

PUBLIC SERVICE REFORMS : ZIM/97/008 : STRENGTHENING
GOVERNMENT CAPACITY FOR REFORM : THE WAY FORWARD

1. BACKGROUND

- 1.1 The need for a reform of the public sector in general, and the civil service in particular, has characterised government thinking since the late 1980s. Indeed, having inherited a service that was colonial in character, and that served minority interests, and concerned itself with the primary function of the maintenance of law and order, the civil service has been under constant review and reform since independence, in 1980. These reforms were aimed at making the service to be in tune with the changed social and political environment of independence.

From the late 1980s the Service faced new challenges, of liberalisation of economic systems, international competition and globalisation. The Public Service Review Commission Report of 1989 set the context of subsequent changes. The introduction of the Economic Structural Adjustment Programme (ESAP), 1990-96, marked the shift not only in economic policy, but in the administrative and managerial system. These changes continued through the successor programme, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST), 1996-2000.

In February 2000 the Millennium Economic Recovery Programme (MERP) was announced.

All these programmes recognised the central role of administrative reforms, and the criticality of an efficient and effective civil service in the attainment of social and economic goals. The current UNDP supported programme "ZIM/97/008 : Strengthening Government Capacity for Reform" (SGCR) and its predecessor "ZIM/90/008 : Improving Government Efficiency and Effectiveness" amply demonstrate this recognition.

According to the project document SGCR (of 1997) in Section 1, Summary of the National Programme Framework, there is need to link economic policy to social development. In particular the document calls for the incorporation of "socio-political and sustainable human development goals" in the economic reform programmes.

The centrality of the reform of the public service is outlined in the following manner :

"The core of the programme to achieve these objectives is the restructuring of Government in order to facilitate economic empowerment and private sector development. Fiscal rationalisation and Government reorientation will be the main components of the core government restructuring programme".

The need to restructure government is also given prominence in the document, Zimbabwe Millennium Economic Recovery Programme, 2000 (P32, 6.1.4) :

"Rationalisation of the civil service and elimination of parastatal losses are an indispensable requirement for sustainable fiscal policy; Government through privatisation, commercialisation and subcontracting should define a new and focussed role in the national economy commensurate with its revenue resource base."

The Millennium Economic Recovery Programme stresses the need to rationalise and reduce the level of government expenditures. And here the contribution of the civil service is both in terms of reducing expenditure as well as managing resources in an efficient way.

There is recognition, nevertheless, that while the short term objectives of reforms might be to reduce the budget deficit, this should not lose sight of the long term objectives. In order to do that the key

functions of Government required over a period of time should be identified. One of these could be identified as the role of the public sector in effectively supporting national development efforts, and the Civil Service Reform (CSR) is a crucial element in that role. The other important element is identified as the change management process as articulated within the framework of the Public Expenditure Review (PER) and the performance management systems.

- 1.2 The Public Service Review Commission Report of 1989 identified a number of problems which needed to be addressed. These included, inter alia, lack of performance management systems and culture; poor attitude to work; duplication; high staff turnover; bloated bureaucracy; and the need to redefine the role of government. A number of initiatives and programmes, including the UNDP programmes referred to above, were put in place to address these issues, including the "Strengthening Government Capacity for Reforms".

A number of achievements have been registered as a result of the above programmes. These achievements have created a solid foundation for the way forward, but have also further underlined the need for a reformulation of the objectives of the reforms.

A Mid-Term Evaluation commissioned in August 2000 identified a number of issues needing to be addressed, and proposed a wayforward.

2. REVIEW OF CONSULTANTS' REPORT

2.1 Introduction

The Mid-Term Evaluation by consultants appointed by the UNDP noted and made recommendations for the current programme and for the way forward. The recommendations were made on the expectation that :

- A number of the objectives set out in project document ZIM97/008 had not been achieved and therefore it would be in the interest of the public service to carry them through to success, albeit with some modifications
- The UNDP was interested in deepening its participation in the PSC's reform agenda. However, there would be need for a well-coordinated and integrated approach to the reform programme.

The purpose of this presentation is to look at the areas that have been identified as needing attention in the current phase of the programme and those aspects that could well be incorporated into a re-modelled phase of the reforms.

2.2 Programme Recommendations

2.2.1 According to the consultants *the reform programme is narrowly construed to focus on the civil service reforms.* The consultants emphasise other reform objectives that are considered part of public sector reforms but that have not hitherto been put under the ambit of public service reforms. In its present format, it is felt that the reforms are meant to strengthen the PSC, a situation the consultants note has been done to a greater extent. Consequently, the new programme would need to address the issue of who gets involved in the next phase and who leads the reforms. A suggestion is made that there is need for the involvement of heads of ministries, with responsibilities being shared by Ministries of MPSL&SW, Finance, OPC and Local Government.

Should that become the case then there is also need to clarify the respective roles of the Ministries. At the moment financial reforms are co-ordinated by the Finance Ministry, decentralisation reforms by the Ministry of Local Government and the policy reforms

by the OPC. The same lack of co-ordination may also arise/occur unless strong, clear demarcation of responsibilities are clarified and there are monitoring mechanisms to ensure that each ministry/office is doing what it is supposed to be doing. From the consultants' observation, the co-ordination has concentrated on the administrative and financial aspects rather than whether the bigger vision was being met by the reforms. There was no impact assessments on whether the reforms were leading to an improvement in service or reduction in the budget deficit.

- 2.2.2 It is recommended that the agenda for the reforms be revisited in order to incorporate initiatives that are interdependent with those for which the PSC is responsible. This recommendation is related to the one above in which particular government departments are responsible for individual reform areas. These need to be co-ordinated and their progress monitored and evaluated regularly. The co-ordination of the reforms needs to be revisited rather than the reform agenda per se.

The purpose of SGCR is to strengthen the capacity of government to provide an effective and efficient service to the running of the economy. Capacity development is linked to the duties of the state as facilitator in the economy. It is therefore a means to an end rather than an end in itself. The observation that issues of decentralisation and devolution; indigenisation; privatisation/parastatal reform; expenditure control; information access and transparency; corporate planning; budget allocation etc are important issues in meeting the overall objectives of an effective public service is a valid one. But hitherto, the reform initiatives have been done by different arms of government and the co-ordination has been weak. It is possible that the progress of one reform area may not be known by

another arm making it difficult to reach the objective(s) by a certain date.

The challenge is to come up with a strong arm to coordinate those reforms so that they are in tandem and to evaluate the targets that would have been set. It was one of the three priority areas of concentration in the CCF for the UNDP (1997-1999) and it is hoped to continue in the period 2000-2003.

2.2.3 The recommendation to have regular client satisfaction surveys, at both the facility and government-wide levels as a way of operationalising client orientation has been noted. Client satisfaction levels could then be made the unit of account for corporate planning, resource allocation and performance appraisal.

Importantly the recommendation takes note of the fact that there have been two surveys that have been done already. What is of concern is what results/changes have been noticed in response to those client sentiments.

The consultants argue that not much use has been made of those findings and that the results have not been widely circulated to the clients to make further input and to continue to make the necessary comments that the service needs to make the changes/improvements. In other words what needs to be inculcated is the internal culture to make use of the findings, and to continue seeking ways to improve service delivery. By disseminating the findings widely, the service indirectly canvasses for further feedback from the clients. While there is the mention that there are several Suggestion Boxes that have appeared at institutions, what use if any has been made of the suggestions is not clear.

2.2.4 The consultants also recommend a new programme for public service reform that is integrated with economic policy and could be articulated as the institutional dimension of the Millennium Economic Recovery Programme (MERP).

This recommendation basically refers to the co-ordination of public sector programmes in general. The thrust of the Public Service Review Commission (PSRC) report of 1989; ESAP 1 and 2; ZIMPREST, PSRP report of 1998 were to improve the effectiveness and efficiency of the public service and to cut the budget deficit arising from the huge civil service. It is therefore about co-ordination of the reforms with clear and measurable objectives allowing for a proper evaluation of whether there has been enough progress towards the objectives. Individual reforms, whether decentralisation, performance management, parastatal reform etc without other reform efforts may not deliver the vision of government.

2.2.5 The recommendation for the Public Sector Reform Group of donors to reconvene, under the chairmanship of government to marshal resources for the new phase of reforms is supported. However, the UNDP because of its independence and perceived impartiality should continue to play a central role in mobilising resources and bringing the parties together.

But it is because the reforms were started but not completed, and because of the need to reposition the reforms to achieve specific objectives that may have been lacking rather than because of a complete failure of the previous reform efforts. Tremendous progress was made, capacity was developed and important lessons learnt in the last phase and the momentum should be built on and maintained. In line with the UNDP CCF for the 2000-2003 period, the area of reform and policy co-ordination should remain a priority for the UNDP in Zimbabwe.

2.2.6 The Project Document calls for the involvement of Civil Society in the planning mechanisms for the new programmes. Admittedly civil society can play an important role in the monitoring and evaluation of the level and standards of service delivery. This underlines the need to decentralise the activities of the NECF to provincial and regional levels and to publicise its activities as widely as possible.

2.2.7 Commenting on the impact of cost recovery as a tool to gauge client orientation and fiscal improvement, the consultants' note that cost recovery has deteriorated statistically and therefore there have not been tangible improvements in service delivery.

One of the weaknesses recognised by the Project Document (page 10) is the general decline in capital investment resulting in the decline in infrastructure. Clearly the scarcity of funding and the general depressing economic conditions have combined to worsen the decline in revenue (cost recovery) levels. People, it would seem, would rather do without the service than pay for it, not because they are against the principle of cost recovery but because they can not afford to purchase the service.

Anecdotal in-patient admissions at hospitals presented by the report show that the statistics have gone down and yet it is also clear that disease patterns have not gone down. If anything, the number of deaths has gone up and yet admissions are going down. It suggests that cost recovery would work where macro-economic factors and greater publicity about the reasons why the programme is implemented are also in place.

2.3 The sum of the recommendation centre on:

- ◆ The creation of a wider group of constituents/stakeholders to co-ordinate the public sector reforms. The hope is that if there is co-ordination of the activities, then it would be possible to measure how successful the reforms are, how and which aspects of the reforms are moving, what constraints are being faced and what can be done to overcome them. In the end it will be possible to assess whether the overall objectives of the programme are being met.
- ◆ That civil society be involved in the formulation and evaluation of the reforms. There is need to look at whether the monitoring provided by the PCC has been effective. The report suggests that technically and administratively, the PCC has worked but in terms of the objectives, that has not been apparent.
- ◆ That a new programme be designed that will be chaired by the government and involving the donor community. The government can then advise, update and seek further support in the different areas to implement the reforms.
- ◆ That the current reform activities be clustered around a number of key result areas related to the PSC strategy and be finalised as PSC reforms rather than general public service reforms. The general reform areas of government need to be brought together so that over the period, it would be easier to assess the progress made and whether government is on target to meet its targets.
- ◆ From experience with previous reform activities, there is need to separate responsibilities

between beneficiary institutions and those providing services.

3. WAYFORWARD

As should be evident from above, the report by the consultants outlines:

- a) lessons learned, and
- b) Recommendations on the way forward.

With respect to a) the report identifies four issues, namely scope, co-ordination, client focus and capacity as a process. The observations call for a broadening of the agenda of the reforms, inclusion of more players; better co-ordination as well as monitoring and evaluation; more client based service and broadening of capacity building from individual to institutional levels.

Below are proposals on the way forward.

3.1 Objectives

It is proposed that in line with the recommendations of the consultants that the objectives be articulated more fully, the objectives of the SGR be restated thus :

The overall objective of the reform programme under the auspices of SGR is to transform the public service into a customer focussed and results oriented culture, and achieve fiscal rationalisation, with the long term goal of national development, prosperity for all and indigenisation of the economy.

The specific objectives are :

- ◆ To inculcate values promotive of quality management, institutionalise a culture of excellence, innovation and productivity;
- ◆ To inculcate positive work values and ethics, including principles of responsibility, sincerity, dedication, diligence, discipline, moderation, co-operation and cleanliness.
- ◆ To contribute through prudent and cost effective management to socio-economic development, economic growth, investment and poverty alleviation.
- ◆ To facilitate the creation of a national economy and indigenisation in line with MERP;
- ◆ To achieve gender equity through increased representation of women in senior levels of the public service;
- ◆ To achieve widespread use of information and communication technology;
- ◆ To further put in place measures for decentralisation and devolution;
- ◆ To strive for stability in human resources in the public service through the improvement of the working environment, salaries and conditions of service for civil servants; and
- ◆ To put in place a machinery for public Complaints and Redressal.

3.2 General Recommendations

The programme to strengthen government capacity for reform is not only relevant but is critical for Zimbabwe to move forward. It provides an opportunity for Zimbabwe to put itself on the pedestal and pursue

goals of excellence, innovation, customer focussed service delivery and competitiveness while advancing towards equity, empowerment, growth and development.

From this point of view, the programme should be continued. In this respect UNDP support and that of other donors is extremely important.

There is also an obvious need for the programme to be clearly situated in the context of the Millennium Economic Recovery Programme. Indeed administrative reforms should be in tune with, and see themselves as advancing the objectives of, the broader national social, political and economic goals, agendas and aspirations. Clear linkages need to be established between the objectives of civil service reforms and those of economic reforms. It should be a measure of the success of the civil service if this relationship can be sustained. For example, commercialisation and subcontracting should contribute to cost saving as well as the national programmes of empowerment and indigenisation.

The public service reforms need to be sharpened, deepened and consolidated in order to achieve this, and also in order to facilitate a competitive environment in which business and investment can take place. Where there have been problems these should be addressed and a wayforward found. This, of course, underscores the importance of monitoring and evaluation to ensure that the programme stays on track and achieves its intended objectives.

The linkages between the private sector, civil society and government within the framework of the National Economic Consultative Forum (NECF) need to be deepened and activated. This will engender co-operation and consensus. More and sustained support by the UNDP will create the conditions for various stakeholders including civil society participating in the reforms.

3.3 Specific Recommendations

Specific measures need to be taken in order to achieve the overall objective. In essence this requires the setting of priorities and focussing on certain modules in order to register a higher degree of impact.

The main recommendation on the way forward relates to the proposal that the thirteen modules be merged as follows, and for the reasons outlined:

- ◆ Modules 1, 3, 8 and 13 (Capacity to provide training, Internal Audit, Human Resource Management and Salary Service Bureau) as they all relate to training.
- ◆ Modules 4a and 4c (Manpower Planning and Research, Statistics, Computer Services) which both involve manpower statistics.
- ◆ Modules 5,6,7 and 10 (Job Evaluation, Performance Pay, Management Services and Entrance and Promotion Examinations). These form part of the Performance Management Cycle, which begins with assessment for entry into the organisation and ends with rewarding for performance. They all have to do with the objectives of productivity and service delivery.
- ◆ Module 12 (Co-ordination and admin) to remain separate because of its centrality and linkage with all modules.
- ◆ Module 11 (HRIS/MIS) and 9 (Subcontracting) would remain separate, because their objectives are distinct.

The Subcontracting Module should, however, be expanded to include Commercialisation. Its objectives need to be restated to focus on the

actual commercialisation and subcontracting processes, and not only training, so that they contribute more fully to indigenisation, wealth creation, revenue generation and reduction of the budget deficit.

Below are recommendations relating to specific activities.

3.3.1 TRAINING

With respect to capacitating Training institutions, the following may be noted :

- ◆ What are the remaining needs in terms of capacitating the Training division?
 - Trainers have been given skills
 - Centres have been equipped with basic training equipment
 - Principals have been given Management Skills
 - Clerks and other support staff have been given training in relevant fields.

- ◆ What remains are unforeseen needs that are created as the reform programme unfolds and additional training equipment, a proportional amount of funds should be allocated to the component.

- ◆ A monitoring device, milestones, have to be in place to keep track of whether the Training Division is providing services that will help achieve overall objective e.g.
 - are training programmes needs driven
 - do our courses equip people with the necessary skills e.g. Performance Management, Information Technology, recovering of incurred costs, accountability to Public at large, Customer Care.

If every component is assessed in the same manner, then the reform objective would be more achievable and it would be easier for anybody to assess success or otherwise of the reform objective.

Formative Evaluation should be done as a continuous process to assess progress and to improve on the programme.

Heads of Ministries should form the P.C.C. to ensure that co-ordination is done at a higher level.

This is a reform component by the PSC which will contribute towards the achievement of a national reform objective/goal.

3.3.2 HUMAN RESOURCES MANAGEMENT SYSTEMS (HRMS)

Although some work has already been accomplished in this area (Appendix 2), certain constraints have militated against desired progress. Some of these include :

Funding

The Wide Area Network (WAN) required to link the pilot sites to SSB and to the PSC is not yet established. It had been expected that UNDP would fund the purchase of the required infrastructure and relevant quotations had already been submitted to the UNDP. However, the UNDP has not provided the funding and the project is now awaiting funding from the Government for the infrastructure. In the absence of a WAN, the project is relying on a Local Area Network (LAN) on one floor at the PSC. Data being processed in the HRMS is also being processed at the SSB. Audits are then carried out at the end of every month to ensure that the HRMS is kept in sync with the payroll at the SSB. The absence of a network is limiting the number of users who can access the

network as only users in the Project Room have access. It is also not possible to fully test the interface developed for the Payroll System and HRMS.

The Government tentatively agreed to allocate Z\$80 million to the project for the financial year 2001. This amount was intended to fund the rollout to four (4) Ministries during 2001. The Ministries have now been reduced to two because the funds will also be used for networks to the pilot sites. This lengthens the period it will take to rollout the HRMS to the whole Service.

Harnessing of Resources

Several Ministries and departments have been implementing different projects requiring computer hardware. There has been no co-ordination to ensure that the computer resources can be used for other Government projects.

However, there has been co-operation between the Public Financial Management System (PFMS) currently being implemented by the Ministry of Finance and Economic Development and the HRIS. The PFMS is already connected to all provincial towns and there is a possibility of its data pipes also being used to connect the HRIS to the provinces. This would reduce the financial requirements for the HRIS.

Development of IT Strategy for the Public Service

The development of a comprehensive Information Technology (IT) strategy for the Public Service would help in addressing the problems faced not only in the implementation of the HRIS, but other programmes in the Service.

Trainer Resources

There is need to have a core unit of trained Human Resources to implement and develop the HRMS. This would reduce reliance on outside consultants for expertise. Funding is required for both the training and retention of the Human Resources within the Public Service. Part of the funding allocated to the project for 2001 is earmarked for training.

Way forward

The following activities are critical for project success:

- ◆ Provision of funding for the establishment of a WAN between the PSC, SSB and the pilot sites.
- ◆ The establishment of a trained core unit to drive the implementation and development of the HRMS.
- ◆ Rollout of the HRMS to at least two Ministries in 2001.
- ◆ Development of the IT strategy for the Service and harnessing of IT resources across Ministries. The CCS, in conjunction with the IT Task Force, is in the best position to perform these functions.

But it should be emphasised that there is an urgent need to develop an IT strategy not only for the Public Service, but for the whole of Government, to ensure maximum utilisation of available resources.

3.3.3 PERFORMANCE MANAGEMENT

The issue of performance Management and related matters have not achieved much success because of the

controversy they have generated. This has been augmented by the introduction of performance pay and the negative perception this has evoked.

Because performance management is at the core of public service reform and the search for excellence and competitiveness, attention should be placed here in order to move forward.

Way forward

Cognisant of the need to properly synchronise and co-ordinate all the Public Service Reform initiatives it is suggested as already indicated above that Modules 5,6,7 and 10 be merged and code named Performance Management. The above Modules which comprise :-

- ◆ Job Evaluation
- ◆ Performance Pay (Awards)
- ◆ Management Services and
- ◆ Examinations

are closely related and their overall objective is an improvement of Performance of Public Servants and also on rewarding the same equitably. To that end, Performance Management is the backbone of job evaluation, performance awards, training, performance appraisals and examinations.

However, before any awards or rewards can be put in place, i.e. by linking performance to pay, jobs have to be properly graded and categorised through the use of a sound job evaluation system. Unless jobs are evaluated and graded properly, issues of salary structuring, duties, responsibilities, supervision, skills and competencies will negatively impact on Performance Management.

Besides job evaluation, other techniques of improving individual job performance can be drawn from

Management Services which comprise work measurement and methods study.

Flowing from the above, it is evident that modules 5, 6,7 and 10 are closely related and should be merged under the broad term Performance Management, for co-ordination purposes. However, the various Divisions can continue to steer the implementation of the Modules in terms of the budgets and plans already in motion.

Lastly, the issue of the revised generic Module of Performance Management should be given top priority in relation to the other Modules funded by the United Nations Development Programme (UNDP). This is so because of the need to improve service delivery by Public Servants. However, for the Public Service to improve their performance they have to be equitably rewarded.

Additionally the following need to be done :

- ◆ More training in performance appraisal, at all levels of the service;
- ◆ More capacity building in the area of performance management
- ◆ Training of staff associations and more interaction with them so that they appreciate the value of performance management
- ◆ Strengthening of monitoring and evaluation mechanism at all levels of the service
- ◆ Incorporating customer care, and performance audit in all training.

3.3.4 COMMERCIALISATION

As said above, commercialisation has an enormous potential in achieving national social, economic and political goals. Consequently, more assistance is required in activities related to commercialisation, subcontracting and cost recovery as a contribution to the reduction of the budget deficit, and the freeing of resources for other needs. Equally important, subcontracting and tendering can contribute significantly to economic empowerment and indigenisation.

The programme should be viewed as a government programme and not a PSC one, if it is to generate the necessary support and resources.

Also, targets need to be set at higher levels and to be co-ordinated so that, for example, when 5 000 posts are abolished, meeting a PSC target, that target also meets a budgetary target set by Treasury (to reduce deficit), meets the stakeholders' target (improved service that is not necessarily more costly) and meets the national objective of Indigenisation. Targets need proper co-ordination and evaluation.

3.3.5 PUBLICITY AND EDUCATION

The Public Service Reform Programme has not been given the necessary publicity in the wider society. For example, the Client Charters have not been widely disseminated, neither have the stakeholders been sufficiently educated about their existence and value. Thus a publicity campaign is necessary and should be given priority.

Publicity on the Client Charters and the reforms in general would help bring out the necessary publicity for the reforms, generate feedback on whether what

Government is doing is what the stakeholders want and what methods of improving service delivery.

Publicity is also important especially in issues like cost-recovery so that clients are aware of why the measures are introduced and how they (clients) would benefit from the reforms.

Television, Radio or Newspaper programmes should be sponsored to discuss the issues and gain from the feedback, as a matter of urgency.

4. IN CONCLUSION

It is recommended that consideration be given to the merging or clustering of modules as proposed above, even though the different Directorates would implement plans and budgets as at present. The important point is that the merging seeks to ensure that each relevant Division aims to achieve the strategic objectives of the reform programme and those of the Module to which they belong. The proposal also seeks to remove fragmentation and establish strategic linkages between various activities.

It is also recommended that the following be regarded as the critical areas of the project :

- ◆ Performance Management (particularly Performance Pay)
- ◆ Subcontracting and Commercialisation - since the area has the potential of boosting Government's resource base, which can lead to better remuneration and performance awards. Moreover, subcontracting and commercialisation can greatly contribute to the attainment of the objectives of Indigenisation and Gender Equity.

This in no way implies that the other activities are less important; it is only to say that the

two areas will contribute immensely to the success of the programme. Indeed, it is urged that concerted efforts be made to ensure that Module 11 (HRIS/MIS) and related activities are adequately funded if efficiency in the service is to be achieved.

There is a strong case for continued support to the project. Already much has been achieved, but the successful conclusion of the project should take public service into a new era in which it places the customer at the centre, seeks to achieve excellence, and be part of the social and economic reforms that are being spearheaded through the Millennium Economic Recovery Programme. The ultimate objective of these reforms is economic growth, socio-economic development, prosperity and stability.

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Consultation Meeting to discuss first draft see Appendix 3.

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