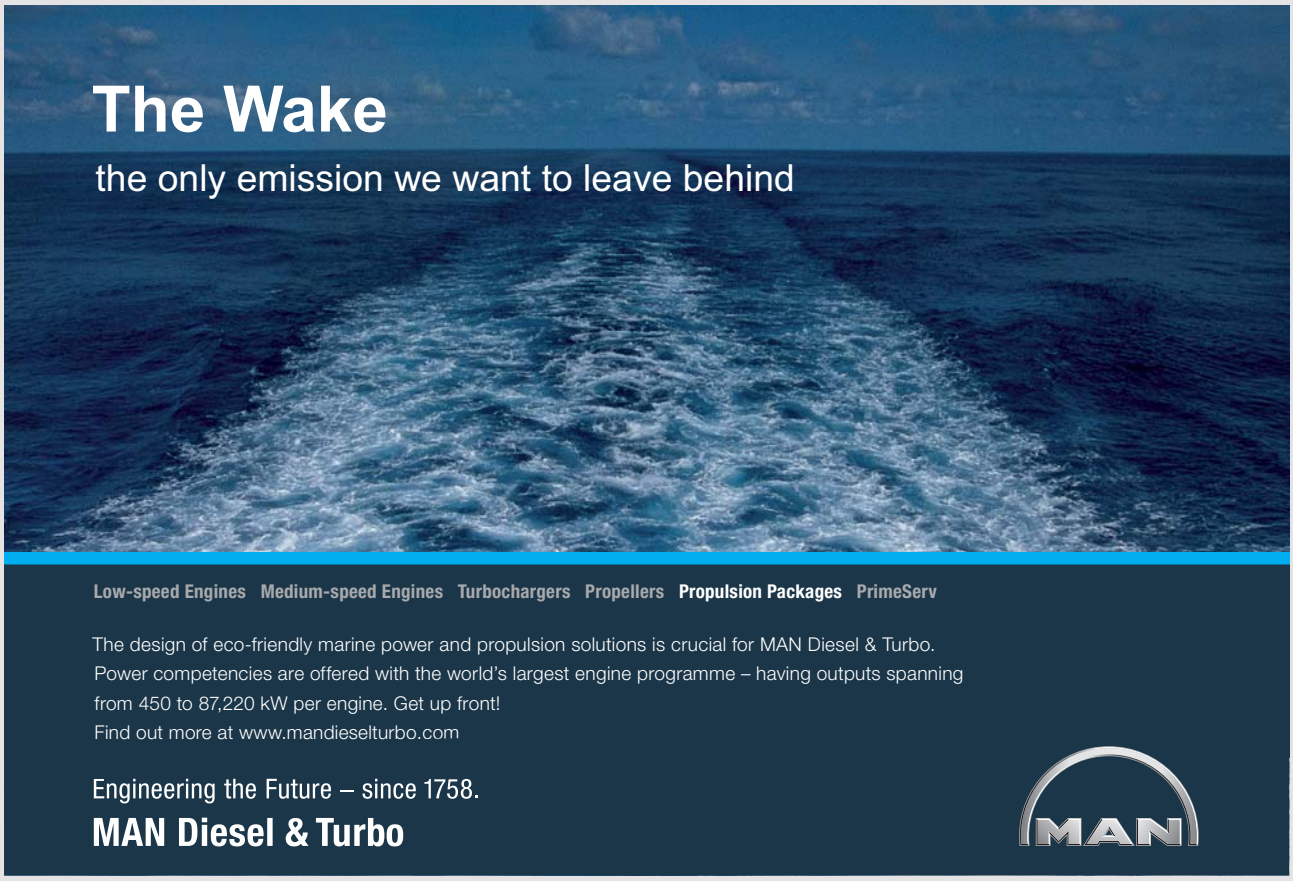
Benefits of performance-based budgeting

According to the National Conference of State Legislatures, performance-based budgeting helps governments overcome some of these pressures because it:

- Defines measurable outcomes for allocated funds.
- Focuses on adjusting funding instead of baselines.
- Identifies programmes and agencies with similar goals to form correlations.
- Gives agencies flexibility.
- Potentially curbs funding to poorly performing programmes.

Performance measures can even help legislators draw background data for state-funded programmes to justify future funding decisions. In the past, many government agencies fought to maintain the same programs and historic spending levels, but performance-based budgeting helps officials more readily identify inefficiencies to make adjustments that improve the budgeting process. Performance data increases understanding of policy and programs across an entity. Better access to information allows officials to make quicker and well-informed decisions.



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Challenges of performance-based budgeting

Although performance-based budgeting has many key advantages, some organizations suffer from incomplete or inaccurate information. On top of this issue, some public sector agencies do not use the right incentives and disincentives to make measurable improvements.

To use performance-based budgeting, officials need to realise that metrics are an indicator of results rather than the outcome itself, the IMF stated. Additionally, applying metrics to every aspect of the process may not be effective because compliance is time-consuming and costly. Simply gathering data does not lead to a genuine improvement of the results. Agencies need to determine key areas for success and establish metrics that enable them to track improvements.

Another challenge is understanding what the data means. For example, when a public health system wants to improve health outcomes, simply spending more may not produce the desired result because outcomes have a variety of influences.

Managing Public Resources

A basic tenet in financial management is costs should be incurred only if by so doing, the community or organisation can expect to move toward agreed-upon goals and objectives. Determining whether the commitment of governmental resources improves conditions in the broader community can get complicated, however, particularly when no basis exists for assessing the value to people of such actions. Many public choices are still open to political decision. Despite the best efforts to achieve rigour and sophistication, scientific analysis cannot provide definitive answers to many of the questions involved in the allocation of government resources. Nevertheless, a continuous search must be maintained for more productive ways to operate public organisations and to assess their capacity to meet changing conditions and demands for the delivery of services.

The common denominator among the various resources of any organisation is the cost involved in their utilisation. The production of public and quasi-public goods and services requires the acquisition and allocation of relatively scarce resources, the values of which are measured and compared in the common unit of dollars. Consequently, the focus of management most often is on financial resources.

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Case Study: Improving performance at state-owned enterprises

Despite the wave of privatisation across developing markets in the 1980s and '90s, state-owned enterprises continue to control vast swaths of national GDP: more than 50 percent in some African countries and up to 15 percent in Asia, Eastern Europe, and Latin America. These companies, controlled by a government or a government agency, struggle to meet the private sector's performance levels, and potential profits remain unrealised. During the current downturn, some state-owned enterprises – even as they face increased pressure to become more efficient – have been called on to support government stimulus plans through higher spending and job retention. Nonetheless, our research and experience show these enterprises can significantly improve their performance, notwithstanding the constraints of the public-sector model and the tough economic times.

Even in normal times, for example, the average return on assets at state enterprises in China was less than half of the private sector, a McKinsey study showed a few years ago. One reason is many such companies, in China and elsewhere, are shielded from competitive pressures, but other factors contribute greatly as well. State enterprises often juggle multiple, unclear, or conflicting financial and social objectives, such as providing blanket, low-cost telephone service. Political interference can prompt decisions that threaten a company's financial goals. Finding talented workers at all levels is a problem too: the best and brightest gravitate toward the more lucrative private sector, and the tenure-based promotions common at state enterprises can conceal their best internal talent.

Yet there is hope. Some state-owned enterprises in emerging markets are closing the gap with their private-sector competitors. Petronas, the state-owned energy company in Malaysia, for example, began an operational-excellence campaign focusing on improved technical capabilities and a more effective working culture at its plants. After five years, the initiative delivered upward of $1 billion in savings and new revenues. The firm's operational effectiveness, judged by combining utilisation, quality, and performance, is now in the industry's top quartile.

While these better-performing companies draw from well-known best practices in the private sector, they also concentrate on three areas of specific importance in the public sector: clarifying objectives and securing an explicit mandate, focusing scarce resources on areas with the highest financial impact, and redefining the talent proposition. Governments play a big role in creating the right environment for state-owned enterprises to excel, but their chief executives can implement such moves without waiting for other officials to act.

Source: Budiman, A., Lin, D., and Singham, S. (2009) Improving performance at state-owned enterprises Mc Kinsey Company.[7]

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Questions

1. How is government coming to the rescue of state-owned enterprises?
2. What are the threats affecting public sector employees?
3. What are the key result areas public-owned companies attempting to improve performance?
4. How can effective financial plans address the problems facing public companies?

Forecasting

A forecast is an approximation of what will likely occur in the foreseeable future. The objective of forecasting is to provide a basis on which to measure differences between actual events and the plan that was adopted to achieve certain objectives. Thus, forecasts provide management with a sound basis for action as the future unfolds and events begin to diverge from the predictions. Problems can be identified quickly and the nature and extent of corrective actions clearly defined.

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The notion that forecasting is impossible in the public sector is furthermost from the truth. The cash requirements of government are based on budgeted expenditures, which are finite and known in advance. Revenues are tax-based and, therefore, estimable. Public organisations must develop reliable estimates of their cash flow positions to maximise returns on their financial assets.[8]

Some terminology linked with public sector finance

Master Budget

A master budget is a set of interconnected budgets of sales, production costs, purchases, and incomes. and it also includes pro-forma financial statements. A budget is a plan of future financial transactions. A master budget serves as planning and control tool to the management since they can plan the business activities during the period on the basis of master budget. At the end of each period, actual results can be compared with the master budget and needed control actions can be taken.[9]

Incremental budgeting

Incremental budgeting is the traditional budgeting method whereby the budget is prepared by taking the current period's budget or actual performance as a base, with incremental amounts then being added for the new budget period. These incremental amounts will include adjustments for things such as inflation, or planned increases in sales prices and costs. Students often misapprehend one of incremental budgeting's biggest disadvantages is it disallows inflation. Of course it does; by definition, an 'increment' is an increase of some kind. The current year's budget or actual performance is a starting point only.[10]

Zero-Base Budgeting

Zero-Base Budgeting promises to move the organisation away from incremental budgeting, where last year's budget is the starting point. Instead, the starting point becomes zero, with the implication past patterns of spending are no longer taken as a given. To deliver on this promise, the organisation is first divided up into 'decision units' – the lowest level at which budget decisions are made. Decision units could be formed along functional or organisational lines – for example, a division of a department is a common decision unit, but programs could be used as well. Managers in each decision unit then prepare a detailed description and evaluation of all activities it performs, including alternatives to current service delivery methods and the spending plans to achieve the decision unit's goals.

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Priority Budgeting

Under this system, the government first determines how much revenue it has available, then identifies the community's most important priorities and allocates resources to the priorities rather than directly to departments, and then ranks programs according to how well they align with the priorities. Priority budgeting provides a transparent, structured approach for allocating funding both between and in departments by directly funding priorities and programmes, rather than departments – once programmes have been funded, departmental budgets reflect the total of all approved programs by department. Hence, the budget is balanced rationally and strategically rather than arbitrarily.

Target-based Budgeting

Target-based Budgeting places a greater premium on revenue forecasting to set a viable target up front and also tell departments how much extra is available for funding decision-packages. Departments submit decision-packages to request funding for activities they cannot fit within target spending – either continuation of existing services or entirely new services. Departments also prioritise their decision packages, but they are often guided in what decision-packages to propose and prioritise by a set of organisation-wide goals distributed by central management.[11]

Capital Rationing

It can be defined as a process of distributing available capital among the various investment proposals in such a manner the firm achieves maximum increase in its value.

Types of Capital Rationing

Based on the source of restriction imposed on the capital, the capital rationing is divided into two types namely hard capital rationing and soft capital rationing.

*S*oft Capital Rationing: It is when the restriction is imposed by the management.
Hard Capital Rationing: It is when the capital infusion is limited by external sources.

Capital rationing decisions by managers are made to attain the optimum utilisation of the available capital. It is not wrong to say all investments with positive net present value should be accepted but at the same time the ground reality prevails the availability of capital is limited. The option of achieving the best is ruled out and therefore rational approach is to make most out of the on hand capital.[12]

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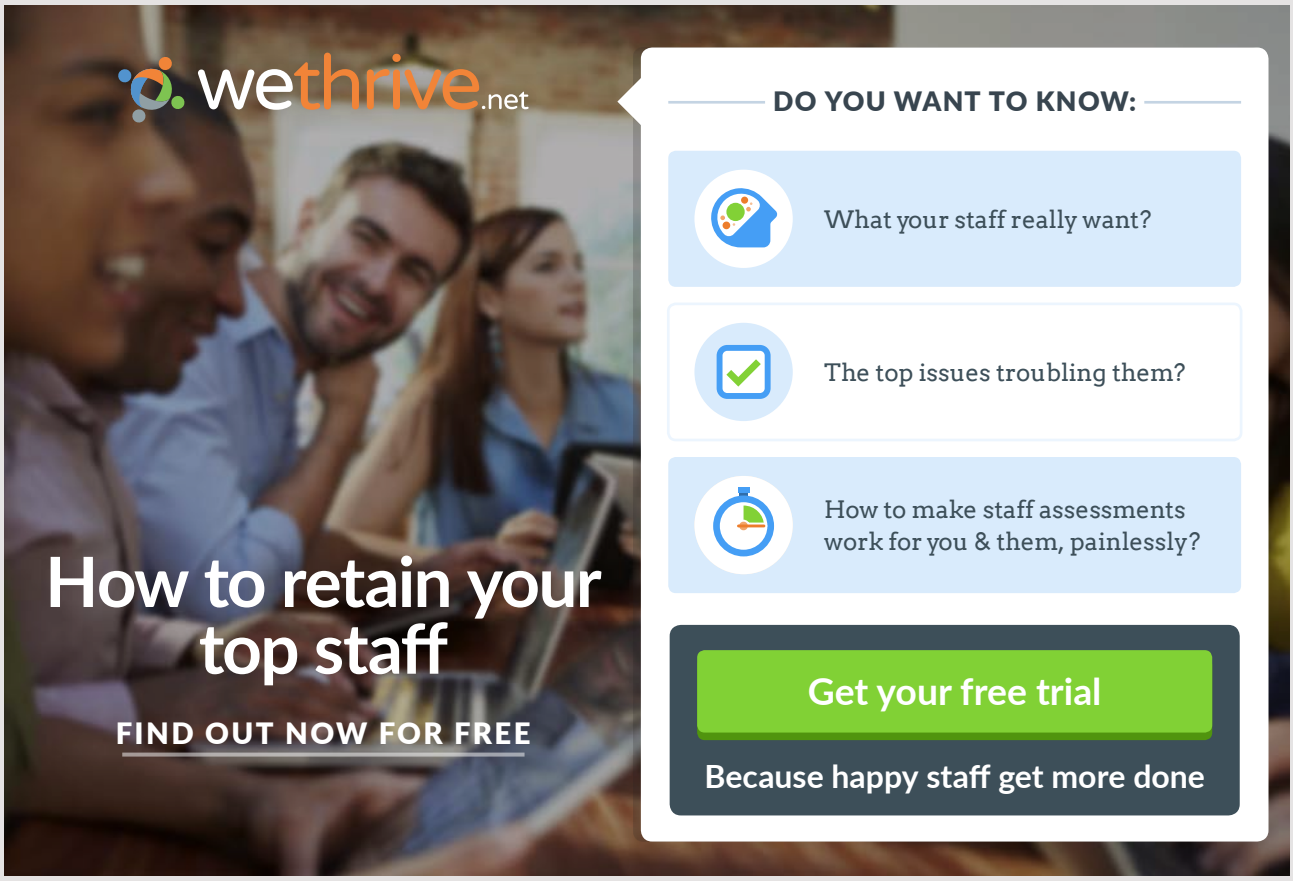
Return on Capital Employed

The return on capital employed (ROCE) ratio, expressed as a percentage, complements the return on equity (ROE) ratio by adding a company's debt liabilities, or funded debt, to equity to reflect a company's total 'capital employed'. This measure narrows the focus to gain a better understanding of a company's ability to generate returns from its available capital base.

By comparing net income to the sum of a company's debt and equity capital, investors can get a clear picture of how the use of leverage impacts a company's profitability. Financial analysts consider the ROCE measurement to be a more comprehensive profitability indicator because it gauges management's ability to generate earnings from a company's total pool of capital.

Return on Investment

A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. ROI measures the amount of return on an investment relative to the investment's cost. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment, and the result is expressed as a percentage or a ratio. In the above formula, 'Gain from Investment' refers to the proceeds obtained from the sale of the investment of interest.[13]



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The basic steps in budget preparation systems in government[14]

In principle, the basic steps in a standard budget preparation system comprise the following:

The first step in budget preparation should be the determination of a macroeconomic framework for the budget year – and ideally at least the next two years. The macroeconomic projections, prepared by a macroeconomic unit in the ministry of finance or elsewhere, should be agreed with the minister of finance. This allows the budget department within the ministry of finance to determine the global level of expenditure can be afforded without adverse macroeconomic implications, given expected revenues and the level of deficit can be safely financed.

The second step should be the allocation of this global total among line ministries, leaving room for reserves (a separate planning and a contingency reserve as explained below) to be managed by the ministry of finance.

The next step should be for the budget department to prepare a budget circular given to line ministries, with the indicative aggregate spending ceiling for each ministry, on how to prepare their estimates which should be consistent with macro objectives. This circular will include information on the economic assumptions to be adopted on wage levels, the exchange rate and price levels – and preferably differentiated price levels for different economic categories of goods and services.

Step four is the submission of bids by line ministries to the budget department. Once received there needs to be an effective 'challenge' capacity within the budget department to test the costing of existing and any new policy proposals.

The next step comprises the negotiations, at official and then bilateral or collective ministerial level, leading finally to agreement.

Points

A key concern for the public organisation is the need to manage finances in the most efficient and effective way. By relying on heavy budgets, the public sector is a heavy consumer of finances and care is ensured money is spent in the most accurate manner.

Public financial management is absolutely critical to improving the quality of public service outcomes. It affects how funding is used to address national and local priorities, the availability of resources for investment and the cost-effectiveness of public services.

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A fundamental requirement of every government is to manage its finances at the aggregate level.

For many countries achieving fiscal sustainability has become an increasing challenge over the last two years when faced with bailing out major financial institutions.

Financial management has a significant role in the operational management of the day-to-day activities of government.

The accounting system should provide a whole system of fiduciary controls. This comprises: Internal controls within an organisation and Internal audit – the oversight system established by the management.

Transparency includes all of published budgets, financial statements and audit reports as well as other financial information published by government.

Government prepares the budget for fulfilling certain objectives. The various objectives of government budget are: reallocation of resource, reducing inequalities in income and wealth, economic stability and economic growth.

The public sector uses performance-based metrics in their budgeting processes, and this practice has become more common today.

A master budget is a set of interconnected budgets of sales, production costs, purchases, and incomes. and it also includes pro-forma financial statements.

Incremental budgeting is the traditional budgeting method whereby the budget is prepared by taking the current period's budget or actual performance as a base, with incremental amounts then being added for the new budget period.

Zero-Base Budgeting promises to move the organisation away from incremental budgeting, where last year's budget is the starting point. The starting point becomes zero, with the implication past patterns of spending are no longer taken as a given.

Target-based Budgeting places a greater premium on revenue forecasting to set a viable target up front and also tell departments how much extra is available for funding decision-packages.

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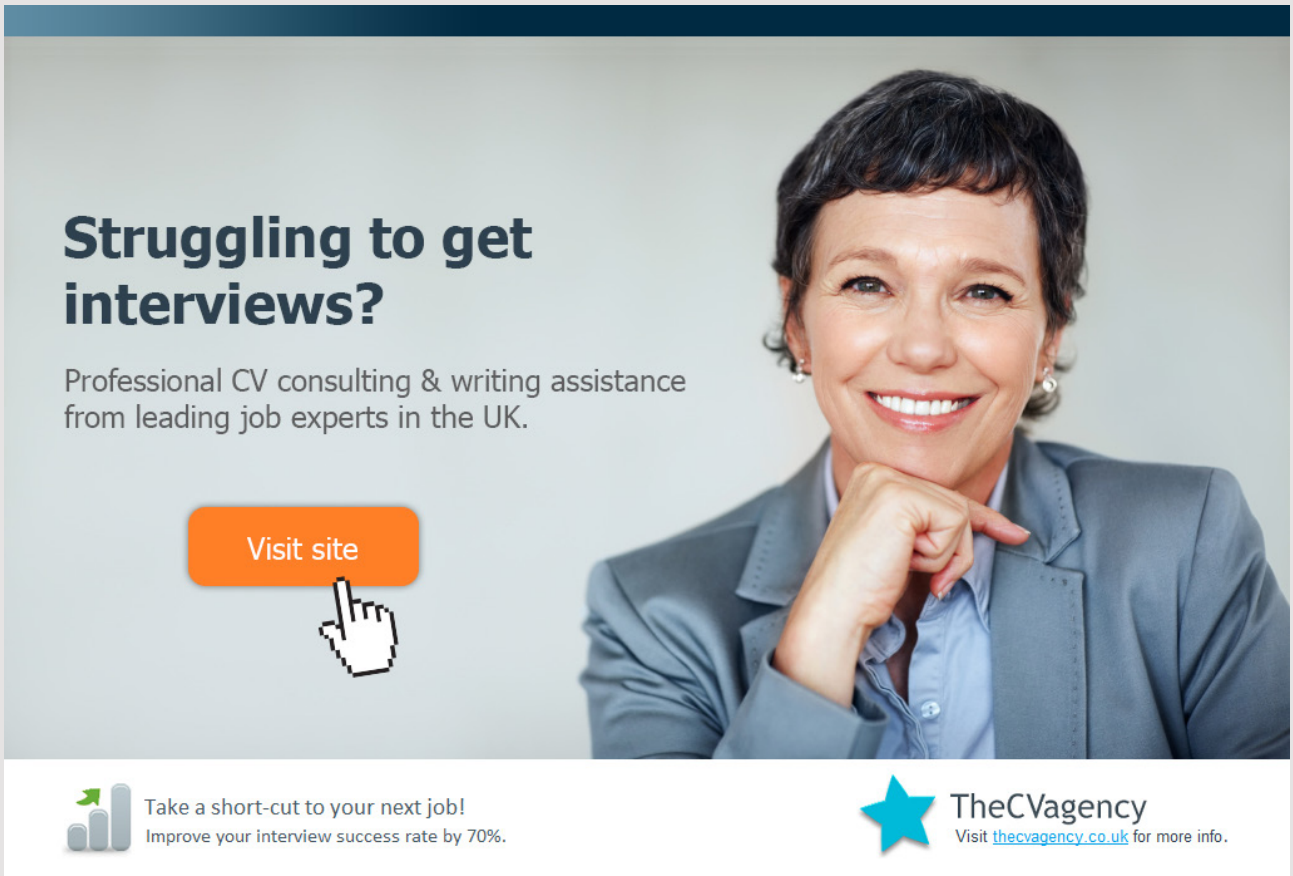
Questions

1. Define the term public sector financial management.
2. What is the importance of public sector financial management?
3. Explain the four dimensions of public sector financial management.
4. What is the importance of government budgeting?
5. Identify the key performance-based metrics:
6. Return on Investment
7. Return on Capital Employed
8. What are some benefits of public sector financial management?
9. Discuss some challenges of public sector financial management.
10. Explain the following terminology used in public sector financial management.
    a) Zero-based budgeting
    b) Target-based budgeting
    c) Incremental budgeting

How are they related?



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11 RECRUITMENT IN THE PUBLIC SECTOR

Aims

Introduce and develop the concept of public sector recruitment.
Understand the importance of public sector recruitment.
Learn the principles of public sector recruitment.
Discuss the importance of internal public sector recruitment.
Identify recruiters in the public service.
Explain the importance of headhunting in public sector recruitment.
Discuss the challenges of public sector recruitment.
Identify the types of public sector recruitment.

Introduction

The public service is a labour-intensive employer and the quality of its services is directly dependent on the quality and performance of its employees. Viewed from this perspective, recruitment and selection collectively represents one of the most important HR practices.

Given the difficulties the public service experience in attracting persons of the desired quality to its employment, it is of the utmost importance its recruitment and selection processes yield the desired results by ensuring the most suitable candidates are appointed to posts. To arrive at the selection of the most suitable candidate, all procedures that have preceded the choice of the candidate, including advertisement, shortlisting and the development of appropriate selection criteria, must have been diligently thought through and applied consistently under set national prescripts and norms.

Given the link between good quality recruitment and service delivery, its importance is paramount. The effectiveness of recruitment and selection is in itself dependent on the quality of HR planning, proper job descriptions and staffing requirements dictated by transformation and service delivery objectives. If these areas are neglected, this will inevitably spill over into the area of recruitment and selection, setting off an ever-increasing vicious circle.[1]

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Principles of public sector recruitment and selection[2]

Recruitment and selection in the public service are essentially concerned with finding, assessing and engaging new employees or promoting existing ones. As such, its focus is on matching the capabilities and interests of prospective candidates with the demands and rewards of a given job. Recruitment and selection decisions are amongst the most important of all decisions managers must make as they are a prerequisite to the development of an effective workforce.

It should be noted recruitment is only one aspect of human resource management. It needs to be underpinned by a clear linking of the objectives and strategy of the organisation to the jobs people are asked to do. It should be supported by properly evaluated human resource management systems, such as resource management, training and development programmes, career progression, performance management, health and safety and welfare issues.

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The principles are:

- Probity-Appointments are made on correctness and fairness.
- Appointments made on merit.
- An appointments process in line with best practice.
- A fair appointments process applied with consistency.
- Appointments made in an open, accountable and transparent manner.

Job descriptions and person specifications

Accurate job descriptions and person specifications are essential for public sector recruitment. They should:

- provide the relevant criteria against which candidates can be measured throughout the selection process and which can be justified under relevant legislation;
- provide valuable information to ensure that selection techniques and tools are customised to reflect the requirements of the job;
- generate good quality information which will help assessors decide better.

Selection

The selection process should be designed to assess the skills and criteria determined in the job description and person specification. Deciding which methods are most appropriate for a given situation often involves finding the right balance between the ideal approach and the money and time available.

There are many different selection situations, from internal promotions to selecting candidates from the open market. In all cases the objective is to choose a high quality selection procedure based on the skills/competencies relevant to the job. This section outlines some of the most commonly used selection techniques, including:

- Application forms & Curriculum Vitae
- Psychometric tests and work sample tests
- Interviews
- Personality questionnaires
- Assessment centres

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Attracting the right candidates

Whether the process is advertised internally or externally, the aim at this stage is to attract high quality and suitable applicants to increase the chances of ultimately finding the right person for the job. Recruiters should ensure advertisements are equality and diversity friendly and promote highest levels of fairness and probity.

In many countries, programmes for the renewal of the public sector have been launched. The objectives are to increase efficiency, effectiveness and flexibility as well as to improve quality in the public sector according to the needs of the national economy and the growing expectations of citizens. Some countries have expressed visions of becoming an employer of choice, or an ideal employer or, to be particularly attractive to young people, a model IT user. These are considered key factors in competing for young and well-trained labour, as well as in retaining staff and preventing outflow to the private sector.

Applications and shortlisting

The decisions made at short-listing are crucial as they eliminate some candidates from the selection process. Short-listing should be done in a careful and systematic manner by considering each application and evaluating it against relevant criteria.

The traditional approach to applying for jobs in the public sector is to complete a fairly lengthy application form. This may be off-putting for some candidates. Therefore, application forms, if used, should only address the really important areas to allow shortlisting to take place. The benefit of using an application form from the organisation's perspective is it ensures the same information is gained from candidates which helps to achieve a level of consistency in the short-listing process.

Interview

Structured interviews are the most effective type of interview. The interview process is formed through identification of the key requirements of the job and a list of questions is drawn up. A panel of interviewers works through each set of questions with each candidate and scores them on their answers. At the end of the interview process the overall scores are considered and the best candidate chosen. If additional selection methods are chosen this is fed into the overall process at the end and again the best-fit candidate is offered the appointment.[3]

Even where the interview is structured, this does not mean follow up questions cannot be asked to probe more deeply into a candidate's skills and experience. An interview which does not do this, but instead sticks to a rigid list of questions, will not allow the interviewer to obtain the information required to make a proper decision.

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Members involved in the interview process should be trained in interviewing skills and the sorts of questions they should or should not ask.

References, medicals and other checks

These may include a medical/health check to ensure the prospective employee is capable of doing the job in the foreseeable future, a character check and assessment of their eligibility to work in this State.

Although a candidate's skills may have been objectively tested through a range of assessment methods, the accuracy of some of the information supplied by the candidate must be independently verified. This section includes details on these checks and concludes with information on Certificates of Appointment.[4]

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Case Study: Challenges in public sector recruitment[5]

Public sector organisations face significant staffing challenges. Many report they are only adequately staffed. And an increasing number report they are grossly understaffed in critical areas. Human Resource professionals' training and expertise must be utilised to the fullest extent to address these challenges. Human Resource's importance to the overall success of an organisation should not be underestimated. Further, the constant push to do more with less means many employees are now wearing more hats in taking on responsibilities outside their core area. All of these issues contribute to the mounting pressure on Human Resource to find and attract the right person for the right position as quickly as possible. Necessity is the mother of invention, or in this context, the mother of innovation as many responding organisations aptly exemplify in their varied approaches to recruiting. At the same time, the study findings indicate there are things Human Resource could be doing as an organisation to see improvements in all Human Resource functions.

Many public sector organisations continue to work without any type of thoughtful, proactive, strategic plan for Human Resource Management, recruiting, and staffing. Much can be inferred from the lack of a guiding plan. Many organisations are struggling to simply deliver regular services and complete daily transactional activities to keep the organisation going. If management does not see Human Resource Management as providing value or being an asset to the organisation, there may be little impetus to take time away from critical activities to complete a formal plan. A systematic internal review as part of a planning process, however, is essential to identify what's working and what's not in terms of current processes, procedures and services. Business process improvement depends on first understanding the current state and locating areas with potential for improvement.

An effective strategic plan and the priorities and improvements this plan details can drive the collection of more accurate and reliable information. Better information and data will allow Human Resource to act more strategically and have the evidence to justify decisions or new directions. Without a strategic plan, Human Resource Management may not be collecting the right information or the data to evaluate recruitment strategies properly. Numerous organisations cited the strategies or programmes are working well for recruiting and staffing. Further exploration would likely demonstrate many organisations have only anecdotal evidence on the success of these solutions rather than hard data. Accurate and timely information is essential for organisations looking to move away from certain transactional tasks to more strategic activities.

Source: Davidson, G., Lepeak, S., and Newman, E. (2007) Recruiting and Staffing in the Public Sector, International Public Management Association for Human resources.

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Questions

1. Analyse the issues that contribute to the mounting pressure on public sector recruitment.
2. What is the relevance of a human resource plan for effective public sector recruitment?
3. What flaws might exist if human resource plans are not properly defined in the recruitment practice?

Recruiters in the public sector

To be successful in the government and public sector, recruitment specialists must possess an unparalleled understanding of the ins-and-outs of the government talent acquisition process. In addition, delivery of recruitment services to this sector is further complicated by the need to balance role-based skills, departmental or divisional needs, and agency-specific requirements.

Recruitment and selection processes in the government and public sector also tend to be more complex than in the private sector, requiring a complex documentation set to be complied and submitted for each candidate offered for a particular role. Recruiters also need to be very mindful of interview and referencing processes, and must ensure candidates are adequately prepared and briefed before starting the process.

Government and public sector recruitment specialists must be well versed in placement processes insisted on by government agencies. Often requiring specific documentation sets for each applicant and role, recruiters need to prepare documents such as formal application forms, selection criteria, statement of claims, and referee reports. This requires a heavy time commitment from the recruitment consultant as they meet, select, and prepare candidates, create and submit formal applications, and brief candidates for the interview and selection process.[6]

Internal recruitment in the public sector

External recruitment may at times be avoided by implementing re-structuring / re-organisation of work or by re-engineering work processes, or internally by giving underutilised existing human resources re-training or re-skilling programmes to maximise their potential.

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An internal recruitment strategy is characterised by promoting employees from within an organisation to fill upcoming positions. Many firms use such devices as job posting boards, email flashes, intranet posts and flyers to advise existing employees of positions they may vie for. This recruitment may be in the form of creating and shuffling temporary teams to fill certain tasks or may be permanent changes. Internal recruitment may be primarily horizontal or it may be for promotions in which the promoted employee's former position may not be filled. Internal recruitment is also practised by governments with the objective of providing opportunities to employees from the inside to secure better changes of promotion and career advancement.

Revitalisation

When new positions open within the public sector, managers have the opportunity to bring in new candidates who offer a different point of view from the existing staff. When public executives recruit internally, they are working with the same set of ideas you had when the process started. Internal recruiting has a way of limiting the flow of new ideas into a company can help to spur growth and development.[7]

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Competition

Internal recruitment can offer incentive for employees to perform well in public jobs, but it also can create an atmosphere of competition that can be counterproductive. Employees may feel pressured to compete with each other to be considered for a position during an internal recruitment process, and this can create conflict. While the potential is there to improve morale with internal recruitment, it could turn the other way and help to lower morale because employees become focused on competing for jobs rather than trying to become proficient at their current positions.

Headhunting in the public sector

An important consideration for public sector management is retaining high calibre staff to undertake big challenges posed by ministries. In this context, public bodies will be first to source executives from inside with the intention such people need to move to a higher position and be rewarded for the effort they undertook for years.

While this internal recruitment practice is highly sought in the public service, ministers and heads of department might not find out the driving force for their organisation. They will need to recruit highly qualified officials either from the private sector or from international companies or probably overseas governments where such people have excelled in their fields. Developing nations with minimum local resources will have to consider headhunting as a means of having top talent to work in the local public sector and bring about the desired change.

It is for this reason executive search or headhunting might be duly considered in countries where ongoing developments cannot be undertaken by the local people since they might never have been exposed to forthcoming challenges and might lack the desired competences to bring innovation and change, and even set the public sector on the path of a major breakthrough.

Head hunters' traditional approach[8]

When an executive position has to be filled within the public service, a specialist executive search agency will be approached and advised on the requirements of the role, before they identify prospective targets.

Executive head-hunters search the business world to find an ideal candidate from a similar organisation in the industry. They will use all their contacts in an attempt to find the ideal candidate. It can be a lengthy, costly process as they narrow down the field, make an approach, and then wait for the right answer.

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Risks of traditional headhunting

There are no guaranteed results from a prolonged headhunting process. Even with a vast amount of work, a candidate might refuse a job due to the risk of changing position, a poor negotiation strategy, or they may even receive a counter offer from another company. A failure at the final stage could mean the entire process must begin again. Even if the right person is found, an executive at this level typically has a three-month notice period, creating further delays. The scope of the traditional headhunting process is narrow, limiting the prospective candidates to those already within a similar position within the industry. There is a far more flexible alternative.

Need for outstanding leaders

The need for outstanding leaders in the public and not-for-profit sectors is greater than ever. For public organisations and government bodies, the need to recruit and retain effective leaders is fundamental to maintaining complex and bureaucratic organisations in an era of political instability and increasing public scrutiny. For non-profit organisations, the focus is on securing leaders with the skills to professionalise and develop their organisations, whilst driving towards their institutional objectives.[9]

There are enormous needs of the right resources for the corporate firms. The retention policies of these companies also herald the need to hire a resource for a specialist role who can serve for a long time. The challenges companies face is the inability of in-house HR teams in finding the right avenues will enable them to the right employees. To address this, it is essential to think of outsourcing these services to a firm who is capable of providing quality resources and meeting the business requirement.

Selected areas in public service seeking executives

The table highlights a few selected areas where it is deemed public sector executives are important in bringing their contribution to the development of priority sectors through the high level of competence and strategic thought and intents they might have.

Area of Expertise	Type of contribution from executives
Education	Education remains a priority for many countries. To combat illiteracy and ensure high levels of human development, executives, either local or international have the desired competence to come forward with proposals like quality training, national certification framework, development of secondary and tertiary education and leveraging of resources to develop high performing staff in the education sector.

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Infrastructure	Infrastructure development is of paramount importance to governments worldwide. Experts in project management can come forward with bright ideas onto how to develop new infrastructure and premises within the deadlines and the budget allocated. The opening of railway lines, the development of smart cites certainly require the need to recruit high calibre executives.
Policy planning	Executive search might be every important in this particular area whereby projects are launched by the government like the development of health centres, IT incubation centres, and e-government. These policies are in line with improving services provided to a country's citizens. The capability of translating policies to reality might depend upon the competence of top executives.
Financial planning and governance	Monetary policies, creation of stable financial instruments, management of risks, revamping economic growth could be key result areas expected in the public services. Executives as transformational leaders understand the need to develop sound financial plans for their ministries while these align with the expectations of stakeholders and the public. In this perspective, even mechanisms for good governance to ensure the best use of funds is required. This depends evidently on the expert knowledge available from top executives.

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Health sector	This is another key sector of public economies in several countries. The need to have a sound workforce free from health problems is utopia but there could be efforts to better address health issues. Headhunted managers come forward with programmes to alleviate stress in public sector jobs, reduce sedentary tasks, develop positive attitudes to personal healthcare, launch programmes to combat workplace related health impairments.

Secondment as internal public sector recruitment[10]

Secondment means the transfer, on loan, of a member of staff of a department to another body, for a specific time period, generally to carry out specific work. Typically, secondment could arise where, by virtue of the special skills and experience of a member of staff of a department, another body or agency, may seek to have that person work for them in relation to a specific project. Or, a member of staff, in furtherance of his or her career development, may identify an opportunity in another body or agency which she would like to pursue for a specific period of time. In such circumstances, whether initiated by the body concerned or the person in question, the decision if secondment can be facilitated will lie with the Department.

Secondments can be a useful, effective way to make sure an organisation has the right capabilities at the right time. They also have the additional benefits of: reduced time to recruit, reduced cost of recruiting, and the development and engagement of employees.

Conditions to fulfil during public sector secondment

For a secondment to occur all three parties must agree: the employee, the home organisation and the receiving organisation. A transfer occurs as a consequence of an agreement between the heads of the relinquishing organisation and the receiving organisation. While desirable, the employee does not necessarily play a role in establishing the agreement.

Certain general conditions apply:[11]

- A secondment is established with the agreement of the employee.
- The duration of the secondment is by agreement between the home organisation, the receiving organisation and the employee. Most employers would set a 12-month limit.
- A breach of the Code is an exception that may lead to the early termination of a secondment.
- The role the employee returns to depends on the current and future needs of the home organisation.
- All return arrangements should be documented before the start of the secondment.

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The conditions for contract employment in the Public Service

Creating any new human resource policy, system, or procedure must conform to general and specific principles enunciated by the organisation and must enhance existing practices. The primary motive for the development of the new policy and guidelines to regulate contract employment in the Public Service is the need to provide on a timely basis the competencies needed by Ministries and Departments of Government. This will ensure their optimal performance and the realisation of their and the country's development goals.

The employment of persons to serve on contract obtains principally in the following situations:[12]

- Where there is a dearth of suitable candidates for permanent appointment to pensionable offices in the public service and there is urgent need for the services attaching to such offices.
- Where special projects or programmes of specified duration (often funded by international agencies) are undertaken by Ministries/Departments and need to be executed and monitored by personnel additional to those on the permanent establishment of the Ministry/Department involved.
- Where a need has been identified for the specialised services of a person, like an Advisor in a particular area of expertise – and such need cannot be met by the filling of any existing position on the establishment.

Transfer in the public sector[13]

A transfer or other movement of an employee to other duties in the department or to duties in another agency (including a transfer or movement at the initiative of the employee or because of an application for an advertised position) is at the same classification level as the employee. Such a transfer or movement does not constitute a resignation.

An employee may be administratively transferred to another position without the position being advertised where a delegate directs an employee be re-assigned at level. An ongoing employee transferred to a fixed-term position must be paid not less than their substantive salary. There is no capacity to reduce an employee's substantive salary on a temporary basis. With the exception of action taken because of an employee's incapacity, misconduct or unsatisfactory performance, an employee cannot be transferred to a lower classification without the employee's consent.

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Points

The public service is a labour-intensive employer and the quality of its services is directly dependent on the quality and performance of its employees. Recruitment and selection collectively represents one of the most important HR practices.

The principles of good recruitment are: appointments are made on correctness and fairness, appointments made on merit, a fair appointments process applied with consistency as well las appointments made in an open, accountable and transparent manner.

The selection process should be designed to assess the skills and criteria determined in the job description and person specification.

The traditional approach to applying for jobs in the public sector is to complete a fairly lengthy application form while they should only address the really important areas to allow shortlisting to take place.

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An internal recruitment strategy is characterised by promoting employees from within an organisation to fill upcoming positions.

When an executive position has to be filled within the public service, a specialist executive search agency or head-hunter will be approached and advised on the requirements of the role, before they identify prospective targets.

Secondment means the transfer, on loan, of a member of staff of a department to another body, for a specific time period, generally to carry out specific work.

A transfer or other movement of an employee to other duties in the department or to duties in another agency and is part of internal recruitment.

Questions

1. What is the importance of recruitment in the public sector?
2. Why are fewer younger people attracted to public jobs?
3. Identify recruiters for public sector jobs.
4. What are the benefits of internal recruitment?
5. What is the importance of secondment in public sector recruitment?
6. How might secondment differ from promotion in public sector recruitment?
7. How is headhunting essential for public sector jobs?
8. What is the relevance of secondment in public sector jobs?
9. What conditions should be fulfilled for contract employment in the public sector?
10. How can transfer be managed in public sector jobs?

Further Reading

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12 EMPLOYEE WELFARE IN THE PUBLIC SECTOR

Aims

Introduce and develop the concept of employee welfare in the public sector.
Understand the term employee welfare.
Understand the need for motivating the public officer.
Creation of better work life balance.
Learn the benefits of employee welfare measures.
Recognise pensions as a core element of employee welfare.
Identify the different categories of labour welfare.
Appreciate retirement benefits as a part of public sector welfare.
Apply human welfare in emerging economies.
Understand the need for sustaining the Welfare State.

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Introduction

Employee welfare can be described in various ways. An initial definition could be the provision of various services, benefits and facilities offered to employees by the employers. The welfare measures need not be monetary but might exist in any kind/forms. These include items such as allowances, housing, transportation, medical insurance and food. Employee welfare also embraces monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families. Through such generous benefits the employer makes life worth living for employee.[1]

Welfare includes anything done for employees' comfort and improvement and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind or forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families.[2]

Employee welfare entails all employer activities which direct towards providing employees with certain facilities and services in addition to wages or salaries. The very logic behind providing welfare schemes is to create an efficient, healthy, loyal, and satisfied labour force for the organisation. The purpose of providing such facilities is to make their work life better and to raise their standard of living.[3]

Employee welfare's importance

It would be useful here to mention the importance of employee welfare in the public service. In a general sense, employee welfare aims at motivating the public officer to become more effective at work. Welfare also addresses the need for better work-life balance thereby reducing stress and creating more harmony. These elements are discussed in the next paragraph.

Motivating public officers

Motivating public officials is crucial for public service sector effectiveness. And as the public service sector is a key pillar of international development, public service motivation is critical to achieving the goals of international development. Further, to produce effective and lasting reforms, there must be an internal desire to change, and motivated public officials are best placed to lead.

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Public services are constrained in their ability to compete financially with the private sector for top talent. But it may not actually be in their best strategic, long-term interests to compete on those terms. While the abilities of public and private sector employees to achieve organisational outcomes can be similar, top private sector talent may not possess the intrinsic motivation necessary to sustain good performance in top public sector roles.

The public sector will always lag the private sector in terms of remuneration. Resources will always be a limiting factor, and the vagaries of human nature make the management, let alone the motivation, of staff challenging in the best of conditions. The examples and principles described here are not intended to be comprehensive; instead, they seek to offer inspiration, insight and instruction for public service leaders and managers. They should serve as a starting point on the ongoing journey to improve motivation in the public service.[4]

Creating better work life balance

In today's fast paced business world, the ability to achieve work life balance is becoming more and more difficult. Employers expect more from staff, and people are increasingly putting additional pressure on themselves to achieve greater results. Maintaining work life balance is not only important for one's personal health and relationships, but it can also improve the efficiency of his work performance.[5]

The negative effects of a burnout impact every area of a worker's life, including his personal and social life. Work life balance is important as it allows the employee separate work and home, meaning the stress of work should stay at work, and not follow her outside of office hours.

With a balance between work and home, comes greater control of where the employee's focus remains. If the employee leaves his work at the office, his full attention will be on his home life and giving his relationships the attention in which they deserve.

Healthline Company explains 'stress can cause a variety of symptoms and can affect your overall health and wellbeing', from less serious conditions such as flu, to more serious health issues such as respiratory or digestive problems. Either way, stress can impact your health so much is even more of a reason as to why maintaining a healthy work life balance is important. Taking the time to look after oneself by exercising, eating well, and relaxing can contribute to limiting one's health problems and make us more efficient workers during business hours.[6]

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Employee welfare measures' benefits

Employee welfare measures provide better physical and mental health to workers and thus promote a healthy work environment.

Facilities like housing schemes, medical benefits, and education and recreation facilities for worker's families help in raising their standards of living. This makes workers to pay more attention towards work and thus increases their productivity.

Employers get stable labour force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.

Employee welfare measures increase the productivity of organisation and promote healthy industrial relations thereby maintaining industrial peace.

The social evils prevalent among the labours such as substance abuse. are reduced to a greater extent by the welfare policies.[7]

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Pensions as a core element of employee welfare

Pensions as a form of social security against old-age poverty and other uncertainties have attracted great interest virtually everywhere in the world, both in developed and developing countries, in recent times. Pension programmes, especially those that are publicly financed and administered, have become an issue of concern to economists, policymakers and the public. This is not only because such programmes are central to the well-being of pensioners and the elderly, but also because the majority of pension programmes are not actuarially balanced (that is they are not financially stable), and as such they are run at deficits, thus making the present values of their future liabilities to be enormous. To this end, an overview of what a pension programme/scheme entails is needed for a general understanding of this form of social security service.[8]

A pension scheme is a transfer programme that serves as a channel for redistributing income to the elderly or retirees, after a stipulated number of service years. A pension is a regular payment made by the government or by private companies or organisations to their retirees as a form of social security against old-age risks and uncertainties. In some countries, especially those that are economically advanced, pensions are extended to other categories of people apart from retirees, such as widows, orphans, disabled people (in the form of disability pensions), and the elderly or the aged.[9] Pension programmes are put in place to serve as protection for the elderly and retirees against old-age risks, poverty, and other uncertainties. In addition, they are also used to promote a 'saving culture' among current employees, and this stimulates savings.[10]

Education as welfare for adult development

The economics of formal education has until now been focused on the cost side as inputs in the formal system have been easy to measure. Even in workplace training models, the focus has been on formal learning only. Formal learning, leading to certification, is based on criteria of selection and exclusion. These approaches are unlikely to survive unchanged in a knowledge society. The cost of financing work-related adult learning will have to be revaluated as a diversity of learning styles and non-traditional learning environments has been neglected by formal educational policies.

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New factors are calling for a shift in the vision of adult learning, with greater emphasis on:

- experiential and contextual learning that relates to work, the home, and community;
- use of technology, especially in the area of distance learning;
- support for continued research and development in effective work-related adult learning practices;
- professional development and training;
- outcome-based measurement of adult learning, in addition to inputs;
- widening the recognition of competencies to all areas of learning.

All these are expected to promote more cost-effective learning. The recognition of non-formal competencies is beneficial to the applicant in that it increases the opportunities for employment. It also promotes social recognition and inclusion, and increases competency as a citizen, and family member.[11]

Insight: Different Categories of Labour Welfare

Some of the major categories of labour welfare are: intra-mural facilities, extra-mural facilities, statutory facilities, mutual facilities, and voluntary facilities. It is very difficult to classify the welfare activities into certain broad categories.[12]

Intra-mural facilities

The facilities provided inside the factory are known as intra-mural facilities. These facilities include activities relating to minimisation of industrial fatigue, provision of safety measures like fencing and covering of machines, good layout of the plant and machinery, sufficient lighting conditions, and providing first aid. Provisions of such facilities are also obligatory in all industrial establishments all over the world.

Extra-mural facilities

Facilities offered to the workers outside the factory are known as extra-mural facilities. They include better housing accommodations, indoor and outdoor recreation sports, and educational facilities. The provision of these facilities is voluntary. Earlier, due attention was not given to the provision of extra-mural facilities to the workers but now it is realised such facilities are very important for the general welfare and uplifting of the workers.

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Statutory facilities

Under this category, welfare facilities are provided according to the labour legislations passed by the Government. The nature and coverage of these facilities vary from country to country. Again these facilities may be either intra-mural facilities or extra-mural facilities. These facilities must be provided by each employer and must not be ignored. Any contravention of the statutory provisions shall render the employer punishable under the Act concerned.

The National Commission of Labour has divided all the statutory measures under two distinct heads:

- Facilities which have to be provided irrespective of the size of the establishment, such as drinking water.
- Facilities which are to be provided subject to the employment of a specified number of persons, like crèches.

Mutual facilities

These facilities are outside the scope of the statutory facilities. These activities are voluntarily undertaken by the workers themselves for their own interest. As such the employer has no say in it.

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Voluntary facilities

The facilities which are voluntarily provided by the employers come under this category. Hence these are not statutory. No doubt, the activities under this category ultimately lead to increase in the efficiency of workers.

Health and well-being at work

Maintaining health and well-being should be high-priority for workers and employers alike. Health is an asset closely associated with a person's quality of life and longevity, as well as their ability to work. A healthy economy depends on a healthy workforce; organisations lose productivity through ill-health of their workers.

The health, safety and well-being of workers are a priority for EU policy. The EU, through Directive 89/391/EEC on measures to improve the safety and health of workers, places an explicit responsibility on the employer to adapt work to the person, while the Europe 2020 strategy seeks to ensure all people – including those with different health capacities – Acan work for pay.[13]

Health and well-being in the workplace is a broader issue than exposure to risks, accidents and occupational diseases; it is the outcome of a multitude of settings and conditions. Organisations and workers need a range of resources to ensure health and well-being in the workplace; how work is organised and the organisational culture are also important. Physical risks, being the most visible, originally received the most attention; however, psychosocial risks are receiving increasing prominence as a workplace health hazard.

Insight: Healthcare reform in the United States[14]

For American companies to remain competitive in the long run, managers must shift from the traditional benefits-management approach to comprehensive control of health care delivery. At the core of this new paradigm is the recognition health care costs are a fundamental investment in employees as a long-term asset. A company secures human capital through its total compensation package, which includes wages, health care benefits, pension benefits, workmen's compensation, vacations, absenteeism, and sick leave. For the value of health benefits to exceed their cost, a company must manage health care like any other important component of production.

This issue was a major one developed by US President Barack Obama during his second mandate (2012–2016) with an intention of bringing in health welfare to Americans following the 2008 financial crisis which led the leading nation to austerity. The proposal met with strong resistance from employees and was not applied as expected into practice.

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Retirement benefits as a part of public sector welfare

Pensions remain the attractiveness of the public sector as an employer. Voluntary mobility contributes to attractiveness. Private sector employees may wish to pursue positions in the public sector if they are confident they can subsequently assume other private sector positions without loss of pension rights. Public sector staff are more likely to remain if they can see opportunities for advancement between public sector bodies with no pension disincentives. Occupational mobility is favoured more in a position-based employment system than in a career system, where there are constraints inherent in the public service system.

In a career system, people who join the civil service after their studies are expected to remain there throughout their working lives and up until retirement. In a position-based system, on the other hand, the official is recruited to occupy a specific post in government. She is recruited for his or her skills, together with those required to fill the post for which she has applied. The employer assumes no responsibility for career management.[15]

Case Study: Public welfare in the democratic process[16]

Public welfare is one way in which a basic principle of democracy finds practical application. This is the principle the whole society is responsible in certain measure for each of its members. Public welfare, by its very nature, is allied with people and their needs. As a governmental service, public welfare today reaches into every county in America and is an accepted part of government. The American Public Welfare Association is composed of people who make this service a living reality.

During the decade and a half of its existence the Association has seen the realization of many of its original ideals. It has witnessed the broadening of public knowledge of public welfare, as well as the emergence of accepted standards of welfare administration. It is not surprising, therefore, present tenets on which the Association's 1946 programme is based should reach farther than the internal organisation of public welfare agencies to the role these agencies play in our whole democratic system of government.

Today, the trend toward the evolution of public welfare as a comprehensive and integral function of Government – Federal, state and local – embodies four basic factors.

First: Public welfare represents a basic guarantee by government of minimum standards of human existence below which no one may be permitted to fall. This means no person should be denied its benefits because of arbitrary concepts of eligibility in terms of residence, categorical exclusion or regional economic inequalities. It means the acceptance of primary responsibility by federal government for leadership and financial aid in behalf of people of the entire nation, even while administrative responsibility remains in local hands.

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Second: Public welfare is a comprehensive function in which economic aid and social services are as closely related as defy arbitrary segregation.

Third: A comprehensive programme based on consistent policy can only be achieved through unified administration at all levels of government.

Fourth: Public welfare is a residual function and recognises the responsibility of government to utilise other primary means to assure security and social well-being.

Growth and change in public welfare, however, have been more marked than have been the upheavals in other phases of our social and economic life. America has weathered its greatest depression, has fought its most critical war, and now faces a future holding its richest opportunities. Out of these unforgettable years has come our present definition of public welfare's function in democracy. It is essential, therefore, public welfare in the post-war period hold high human values. As the well-being of people is inherent to democracy, so the growth of welfare programs as an accepted governmental service is living proof our faith in democracy is justified.

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Questions:

1. Why should public welfare represent a basic guarantee by government of minimum standards of human existence?
2. Discuss public welfare is a residual function.
3. Why should public welfare hold high human values?
4. How do the welfare concepts developed in 1946 still apply today?

Source: Dunn, L. (1946) University of Minnesota, Twin Cities, Social Welfare History Archives.

Insight: Human Welfare in emerging economies[17]

None of the problems and opportunities facing emerging markets can be resolved without sustained growth. And sustained growth will not be achieved without successful attacks on issues of human welfare that constitute the soft underbelly of emerging market economies. The litany of inter-related problems – poverty, inequality, ignorance, sickness, isolation – recited for over a century in high income countries, is familiar. As are opportunities to address them through education, training, healthcare, social care, sanitation, housing, infrastructure.

Every emerging market has recognised the need to address its problems and capture opportunities to resolve them. Some have channelled growing prosperity in to giant improvements in human services. Others have relied less on the state and more on the market. Most have chosen hybrids. But very few emerging markets – or high income countries – have recognised the need for joined-up policies to address different aspects of human welfare, for example youth policies, ageing policies. Very few have recognised the need for coordinated action, for instance healthcare, social care to address welfare issues. And very few have recognised the value of life-course perspectives in policies and actions that address the age-specific needs of population cohorts, such as maternal nutrition.

Solutions to problems of human welfare continue to evade wealthy countries that have had time and resources to understand the issues and act on them. Given the challenges for emerging markets are vastly greater, it is not surprising many of them are unaddressed and unresolved and must be met in extraordinarily complex and rapidly changing conditions. Insofar as the benefits of growth are shared some will, at least in part, solve themselves. But the problems will not melt. They constitute what may be the human history's most formidable agenda.

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Issues on Welfare State-The European public sector

For many in Europe, the values and norms that underpin the continent's social model are at the heart of what it means to be European.[18]

Welfare states perform a number of redistributive functions and protect the vulnerable. Contrary to negative portrayals, welfare states also invest in human and social capital. All European citizens both use and contribute to the welfare state at different stages of their lives.

Pressures on public finances, and the burden that social spending imposes on the 'productive' parts of economies, raise questions about whether European countries can still afford their welfare states.

Welfare systems first designed 50 or more years ago need to be recast to confront today's challenges. They must accommodate the extensive societal transformations associated with population ageing, closer global economic integration and the spill over effects of climate change.

Welfare states will also have to adapt to new social risks resulting from the changing nature of European economies, especially evolving patterns of work and employment. They will have to use resources more efficiently and make the most of relevant technological advances, without unduly sacrificing key principles such as solidarity.

A number of dilemmas about appropriate forms of decision-making and democratic oversight surround efforts to reform welfare, but there are reasons to be optimistic about the future of the European social model. Well-designed welfare states can promote sustainable growth in Europe and be a competitive asset.

Sustaining Welfare State

Every time Governments subsidises any service or fully funds any welfare service the size of the public sector grows. Often, it's just another bureaucracy headed for disaster, dissipating wealth as it goes. It's like aid provided to poverty-stricken countries by international organisations. By the time the aid reaches the targeted recipients, the initial size of the aid has thinned out to a mere pittance. Bulk of the aid is eaten away by administrators and other intermediaries. The world had never seen a shrinking Welfare State until the start of the 1990s when Sweden, a State with a very strong socialist bias, was per force required to make sweeping welfare reforms due to budgetary pressures.[19]

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The Welfare State, as it evolved over the years since the 1970s, caused a rise in Government's share of the national economy. This is not only because most Welfare State services are labour-intensive activities but also due to a broadening of the scope of welfare spending. Is our expansive Welfare State fiscally sustainable? As long as the Government is willing to raise enough revenue for the financing of welfare spending the Welfare State is believed to be sustainable. It's an armchair view shared by many people. The will to impose higher taxes is one thing; the State's capacity to raise revenue by means of taxation is another. The latter is a function of the size of the economy. The willingness of the people to pay taxes is another significant variable in the equation. Should the size of the economy contract or grow sluggishly and the willingness of the people to pay taxes falter due to, say, rampant corruption, wasteful government expenditures, the Welfare State would become unsustainable over time.

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Points

Welfare includes anything done for employees' comfort and improvement and is provided over and above wages.

Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration.

Maintaining work life balance is not only important for one's personal health and relationships, but can also improve the efficiency of his work performance.

Employee welfare measures provide better physical and mental health to workers and thus promote a healthy work environment.

Employers get stable labour force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.

Employee welfare measures increase the productivity of organisation and promote healthy industrial relations thereby maintaining industrial peace.

Some of the major categories of labour welfare are: intra-mural facilities, extra-mural facilities, statutory facilities, mutual facilities, and voluntary facilities.

Intra-mural facilities include activities relating to minimisation of industrial fatigue and the provision of safety measures.

Extra-mural facilities include better housing accommodations, indoor and outdoor recreation sports, and educational facilities.

Public welfare is the principle where the whole society is responsible in certain measure for each of its members. Public welfare is allied with people and their needs.

Welfare states perform a number of redistributive functions and protect the vulnerable. They also invest in human and social capital.

The Welfare State might become unsustainable over time because of rampant corruption, wasteful government expenditures or a perception what are being offered as welfare by the Government is not value for money.

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Questions:

1. Define the term employee welfare.
2. What are the reasons behind motivating the public officer?
3. How does better work life balance influence employee welfare?
4. Discuss some benefits of employee welfare measures.
5. Why are pensions a core element of employee welfare?
6. Identify the different categories of labour welfare.
7. Why are retirement benefits part of public sector welfare?
8. How does human welfare affect emerging economies?
9. Why is there the need for sustaining the welfare state?
10. Briefly review the US case for health reform as part of employee welfare.

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13 PUBLIC SECTOR TRAINING, AND LEARNING

Aims

Introduce and develop the concept of training and learning.
Identify the need for investing in public sector training.
Understand the functions and objectives of public service training.
Link training to career development.
Learn the principles behind public sector training.
Appreciate the need for career path through training.
Assess the importance of lifelong learning in the public sector.
Understand the evaluation of a training programme.

Introduction

This text has constantly mentioned the need for a qualified workforce in the public service by putting emphasis on quality, efficiency and effectiveness. To achieve these aims, training and learning are inevitably key issues that need to be addressed in the public service. It is so often argued high levels of performance expected from the public sector will depend on the type of the workforce available which will rely on the training provided.

Training is a necessity for the public service and there is no single department having ever missed providing induction training at the time when the new recruit learns about the basic elements and activities that will be needed at work. Evidently, one-off training is never enough and employees are bound to follow courses appropriate to their needs as and when they progress through their career path. This is where development comes in and helps the experienced worker further his competences to keep adapting himself to changing circumstances at work. Also, there is the need for promotion through career development.

In recent years, learning has also become a critical success factor at work. To learn means to acquire knowledge and skills not only for the present but equally for the future. Although training and learning are terms used interchangeably, learning has been gaining greater recognition because it deals with the lifelong experience of bettering one's abilities while being at work. The work of Peter Senge on the 'learning organisation' along with other respected scholars helps people and managers learn about developing such an organisation that keeps itself abreast of changes in the form of new ideas, technology, workplace arrangement, and work conditions are likely to impact today's and tomorrow's work environment.

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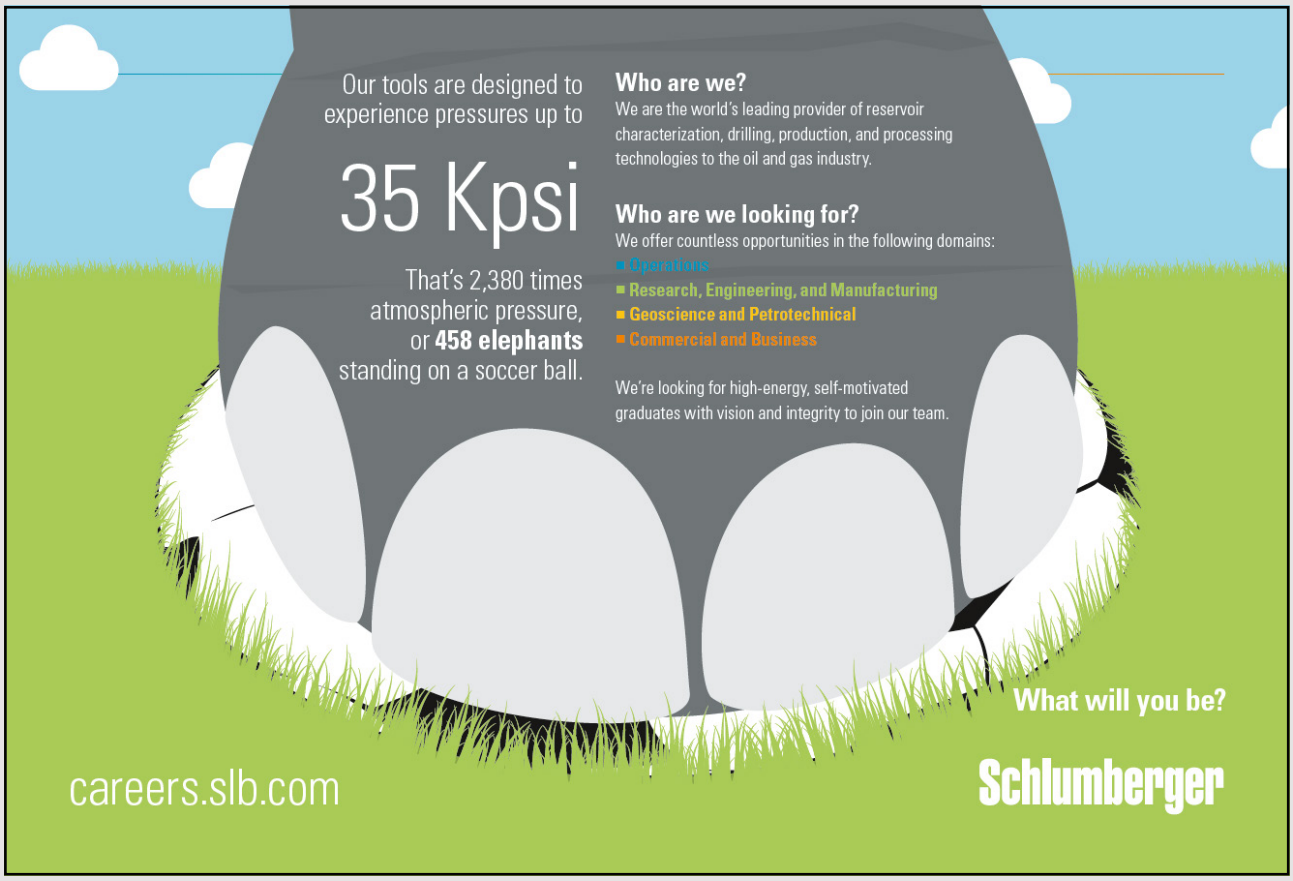
This chapter provides an outlook of both training and learning and their relevance to this new decade of the millennium. Obviously, it stresses the importance of learning and developing such a culture with the perspective that public organisations can only become highly performing through sustained learning.

Investing in Public Sector Training

The shrinkage in the half-life of knowledge, now more often measured in months rather than years, coupled with the changing demographics of today's public sector workforce calls for knowledgeable and trained workers. Therefore, government agencies at every level are under relentless pressure to ensure they have a knowledgeable and efficient workforce. If governments are to keep pace with the changes they face in our globalised world of rapid growth and changing technology, training and educating their workforce is a critical mission.[1]

The need to have a public workforce that is current has accelerated dramatically in contrast to the situation less than a quarter century ago. Then, employees would typically complete their formal education, and the knowledge they brought to their first job would sustain them throughout their career. Today's environment is markedly different. Providing just-in-time education and training programmes has now surfaced as a strategy for sustaining and improving the effectiveness, efficiency, and competitiveness of today's public sector workers.



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This strategy cannot be executed without cost. Keeping a growing and changing public sector workforce current and technically astute, as well as providing opportunities for employees to acquire the requisite knowledge and skills to remain competitive, requires investments that will come from increasingly scarce resources. Therefore, the challenge for government is to determine how best to invest its limited resources for the creation and delivery of a comprehensive workforce education program that will meet these needs.

Public service training's functions and objectives

The objectives governments pursue with in-service training for public service personnel are defined in the public service legislation, either in the public service act or in specific regulations on training; in some cases, the objectives are fixed in the constitution. These are developed as follows: the need to have demand-driven and practically-oriented courses, the need to disseminate knowledge, skills development, certifying learning among others.[2]

- Development of skills, knowledge, and awareness in Management, Leadership, Administration, and Office Support. This will be achieved through delivery of quality, demand-driven, and practically oriented training programmes.
- Offering advisory services in Public Service Management.
- Providing training capacity (volume, range, quality) that meets public service needs.
- Disseminating knowledge on good Public Service Management – Best Practice – this will be achieved through applied research and publication of research findings.
- Development of skills in new management technologies.
  Awarding Diplomas and Certificates to qualified graduates of professional programmes, and,
- Transforming training institutions) into an effective efficient and professional public service training agency. This will be achieved, in part, by entering into strategic alliances with public and private training and development institutions and people.

Training to serve better

Governments worldwide are increasingly facing more challenges in dealing with rising public expectations. To make the needs of the future, the fundaments of public governance should be in place to serve as an anchor in a turbulent world economy.

The key to every successful public agency is in the talent and training of the employees who serve the public. No matter their function or organisational structure, state and local agencies are continuously striving to recruit, train, and retain top talent. With budget cuts affecting professional development line items first, alternative methods to provide leadership training onsite and online are essential.[3]

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Government by design calls on public-sector leaders to favour the rational and the analytical over the purely ideological, and to be willing to abandon tools and techniques that no longer work. Four principles are at its core: the use of better evidence for decision making, greater engagement and empowerment of citizens, thoughtful investments in expertise and skill building, and closer collaboration with the private and social sectors. Each of these principles is central to creating more effective yet affordable government.

Linking training to career development

Learning and development are critical processes for enhancing productivity and organisational performance. The management of these learning and development processes is central to their effectiveness. Research shows high-performing organisations share certain features in relation to learning and development as follows:[4]

- They align and integrate their learning and development initiatives with corporate and business planning by reviewing existing activities and initiating new learning programmes to support corporate plans.
- The corporate culture supports these initiatives and addresses cultural barriers to learning.
- Their managers invest in, and are accountable for, learning and development.
- They focus on the business application of training rather than the type of training, and they consider appropriate learning options – de-emphasising classroom training and allowing staff time to process what they have learned on the job consistent with adult learning principles.
- They evaluate learning and development formally, systematically and rigorously.

Principles behind public sector training

The formulation, implementation and evaluation of programmes of public service training and education must be carried out under the following broad principles:[5]

Access and entitlement

All public servants will be entitled to ongoing and meaningful opportunities for training and education, on recruitment and throughout their working lives (This broad principle will also be extended to cover potential recruits to the public service through the development and improvement of the current bursary schemes).

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Needs analysis

Programmes of training and education will be based on a detailed assessment of the needs of individual organisations and employees, and will be designed in particular to secure an optimal fit between these two sets of needs.

A competency-based approach to learning outcomes

The new approach to public service training and education will focus on outcomes rather than inputs, with particular reference to the competences required at different levels to build individual and organisational capacity.

Integration between policy-formulation, strategic planning and transformation

Far from being marginalised, as in the past, it will be expected of government departments and provincial administrations to systematically link training and education to the broader processes of policy formulation, strategic planning and transformation, at national, departmental and provincial levels, particularly in relation to service delivery, institution building and management, human resources development, and representativeness and affirmative action.

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Adequate resourcing

This will be vital for the success of the training and education system, and will be ensured in particular by integrating plans and priorities for training and education as a central element in the budget planning process, at national, departmental and provincial levels.

Flexibility and decentralisation

These must ensure programmes of training and education are designed flexibly to meet the individual and changing needs of particular departments and provinces, responsibility will be decentralised as much as possible, within agreed national norms and standards.

Career pathing

Programmes of training and education will be targeted in particular at facilitating career paths for all staff that promote progression – vertical and lateral – and productivity, and for this reason such programmes will need to be positively related to policies on recruitment, promotion, grading, remuneration and performance appraisal.

Lifelong learning

Public service training and education will be linked to the National Qualifications Framework (NQF) in ways which promote lifelong learning and the development of portable skills and competences. Public service training and education will also be linked to the Department of Labour's Skills Development Strategy, particularly through the development of appropriate traineeships for the service.

Learning organisations

Training, education and development will be promoted in ways which enable public service institutions to become learning organisations, capable of continuous development and adaptation through the creative integration of learning with work at all levels.

Quality and cost-effectiveness

These will be promoted through the effective utilisation of available resources; the avoidance of duplication; the establishment of effective structures and mechanisms for the coordination of training and education at national and provincial levels; the introduction of improved forms of standard setting and accreditation; and the targeting of training and education at activities that add value by developing skills, knowledge and attitudes that can be readily transferred to the job.

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Equity and empowerment

Training and education will be linked to broader plans and programmes for promoting employment and occupational equity, and will be targeted in particular at the empowerment of historically disadvantaged groups.

Consultation and participation

To ensure broad commitment and support at all levels within the public service, plans and programmes for training and education will be formulated, implemented and evaluated with the full participation and involvement of the public service unions and all other relevant stakeholders.

Information and communication

Information about training and education opportunities will be collected and collated, and shared at all levels throughout the public service.

Effective design and delivery

To enhance the relevance, quality and cost-effectiveness of training and education, programmes will be designed and delivered.

Monitoring and evaluation

To ensure plans and programmes of training and education happen throughout the public service under the above principles, effective mechanisms for ongoing monitoring and evaluation will be put into place.

Elevating the status of training and trainers

To ensure training, education, and human resources development play an increasingly strategic and integral part in building a new public service the position, role, and status of trainers as human resource specialists will need to be significantly redefined and enhanced.

Case Study: Public sector training's importance[6]

The public service has to adapt to an enormous number of changes in a very short time. The staff is faced with a constantly changing regulatory framework which needs implementation and enforcement, as well as new demands from the growing private sector and the citizenry at large. These challenges can only be met if the staff is highly qualified and constantly updating their qualifications. A sound system of in-service training is therefore crucial to keep the personnel within the public service on equal footing with the rapidly changing environment.

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Most countries have established public service training systems over the past three decades. These systems vary depending on factors, such as whether the state is central or federal, the type of the civil service system, and the recruitment philosophy. Other key factors include the training system's objectives, legal framework, funding, training institutions, statute of trainers, and content of training. Government policy decisions on these matters determine the overall set-up of the training system.

One common objective of public service training is to support the implementation of administrative reform and modernisation; another is to improve professional skills and qualifications of staff to increase efficiency of the public service. In some countries, the right and/or obligation of civil servants to undergo in-service training is stated in the constitution. In most countries, training is regulated either in the civil service act or in by-laws.

Training may be financed in a decentralised or centralised way. In the former case, funds are allocated to the budget of the employing institution which manages the funds for training of its staff and 'pays' the training institution executing the training. In the case of centralised funding, funds are allocated to the civil service commission or to training institutions. Many governments apply a mixed funding system.

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In the past, public sector training institutions did not have to compete with private sector training institutions as the latter did not offer any training geared to public sector personnel. However, since in many countries the public service is introducing 'private sector' management techniques, private sector training institutions have discovered a new market, such as training public servants. Nowadays public sector training institutions are facing market competition, at least in some training areas, and are competing on equal footing with private sector providers.

The development of training policies is in principle assigned to the government bodies which oversee service and personnel policies – the 'training demanders'. These may be the ministries in charge of the public service and administrative reform (as in France and Spain), or ministries of the interior (as in Germany and the Netherlands).

In most countries, several training institutions provide public service training, though only one institute provides general training for common functions in the public service. Besides the central institution, there often exist specialised training institutions, in particular within the ministries of finance or welfare.

The status of trainers depends more on the training delivered than on national differences. On in-service training, lecturers are hired as external collaborators; most in-service training organisations employ few permanent staff.

Public administrations have set up structures and procedures to assess public service training needs. Usually, the needs assessment is the responsibility of each ministry or agency. A needs assessment procedure usually draws on information from management and training recipients. To be efficient, it has to be an ongoing process in which the evaluation of training measures in place plays an important role.

Source: OECD (1997), "Public Service Training in OECD Countries, SIGMA Papers, No. 16, OECD Publishing. http://dx.doi.org/10.1787/5kml619ljzzn-en.

Questions

1. What are the key factors affect public training systems in most countries?
2. How can private sector companies assist in training public officers?
3. What is the role of the ministry in setting training policies?
4. How can a needs assessment policy help in developing suitable training programmes for public officers?

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Insight: Career path through training[7]

The public sector has put much effort into being more attractive to graduates in recent years, and now it's reaping the rewards. More graduates surveyed in national opinion polls have said they would rather work in the public sector than for a blue chip company. The main attraction of the public sector is the desire to make a difference to people's lives, but in the few years or so there has been a significant emphasis on pay/working conditions and better pensions in the public sector. There has been pay restructuring in the health service and education as well as limits being placed on working hours. State employees have benefited from pay rises ahead of the private sector and the gap between average starting salaries in the two sectors is getting much smaller.

Graduate Civil Servants are responsible for formulating and implementing policy, investigating the effect of changes in legislation, overseeing major public projects and managing resources. Many state departments and executive agencies do the Civil Service's work. Broadly speaking, the departments are primarily responsible for devising policy and checking it is implemented. Agencies actually carry out the policies, such as assessing claims and paying out benefits, running the Crown Courts or administering overseas aid and development programmes.

Given the range of jobs available, the number of potential careers paths is immense, including managerial positions at all levels within departments. The government is implementing reforms to key services that involve national standards, devolution to the front line and greater choice. Jobs in management have a particular importance in this process and involve many challenges. Some job roles can be prestigious with an enormous amount of responsibility early on. The sector is widely respected and many graduates do deicide to move in to private sector at a later stage in their career, often taking up senior and very well-paid management and executive positions.

Lifelong learning in the public sector[8]

Lifelong learning is crucial to preparing workers to compete in the global economy. But it is important for other reasons as well. By improving people's ability to function as members of their communities, education and training increase social cohesion, reduce crime, and improve income distribution.

Developing countries and transition economies risk being further marginalised in a competitive global knowledge economy because their education and training systems are not equipping learners with the skills they need.

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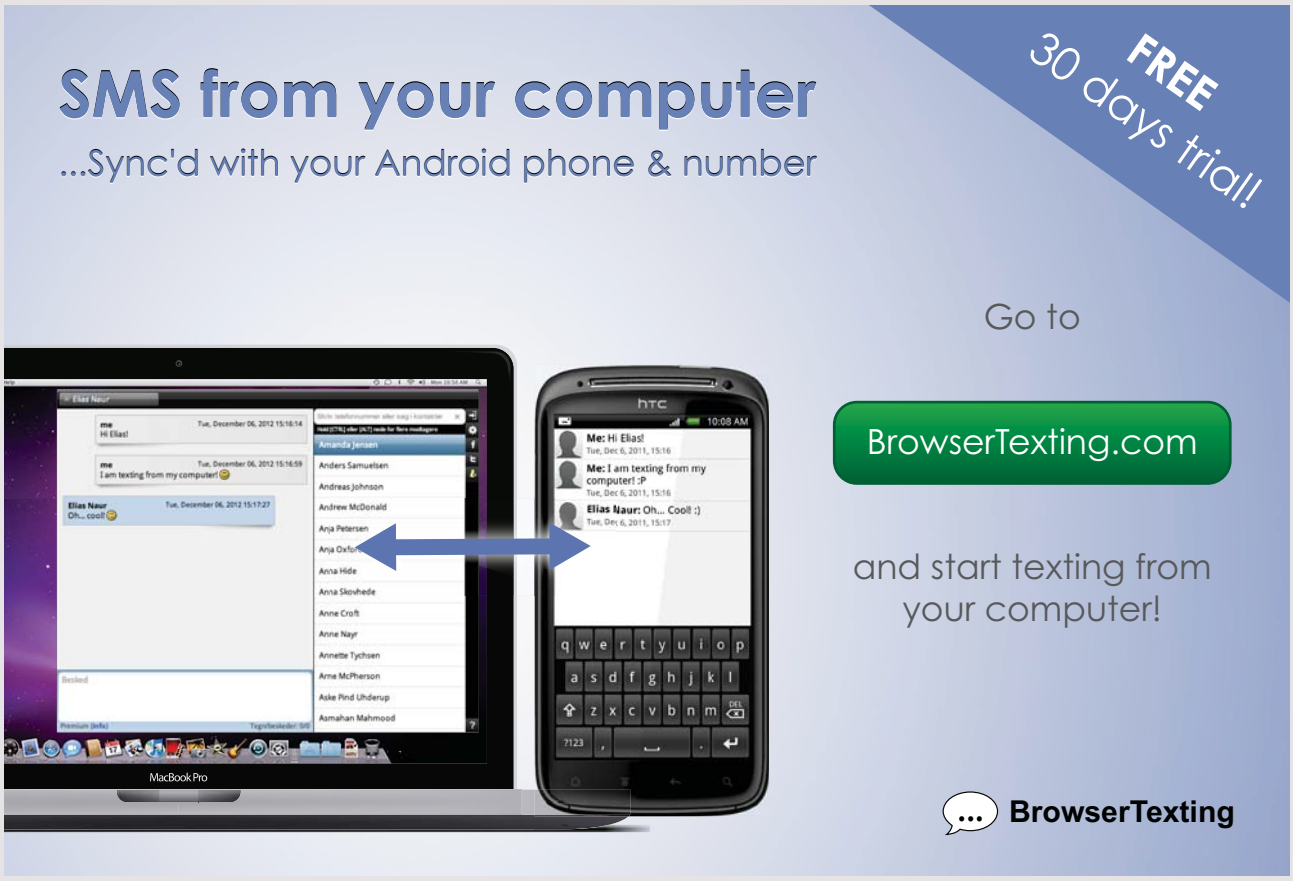
New Skills and Competences

Performing in the global economy and functioning in a global society requires mastery of technical, interpersonal, and methodological skills. Technical skills include literacy, foreign language, mathematics, science, problem-solving, and analytical skills. Interpersonal skills include teamwork, leadership, and communication skills. Methodological skills include the ability to learn on one's own, to pursue lifelong learning, and to cope with risk and change.

New Pathways to Learning

A lifelong learning system needs to reach larger segments of the population, reaching people with diverse learning needs. It must be competency driven rather than age related. Within traditional institutional settings, new curricula and new teaching methods need to be adopted. At the same time, efforts need to be made to reach learners who cannot enrol in programmes at traditional institutions.



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Governance System

The governance of lifelong learning needs to achieve a better integration of learning programmes and articulation of the different structures. Learners should be able to come in and go out of the system at different points in time. The learning system needs to bring in a multitude of players, including the individual learner, the family, the employer, the provider, and the State. Governance in the lifelong learning framework is therefore more than just the ministries of education and training.

Financing Options

Providing more and better education and training opportunities over a lifetime will require increased expenditures, although resources will also need to be used more efficiently and in different ways. These expenditures cannot be met solely from public sources; a creative partnership is required involving both the private and public sectors.

Insight: China's public sector in need of business education[9]

In a significant reform move, China is set to reshape its government-funded public institutions to improve the effectiveness and cost-efficiency of public services.

The Chinese government recently issued blueprints for the reform that will affect more than 40m public sector staff currently working in approximately 1.26m government-run public institutions across the country such as schools, hospitals, publishing houses and the agriculture and forestry sectors.

Any reorganisation across China's public sector will not automatically yield a more market-oriented, customer-friendly and cost-effective service. The root cause of the problems can be found in the lack of education and training in contemporary business and management methods.

What is needed is a long-term business and management education training programme, tailored to the specific needs of each public sector industry. For example, health services are people-oriented and require education and training in people management and communication skills. Agriculture and forestry, on the other hand, require education and training in contemporary technology and efficient supply chain management methods.

The scheduling of any such training programmes is also key to any improvement with an initial short, 'burst' followed by a long-term 'drip' of training provision lasting several years. It is also important to do things differently with a suitable mix of Chinese and western training experts involved at all times. Too few Chinese trainers will create confusion and tension, however too few western experts may lead to a feeling nothing is particularly new and no real change is required.

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Further, to deliver training that is really tailored to the needs of Chinese consumers, a blend of Chinese and western methods is needed. Chinese consumers have become more demanding and will only be satisfied with higher quality standards and more efficient service delivery, aspects western methods are used to supplying.

There is a growing, global clamour for more 'responsible' management and China's public companies need to recognise and respond to this. Once again this is where the sector could benefit from business education. China's public sector need look no further than the third global event hosted by the United Nation's Principles for Responsible Management Education initiative due to take place in Rio De Janeiro in June.

China's public sector reform will only succeed if it is supported by an education and training culture that transcends the entire public sector. Education and training, often viewed by Chinese managers as an unnecessary cost or at best a needed evil, needs to be seen as the key to long-term progress and success.

China's economic miracle is at a crossroads right now and public sector reform is one of the key challenges facing further progress. Long-lasting education and training-led reform is the way forward with no time to lose.

Evaluating a training programme

Evaluating a training programme can help an organisation meet different goals during the life of training programme. Evaluation of training programme has two basic rules aims – assessing training effectiveness, and using it as a training aid. The primary aim of evaluation is to improve training by discovering which training processes are successful in achieving their stated goals. Since evaluation affects learning, it can also be put to use as a training aid – knowledge of results facilities good learning.[10]

Other purposes of training evaluation include the following:

- To determine whether the training and development aims are being met.
- To determine the effectiveness of the different components of training and development programme (for instance contents, training aids, facilities and environment, programme schedule, presentation style, and the instructor).
- To determine whether the training and development programme justifies the cost.
- To decide who (number and type of potential participants) should take part in future programmes.
- To assess which participants gained the most or the least from specific programmes.

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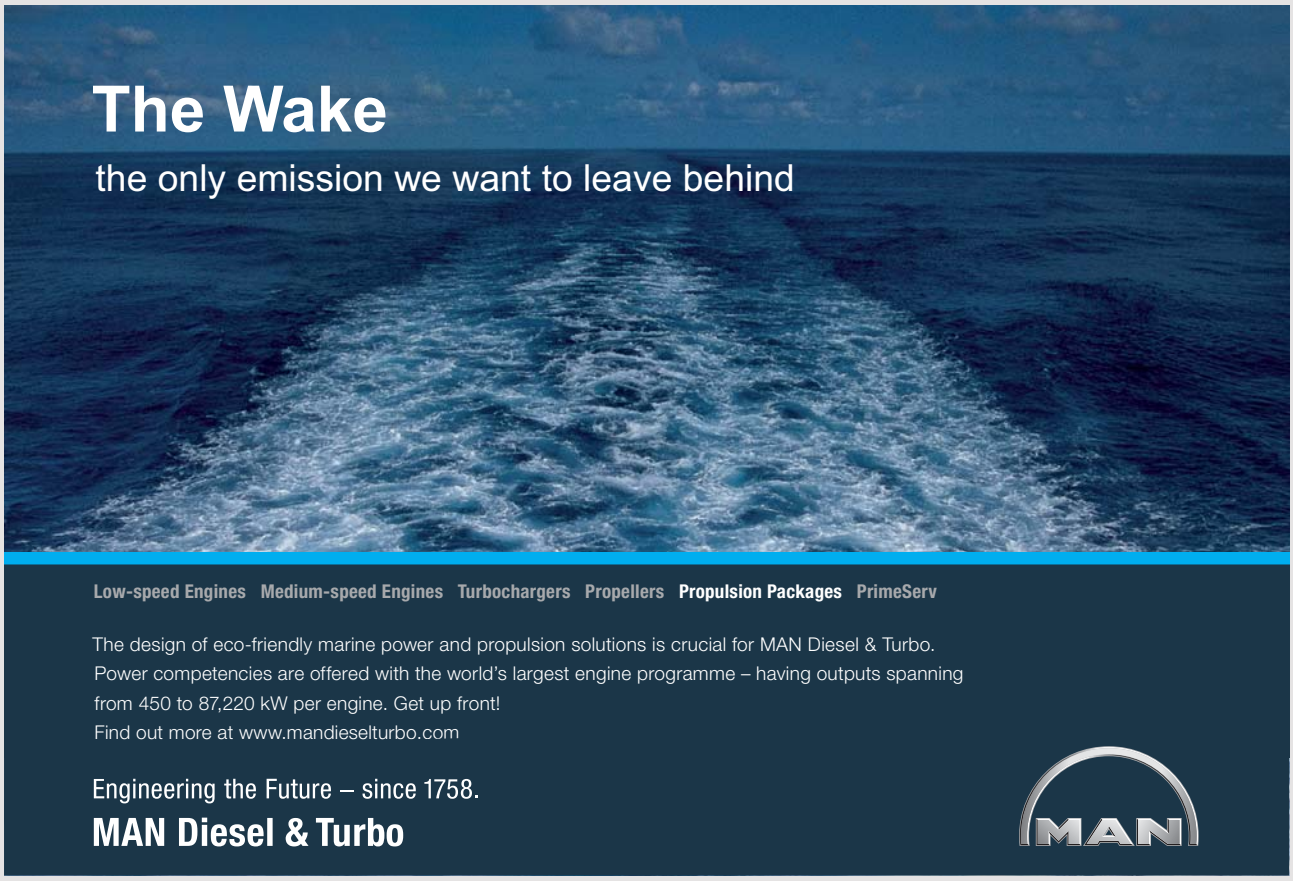
- To gain practical insight to design, develop and deliver more effective future programmes.
- To conform to policy guidelines and documentation of training and development efforts.
- To check the extent of transfer of learning – the extent to which a trainee applies to his/her job.
- To determine if the training programme maps to the needs of the trainees.

Public sector training evaluation is quite rarely administered in many environments since it is believed to be good on its own right. There are several HRM models that can apply to the public service namely the CIRO model or the Kirkpatrick model. These may be done at the supervisory level by managers in the different ministerial departments. Often, the contrary seems to take place where public sector employees are evaluated for their performance based on training they have gained. Such training effectiveness can only be evidenced after public sector employees have been subject to working for a while in their departments. Training should offer the key benefits like how public employees approach their work, how they look to be more motivated and sincere with their activity, how quickly and efficiently they can deliver the service to customers and how productive they have become on their own by making savings and being efficient users of their own resources.



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Evidently, training does not stop according to the systematic training cycle. It must continue and be re-adapted to new employees' needs. This is achieved through ongoing feedback employees might provide to managers or trainers. In a situation where higher levels of competence are required, training has become more of a necessity. The creation of Civil Service Colleges or training institutions either inside or outside the organisation claim a single aim in the public service should strive for excellence through the appropriate training strategy management favours on behalf of the workers and must be seen to be effective following the time, effort, and money invested in training. Although there might be mixed perceptions from employees being subject either too rarely or too often to training, keeping the public sector employee at large with innovations in learning, work pattern, management, style and communication certainly has a positive contribution to the overall effectiveness of the organisation. Therefore, training impacts each level of an organisation and the public sector cannot claim not to benefit from training strategies that are constantly being developed by the government. It has become much easier to get trained in the public service through the development of new learning technologies.

Points

Training and learning are key issues that need to be addressed in the public service since it is argued high levels of performance will depend on the type of the workforce available and the training provided.

If governments are to keep pace with the changes they face in our globalised world of rapid growth and changing technology, training and educating their workforce is a critical mission.

Learning and development are critical processes for enhancing productivity and organisational performance.

Programmes of training and education must be targeted at facilitating career paths for all staff that promote progression and productivity.

Training programmes will need to be positively related to policies on recruitment, promotion, grading, remuneration and performance appraisal.

Some common goals of public service training are to support the implementation of administrative reform and modernisation, and to improve professional skills and qualifications of staff to increase efficiency of the public service.

Lifelong learning is crucial to preparing workers to compete in the global economy.

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By improving people's ability to function as members of their communities, education and training increase social cohesion, reduce crime, and improve income distribution.

Performing in the global economy and functioning in a global society requires mastery of technical, interpersonal, and methodological skills.

The governance of lifelong learning needs to achieve a better integration of learning programmes and articulation of the different structures.

The learning system needs to bring in a multitude of players, including the individual learner, the family, the employer, the provider, and the State.

An evaluation of a training programme can help an organisation meet different goals during the life of training programme.

It also determines whether the training and development aims are being met, whether the training and development programme justifies the cost, checks the extent of transfer of learning and determine if the training programme maps to the needs of the trainees.

Questions

1. Why should the government invest in public sector training?
2. Why is training an essential feature in public service activities?
3. Why is career development important at work?
4. How can managers link training with career development in the public service?
5. How can a training strategy help in the creation of career path?
6. Why should public officers be exposed to lifelong learning?
7. What are the constraints between public sector lifelong learning?
8. Why should a training programme be evaluated?
9. How does public training evaluation address the need for public sector effectiveness?
10. Why does a nation like China need to think of developing its public sector? What are the immediate needs to be addressed?

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14 A FUTURE PERSPECTIVE OF THE PUBLIC SECTOR

Aims

Appraise the needs and concerns of the public service in the future.
Understand seismic shifts in the public service.
Develop strategies to build a citizen-centric government.
Develop the cluster concept in the public service.
Use analytics to better define the future public service.
Identify selected visions of the public sector in the future.
Apply digital democracy to the digital citizen.
Learn the need for crowdsourcing in the public sector.
Appreciate the effort of innovative collaboration in the public sector.

Introduction

This last chapter casts a look at the future of the public service. The future has always been something of high importance to public sector leaders since it is unpredictable but full of challenges and uncertainties. To some extent, the management of public sector change anticipates the likely new environment that will shape up business in a near future. Otherwise, forward strategic planning is also essential in anticipating changes that are likely to impact on the future.

The future of the public service is important as history evidences the changes taking place in office and in different workplaces over the years. From the office having a few typists and lots of paperwork, to a modernised office using electronic typewriters and word processors, such a change has transformed the pace of work in the public service. But then came the microprocessors, desktop computer systems, the Internet, and social networks that were not sought of earlier but eventually affects the lives of people using the public service in most countries of the world.

These mutations call for constantly thinking of the public service in the future. To make the reading easy and quite quickly assimilative, this chapter focuses on the contribution of major thinkers of the public sector and integrates their views with the expected changes in the years to come. Quite often, the same term 'modernisation' comes to the forefront of debates meaning the public service has to coexist with changes taking place in society.

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It can be ongoing technological changes could be key factors prompting the public service to improve and better address the needs of the citizens. Apart from infrastructural changes, new findings on the public sector's future speak of citizen-centrism, digitalisation of services, crowdsourcing and the effort of developing collaborative innovation so tomorrow's public sector will be more engaged with the community and better attempt to address the pressing issues although it is not always easy to come close to the ideals defined by today's strategists in public affairs.

Reorganising public sector

Global uncertainty and austerity are propelling governments into a future that becomes increasingly difficult to anticipate. How therefore should the leading public body of the future organise itself for affordability, resilience and continued relevance? The world has moved quickly over the course of the Great Recession but governments have often struggled to keep pace. The public sector organisations need to deal with uncertainty, deliver affordable services while also coping with disruptive changes.

Expectations of public services have risen exponentially with rapid developments in new technology, but the funds for investing in public services have dried up in many countries. The challenge for governments and their public sectors worldwide is now to adjust to the new reality of 'doing more for less' (or 'doing less for less') and focus on the outcomes society needs and wants.

Public bodies must decide if they want to consume the legacy left behind by predecessors, or create a new legacy for the next generation, while navigating some seismic shifts. Public sector organisations need to re-evaluate their purpose and role and decide if current visions and missions, and ways of operating to achieve them, are relevant enough to ride the waves of these shifts, or be overwhelmed by them. Government and public sector organisations will also need to respond to these shifts proactively and pre-emptively, to avoid falling one or more steps behind.[1]

Seismic shifts in public service

To understand how the future may well change in the years to come, the table below developed by Price Waterhouse Coopers (2013) gives us an overview of the types of changes likely to affect the public sector.[2]

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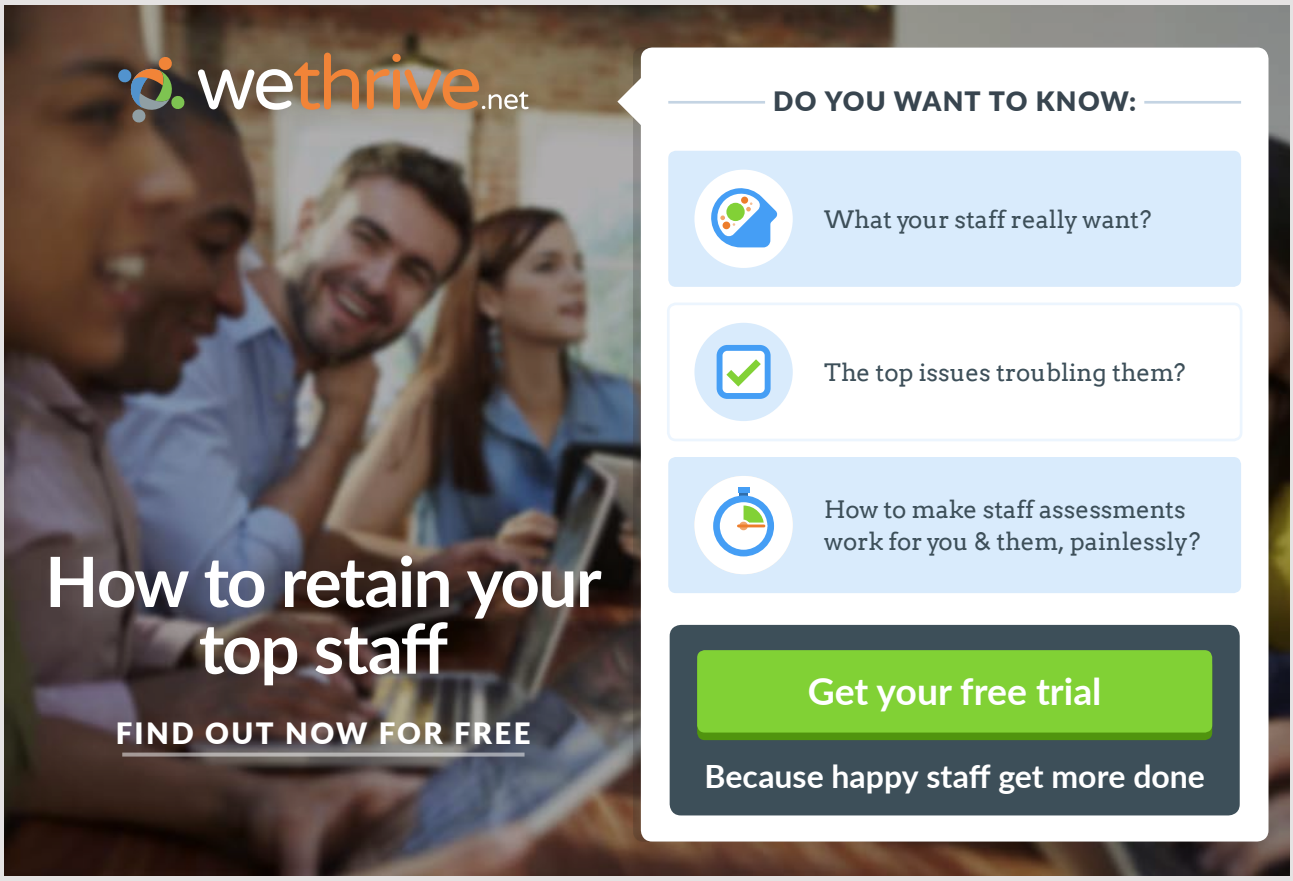
Seismic shifts: Bridging from now to the future	
• Citizen under control	• Citizen in control
• Governing for citizens	• Governing with citizens
• Organisation silos	• Organisation networks
• Public sector organisations as big, all-in-one giants	• Public sector organisations as small, flexible, purpose-driven entities
• Government as service provider	• Government as service facilitator/ broker/commissioner
• Government owning inputs and processes	• Governments and citizens owning outcomes
• Measuring outputs	• Measuring outcomes
• Forced cooperation based on enforcement	• Mutual collaboration based on trust
• Trust in the 'strong leader'	• Trust in each other, the 'servant leader



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From citizen under control to citizen in control

The general impression gained from the public service is the citizen as a user of services is subject to control by the State. The government acts as a regulator of activities for the benefit of the public in the form of services or welfare. The new paradigm states this must now shift to the citizen who gains more control or manoeuvre over services provided by the public service. The relationship which was more a 'father figure' style or paternalistic approach should change by giving more power to the common citizen.

From governing for citizens to governing with Citizens

Initially, government was in office to work for the citizens. It was the expectation from users of public service that was important for government to stay. Still, the State took all decisions with little left for citizens. The new paradigm calls for a collaborative approach between government and citizens. There needs to be greater convergence of ideas on State decisions or policies. These should include the public as participant in most of the important activities.

From organisation silos to organisation networks

Traditionally, the public sector is viewed as organisational silos where the tall structure creates bureaucracy and decisions are taken from the top in the form of rubber stamps. This structure should not be welcomed in the future since silos do not allow for the proper channelling of ideas and policies. Rather the creation of networks aims at better developing integrated communication systems and a higher level of interaction and involvement among the different stakeholders.

From public sector organisations as giants to small, flexible, purpose-driven entities

Since the public sector looks like a large parapublic organisation, depending on the size of the nation concerned and the number of officials it employs, the large public sector remains poorly responsive to the public needs. In contrast, smaller, flexible, and purposely-driven entities are better at their specialised role and also more apt to respond to the public's needs. There should, however, be a certain degree of accountability and responsiveness from the small organisations developed for flexibility, else, small entities could look like an 'empire building effort'.

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From government as service provider to government as a service facilitator

Government is perceived as a service provider regarding all what the public generally needs in a country. The service provider concept looks paternalistic here in that without the provider, nothing special can be expected. Government should better act as a facilitator whereby it offers the services to engage citizens better use them and take them to their advantage rather than expecting to be eternally assisted.

From government owning inputs and processes to governments and citizens owning outcomes

Inputs and processes are State-owned in so far what is government-owned cannot become the property of the public. It looks like all the energy involved in the provision of public services should be the exclusivity of the government. The outcomes will have to mutually-owned as a future-oriented model where both counterparts collectively own the outcomes like greater availability of e-services, greater benefit from using e-government along with the documentation needed.

From measuring outputs to measuring outcomes

The effectiveness of government comes from the State measures year in year out what it has been able to produce. Creating hospitals, schools, and security services are broadly measurable outputs and account for what the State achieved in the mid or long-term. Measuring outcomes goes the other way in that the benefits achieved from providing excellent service and greater public trust are considered as tangible or intangible outcomes. For instance, a Wi-Fi zone offered in a remote rural area could be a benefit or outcome that impacts on citizens regarding their connectivity to the world.

From trust in the strong leader to trust in each other

Usually, governance firstly calls for trust in the leader or the powerful minister to get things done for the public. This might give too much weight to a policy maker rather than to the service user. Sharing the trust between the decision makers and the public is something of exceptional value particularly when empowerment is on the move and encourages a greater involvement of both parties through collective sharing of responsibility and success.

Citizen-centricity remains a priority

This is not about giving priority to those who pay for the services – the 'customer centric' approach – but going beyond to focus on the effect of public services on the wider society, with the citizen at the very centre. The citizen then becomes not just a customer or client, but also a partner, collaborator, and co-producer of valued outcomes.

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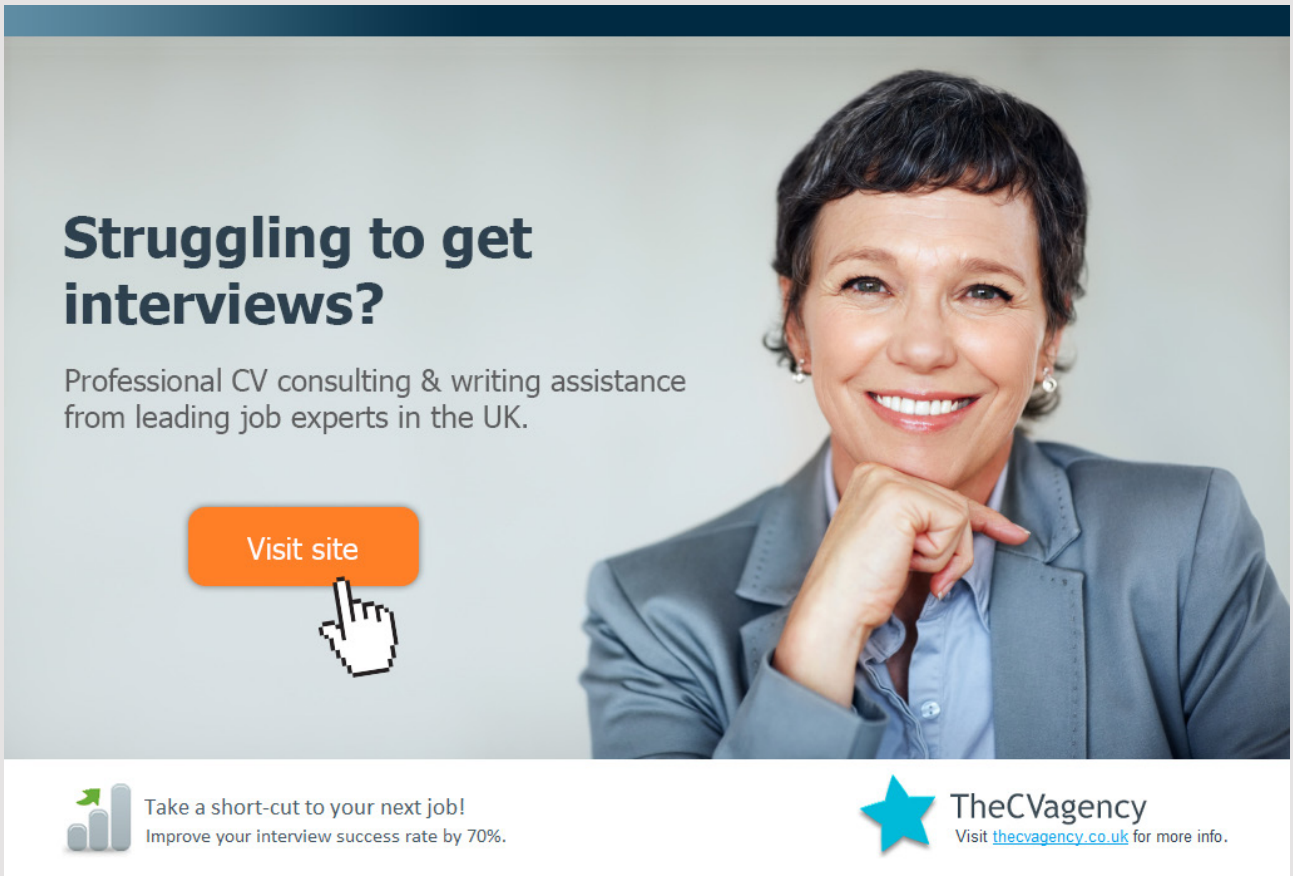
This implies a new contract with the empowered citizen taking personal responsibility for outcomes. For this to succeed, those who deliver public services need to increase the involvement of the end-user in the design and development of services, rather than just selling a service. This entails iterative dialogue and the use of novel approaches to engage citizens. A by-product of a citizen centric approach is the building of trust and relevance at a time when mistrust and illegitimacy are threatening the role of public leaders.

Strategies to build a citizen-centric government

Foster organisational change	• Use technology and support systems to provide more user-friendly services. • Centralise customer data and standardise procedures and forms to reduce bureaucracy. • Improve flexibility for quick and efficient decision-making. • Conduct surveys regularly to get a quick understanding of customers' immediate needs.



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Develop leadership	• Respond quickly to changes citizens demand. • Communicate strategies through all levels of the organisation to ensure everyone is working towards the same goals. • Define responsibilities and accountability clearly. • Involve more people in cooperative decision-making to instil trust in decisions.
Establish cultures and values	• Define strategic organisation values that align with employees' expectations. • Use motivational techniques to create an environment that promotes change. • Employ team-building approaches to create a knowledge-based organisation with shared values.
Build customer relationships	• Respond quickly to changing customer needs. • Employ customer-relationship management (CRM) and conduct surveys to improve customer service. • Develop customer-oriented products and services.
Improve operations	• Deploy advanced technologies – e-administration, websites, mobile phones – to broaden communication channels. • Standardise IT systems to reduce costs and complexity. • Adopt more cost-effective channels like Internet to deliver services.
Manage performance	• Use benchmarks and key performance indicators (KPIs) to measure efficiency and performance of processes. • Establish remuneration systems to reward top performers. • Develop training programmes to foster knowledge-based organisations.
Support sustainability	• Promote 'green government' by bring together economic, social and environmental issues. • Encourage e-services and multi-channel communications to encourage sustainability. • Bring together people, interest groups and non-governmental organisations to support sustainability.

Developing the cluster concept in public service

National economic frameworks and their spatial implications play a role in the development and implementation of policies to promote industrial clusters. Because clusters may range from the local to the national, governments at all levels should be involved.[3]

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Central coordination is needed, however, due to inherent externalities of cluster activities, especially on issues such as innovation, knowledge, and supply-chain development. Central level coordinating strategies include inter-ministerial or inter-agency committees that conceptualise, design, and respond jointly to cluster-based policy recommendations. These are needed for public-private dialogues to be meaningful.

Governments should have a high-profile role in the initial stages, such as guiding the cluster mapping, and in the final stages, such as leading public-private dialogues on policy and institutional bottlenecks that inhibit industry development and the business environment. The government may assume a lower profile during intermediate stages, such as the analysis of firm-level competitiveness and market and product segmentation. The state, however, should remain involved, because these analyses will help it understand industry bottlenecks, which can later inform policy and programme formulations.

Using analytics to better define future public service

The public sector needs to become more efficient in the way they operate, cut costs, optimise their workforce and manage their risk, while continuing to deliver the core public services their citizens require. Analytics can form a major part of the solution to these problems by generating the required insights and enabling fact based decision making – the analytics based approaches and solutions we develop can be applied across different countries and public sector organisation. The insight and innovation derived from these solutions can add value irrespective of scale – an analytics model or tool used in a small public sector organisation can often be applied at scale for a large government or department.[4]

Workforce Analytics	Workforce planning & Productivity. Recruitment & Performance metrics, Analysis of competency gaps and forecasted workforce size.	Absenteeism & Training Analysis of workforce sickness and staff turnover to identify 'at risk' employees. Improved training delivery and retention programmes.	Reduced Organisational Cost. Improved workflow through analysis of current processes and technological / human blockers.

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Customer & Growth Analytics	Understanding the citizen. Data Mining and analysis of citizen data to build advanced customer segmentation models.	Citizen Engagement. Leveraging social media analysis to improve citizen engagement with clients through facilitation of direct contribution to policy development and indirect analysis of citizen opinions on policy / regulatory changes.	Reduce cost of service delivery. Rationalisation of costs of service delivery through enhanced profiling of citizens / groups who use specific services to identify areas of over or under allocation of resources.
Risk & Regulatory Analytics	Management of Risk Single view of truth facilitated through advanced data warehouse and reporting capabilities. Alignment of performance indicators to key risks within enterprise to enable real time monitoring of threats to organisation.	Fraud and Corruption signal detection. Advanced analysis technologies to automate the process of pattern and trend detection to identify irregularities quickly and efficiently.	Protection of workforce. Use of Analytics to monitor data linked to Health and Safety and Workforce compliance regulations enables clients to classify employees in terms of risk and therefore implement effective strategies to reduce potential harm

In an intent to better promote the public sector in the future, Deloitte Company aims at identifying the following challenges:

- Cut costs, reshape expectations for public services and rebuild public faith.
- Generate jobs now, and lay the groundwork for deep improvements in our countries' competitiveness.
- Transform policy areas that weigh heavily on state budgets: health care and education.
- Plunge deep into departmental operations to become more innovative, more technologically proficient and more attuned to emerging needs.
- Execute bold government reform programmes.

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Insight: Creation of the knowledge economy through public policy[5]

Among some Recent US Policies, the White Paper should be commended for its treatment of the many facets of public policy for a knowledge economy. A key to success in the knowledge economy is a trained labour force. It is not surprising so many countries have focused on improving their educational systems. All of this is commendable.

First, in the long run, success in the knowledge economy requires creativity, higher order cognitive skills in addition to basic skills. Those countries that find ways of fostering this kind of creativity will, in the long run, have more success in the competition of the knowledge economy.

Second, also key to success in the knowledge economy is training in science and technology. There are good grounds for government subsidies to science education: Because those engaged in research so seldom capture the full benefits of their work, there are, as we noted earlier, real externalities. These externalities may be most marked for graduate education.

Third, one of the reasons the education sector may not be as strong as we would like is it is one of the sectors in which competition is most limited. Yet there are good reasons why market mechanisms fail to work well and to serve fully national goals.

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Case Study: Public sector jobs' future[6]

While government positions remain attractive to those seeking security and a middle-class lifestyle, the stereotype of the public sector as a fall back for the less-than-ambitious is starting to disintegrate. Budget deficits at the federal and municipal levels have prevented the public sector workforce from expanding in recent years, while most areas of public enterprise are unlikely to see much growth in the future. Even health care and social services, work-oriented around the ageing population, is projected by federal forecasters to grow at half the pace it did in the past decade, or about 1.7 per cent annually, and governments face increasing pressure to close the wage and benefit gap between civil servants and their private sector counterparts. Some have begun clawing back perks granted in earlier rounds of collective bargaining.

All told, say experts, public service jobs may be harder to come by and less rewarding than they have in the past. 'Governments are more or less in a hiring-freeze mode,' says David Madani, Canada economist with Capital Economics, an international research firm. 'As people retire, they're simply not filling positions.' That sense of caution, he adds, could last for years. Human Resources Development Canada's most recent forecasts predict employment growth in education and public administration will slow 'drastically' between now and 2020, to less than 0.6 per cent. The outlook for wage growth in the public sector is similarly underwhelming: One study, by the Hay Group management consultants, predicted it would lag the private sector in 2013 by more than half a percentage point, struggling to keep up with inflation.

To a degree, the next generation of job seekers is paying for the past successes of public sector workers in collective bargaining. Bureaucrats, teachers, utility workers, and others were able to amass enviable packages of pay, benefits, and pensions over the decades, in part because they held monopoly over the services they provided. If they walked out, the public would feel the pain keenly. So would their bosses over in the legislative branch. Many of those gains were realised when Baby Boomers were in their career primes, and now, with hundreds of thousands in retirement, governments and workers alike are feeling the burden. In Ontario, for instance, teachers are paying higher pension premiums, while their pay has been frozen and their coveted sick-day banks curtailed. In B.C., school support staff have not had a raise in four years.

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Meantime, ideas have changed inside and outside government about what services belong in the public realm. In most cities, garbage collection is performed by private firms, while provinces busily outsource ongoing business, such as employment counselling. 'They're trying to contract out as much as possible,' says Morley Gunderson, an expert in labour economics with the University of Toronto. 'And they're substituting capital for labour in subtle forms. You have self-service kiosks and online service for licence renewal, and things like that.' Those trends are nowhere near as pervasive as in the private sector, Gunderson notes, but he adds: 'If you can monitor the output – of a service – easily, then, usually, contracting it out saves quite a bit of money.'

That's not to say the public sector will shrink dramatically. Skilled employees such as teachers, nurses, and accountants continue to be in demand. And any government that tried to outsource basic administrative services outside its jurisdiction would face a political backlash. Still, anyone who gets a public service job is well-advised to moderate expectations. After years of kicking the cost can down the road, governments are only starting to pay the bills, and overburdened taxpayers are in no mood to be trifled with. Workers who fail to understand that are probably in for a rude awakening.

Source: Gillis, C. (2013) The future of public sector jobs, www.macleans.ca.

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Questions:

1. What accounts for a decline in public sector jobs in Canada?
2. What were the initial benefits of public sector jobs in Canada?
3. Why will the public sector still be in demand globally?
4. How does the Canadian situation reflect a similar condition in the public service worldwide?

Selected visions of the public sector in the future

In this section, a selection of scholars' views of the future of the public sector in Europe is presented with different authors sharing their perspectives of an upcoming period for the public service. There is emphasis on the digitalisation of the sector but also the need to be citizen centric, human resource focused and the will to bring about participatory democracy to evidence a paradigm shift in the public service over the years. Although the vision applies to the west, much can be said of potential similarities throughout the world in whatever state the question is raised.

Digital democracy and the digital citizen

According to Le Masson (2014), in the spirit of action and focus on execution, Europe can achieve digital-era governance through creating digital democracy and the digital citizen. The actions are as follows:[7]

- Co-design and co-create with citizens. Open legislative processes to constituents (for example: explaining policy changes, their societal and individual impact, pros and cons) and enable constituents to vote or engage digitally with their political representatives.
- Enhance the share of participatory budgeting at local and regional levels. Let people and communities decide their own priorities, where budgets should be focused. Also provide feedback on key programmes and policies, and performance of their elected representatives.
- Shift all interactions to self-service in a citizen centric approach. Encompass all transactions, inquiries, requests for information and public correspondence too, with a cross-agencies mind-set in the design and implementation of digital public services.

Crowdsourcing in the public sector

Alter (2014) states in most countries, innovation means emphasising ways of using new technologies to improve policy design, enhance coordination within government – and between the government and other actors – and reduce delivery costs. For instance, government departments across the OECD are starting to use social media to 'crowdsource' information and reactions.[8]

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The value of crowdsourcing for revealing preferences among different options, gauging levels of support for particular actions, and canvassing for ideas or suggestions is now being recognised. Iceland's constitution is probably the most widely cited example of this new concept in policy design, but there are many others appearing at national and, most strikingly, at regional and local levels. More than 10% of the OECD population has now been involved in an online government survey or voting exercises, a figure that was unthinkable before the Internet age.

Democracy as collaborative problem-solving

Bason (2014) states a vision of a new public governance model is not about seemingly technocratic innovation methods; it is about using collaborative problem solving as a vehicle to reimagine our democracy. We must downplay the negotiated model of democracy we have inherited, which tends to limit the spectrum of influence to those with money or the ear of interest groups and which has eroded trust in the state as a force for good. Instead, we must engage in a serious collective inquiry into what really constitutes our problems and opportunities.[9]

Democracy must be enriched by processes that broaden our horizons in terms of what kinds of solutions might be effective, and which open up the decision space before closing it down again. Such co-design between politicians, policymakers and citizens not only leads to more effective outcomes; it also redistributes the power dynamic by handing ordinary citizens a share of the influence, and a sense of empowerment, ownership and collective responsibility in governance drawn from their everyday experience.

A pressing public policy

According to Costa and Kaeding (2014), reforming public services may therefore contribute to economic and social development, fiscal consolidation, competitiveness, and green growth prospects, as well as democratic governance. Subsequently, pressing public policy issues surrounding the transformation of the public sector call for an open and collaborative government approach for which six elements are integral:[10]

Strategy

Performance improvement and process reform through the measurement of outputs, supported by careful evaluation of how technology will help meet overall goals, and with e-government being recognised as an increasingly essential tool for public service delivery;

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Leadership

Securing top-level leadership's understanding and support;

Organisation design

Considering widespread substitution of contracts and the use of collaborative partnerships-whether public-private partnerships, public-voluntary sector partnership, shared services or outsourcing;

Management

Creating specialised – disaggregated – organisational forms focusing on customer-centricity and connected government;

Human resources

Focusing on the internal capacity-building needed to manage transformation, managing talent and training people of the public sector responding to changing 'customer' needs;

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Culture

Changing management towards a new customer-centric culture for accessible, timely and value for money service.

The authors have also contributed to the Pollitt and Bouckaert model (2011) by adding participatory democracy as the new paradigm of the contemporary public sector in the years to come. The model is highlighted below.

Period	Dominant discourse characteristics
Mid-1960s to late 1970s	Rational, hierarchical planning, and cost-benefit analysis. Science and expertise will produce progress.
Late 1970s to late 1990s	New public management. Business techniques to improve efficiency. Rise of 'better management' as the solution to a wide range of problems.
Late 1990s–2010	No dominant model. Several key concepts, including governance, networks, partnerships, 'joining up', transparency and trust.
2010 onwards	Participatory democracy making open data the default for government information and communication technology systems and embracing the use of web application programming interfaces.

Source: Pollitt and Bouckaert (2011) complemented with a fourth wave of "participatory democracy" added by the authors.[11]

Innovative collaboration

According to Mourot (2014), one model of innovative collaboration that is sustainable because it is profitable, and allows for heightened social impact, is the co-creation model. To foster this type of collaborative initiative on a large scale, one needs a supportive ecosystem. This is an area where government can play a critical role in identifying new actors capable of intervening locally, accelerating and funding promising initiatives, and in regulating – not running – the surrounding ecosystem. The current action plan is considerable, spanning from the need to recognise the power of social innovation (just as technological innovation), to establishing hybrid legal forms of entities, facilitating innovative financing models and supportive tax legislation, and redefining and adapting the notion of the "general interest" to current challenges.[12]

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Points

Public service's future matters as history evidences the changes taking place in office and in different workplaces over the years.

Global uncertainty and austerity are propelling governments into a future that becomes increasingly difficult to anticipate.

The new paradigm calls for a collaborative approach between government and citizens. Ideas on State choices and policies must converge more.

Expected changes in the future of the public service are: from organisation silos to organisation networks, from public sector organisations as giants to small, flexible, purpose-driven entities, from government as service provider to government as a service facilitator and from government owning inputs and processes to governments and citizens owning outcomes.

Under citizen-centrism, the citizen becomes not just a customer or client, but also a partner, collaborator and co-producer of valued outcomes.

The public sector needs to become more efficient in the way they operate, cut costs, optimise their workforce, and manage their risk, while continuing to deliver the core public services their citizens require. Analytics can form a major part of the solution to these problems.

A key to success in the knowledge economy is a trained labour force, creativity, higher order cognitive skills in addition to basic skills.

In the digital democracy and the digital citizen, the public sector must co-design and co-create with citizens. It must shift all interactions to self-service in a citizen centric approach.

We are now recognising crowdsourcing's value for revealing preferences among different options, gauging levels of support for particular actions, and canvassing for ideas or suggestions.

The co-creation model collaborates through innovation. This is an area where government can play a critical role in finding actors able of intervening locally, accelerating, and funding promising initiatives.

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Questions

1. What are some seismic shifts in the public service at present?
2. Which strategies could help in building a citizen-centric government?
3. How might the cluster concept apply to the public service?
4. How are analytics useful in better defining the future public service?
5. Refer to the selected paragraphs on the future of the public service. Identify and highlight selected visions of the public sector in the future.
6. How does digital democracy apply to the digital citizen?
7. Discuss the future the need for crowdsourcing in the public sector.
8. Why is there a need for collaborative innovative in the public sector?
9. How might the public service attract young talents in the future?
10. Use a comparative method to analyse contemporary public sector practice in two distinctive locations like Singapore and India. Avoid stereotypes in your answer.

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15 MULTIPLE-CHOICE QUESTIONS

This section comprises multiple-choice questions based on the topics presented in each chapter with the aim of reinforcing learning and understanding of the student. A single answer is needed for each question. For each chapter, there are five questions. The marking keys are provided at the end of this section.

Chapter One: Introducing Public Sector Management

1. The public sector comprises
   A. upstream core ministries and downstream bodies.
   B. upstream core ministries only.
   C. upstream core ministries, central agencies and downstream bodies.
   D. central agencies and downstream bodies.

2. The alternative vision regarding the public service is to become more
   A. centralised.
   B. liberalised, lean and customer-oriented.
   C. customer-oriented, tall and concentrated.
   D. market averse due to bureaucracy.

3. ……of public administration are essential to making the needed changes to improve effective functioning of the State.
   A. Modernisation and efficient performance.
   B. Modernisation and average performance.
   C. Centralisation and efficient performance.
   D. Mechanisation and efficient auditing.

4. As a general convention, a public officer
   A. works for the government and is entitled to such a duty for 8 hours.
   b. works for himself and is entitled to such a duty for 24 hours.
   C. works for the government and is not entitled to such a duty for 24 hours.
   D. works for the government and is entitled to such a duty for 24 hours.

5. Which one of the following does not apply to the public sector?
   A. Temporary and non-pensionable jobs.
   B. Regulated hours of work.
   C. Less cumbersome jobs.
   D. Status and recognition.

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Chapter Two: Public Sector Planning

6. The aim of public sector planning is to
   A. set standards to facilitate control.
   B. give directives to all employees.
   C. increase change's impact.
   D. maintain waste

7. A statement like 'every dollar spent on family planning can save governments up to 6 dollars' links the impact of planning on reducing
   A. spending.
   B. waste.
   C. assets.
   D. bottlenecks.

8. The daily monitoring of attendance in the public service departments refers to
   A. a directional plan.
   B. an intentional plan.
   C. a strategic plan.
   D. an operational plan.

9. One cause of corporate planning failure in the public sector includes a
   A. lack of employee involvement.
   B. sound knowledge of corporate planning.
   C. lack of accountability.
   D. Fair knowledge of risk management.

10. Governments may exhibit public policy short-termism by
   A. adopting their broader long-term policy strategy.
   B. focusing on strategic expenditure programmes.
   C. cutting spending in areas where it is hard to observe consequences.
   D. thinking in a holistic manner.

Chapter Three: Public Sector Organisation

11. Most government organisations are classic examples of
   A. vertical structure.
   B. horizontal structure.
   C. concentric structure.
   D. lateral structure.

12. The public sector is affected by complexity since there are
   A. several departments and several hierarchies.
   B. several departments and no hierarchy.
   C. few departments and hierarchies.
   D. several departments and few hierarchies.

13. The benefit of centralisation includes
   A. cost expenditure arising from building core expertise.
   B. greater innovation arising from pooling of knowledge and expertise.
   C. duplicating procedures.
   D. lesser cohesion across the whole organisation.

14. Decentralisation needs to be accompanied by reforms that
   A. decrease the transparency and accountability of local government.
   B. increase the transparency and accountability of local government.
   C. increase the opacity and accountability of local government.
   D. decrease the transparency and availability of local government.

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15. There is a political belief that more effective government can best be achieved by
    A. simplifying the complex and clear landscape of public sector organisations.
    B. amplifying the complex background of public sector organisations.
    C. simplifying the complex and confusing landscape of public sector organisations.
    D. amplifying the simple and confusing background of public sector organisations.

Chapter Four: E-Government practice

16. e-Government involves the use by government agencies of information technologies that have the ability to
    A. challenge relations with citizens, businesses, and government.
    B. transform relations with citizens, businesses, and government.
    C. transform tensions between citizens, businesses, and government.
    D. challenge attitudes with citizens, businesses, and government.

17. Governments around the world have implemented and introduced e-government systems as a means of
    A. partly addressing inefficiency in the public service.
    B. spending more energy in the public service.
    C. lowering services' quality.
    D. reducing public sector's cost.

18. The stages of e-Government are
    A. transaction, cataloguing, vertical, and horizontal integration.
    B. vertical and horizontal integration, transaction and cataloguing.
    C. vertical and horizontal integration.
    D. cataloguing, transaction, vertical, and horizontal integration.

19. Which one of the following includes various services exchanged between government and the business sectors, distribution of policies, rules and regulations?
    A. Government-to-business.
    B. Government-to-citizens.
    C. Government-to-government.
    D. Government-to-society.

20. One of the e-government priority of Europe is to bring
    A. mobility in the rich countries by seamless e-Government services.
    B. mobility in the Single Market by seamless e-Government services.
    C. mobility in the Single Market by occasional e-Government services.
    D. mobility in the rich countries by piecemeal e-Government services.

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Chapter Five: Public Sector Leadership

21. Once potential leaders are identified and selected in the public service, the next step is to
    A. train them continuously.
    B. train them on and off.
    C. train them all the time.
    D. reward them on and off.

22. One competency of an effective public sector leader is
    A. the inability to inspire a shared vision
    B. strategic thinking.
    C. developing a government-centric style.
    D. having weak decision-making.

23. A vision for effective leadership needs to reflect
    A. personal characteristics based solely around magnetism or charisma.
    B. the ability to delegate all work to subordinates.
    C. the ability to motivate and bring the best out of others.
    D. hard organisational skills.

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24. ……is about building relationships among people and creating significant change by emphasising values and creating a shared vision in the organisation.
    A. Transactional leadership.
    B. Strategic leadership.
    C. Autocratic leadership.
    D. Transformational leadership.

25. Women's participation in economic and public life strengthens economic growth, equitable governance and public trust
    A. from the community level to top policymaking circles.
    B. at the community level only.
    C. from the community level to operational policymaking circles.
    D. at the middle management level only.

Chapter Six: Motivation in the Public Sector

26. The fact employees seek to maintain equity between the inputs they bring to a job and the outcomes they receive from it refers to
    A. Maslow's hierarchy of needs
    B. the equity theory of motivation.
    C. the input/output mechanism.
    D. the needs theory.

27. According to Alderfer's motivation theory, the needs that encompass social relationships with significant others refers to the
    A. esteem needs.
    B. growth needs.
    C. relatedness needs.
    D. motivational needs.

28. Public Service Motivation is a person's predisposition to respond to motives grounded
    A. in all institutions.
    B. in public and private institutions.
    C. uniquely in parapublic institutions.
    D. uniquely in public institutions.

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29. Critics of government, including politicians and some media, portray public sector employees as
    A. overpaid and underworked.
    B. overpaid and overworked.
    C. underpaid and underworked.
    D. underpaid and underworked.

30. Public servants find meaning in their work by making
    A. a minimal difference in the lives of the citizens they serve.
    B. a positive difference in the activities of the citizens they serve.
    C. a positive difference in the lives of the customers they serve.
    D. a small difference in the activities of the citizens they serve.

Chapter Seven: Change Management in the Public Sector

31. One key reason for public sector change is
    A. personnel systems are becoming less adaptive to the new challenges.
    B. personnel systems are becoming more adaptive to the new challenges.
    C. personnel systems are becoming less adaptive to the past challenges.
    D. personnel systems are becoming more adaptive to the future challenges.

32. An internal force for change in the public service is
    A. lack of innovation.
    B. state policy on climate change.
    C. economic policy.
    D. social demographics.

33. An external force for change in the public service is
    A. workplace culture.
    B. state policy on performance.
    C. management in the ministry.
    D. trade unions in a department.

34. Employees resist change in the public sector because of
    A. promotion prospects.
    B. fear and uncertainty.
    C. training needs.
    D. new technology they will use.

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35. Increasing utilisation of appropriate change management strategies in the public sector will need
    A. a highly rigid approach to result-based planning.
    B. tight budgeting and management.
    C. coaching, management development and mentoring skills.
    D. little or no capacity development.

Chapter Eight: Public Sector Governance

36. Public sector governance is about the rules of collective decision-making in settings where
    A. there is a singular actors or organisation.
    B. there is a central organisation.
    C. there are a plurality of actors or organisations.
    D. there are limited actors or organisations.

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37. Oversight of public administration refers to the ability of
    A. an internal body to review the conduct public officials.
    B. a local firm to review the conduct public officials.
    C. an internal mechanism to review the conduct public officials.
    D. an external body to review the conduct public officials.

38. A governance operating model in the public service should
    A. involve top managers only in the public service.
    B. deal only with experts in governance.
    C. consider top-down decisions only.
    D. involve all employees in the public service.

39. Engaging citizens in policy-making allows governments to tap
    A. new sources of information and resources when making decisions.
    B. existing sources of information and resources when making decisions.
    C. unreliable sources of information and resources when making decisions.
    D. basic types of information and resources when making decisions.

40. At the process level, communication can foster support for governance reform by influencing
    A. behaviour change only.
    B. opinion, attitude, and behaviour change.
    C. attitude change only.
    D. opinion change only.

Chapter Nine: Public sector's political issues

41. Politicians are required to show
    A. a high degree of partiality and subjectivity in office.
    B. a low degree of impartiality and neutrality in office.
    C. a fair degree of impartiality and subjectivity in office.
    D. a high degree of impartiality and neutrality in office.

42. Ministers are responsible for
    A. delegating all the strategy and policies of the Department.
    B. setting tough performance targets for each part of the Home Office.
    C. accounting to Parliament and the public.
    D. holding officials fully accountable for service delivery.

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43. Ministers, on being, members of the executive arm of government have
    A. only individual role to play.
    B. both collective and individual role to play.
    C. only a collective role to play.
    D. both a collective and impersonal role to play.

44. Neutrality of the public service requires public servants to
    A. be apolitical in carrying out their functions.
    B. be political in carrying out their functions.
    C. be biased in carrying out their functions.
    D. be humanistic in carrying out their functions.

45. A successful political-administrative interface within the public service is at the core of
    A. average public sector governance and effectiveness.
    B. weak public sector governance and effectiveness.
    C. neutral public sector governance and effectiveness.
    D. good public sector governance and effectiveness.

Chapter Ten: Public Sector Financial Management

46. High-quality financial information in the public sector enables
    A. an average and incomplete assessment of the impact of policy decisions.
    B. a limited but strict assessment of the impact of policy decisions.
    C. an accurate and complete assessment of the impact of policy decisions.
    D. an accurate but limited assessment of the impact of policy decisions.

47. Public financial management is absolutely critical to
    A. improving the quantity of public service outcomes.
    B. improving the quality of public service outcomes.
    C. sustaining the quantity of public service outcomes.
    D. improving the availability of public service outcomes.

48. Without a budget governments lack
    A. legal authority to raise revenues or to make expenditures.
    B. personal authority to raise revenues or to make expenditures.
    C. empowerment to raise revenues or to make expenditures.
    D. incentives to raise revenues or to make expenditures.

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49. Fiduciary controls in public accounting comprise
    A. expert and international auditing.
    B. internal audits only.
    C. external audits only.
    D. internal and external audits.

50. Performance-based budgeting helps governments overcome some of these pressures because it
    A. defines non-measurable outcomes for allocated funds.
    B. focuses on adjusting baselines.
    C. gives agencies flexibility.
    D. identifies programmes with dissimilar goals to form correlations.

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Chapter Eleven: Public Sector Recruitment

51. Accurate job descriptions and person specifications for public sector recruitment should
    A. general criteria for recruitment.
    B. exhaustive criteria for recruitment.
    C. relevant criteria for recruitment.
    D. every criteria for recruitment.

52. An internal recruitment strategy is characterised by promoting employees from
    A. outside an organisation to fill upcoming positions.
    B. within an organisation to fill existing positions.
    C. within an organisation to fill upcoming positions.
    D. outside an organisation to fill existing positions.

53. Executive head-hunters search the world of business to find an ideal candidate from
    A. a different organisation from the whole industry.
    B. a similar organisation from the whole industry.
    C. a different organisation within the industry.
    D. a similar organisation within the industry.

54. The benefit of secondment in the public service is
    A. an increased time to recruit.
    B. a reduced cost of recruiting.
    C. a demotivated staff.
    D. a cheap method to promote staff.

55. An employee cannot be transferred to a lower classification with the exception of action taken as a result of an employee's
    A. age.
    B. inadequate performance.
    C. social class.
    D. physical ability.

Chapter Twelve: Employee Welfare in the Public Sector

56. Employee welfare aims at motivating the public officer to
    A. become more effective at work.
    B. become more affective at work.
    C. become more active at work.
    D. become more attentive at work.

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57. Work life balance is important as it allows the employee
    A. separate work and home.
    B. integrate work and home.
    C. associate work and home.
    D. separate work and commitment.

58. Welfare facilities are provided according to the labour legislations are classified as
    A. intra-mural facilities.
    B. extra-mural facilities.
    C. statutory facilities.
    D. mutual facilities.

59. Public welfare is a comprehensive function in which
    A. economic aid and financial services are as closely related.
    B. economic aid and social services are as closely related.
    C. economic aid and technical services are as closely related.
    D. financial aid and technical services are as closely related.

60. The State's capacity to raise revenue by means of taxation is a
    A. threat to sustain the welfare system.
    B. possibility to sustain the welfare system.
    C. possibility to remove the welfare system.
    D. threat to remove the welfare system.

Chapter Thirteen: Training and Learning in the Public Sector

61. The key to every successful public agency is in the
    A. skills of the employees who serve the public.
    B. talent and training of the employees who serve the public.
    C. motivation of the employees who serve the public.
    D. coaching of the employees who serve the public.

62. Learning and development are critical processes for enhancing
    A. productivity and organisational structure.
    B. economy and organisational performance.
    C. productivity and organisational behaviour.
    D. productivity and organisational performance.

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63. Which one of the following organisations evaluate learning and development formally, systematically and rigorously?
    A. Low-performing organisations.
    B. Tall organisations.
    C. High-performing organisations.
    D. Bureaucratic organisations.

64. Comprehensive programmes of training and education target in particular at facilitating career paths for
    A. all staff that promote progress.
    B. managers that promote progress.
    C. operatives that promote progress.
    D. selected staff that promote progress.

65. .....learning is crucial to preparing workers to compete in the global economy.
    A. Lifelong.
    B. Experiential.
    C. Piecemeal.
    D. Occasional.

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Chapter Thirteen: Training and Learning in the Public Sector

66. A lifelong learning system needs to be
    A. skills driven rather than age related.
    B. competency driven rather than age related.
    C. competency and skill driven.
    D. age related rather than competency driven.

67. China's public sector reform will only succeed if it is supported by
    A. a work culture that transcends the entire public sector.
    B. a productivity culture that transcends the entire public sector.
    C. an education and training culture that transcends the entire public sector.
    D. a political strategy that transcends the entire public sector.

68. One purpose of training evaluation is to
    A. determine if the training programme maps to the needs of management.
    B. decide who trains.
    C. decide how to remunerate employees.
    D. determine if the training programme maps to trainees' needs.

69. A new internal public sector training organisation could be
    A. a public university.
    B. a civil service college.
    C. a private training institution.
    D. an online course provider.

70. The effectiveness of learning in the public service can be assessed through
    A. double-loop feedback.
    B. top-down communication.
    C. inspection of training classes.
    D. occasional monitoring of training.

A future perspective of the Public Sector

71. Expectations of public services have risen.....with rapid developments in new technology
    A. negatively.
    B. exponentially.
    C. averagely.
    D. perpendicularly.

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72. A seismic shift in the public service is the transition from
    A. organisation silos to organisation structures.
    B. organisation networks to organisation silos.
    C. organisation silos to organisation networks.
    D. organisation silos to organisation think tanks.

73. The change in perception government favours better public service use and integration makes it act as
    A. a facilitator.
    B. an organiser.
    C. a supplier.
    D. a provider of services.

74. .....approach implies a new contract with the empowered citizen taking personal responsibility for outcomes.
    A. Customer-centric.
    B. Government-centric.
    C. Public-centric.
    D. Citizen-centric.

75. Public sector collaboration in future assignments with outside partners could be considered as
    A. public-private partnership.
    B. social partnership.
    C. exclusive partnership.
    D. internal partnership.

Chapter Fourteen: Employee Welfare in the Public Sector

76. Recruitment & Performance metrics refer to
    A. workforce analytics.
    B. customer and growth analytics.
    C. risk analytics.
    D. regulatory analytics.

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77. A key to success in the knowledge economy is
    A. a docile workforce.
    B. a trained labour force.
    C. a hard working labour force.
    D. an experienced workforce.

78. While government positions still remain attractive the stereotype of the public sector is
    A. starting to develop.
    B. starting to integrate.
    C. starting to stabilise.
    D. starting to disintegrate.

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79. Government departments in rich nations are beginning to use social media to ……information and reactions.
    A. crowdfund.
    B. outsource.
    C. crowdsource.
    D. cloud.

80. A vision of a new public governance model is about using collaborative problem solving as a vehicle to
    A. phase out our democracy.
    B. maintain our democracy.
    C. reimagine our democracy.
    D. regulate our democracy.

Solutions to Multiple Choice Questions

1. B	2. C	3. A	4. D	5. A	6. A	7. B	8. D	9. C	10. C
11. A	12. A	13. B	14. B	15. C	16. C	17. D	18. D	19. A	20. B
21. A	22. B	23. C	24. D	25. A	26. B	27. C	28. D	29. A	30. B
31. A	32. A	33. B	34. B	35. C	36. C	37. D	38. D	39. A	40. B
41. D	42. C	43. B	44. A	45. D	46. C	47. B	48. A	49. D	50. C
51. C	52. C	53. C	54. B	55. B	56. A	57. A	58. A	59. D	60. D
61. B	62. D	63. C	64. A	65. A	66. B	67. C	68. D	69. B	70. A
71. B	72. C	73. A	74. D	75. A	76. A	77. B	78. D	79. C	80. C

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16 STRUCTURED QUESTIONS

This section deals with structured and essay-type questions based on the content of this book. Three questions are developed per chapter and they cover the salient parts of the course. The aim of this discussion questions helps the student better grasp the meaning and practice of public sector management.

Chapter One: Introduction to Public Sector Management

1. Why is the public sector considered as an essential service provider by the government? What are the main services that public companies provide the public? Why should public service be linked with quality and customer satisfaction?
2. How might a public sector job differ from a private sector occupation? How does the mixed economy position the public service in relation to the private sector? How might both public and private services be complementary?
3. Why are job applicants attracted to public sector jobs? What benefits to job seekers get from becoming public officials? What challenges public sector employees might face at work?

Chapter Two: Public Sector Planning

4. What is the purpose of planning in the public service? What are benefits of planning in the government? Why is it hard for the State to achieve each goal it proposed in its political agenda?
5. Why is mid-term planning essential to the public sector? How do mid-term plans look to be more adaptable to current government needs? Short-termism in state planning means myopia. How can this situation be improved?
6. Why might the State be willing to improvise contingency planning? What might be the causes for this? How can a strategic plan overcome the deficiency of contingency plans? Comment where this is avoidable and unavoidable.

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Chapter Three: Public Sector Organisation

7. Why can it be said the public sector is a tall organisation? Relate complexity, centralisation and bureaucracy to traditional public sector organisation? How might the creation of new sub-organisations partly address the problem?
8. What is the relevance of a vertical structure in public sector organisation? What are the general characteristics of vertical public organisations? What could be the potential weaknesses of such vertical structures?
9. How might decentralisation address the issue of better public sector organisation? Why is it practical to have activities decentralised in a country? What precautions must the State take to avoid key problems of decentralisation like duplication, lack of coherence and uniformity in service provision?

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Chapter Four: Practice of e-Government

10. What are the conditions needed to create effective e-Government? Why has it become an obligation for the public service to opt for e-Government? What are the requirements for e-readiness in the public service?
11. Differentiate between Government-to-Government and Government-to-Citizens. How are these concepts related in terms of e-Government? Why is it correct to state e-Government speeds up service provision which also engages the citizen in the public service?
12. How might the digital divide impact the public sector in lesser developed nations? What can the State do to overcome such a gap? Why are citizen and user trust important in developing e-government? How might legislation favour the effective application of e-Government in poor countries?

Chapter Five: Public Leadership

13. Why is leadership often cited as a critical issue in public sector management? How does strong leadership impact the public affairs of a country? How does effective leadership ensure there is good follow-up and implementation of public sector tasks?
14. How do good communication, resilience, and innovation contribute to effective leadership in the public service? How do personal and organisational skills help in achieving public sector goals? Why should leaders help reshape the organisational culture of public organisations?
15. What are key differences between transactional and transformational leadership? How might both leadership styles influence public sector leadership? How does intellectual stimulation and inspirational motivation make public sector leaders work better for their organisation?

Chapter Six: Motivation in the Public Sector

16. Apply Alderfer's Existence, Recognition, and Growth needs (ERG) needs to the public officers' motivation. How might these align with Vroom and Lawler's Expectancy needs, namely in terms of expectancy to be rewarded and recognised? How might extrinsic reward apply to public service motivation?
17. How might it be possible to integrate public service into organisation mission and strategy? Provide examples of such a possible application. What parameters are needed to create a supportive work environment for public service motivation? How do these influence employee motivation?
18. What are certain constraints in public sector motivation? What can be done to improve the visibility of the public sector and make jobs recognised? What are the benefits and challenges of motivating an ageing public sector workforce?

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Chapter Seven: Change management in the Public Sector

19. Why is change difficult to adopt in the public sector? What factors may apply to the change inertia in the public service? What could be the internal drivers of public sector change? How might these influence a change philosophy in the public sector?
20. Identify the factors that might lead public sector employees to resist change? What can be done to reverse this tendency? How might an Employment Resource Planning (ERP) strategy better address change in the government? How does the involvement of trade unions better help in public sector change implementation?
21. How do capacity-building and training address the issue of change in the public service? How does a flexible approach to result-planning and budgeting favour change at work? What is the rationale for engaging key stakeholders in the change process?

Chapter Eight: Public Sector Governance

22. Why are strategy and culture useful components of good governance in the public service? Why should sustained and committed leadership be considered as the core values of good governance? A strong public enterprise has a strong sense of public service. How does this statement apply to good public service governance?
23. Explain citizen involvement and employee integrity as elements of a roadmap for good public governance. What is the meaning of oversight in public governance and how is it useful in ensuring good governance? What is the importance of external audits in good public service governance?
24. Why is finance linked to effective public sector governance? How might risk management facilitate better governance of public services? How does timely, transparent, systematic and accountable political engagement with budgetary decisions ensure good public sector governance?

Chapter Nine: Political Issues in the Public Sector

25. Why should politicians be accountable to public sector administration? What are their roles in this process? How does medium-year performance help in assessing the performance of politicians in office? Identify the minister's role as a decision-maker in the public service?
26. Why should politicians maintain neutrality in their duties? Why is it common to see politicians involved in corrupt public practice? What are the factors accountable for this and how could better governance address the problem?
27. Differentiate nepotism and cronyism as political malpractice at work. How can these be overcome or partly addressed at work? How do ethics in public administration address the problem facing politicians in a more reasonable way. Provide examples.

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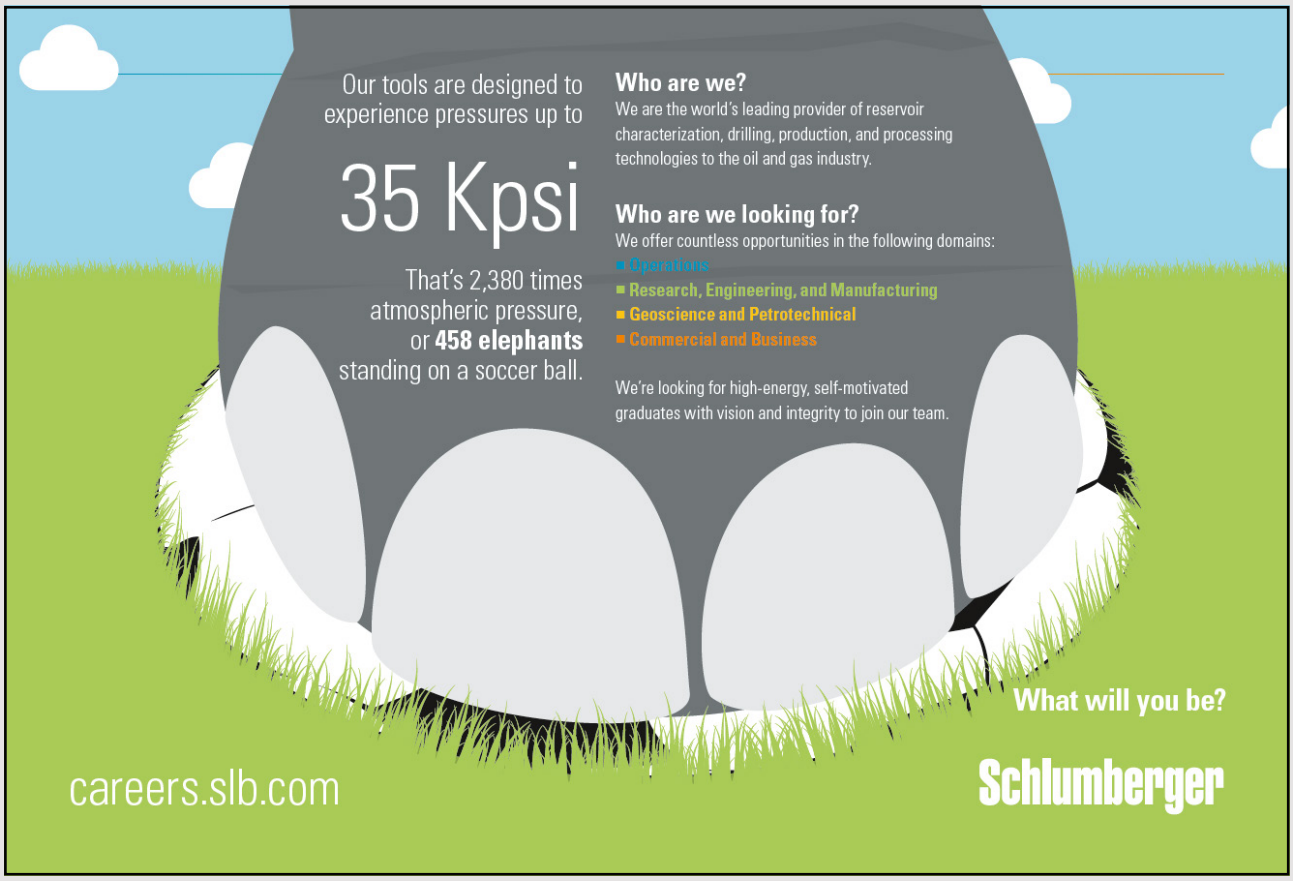
Chapter Ten: Public Sector Financial Management

28. Why does the public service scrutinise finances? Why do taxpayers want to see the efficient, judicious use of the tax they have paid in the betterment of public services? Why is it complex for the State to ensure the right governance of finance at all times?
29. How do internal controls and audits ensure good oversight of public financial operations? Explain the role of a Public Accounts Committee in addressing fiduciary risk management in the public sector? What could be key considerations of such an oversight organisation?
30. Why should the public sector be soundly managed in financial terms? How do terms like Return on Capital Employed and Capital rationing ensure respectively the good management of small projects and priority tasks in the government? How do financial parameters help in better achieving public financial governance?



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Chapter Eleven: Recruitment in the Public Sector

31. The principles of recruitment in the public sector include probity and merit. Why should these factors be considered key for public sector recruitment? Public sector appointments should be made in an open, accountable, transparent manner. Present these concepts in the form of a code of good practice.
32. What is the relevance of recruitment in the public sector? What might be the causes for a decline in such recruitment? How does internal recruitment address public sector recruitment and employee motivation? Explain where external recruitment could apply in the public service.
33. Why is headhunting important in the public sector. Differentiate between traditional and executive headhunting. Which priority areas in the public service could need headhunting? What are the challenges and drawbacks of public sector headhunting?

Chapter Twelve: Employee Welfare in the Public Sector

34. Discuss the statement employee welfare serves as a starting point on the ongoing journey to improve motivation in the public service. How might employers get stable labour force by providing welfare facilities? How is it practical to say employee welfare measures increase the productivity of organisation and promote healthy industrial relations?
35. How might adult learning be considered as employee welfare in the public service? What is the contribution of professional training and development in employee welfare? How might social recognition and inclusion contribute to employee welfare at work?
36. Explain the term 'statutory facility' in relation to public sector employee welfare. How does a health reform address employee welfare in a market economy with low emphasis on welfare? What is the relevance of establishing a pension scheme in a mixed market economy where welfare is an essential component?

Chapter Thirteen: Public Sector Training and Learning

37. If government is to keep pace with changes in our globalised world of rapid growth and changing technology, training and educating their workforce is critical. How far is this statement true? What is the relevance of just-in-time education and how does it influence public sector training?
38. Why should public sector training be linked with career development? How should training and learning be aligned with corporate public sector planning? Which factors might a country choose before embarking on a public sector training strategy?
39. What is the relevance of a career path to training? How does this strategy benefit the public officer? What is the importance of lifelong learning in the public sector? What are its advantages? State constraints that might still exist in this situation.

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Chapter Fourteen: A future perspective of the Public Sector

40. Critically evaluate these two seismic shifts in the public sector: From organisation silos to organisation network, and from government owning inputs to government and the citizen owning inputs. What are the key changes you perceive? Do they influence a more pro-active than placid public sector? Discuss.
41. Explain the term 'citizen centricity'. Two strategies that create citizen centricity are organisational change and customer relationship. Identify key issues to be addressed in both cases. How might clusters based on competency and skills contribute to capacity building in the public sector in the future?
42. To better address future public sector needs, analytics need to be established. Explain the importance of workforce analytics. What do they measure? How can they be useful? How do analytics assist in cutting cumbersome budgets and making them more practical? How might the knowledge economy become a key success factor of the public sector in the future?

Supplementary Questions

To urge better integration of learning this course, eight supplementary questions are included that cover different chapters developed in this book. I hope they consolidate the acquired learning.

43. Why is short-termism an inappropriate planning approach in the government? Explain the need for strategic planning in the public sector? How do Master plans benefit the government in areas like education or social services?
44. Contrast transactional and transformational leadership in the government. Why is crisis management both a necessity and evil for the public sector? Why should pro-active cadres benefit their Ministries?
45. Why is debt servicing a major constraint for the government? Where might the government obtain financing for such a task? How can the issue of bonds and raising state equity partly address this key public sector financial dilemma?
46. Why is it crucial to rid bureaucracy in governance? To what extent is bureaucracy applicable to public service? How can employee empowerment reduce bureaucracy? How might bureaucracy be transformed to employee advocacy in public service? To what extent is this feasible?
47. Explain the need for effective financial accountability of the public service. Analyse threats caused through poor corporate governance. Why should public sector cadres consider the importance of high ethical standards in their duties?

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48. How far is it an acceptable strategy for government to transform public into independent corporations? Comment on the nuance between privatisation and parastatal corporation. How may privatisation affect the future of civil servants? What benefits and challenges might it pose?
49. Why do many governments worldwide consider the need to downsize the public sector? What are the causes for such a condition? How might downsizing and delayering address this major issue? How might a reasonable citizen to public officer ratio be more productive in countries being heavily served by public officials?
50. Why is it essential to involve the common citizen with public services? Outline the relevance of e-government, online services and web technologies in the creation of a citizen centric organisation. How might the public service benefit from this approach in the future?

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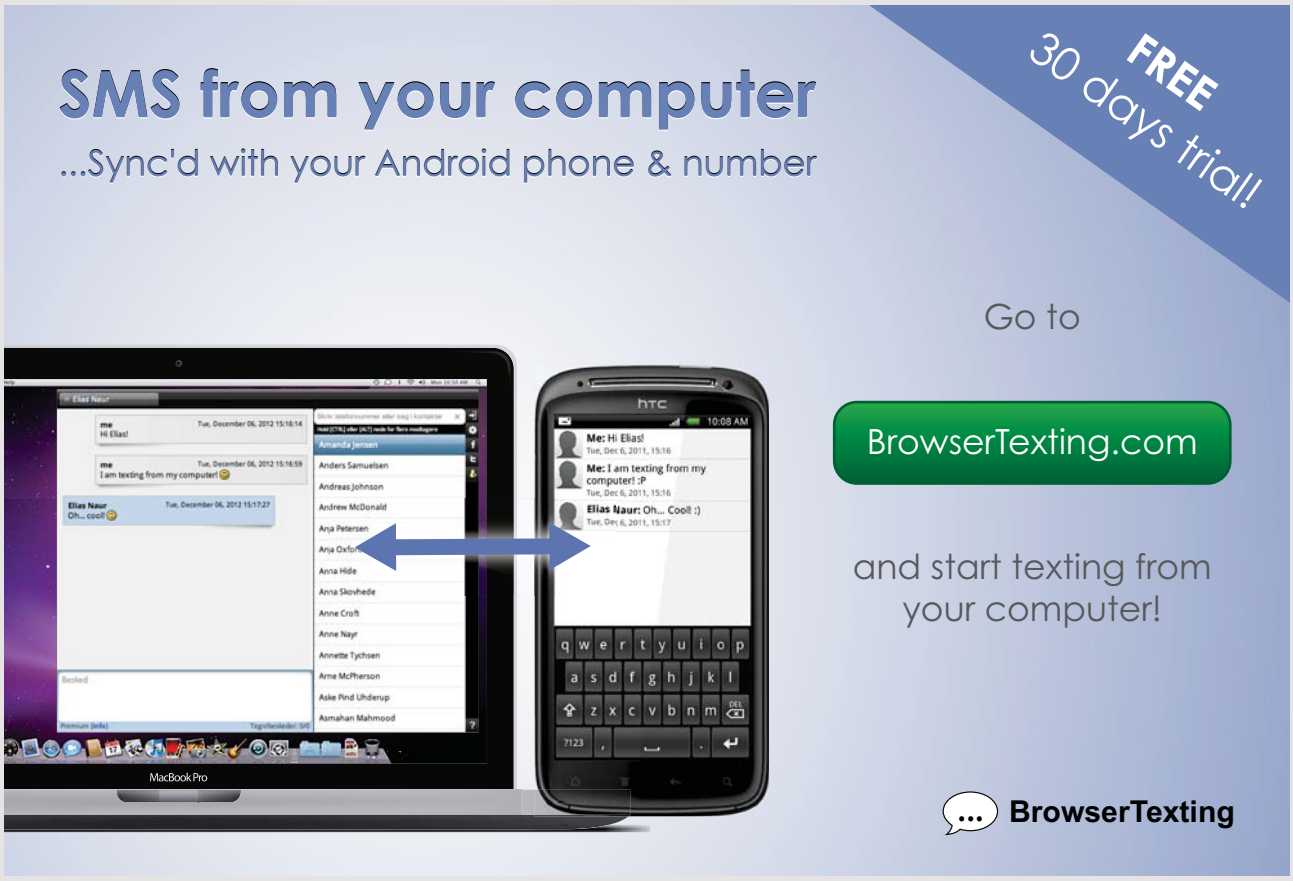

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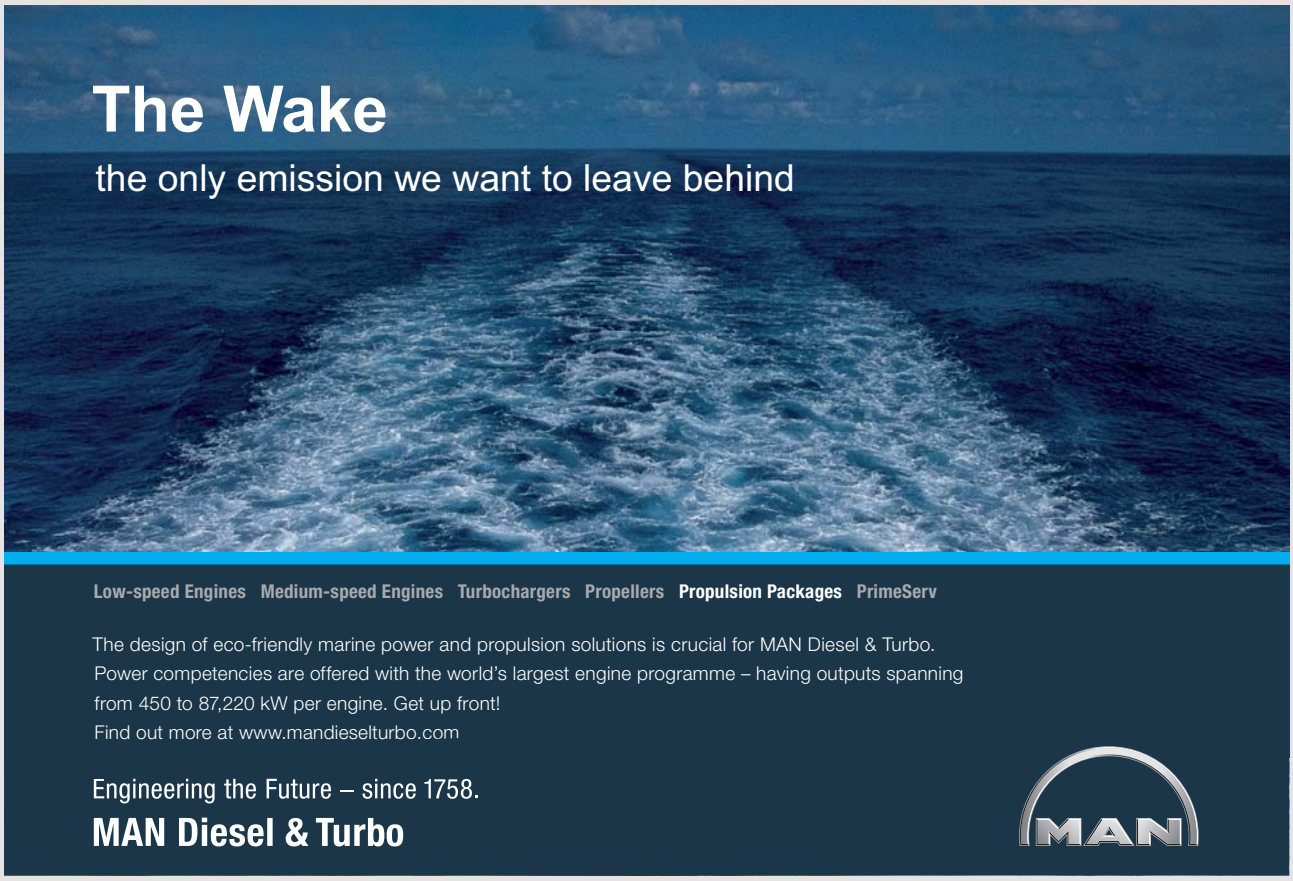

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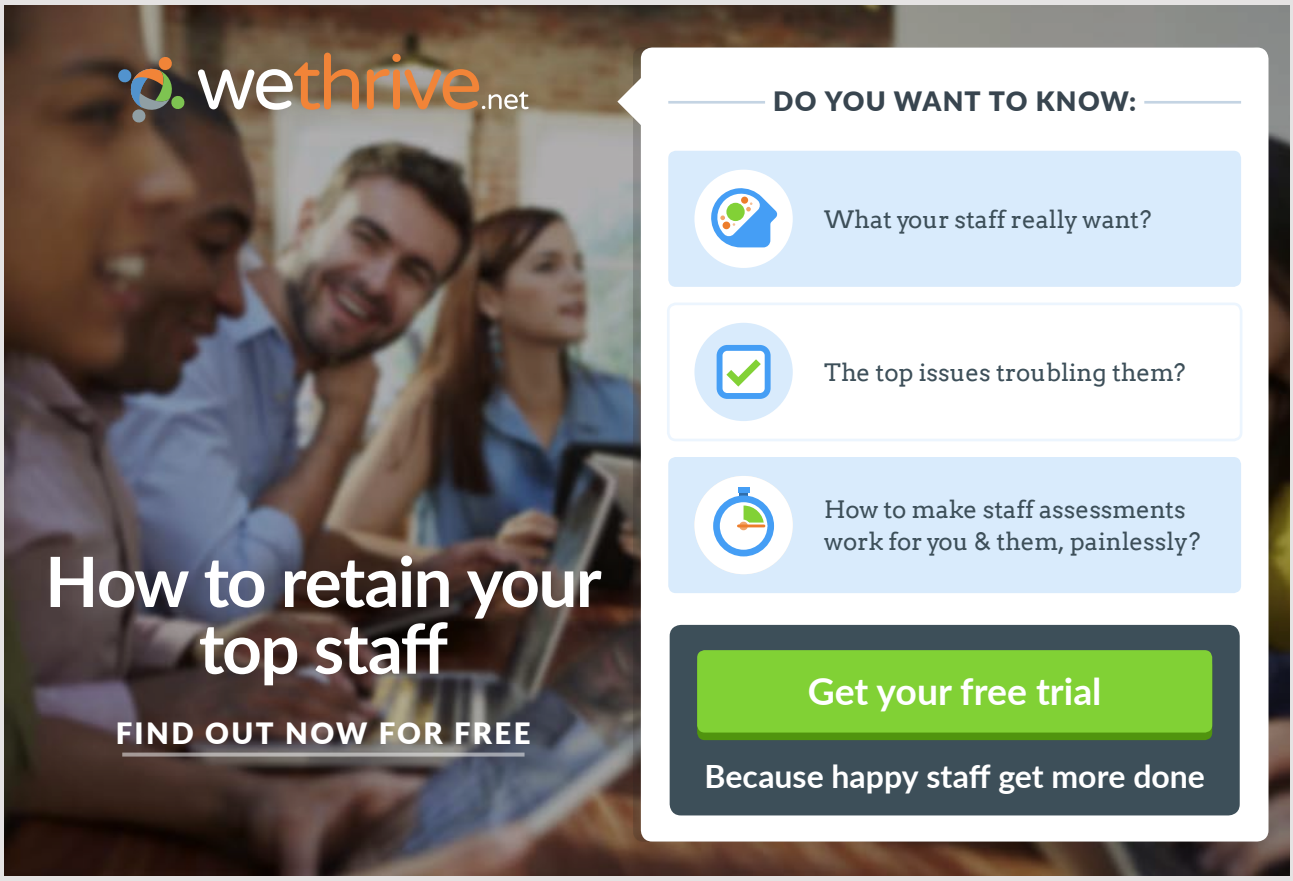

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