

A REVIEW OF THE REPORTS OF THE PUBLIC SERVICE REFORM COMMISSION

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Introduction

This paper briefly reviews the published reports and papers of the Public Service Reform Commission (PSRC), focusing on the premises and principles of the key recommendations. It places the Commission's work in the perspective of local administrative development, commenting on the extent to which the exercise differs from established patterns of reform.

The paper is not meant as a critique of the Commission's reports. That is the task undertaken elsewhere in this publication. This paper effectively provides the backdrop to such criticism as well as to the proceedings of a public forum organised expressly to deliberate the PSRC report implications.

A Historical Sketch

The shortcomings of the public service are never far from public consciousness. They weigh heavily on the mind of political parties in opposition, which invariably promise to reform the administrative services as soon as they are returned to power. An incumbent Administration, no less anxious about the performance of its civil service, makes the same promises. Rather more

cynically, though few elections are fought over the public service, canny governments bear in mind that public employees and their dependents form by far the largest constituency.

Electoral manifestos become the mandate of the victorious party, especially if it has spent an extended term on the Opposition benches. It is no coincidence that changes of administration are generally accompanied by major reviews of a nation's public service, most evidently in countries belonging to the Westminster tradition, where few of the high-ranking civil service positions change hands with a new Administration.

The pattern is clearly discernible in Malta throughout the post-war period. Another factor – constitutional development – also seems to precipitate reviews of the public service. Thus, in 1944 and 1946, on the threshold of the restoration of Self-Government, an Anomalies Committee and a Salaries Revision Committee reviewed civil service salaries, wages and related matters(1). In 1956, shortly after the Labour Party took office, a Civil Service Commission was established to review pay, recruitment, grading and conditions of service, as well as facilities available to non-industrial employees for joint consultation(2). Between 1959 and 1961, critical pre-independence years, the Elwood Reforms were carried out(3). In 1967, a Nationalist Government enjoying its first post-independence electoral victory established the Salaries (Anomalies) Commission(4). In 1971, only two months after being returned to office, the Labour Government established the Commission for the Reorganization of the Public Service with very extensive terms of

reference and a numerous membership(5). The Commission was disbanded shortly after, without completing its work, and the reorganization resumed in 1974 as, essentially, a collective bargaining exercise only concluded in 1981 (6).

In all of these reviews, the terms of reference clearly emphasised pay, grading and conditions of service. Changes to departmental structures and procedures were generally undertaken following organization and methods studies carried out by officers of the Efficiency Development Branch at the Office of the Prime Minister.

The PSRC: A Departure from the Pattern

In May 1988, a year after taking office, the Nationalist Administration established the Public Service Reform Commission. In several significant respects, the Reform Commission departed from the pattern established by earlier reviews of the public service.

In the first place, the reasons prompting the review were more urgent and more critical than had previously been the case. The Commission carried out the first major review of the public service in fifteen years. During that time, the Service had seen its prestige as a governing institution and as an employer decline. In spite of its remarkable record in assuming ever greater administrative responsibilities, the public at large, and especially the industrial and commercial communities, were dissatisfied with

its performance. The incoming Administration had made official corruption and administrative abuse one of the principal electoral issues(7): it courted the widespread perception that the public service had become politicised. The civil service itself was demoralised, and had steadily been losing staff with managerial expertise as its salaries slipped behind those of the private sector(8).

Secondly, the Commission's terms of reference did not focus on pay, grading and conditions of service for the public workforce: the key direction was "to examine the organization of the public service". This also differed from the brief given to the Commission for the Reorganization of the Civil Service in 1971, which was directed, among other things, "to examine the requirements of the country, and to see how these can be met administratively by the public service...." The PSRC's brief is more future-oriented and, for the first time, introduces the idea of change - rather than continuity - as a goal of administrative reform: "...and to recommend means by which the Service can efficiently respond to the changing needs for effective government".

In the prevailing climate of mistrust, it was perhaps inevitable that Government should not only establish the Public Service Reform Commission, but also broaden its terms of reference beyond pay and grading. The breadth of the terms of reference reflect, to some extent, the range of expectations about its task. Not all of them were easy to reconcile.

The composition of the Commission also reflects the orientation of its task. Three of its five members were trained as economists: two of these had occupied senior management positions in the private sector; the third was an academic. Two members spent the greater part of their careers as high-ranking civil servants.

A third, novel feature of the exercise was the presence, side by side with the Commission, of an expatriate consultant seconded to the Maltese Government to carry out an Operations Review which examined, among other things, the governmental structures within which the public service operates, as well as management systems. The Review gave further 'depth' to the Commission's brief, and the two exercises together acquired a 'critical mass' that made it more difficult for policy makers and for the civil service to ignore them.

The Commission was aware both of the prevailing views about the public service and of the diverse expectations regarding its task. It attempted to harness both to its task, by inviting written and oral submissions. In its own words, "...Over one hundred submissions were received...many of these were supplemented by informal meetings and interviews [covering major trade unions, interest groups and high-ranking civil servants]. These contacts....have given individuals and groups an opportunity to participate in the exercise"(9). The Commission's deference to the expectations of an increasingly participative society also marks a change from traditional patterns, though it must be acknowledged that a

commission is not suited to carrying out a broad-ranging and on-going communications exercise.

Finally, the Commission's exercise is noteworthy for the rapidity with which it was concluded: it spanned nineteen months, from June 1988 to February 1990. The most visible outcomes of its work are two reports bearing the same title: A New Public Service for Malta. The first deals with the organization of the public service; the second makes further proposals on administrative structures, grading, staff development, selection and compensation. Three supplementary papers presenting the results of studies undertaken by the Commission have also been published. Once again, both in content and in style, the Commission's reports depart from the patterns of the past.

Premises of the Commission's Proposals

In order to place the Commission's recommendations in the right perspective, it is necessary to understand the premises on which they are based. A reading of the first stage report points to five such premises.

Firstly, the public service is conceived as an institution, not merely as an organization or a passive component of the 'machinery of government'. Therefore, the effort to bring about change must be directed at structures, operating systems and the institutional culture, i.e. values, norms, attitudes and aspirations.

Secondly, the present difficulties are seen to be the result of complex causes and developments. Therefore, the needs of the Service cannot be met by 'orthodox' solutions that find their inspiration in the past.

Thirdly, many players, in Government and outside, are associated with the Service and its activities. The players are generally in agreement about problems and their causes: it is therefore necessary to secure their support for the changes that are proposed, for which purpose they must understand the plans and participate in implementation.

Fourthly, lasting change depends on the establishment of a climate of trust; that rests on a commonly accepted framework of rules and the assurance of efficacious action if that trust is betrayed.

Finally, the capacity of the public service depends critically on the quality of its human resources and, in particular, on the leadership within its ranks; it depends on the investment in skills, ability, and expertise; and on the reward of merit.

This last premise is clearly evident throughout the report: in fact, it might be said to constitute the principal theme. The Commission was particularly concerned with the leadership of the public service, addressing the report "to the men and women who have chosen public service as their calling and upon whose ability, dedication and leadership the outcome of this exercise so largely depends"(10).

The First Stage Report

Given these premises, the Commission identified two over-arching objectives, these being the restoration of the institutional fabric of the public service and building its organizational capacity. The Commission also underscored the need to safeguard the rights of employees, yet another theme underlying the report.

The first stage report opens with a brief statement of 'findings' in which four decades of developments in government and administration are sketched out in broad brushstrokes. They lead to a terse diagnosis of the state of the public service and a shortlist of priority issues. The report "seeks here to focus only on what is essential, and to set the stage for identification of goals and strategies that address these issues"(11).

The remainder of the report is almost entirely prescriptive, being constructed around a framework of eleven inter-related goals.

In order to 'restore the institutional fabric', the Commission set the following goals:

Goal One: Win public confidence in the service

Goal Two: Create a culture of excellence and integrity

Goal Three: Define the role of the public service.

In proposing strategies for attaining these goals, the Commission enunciated three important principles concerning the role and organization of the public service.

The first is that the activity, resources and development of the career public service should be focused temporarily on the areas of its greatest strengths – the delivery of services – with external expertise grafted on the organization to perform other roles such as planning and policy analysis until such time as the Service developed planning and analytical capabilities(12).

The second principle is that departments should be organised for tasks and be described in terms of 'positions', a position being the locus of responsibility for the performance of a task or tasks(13). This observation is so obvious as to seem almost trite, but it illustrates the extent to which the public service has lost structure and order.

The third principle is that the roles of central agencies and line departments should be redefined: line managers should be delegated authority to plan work schedules, to spend within approved estimates and, most significantly, to select, assign, reward and discipline staff; the central agencies would establish operating standards and rules, and build the operating capacity of the line departments(14). This constitutes, in effect, a reversal of the present management philosophy, which assigns extensive controlling powers to the Ministry of Finance and to Establishments (now Management & Personnel Office).

In order to build organizational capacity, the following five goals are identified:

Goal Five: Define and develop employee competence

Goal Six: Select and retain the brightest and ablest

Goal Seven: Improve the quality of management

Goal Eight: Invest in technology and plant

Goal Nine: Increase planning and audit capabilities

The remaining two goals are more generic:

Goal Ten: Define and contain executive discretion

Goal Eleven: Institutionalise change.

Proposals relating to human resource management account for the greatest share of this part of the report.

The framework for human resource management would be provided by a new classification system comprising 'categories' which define broad levels of skill and competence, and 'classes', which identify occupational groups(15).

Perhaps the greatest changes proposed concern the selection and appointment of public officers: these recommendations are the ones which have aroused most public comment and, almost certainly, some concern within the public service itself. The

essential principles in the recommendations concerning appointments can be stated as follows.

Firstly, appointments should be made by the managers who assume responsibility for the performance of staff(16). The Commission acknowledged two limitations of this principle, namely, the need to avoid excessive departmentalism and the need to take advantage of economies of scale, both of which justified a measure of central intervention in the appointments process(17).

Secondly, selection decisions should meet the needs of the organization by matching candidates with jobs. The Commission proposed that the criteria for selection should be relevant to the nature and the requirements of the job, and that selection exercises should find their context in annual manpower plans(18).

Thirdly, managers should be accountable for selection decisions before an impartial tribunal which would have effective powers to scrutinise such decisions and to initiate appropriate follow-up action(19).

Finally, the rights of candidates for all positions should be safeguarded by means of an effective appeals procedure(20). The Commission acknowledged that this principle should be limited by the need to avoid spurious complaints or paralysis of appointments procedures(21).

The Commission extended the principle of competition to the highest management positions, recommending the appointment of 'persons with a proven track record of management in the private sector... to fill key management positions for which there are no comparable candidates in the public service'(22). The Commission further recommended that 'Category A' officers from the career track should retain tenure in a grade, rather than in the positions to which they are appointed. Initially, career officers promoted to Category A positions classified in Scales 1 to 4 would retain tenure in the grade of Assistant Director. Career officers who perform consistently well at levels above the grade of Assistant Director would be granted tenure in the higher grades(23).

The removal of rigid central control would be counterbalanced by increased planning and audit capabilities in the central personnel and financial management agencies, in the departments, in the Public Service Commission and the Department of Audit. The central agencies should put up a framework of operating standards and reporting systems, and the scrutinising agencies should be given enhanced capacity for action, including initiation of investigations and imposing sanctions against defaulters (24).

With each set of proposals, the Commission identified the key player/s who would assume responsibility for taking the public service towards the relevant goal, but, in general, the first report does not dwell on implementation.

The Second Stage Report

In February 1990, the Commission presented its second-stage and final report to Government, the main purpose of the report being that of taking Government to the threshold of decision and action on the agenda proposed in the first. The report was premised on acceptance of the principles and proposals enunciated in the first stage report(25).

The report elaborates proposals relating to five key aspects of human resource management, namely, administrative structures, grading, staff development, selection and compensation. The report also contains an implementation plan which synthesises the fundamental issues on which decisions are required, and links implementation of the Commission's proposals with complementary changes recommended by the Operations Review.

The second report reflects the Commission's concern about the structural impediments to change and the safeguards required to ensure that implementation is consistent with the Commission's intent and with the real needs of the public service. The main proposal in each chapter is framed so as to facilitate implementation of corresponding proposals in the first report. Thus, for example, Chapter One - Human Resource Management: The Organizational Framework - outlines political and administrative roles in the change process, including those of the Prime Minister, the Public Service Commission, the Management

and Personnel Office, the Management Systems Unit and the Staff Development Organization.

Though essential, the second stage report is clearly subordinate to the first. The 'grand strategy' for change is mapped out in the first: the second takes the strategy closer to its realization.

Supplementary Papers

Both reports are deliberately stripped of lengthy analysis and argumentation: a terse statement of the issues is followed by an equally terse set of recommendations. This serves to focus the reader's attention on the merits of the ideas that are proposed, rather than to dwell on the litany of shortcomings and deficiencies that are the stuff of any diagnosis.

In order to compensate for the terseness, particularly of the first stage report, the Commission produced a select collection of three papers "that are a sample of the studies undertaken by the [Commission's] working parties....They are being released in order to provide an understanding of facts, data and ideas which helped shape its thoughts on the future of the Service"(26).

The first paper is a brief synthesis of the written and oral submissions which were made to the Commission. The second is a study of the growth of the public service during the years since Independence. The third paper is a report on a survey of General

Service officers in the grades of Assistant Head of Department and Administrative Officer.

Notes

The published reports and papers of the Public Service Reform Commission are cited as follows:

Organization denotes the first stage report entitled A New Public Service for Malta – A Report on the Organization of the Public Service, July 1989.

Further Proposals denotes the second stage report entitled A New Public Service for Malta – Further Proposals on Administrative Structures, Grading, Staff Development, Selection and Compensation, February 1990.

Papers denotes A New Public Service for Malta – Supplementary Papers, January 1990.

1. Establishments Division, Office of the Prime Minister: Introductory Factual Memorandum on the Malta Civil Service submitted to the Civil Service Commission, 1956, pp.1,2.

2. Ibid., p.1: The Commission is also known by the name of its Chairman as the Arton Wilson Commission.

3. Government Proposals on Pay and Grading Structure of Non-Industrial Employees in the Malta Government Service (DOI, 1959) provides the backdrop to the Elwood exercise.

4. Report of the Salaries (Anomalies) Commission, (DOI, 1969) para.1, p.5.

5. OPM Circular 63/71.

6. Warrington E., Administrative Reforms linked to Economic Changes – The Case of Malta (Brussels, International Institute of Administrative Sciences, Working Paper No.7, 1987).

7. Partit Nazzjonalista: Xoghol, Gustizzja, Liberta - Is-Sisien għall-Gejjieni See, in particular, sections I.2, I.3, III.2 and III.9 (Pieta, Ufficcju Informazzjoni Partit Nazzjonalista, 1987).

8. Public Service Reform Commission: Organization p.2; and 'Tracing the Growth of the Public Service' in Papers p.17.

9. PSRC: Papers 'Taking Stock: A Synthesis of Submissions to the Commission' p.5.

10. PSRC: Organization, p.iii.

11. Ibid., p.4.

12. Ibid., p.22.

13. Ibid., pp. 25, 26.

14. Ibid., p.26.

15. Ibid., p.36.

16. Ibid., p.48.

17. Ibid., p.50; and elaborated in Further Proposals, pp.58, 59.

18. PSRC: Organization, pp. 48-50, with elaboration in Further Proposals, pp.57-62.

19. PSRC: Organization, pp.49-50.

20. Ibid., p.49.

21. The enormous volume of complaints concerning public service appointments before the Commission for the Investigation of Injustices points to the prevailing mistrust of selection procedures and alerts policy-makers to the risks attending appeals to the Public Service Commission.

22. PSRC: Organization, p.57.

23. Ibid., p.58.

24. Ibid., pp.61-63.
25. PSRC: Further Proposals, p.1.
26. PSRC: Papers, p.1.

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