

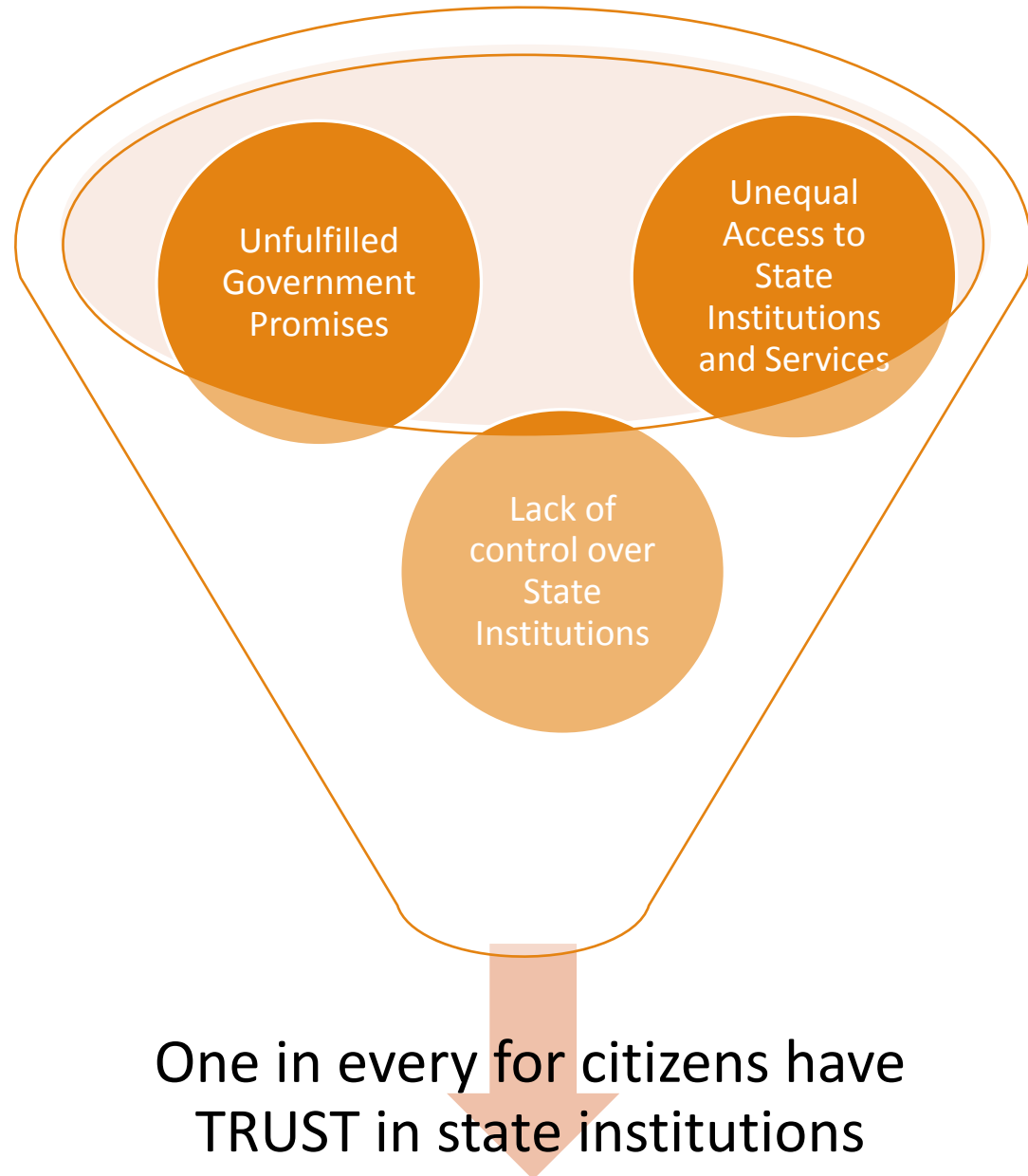
# Civil Service Challenges and Opportunities in Latin America and the Caribbean Region

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INTER AMERICAN DEVELOPMENT BANK

# LAC region faces several challenges

- ❑ Limited access to economic and political institutions: oligopolies, poor political representation, informal sector
- ❑ Unequal provision to services impact opportunities for prosperity: multidimensional poverty
- ❑ Lack of mechanisms to monitor government objectives/goals: gradual loss of citizens support, delivery units
- ❑ Capture of politics: corruption in electoral campaigns, petty Corruption in government services

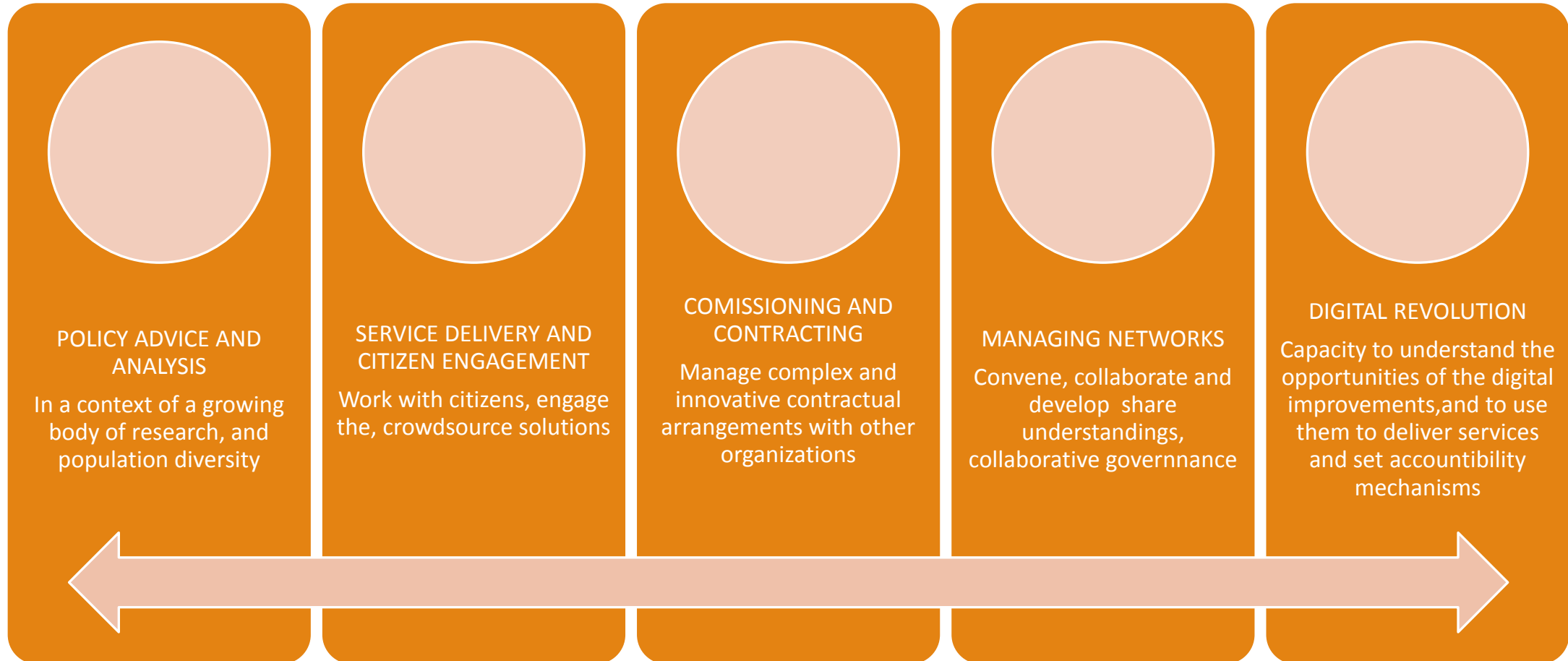


# Public Service Delivery has new *features*

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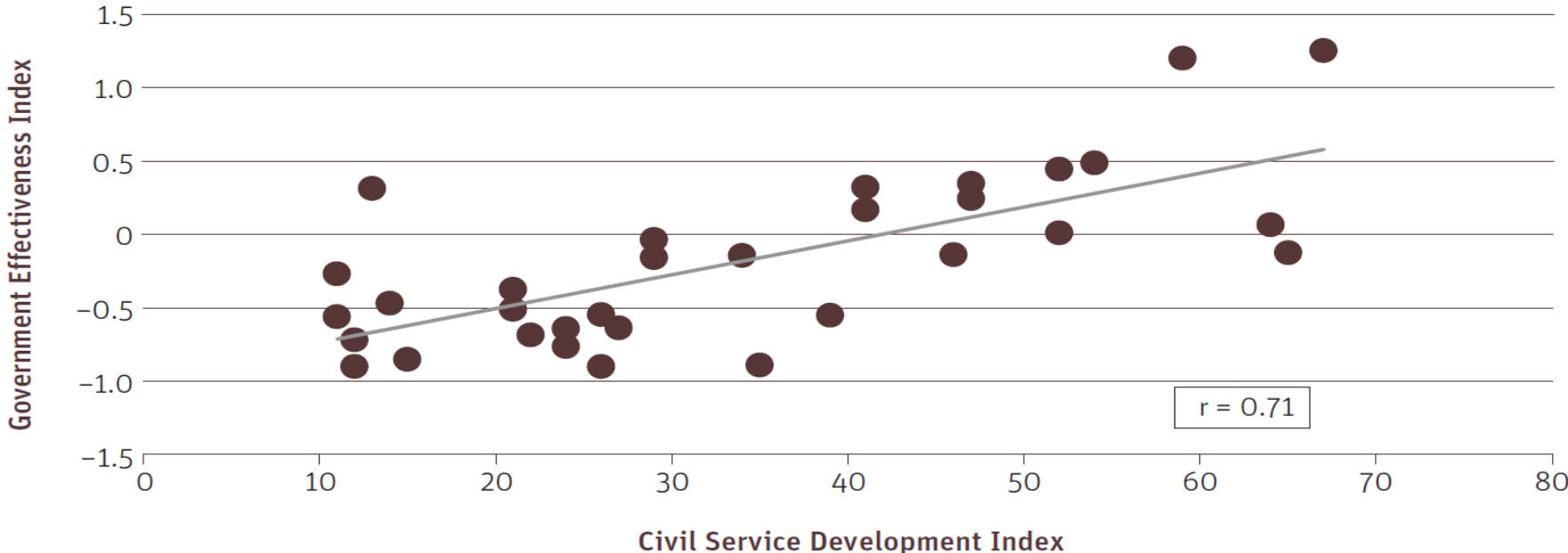
- ❑ more complex and interconnected problems, from a scientific point of view: poverty, climate change, natural disasters, migration
- ❑ a context of more informed and pluralistic societies: citizens share different and many times contradictory values
- ❑ citizens demand better services through new channels: digital revolution
  - ❑ Only 7% of LAC citizens use government digital services
- ❑ citizens expect services better responsiveness: tailor made services (one stops shops) adapted to the ad-hoc routes of several groups of population
- ❑ citizens are able/interested to interact with the production of services: crowdsourcing
- ❑ complex solutions requiring collaboration with private sector and civil society
- ❑ citizens demand more accountability through new tools: social media

# New *features* of service delivery need new skills in the Civil Service



# Is LAC Civil Service prepared to deliver services under these unprecedented conditions?

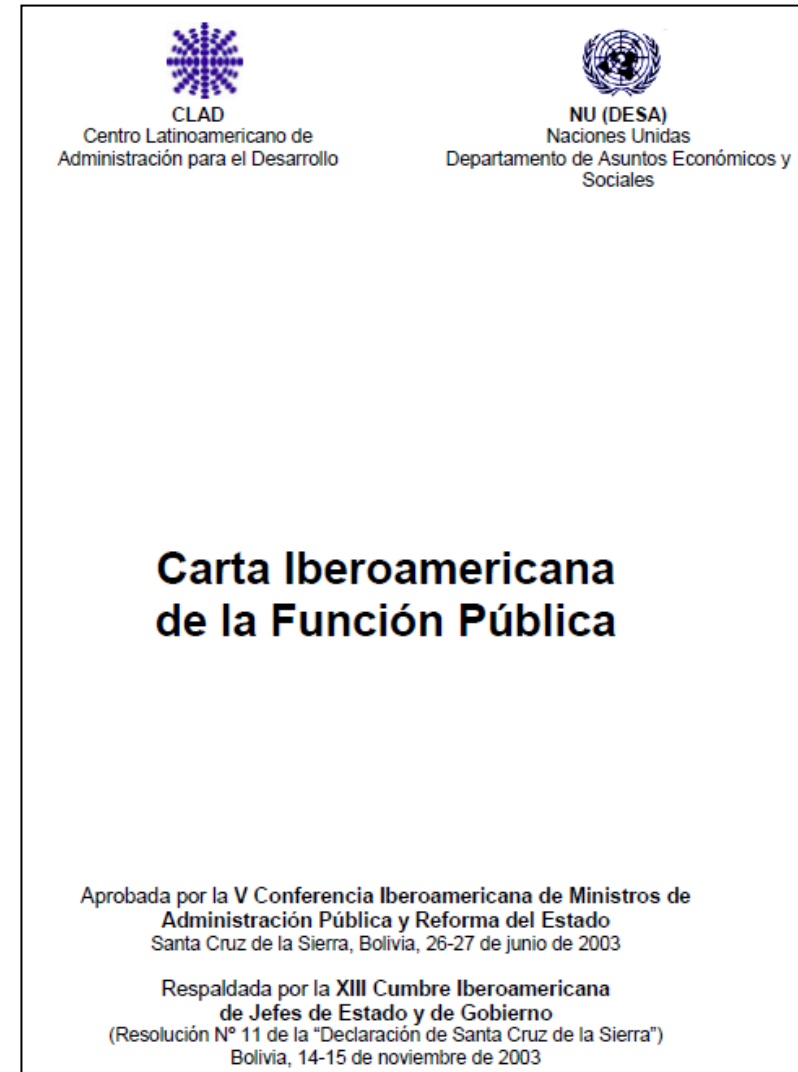
**FIGURE 5.2: CIVIL SERVICE DEVELOPMENT INDEX (2004 AND 2011-13) AND GOVERNMENT EFFECTIVENESS INDEX (2004 AND 2012)**



Source: Authors' elaboration based on IDB and World Bank data.

# Measuring Civil Service performance in LAC

- ❑ In 2003 LAC countries approved the “Ibero-American Chart for Public Service”, which defines the basis of a professional and efficient civil service and provides a generic framework of guiding principles, policies, and management mechanisms needed to build it.
- ❑ BID Assessment Methodology applied to 21 countries in LAC



Disponible [aquí](#)



# Civil Service Diagnostics in the Caribbean Methodology

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- ❑ 33 critical points are distributed along 8 HR sub-systems.
  - ❑ Each represents a benchmark or parameter that enables comparison with the situation empirically encountered in the diagnostic.
- ❑ A numerical score on a scale of 0 to 5, where the maximum score reflects the greatest correspondence between the situation expressed in the critical point and the HR system under assessment.
- ❑ The score is assigned based on three aspects:
  - ❑ **instrumentality**, the availability of technical rules and instruments that enable the management practice established in the critical point to be developed
  - ❑ **coverage**, the extent to which the practice exists in the various public organizations in the country
  - ❑ **implementation**, the degree of effective institutionalization of the practice.
- ❑ Besides, each critical point is aligned with one of the following indices that enable different aspects of the civil service system's general performance: Efficiency, Merit, Structural Consistency, Functional Capacity, Integrative Capacity, Management Capabilities and Diversity Management.

# HR Sub-systems

## Planning

Workforce  
Organization  
Posts  
Competences

HR Management  
Recruitment  
Mobility  
Termination

Performance  
Management  
Planning  
Evaluation

Compensation  
Management  
Monetary and non-  
monetary retribution

Carreer  
Development  
Promotion  
Training

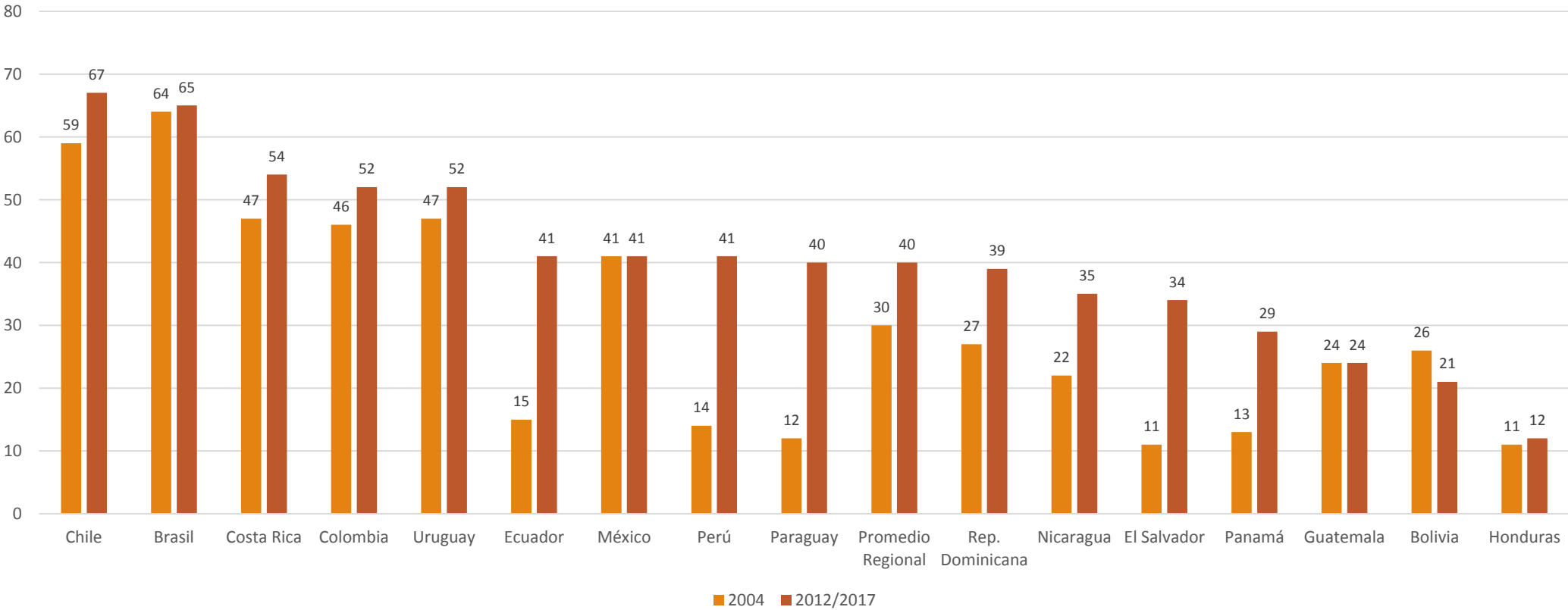
HR Relations  
Management

HR Function  
Organization

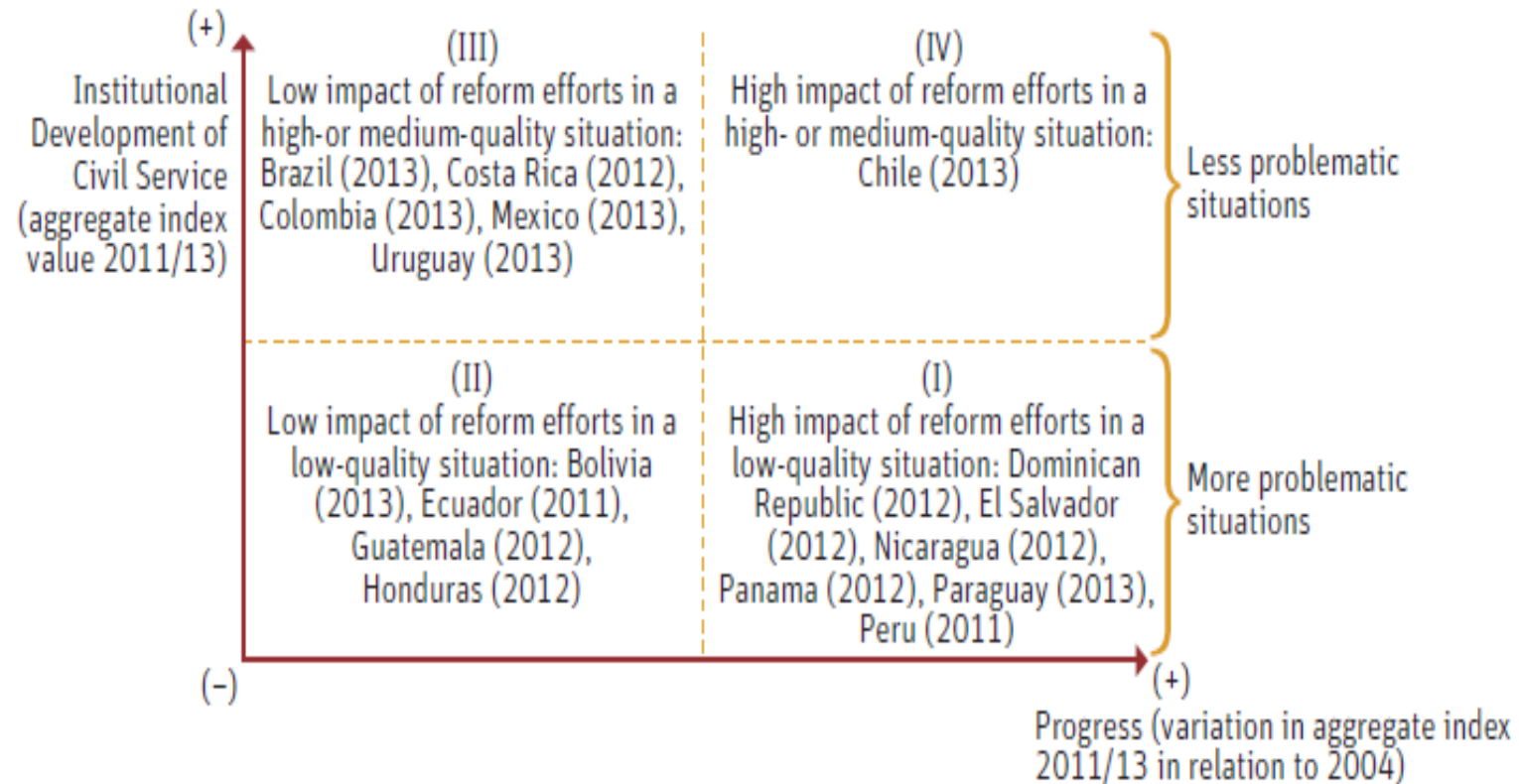


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- in the last decade, although the Civil Service remains relatively undeveloped, the average score on the Civil Service Development Index (CSDI) for the 16 countries improved by 8 points, rising from 30 to 38 on a scale of 0 to 100
  - central government's wage bill in Latin America and the Caribbean countries represented, on average, 27.2 % of public expenditures, 7.7% of GDP or 30.9% of revenues (IMF): more than resources allocated to public investment!
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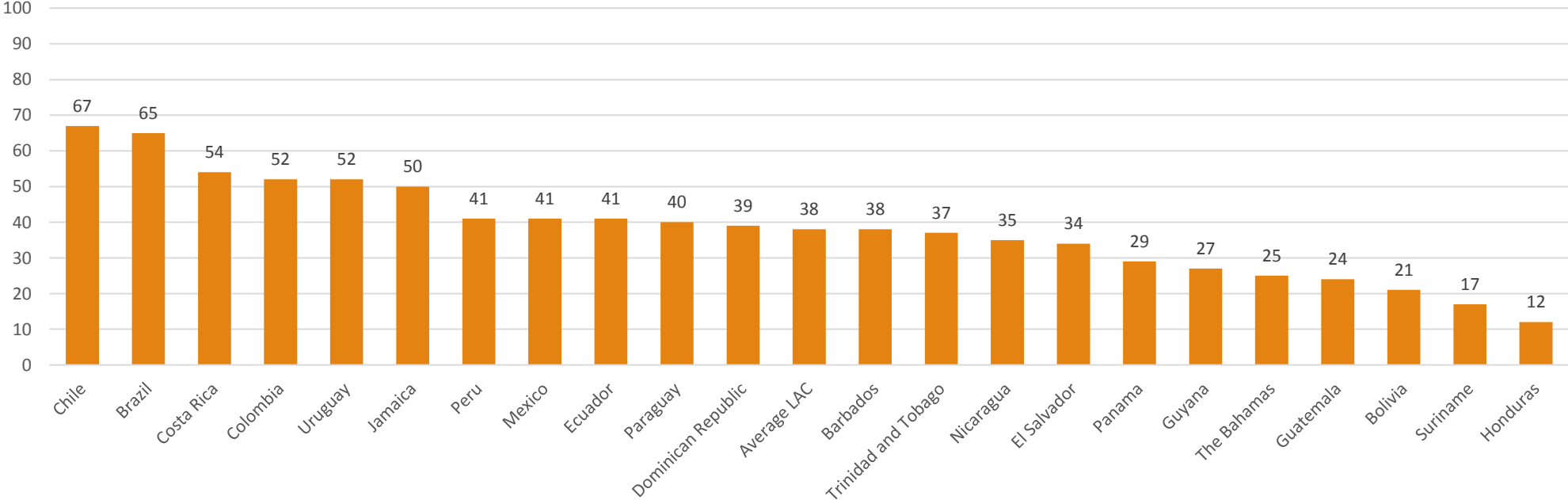
# Evolution of Civil Service Development Index in selected countries (2004-2017)



# Four groups of countries can be identified in terms of progress in the period 2004-2013



### Civil Service Development Index



What are the key reforms LAC Civil Services need to address to respond to the new *features* of service delivery?

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# PLANNING: Critical Points in need of more work

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## ❑ STRATEGIC ALIGNMENT, SKILL BASED, COLLABORATION

- ❑ Staff planning needs, must be aligned to the organization's priorities and strategic orientation.
- ❑ The technical level of the workforce should respond to knowledge-based societies. Skilled labor is not representing a significant proportion of the workforce.
- ❑ Senior civil servants should go beyond managing day-to-day operations and craft strategies for taking the service to the next level of performance and success.
- ❑ Senior civil servants should collaborate across ministries and sectors in order to secure coherence in policies and programs: whole of government approach.

# WORK ORGANIZATION: Critical Points in need of more work

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## ❑ ADAPTATION TO EACH ORGANIZATION NEEDS

- ❑ Job descriptions should conform to managerial criteria rather than to legal considerations or collective agreements. The legal framework and the employment agreements should be limited to establishing a broad framework in which work is organized, at a decentralized level, in accordance with organizational needs.
- ❑ Grading arrangements and job hierarchies should result from rational criteria, which are adapted to each organizational environment.
- ❑ Competency-based management obligates organizations to install much more sophisticated capacities than those needed for management using traditional qualification criteria (understood exclusively as possessing technical qualifications in a given area).

# EMPLOYMENT MANAGMENT: Critical Points in need of more work

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## ❑ MOBILITY, DECENTRALIZED MANAGEMENT AND FLEXIBILITY

- ❑ The mechanisms for functional and geographic mobility must respond flexibly to the demands of personnel redeployment
- ❑ Decentralized HRM units should be strengthened with managers with more decision-making power
- ❑ There should be the possibility of terminating the employment relationship due to objectively verified technical, economic, or organizational reasons that justify workforce reductions



# DEVELOPMENT MANAGEMENT: Critical Points in need of more work

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## ❑ TRAINING DRIVEN BY SPECIALIZATION

- ❑ Training should support the development of collective learning, building organizational capacity to tackle problems and provide effective responses
- ❑ Investment in training is made via plans that are based on a needs assessment and designed to support the organization's stated priorities.

# Other standard/orthodox pending reforms

**TABLE 5.1: THE FUTURE AGENDA: STRATEGIES AND KEY TASKS FOR ENHANCING THE CIVIL SERVICE IN LATIN AMERICA**

10 KEY TASKS*	STRATEGIES
<ol style="list-style-type: none"> <li>1. Reduce excessive reliance on generic measures of merit, and introduce more flexibility into HRM.</li> <li>2. Reduce the emphasis on uniform and centralized procedures for the entire administration and allow institutions to take measures to attract, recruit, motivate, and retain staff with the appropriate skills for their organizational needs.</li> <li>3. Gradually and selectively introduce characteristics of employment systems for certain sectors or positions, thereby complementing existing career paths.</li> <li>4. Professionalize the senior civil service.</li> <li>5. Institutionalize management and information systems.</li> <li>6. Implement competency-based management, avoiding overly complicated designs.</li> <li>7. Improve performance appraisal by developing a realistic and strategic vision.</li> <li>8. Enhance pay policy to attract, retain, and motivate human capital.</li> <li>9. Improve compensation management to contain the wage bill.</li> <li>10. Attract and retain young talent in the public sector.</li> </ol>	<ol style="list-style-type: none"> <li>1. Promote cooperation between the civil service agency and the fiscal institutions, and build broad pro-reform coalitions in the Executive branch.</li> <li>2. Design gradual reforms that take into account both the possibilities and the technical and political limitations that exist within each national context.</li> <li>3. Prioritize effective improvement of HRM, rather than merely perfecting the legal framework.</li> <li>4. Enhance the technical capacity for reform, both in the central civil service agency and in the HRM units of the sector agencies.</li> <li>5. Promote pro-reform political incentives.</li> <li>6. Promote learning through continuous review and adjustment of reform measures.</li> </ol>

Examples of reforms aligned  
with the new *features* of service  
delivery

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# LAC reform: Senior Executive Services to empower decentralized decision-making

- ❑ A Senior Executive Service is a distinct cadre allowing governments to “manage their senior public servants within a distinct human resource management (HRM) regime”
- ❑ The objectives of SES are to:
  - strengthen leadership skills and competencies
  - ensure continuity despite short term political pressures
  - minimize competition between results-hungry executives who each have more autonomy

- ❑ Public Executives continue to be selected mostly based on political relations or seniority as opposed to managerial skills and performance in most countries
- ❑ Latin America: High degree of discretion, with no requirement of specific skills and competencies, no performance contract (only political contract). They serve at the pleasure of the political authority
- ❑ Caribbean: Tend to offer these positions to career civil servants, limited options to attract executive talent from the private sector (usually, seniority > skills or performance).

# Despite the complexity, there is some initial evidence that professional public executives are leading to better performance

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- ❑ Chilean public hospitals increased their efficiency when executives selected under merit-based procedures led them (Lira, 2013).
- ❑ Chilean institutions with public executives selected through SES increased *efficiency* (increased ratio of investment expenditures) (Morales, 2014).
- ❑ In Peru, executives selected through the Public Managers Cadre increased investment budget execution in their institution or subnational government – one of the main purposes for the creation of the cadre – with no corruption issues (Corrales, 2013; 2014; SERVIR 2014).

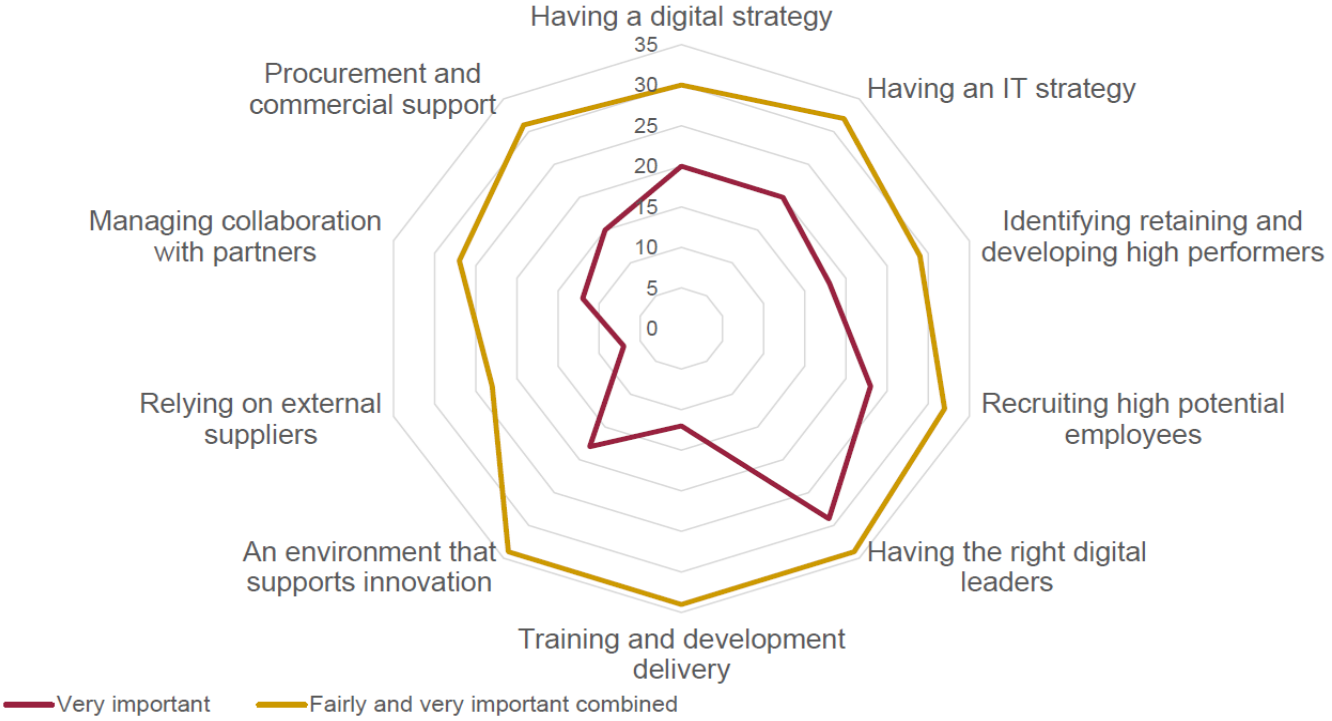
# ABSENT REFORM IN LAC: digital skills for government (UK-NAO)

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- ❑ “Digital” is more than just technology, websites, internet –it requires radical, flexible operating models, designed around users and data; with a much lower cost base
- ❑ There is a risk of unsustainable cost reduction or service deterioration if governments are unable to deliver transformation to any significant degree
- ❑ transformation programs are underway in most countries, with some digital service successes. But the focus to date has been mainly on the “front end”
- ❑ The change required is complex. The civil service needs to secure different skills and capabilities

# Factors supporting skills development

Q24: How important have the following been to the development of DaT in your organisation?  
 (Number of responses stating 'very important' or 'fairly important')



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Edgardo Mosqueira  
Head of the Public Sector Management Cluster  
[edgardomo@iadb.org](mailto:edgardomo@iadb.org)

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