



SIGMA

Support for Improvement in Governance and Management

A joint initiative of the OECD and the European Union,
principally financed by the EU

ATTRACTIVENESS OF THE PUBLIC SERVICE: A Matter of Good Public Governance

Francisco Cardona
SIGMA

Introduction: Framing the Problem

The attractiveness of the public service is very contextual and depends on the social economic and political realities of a country. In OECD countries the most cited elements for attractiveness are job stability, a relatively decent salary and relatively fair and transparent working conditions in terms of respect for the social rights of civil servants (working hours, social security, maternity leave, pensions, compatibility with family requirements, etc.).

Depending on the country, a set of other elements is also given high importance by those who decide to develop their professional career within the civil service or consider doing so in the future: affiliation with public policies promoting the general interest, the common good or the national interest of the country, involvement in public decision making by sharing public authority, social prestige and commitment to public service values, performance-based career advancement, etc.

The mentioned set of elements encapsulates one of the main findings of the so-called public service motivation theory (PSM)¹ corroborated by a steadily increasing –albeit still somehow insufficient to support firm conclusions²-- stock of empirical research on the connections between motivation to work in the public service and organisational performance³. In essence, the PSM theory holds that one fundamental motivational and attractiveness ingredient to the public service is the working environment that public organisations and their managers are able to create in which employees feel that they are contributing to their country's public good or public interest.

The correlation found between public service attractiveness and the idea of the public interest emphasizes the dimension of the quality of the public governance arrangements and management systems as a magnet attracting people to work in the public service. Such correlation is also vital in fostering the commitment of individuals to public service values. This commitment may compensate for relatively lower financial rewards if compared with the private sector.

If a good governance system is not in place it will be very difficult to attract a significant share of the most talented people in the country and to utilise them effectively, which is a condition to retaining them in the service of the state: Governance environments that do not effectively practice the rule of law and do not protect and defend due procedures, justice, integrity and transparency usually do not have good public institutions that are able to attract and retain bright professional people.

¹ Perry, James L. and Wise, Lois R. (1990): “*The Motivational Bases of Public Service*”. Public Administration Review Vol. 50 (3), pages 367-363. This article was seminal in the development of the PSM theory.

² Bright, Leonard (2005): “*Public Employees with High Levels of Public Service Motivation: Who Are They, and what do They Want?*” In Review of Public Personnel Administration, Vol 25, No 2, June 2005, pages 138-154.

³ See for all the collection of Essays on Work Motivation and the Workplace, in Public Administration Review Volume 67 Issue 1 , Pages 40 - 74 (January /February 2007)

The PSM theory may also help to explain why in some countries it is difficult to attract people to the public service. There are clear deterrents such as low salaries, the politicisation of management practices, arbitrary career management and poor performance of public institutions, which strongly contribute to creating a bad image and the negative reputation of the public service. Other reasons, clearly ideological, based on the contempt towards the role of the state and to disparage whatever is public, are also instrumental in discrediting the public service.

Effectively, over the past two decades a phenomenon has been observed: the persistent attacks on and denigration of the state and of those who work for it⁴. The public sector as a whole, and in particular the public bureaucracy, has been the target of merciless attacks from certain politicians, parts of academia, certain think tanks and media with the aim of weakening its legitimacy. Denigration of the State seeks its de-legitimation⁵ and the correlated sanctification of the market. Indeed this denigration has had a negative impact on the perception of the public bureaucracy and therefore on the attractiveness of the public service.

The constant denigrating of the public service led the OECD (2000) to claim that for public organisations to become attractive workplaces the first measure and “the most important challenge” is “a comprehensive investment in building a positive and credible image of the public sector work and working conditions”⁶.

Rebuilding trust necessitates a long haul in which two elements have to be created and consolidated: 1) legality, i.e. legal certainty that individual rights and legitimate expectations will be respected in order to foster the legitimacy of the state and 2) the good reputation of the structures of the state. Both are required to rebuild the trust in the state. Rebuilding this trust is a condition for attracting good people because trust will always play a key role in situations where human endeavour is required.

However it is true that in some countries public bureaucracies leave much to be desired. The experience of countries that find themselves with incompetent or wholly politicized bureaucracies is one in which a vicious circle is created: a functioning democratic state needs to be introduced, but it cannot be consolidated without effective instruments at its disposal, one of which is a trustworthy public bureaucracy.

This raises some concerns: Is the construction of a democracy possible without the existence of a professional bureaucratic apparatus which is as depoliticised and professionalised as possible? Should the State try and make the belonging to that professional bureaucratic apparatus attractive for bright people? Is this a political responsibility? This paper reflects on these questions.

⁴ See Ezra Suleiman: “*Dismantling Democratic States*”. Princeton University Press, 2003

⁵ Legitimation is a process of explaining and justifying the validity of an institutional order (See Berger and Luckmann, 1966: “*The Social Construction of Reality*”, Anchor Books, Garden City, New York).

Legitimacy is the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society, whereas effectiveness means actual performance, the extent to which a system satisfies the basic functions of government as most of the population and powerful groups within it see them. Effectiveness or its lack may either foster or hamper legitimacy. (See Seymour Martin Lipset, 1960: “*Political Man. The Social Bases of Politics*” Doubleday & Company, Garden City, New York).

⁶ OECD (2000): “*Public Service as an Employer of Choice*” Policy Brief, June 2000.

Policy Issues and Challenges

The challenges associated with recruiting and retaining good quality staff in the public service raise a number of fundamental issues that need to be addressed:

1. Why does the state need a fair share of the best talent of the country?
2. What are the structural factors that affect attractiveness and the impartial performance of those working in the public sector?
3. What should be done to strengthen the capacities of the state to manage its human resources?
4. What role should the Civil Service Agency play in facilitating the acquisition of the capacity to develop fully the human resources of the state?

Answering these questions is difficult and generalisations should be avoided because the problems affecting public sector staffing are different in different countries and at different historical moments. Nevertheless, some overall assumptions may still be made upon which to build policies oriented to attract good people to the public service.

Why does the state need a good deal of the talent available in the country?

We provide a number of reasons as to why the state needs a good deal of the available talent. The following list is not exhaustive and only indicates a certain number of avenues for reflection in producing evidence able to support sound attraction policies for the public service.

1. Allocation of resources: It should be clearly stated from the beginning that the market cannot and should not be the sole mechanism for efficiently allocating resources in both the public and private spheres. Even the most liberal market economy cannot exist without some form of policing, be it to guaranteeing free competition or to ensuring the quality and public safety of the goods and services traded in the market. As a matter of fact, experience in several countries shows that fiscal responsibility and discipline along with good public management have made it possible to provide quality public services in an efficient manner. Fiscal responsibility, if complemented by professional accountability of civil servants, produces efficient public allocation of resources. The efficient allocation of resources is one reason why the public sector needs a good share of the available brains in the country.
2. Defining the governance framework: Another reason is that the state has to provide leadership in defining the governance framework that suits best the needs of the country through such crucial activities as law-making, regulatory and security-related functions. These are the basic ones a government has to provide in order to keep its legitimacy. The governance framework has to set the conditions, including checks and balances, for the efficient provision of such indispensable public goods as the protection of human life and safety, property rights and economic, social and cultural development. A good deal of the available talent is needed to define and build the governance framework.
3. Protection of individual rights and legitimate expectations: The powers of the state to impinge upon the rights of individuals are so immense that those serving the state need to be

constrained not only by a sound legal framework which provides reasonable checks and balances, but also by an in-depth knowledge of the laws and regulations that foster a state ruled by law. In addition to the rule of law, a democratic state has to equip itself to serve the public well and efficiently and foster a public service ethos, which may provide operational criteria to keep the balance between the public interest and the individuals' legitimate expectations. This role of the state as guarantor and protector of citizens' individual rights is very sensitive and needs permanent fine-tuning, and it definitively needs the professional involvement of very knowledgeable, skilled and ethical people.

4. Sound economic development: The state should retain the skills and intellectual capacity to design and implement the policies necessary to ensure economic development in a manner that is balanced with the cultural, political, social and environmental needs and traditions of the country. The state has to set the direction of the economy through macroeconomic and fiscal policies, public investment and industrial and education policies. These activities are simply not possible without sufficiently trained and competent civil servants. In many developed countries the most important engine for economic development was in the past and still is today a strong state. Balancing the importance of the state and that of the private sector in the design and implementation of economic development policies needs a good deal of talented and sensible people committed to the public good.
5. Dealing with globalisation and transnational integration: In an era of intertwined world economies (globalisation), policy preparation is not an easy task that may be done in isolation. On the contrary, it needs to be done in cooperation with other governments, particularly within the EU context, and with the private sector. This requires a lot of expertise within the national administrations. The national bureaucracy should be able to partner with other governments and with the private sector without being engulfed by outside interests. On the contrary, national interests should be preserved. Only a skilled and knowledgeable bureaucracy is able to live up to these requirements, which in essence consist of handling intergovernmental relationships aimed at simultaneously promoting two apparently contradictory goals: cooperation and competition with foreign governments.

Structural factors

There are some structural factors that affect impartial performance of those working in the civil service. The idea of impartiality is linked not only to the partisan neutrality in serving the public interest, but also to the possibility of developing a profession and a career within the public service which is not necessarily dependent on political connections or personal allegiances. These factors are:

1. Fair and impartial recruitment and promotion procedures that are based on merit and ensure equal access to public offices. This entails reducing patronage, nepotism and favouritism as well as politicisation.
2. Fair remuneration system where the bulk of the salary is fixed in legislation and the procedures to determine the variable parts of the salary (where they exist) are fair, transparent and challengeable.
3. The salary level should be commensurate with the average cost of living in the country and with the responsibilities entrusted to the job positions. The civil service should be regarded as a public investment, but salary competition with the private sector should generally be avoided, as

the public administration will never be able to offer better salaries than the private sector, at least for high ranking officials. Therefore ways other than seeking to outbid the private sector in terms of salaries should be pursued to attract and retain talented individuals⁷. We will discuss below this issue in more detail.

4. A disciplinary system that clearly establishes the obligations of civil servants and the mechanisms to demand accountable and professional behaviour from them.
5. A management system that favours objectivity, equality, fairness and is respectful of the social rights of civil servants and provides opportunities for professional development through training and mobility both inside the country and internationally. The management should also provide opportunities for in-service training. Arbitrary human resource management should be avoided and suppressed.
6. The management system should provide ways and means for delegation of responsibilities for decision-making to staff, thus promoting participation and the taking on of responsibilities by staff members.

In order to work out and refine these structural factors, two specific policies are needed:

1. Establishing a sound legal framework that ensures that both the constitutional or institutional dimension of the civil service and the human resource management aspects are legally bound to each other and consistent; and
2. Creating the conditions for the development of a professional civil service management.

Specifically the issue of a fair remuneration and the uncritically assumed role of the private sector as a remuneration standard-setting force:

It is true that sometimes in certain areas or in specific professions, the state is confronted with competition from the private sector in attracting and retaining qualified and skilled professionals. It is also true that current low salary levels in many countries are mainly a consequence of the fact that over the past 25 years many governments – particularly in developing and transition countries, including those in Central and Eastern Europe – have followed economic policies aimed at squeezing wages in the public sector.

These policies have led to the decline in public wages in real terms, while private sector wages, particularly those of managers, have been constantly on the increase during the same period, sometimes to the level of extravagance. Incidentally, private sector managers have raised their rewards by using various modalities, including stock options (backdated or not) and other non-transparent mechanisms, causing the gap to widen further between ordinary workers in the private sector and their bosses. Today the wage inequality gap is the widest ever between managers and ordinary workers in the private sector.

In the public sector, the wage compression is tighter and therefore the gaps between managers, qualified personnel and less qualified ones are narrower than in the private sector. Among other

⁷ Perhaps it would be illuminating to quote here the remarks made by columnist John Willman in the newspaper *Financial Times* of the 3rd October 2008: “A second consequence of the financial crisis is likely to be a surge of recruits from the best universities into professions such as teaching, social work and public administration”. He was seemingly writing about the consequences of the crisis in the UK and the USA.

factors, this makes the public sector more equitable than the private sector. Equity continues to be a value and a goal in many societies and their public sectors. It is doubtful whether it is still so in the private sector.

Nevertheless, it is obvious that more attention needs to be paid by policy-makers to the increasing disparity of salaries between the public and the private sectors⁸. It is theoretically possible to create better pay schemes in the public service without necessarily destroying the civil service ethos. However, this option requires long-term forecasting and strategic policy management, which should be developed in the first place. Some countries are experimenting with this sort of management (usually known as performance management), although none of these experiences offer conclusive results on the improvement of the public administration performance.

In any case, comparing public remuneration levels with the private sector is a thorny business, because choosing which sectoral branches of the private sector are comparable to those in the public sector is difficult and because – unlike the private sector – the public sector usually disposes of fully declared, taxed salaries rather than tax-evading, hidden remuneration. The private sector, depending on the country, is not always fully respectful of the social rights of workers, and the size of the underground economy tends to be significant in some countries. As indicated above, extremely important inequalities currently exist in the private sector, which should constitute a sufficient reason to disqualify it as a role-model employer for the public sector.

Whatever the case, “it is true that public service pay policy cannot simply ignore the realities of the labour market and the premium placed on certain professions”⁹. The state will nevertheless find it difficult to compete financially with the private sector. Public salaries that are too high, even if they are lower than in the private sector, will always attract criticism from the media and political opposition. The reality is that the state cannot compete and will never be able to compete on an equal footing with the private sector in terms of remuneration, among other reasons because markets are cyclical, with ups and downs, and they may need to have remuneration flexibility. The state cannot afford such flexibility without putting at risk superior societal values, such as equity, fairness and transparency, not to mention specific civil service values, such as public service ethos, impartiality and political neutrality.

The state can only compete with the private sector by providing a “decent remuneration package”, which allows individuals to make a decent living, with a degree of job stability and tenure and a well designed pension scheme, and by ensuring fairness and a scrupulous respect for the social rights of public employees.

What can be done to strengthen the capacities of the state to manage better the human resources in the public sector?

As well as improving and strengthening the structural factors mentioned above the first step is to restore the attractiveness of the civil service by increasing the proficiency of the state as a fair and reliable employer. This implies:

⁸ As, for example, suggested by James L. Perry (March 2007), in: “[Democracy and the New Public Service](#)” in *The American Review of Public Administration*, no. 37, pp. 3-16. Hosted at <http://online.sagepub.com>

⁹ SIGMA (1997), [Promoting Performance and Professionalism in the Public Service](#), Sigma Paper no. 21, OECD, Paris, page 29.

1. Being aware that the state is usually the largest employer in a country and should also become a role-model employer able to set standards for others to follow.
2. Developing professional and accountable management structures committed to the principles of probity, transparency, openness, participation, efficiency and effectiveness, ready to boost the professional autonomy of employees. Maladministration, incompetent management, secretiveness, favouritism and corruption are strong deterrents to attracting people to the public service.
3. Forecasting the needs and tendencies of human resources in the internal labour market of the country (by analysing ageing, emigration and economic downturns), and promoting an education system – especially at the university level — that takes into account the needs of the state as an employer.
4. Putting in practice HRM policies (mainly salary structures and reward schemes, but not only) that are able to retain people who entered the civil service as fresh graduates and who, once they have acquired some professional experience, may be enticed away by the higher salaries paid to their counterparts in the private sector.
5. An adequate communication policy and strategy should help to disseminate HRM policies of the public sector and opportunities through more transparency. A communication policy is not only about using publicity in the media, but also about proactively seeking candidates to the public service and promoting commitment and participation of public service employees.

However, the specific actions to be taken by individual countries can only be determined once the specific country situation is assessed. It is about every government carrying out such an assessment and choosing the relevant policy options.

The Civil Service Agency¹⁰ (CSA) has an important role to play

1. It is not enough to have a sufficient number of trained and skilled people to guarantee well performing and attractive public services. Appropriate institutional frameworks are also necessary to ensure that constitutional and public service values that are enshrined in the relevant legislation (especially in the constitution and civil service law), are respected and practised.
2. The CSA should promote the institutionalisation of simple and practical arrangements for the management of human resources in order to facilitate that civil servants carry out their duties as effectively and efficiently as possible.
3. The CSA should promote training policies so as to keep the civil servants' skills and knowledge up to date and to foster in them a culture of lifelong learning and a sense of commitment to the public service and its core ethical values.

¹⁰ We take here the idea of civil service agency in broad terms. It may be a ministry, a separate autonomous agency or whichever alternative institutional arrangement that might exist in a given country.

4. The CSA should promote clear mandates and internal and external lines of accountability within the institutions in which civil servants work. Clarity in the organisation makes the public administration more transparent and its functioning more coherent. Institutional clarity and coherence bolster accountability and also positive working environments.
5. Administrative monitoring mechanisms should also be promoted and put in place if civil servants are to be kept accountable. These mechanisms should allow for trust and recognition of public employees where deserved. These administrative mechanisms have to be complemented and reinforced by external ones, provided especially by the judiciary and the legislative. Accountability and appreciation foster professionalism.
6. The CSA should contribute decisively –along with others such as the Ministry of Finance-- to the development of a national governance system which makes it attractive for individuals to devote their professional life to the service of that system and which gives them a sense that they are really contributing to the governance of the country.

Conclusions

1. As said above, reducing or eliminating politicisation and patronage from the administration is a helpful tool for competing with the private sector in attracting good professionals. Faced with such politicisation, individuals with an altruistic inclination may prefer to move towards the third sector, made up of non-governmental and grass-roots organisations.
2. Human resources management (HRM) policies are of high importance and they should create incentives for civil servants. Beyond the “decent living standards threshold”, these incentives do not necessarily need to be financial. Increased levels of responsibility, delegation, training and prospects for career development within the rather limited possibilities of the public administration are helpful in attracting and retaining good professionals in the public service.
3. Likewise, real prospects to serve honestly the general interest and the public also play an important role in the choice by certain individuals of a career in the public service. In effect, many studies have shown that serving the public is a strong incentive for many individuals if and insofar as the public service is really “public service-oriented”¹¹. For this incentive to work, the public service must be perceived by society as honest, fair and beneficial to the general interest and helpful to the needy. A patronage-ridden, politicised, corrupt or wasteful public service is unlikely to meet these requirements and is unlikely to attract good and devoted professionals.

¹¹ Perry and Wise, op. cit.