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The Contract System of Employment for Senior Government Officials

Experiences from the Caribbean

Philip D Osei and Joan N Nwasike



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Commonwealth Secretariat

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**Managing the Public Service
Strategies for Improvement Series**



Commonwealth Secretariat

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Foreword

As governments around the world embark on a new paradigm to improve public service delivery, it is important to document the policies and processes so that public sector policy-makers, senior managers, academics and others who are at the centre of performance management can learn from each other.

This study, therefore, forms an important part of the work of the Governance and Institutional Development Division (GIDD) of the Commonwealth Secretariat. In pursuing the GIDD mandate for public sector development, we concentrate our efforts on strengthening institutions that contribute to good governance and developing public sector capacity for effective delivery of public services through various strategies. To accomplish this, we must be able to conduct active research into the activities that contribute to good governance practices and share these results with member states.

This study is on the contract system of employment for senior government officials in four countries of the Commonwealth Caribbean (Belize, Guyana, Jamaica and St Lucia). This adds value to our work in promoting good governance principles and the development of human resource capacity in public services. The results of this study were presented at the Regional Caribbean Meeting of Cabinet Secretaries and Heads of Public Services in November 2007. Current research is now being undertaken in the Pacific region (Cook Islands, Papua New Guinea, Samoa, Tonga and Vanuatu) and this will be followed by similar research in the Asia region. Further publications will therefore follow, based on the findings of these research activities.

The results of the study point to the need for documentation of our processes in public services and for consistency in the application of our procedures and processes.

We will continue to work with member states in advancing good government principles, human resource capacity development and performance-based budgeting, which are all key components that support a performance management framework for efficient and effective delivery of services. We will continue to share with member states public service experiences for the benefit of all Commonwealth countries.

I wish to commend Dr Philip Osei, Senior Fellow, Sir Arthur Lewis Institute of Social and Economic Studies, University of the West Indies and Dr Joan N Nwasike, the Regional Adviser for the Caribbean in GIDD for this initiative.

John Wilkins
Acting Director
Governance and Institutional Development Division
Commonwealth Secretariat

Abbreviations and Acronyms

CEO	chief executive officer
GIDD	Commonwealth Secretariat's Governance and Institutional Development Division
KRAs	Key Result Areas
KPIs	key performance indicators
M&E	monitoring and evaluation
NPM	New Public Management
PMAS	performance monitoring and appraisal systems
PS	permanent secretary
PSC	Public Service Commission
PSU	public service union
SES	Senior Executive Services
SRAs	Strategic Result Areas
SSC	State Service Commission
TOR	terms of reference

Summary

Several Commonwealth countries have implemented different forms of the contract system of employment for permanent secretaries and other top government officials. This study looked at the experiences of four Caribbean countries, Belize, Guyana, Jamaica and St Lucia, in implementing contract systems of employment and other contractual arrangements for senior public service officers, specifically permanent secretaries, at the turn of the century. Primary research was conducted using multiple methods including fieldwork and observation, survey, elite interviews, examination of public policy documents and review of secondary literature and qualitative methods of analysis. The findings show that policy changes, broadly based on the tenets of New Public Management (NPM), were made to the old public administration systems associated with the inherited Westminster-Whitehall model in these countries. These reforms produced various outcomes as follows:

- Adhering to the tenets of the New Public Management, contracts of employment (generally of the fixed-term renewable type) and delegated authority from the Public Service Commissions of these countries were issued to most, if not all, permanent secretaries in Belize and Guyana. Only four out of fourteen permanent secretaries in Jamaica were placed on employment contracts and seven signed delegation agreements. St Lucia had four contract permanent secretaries between 2002 and 2006, but withdrew its contracts system for permanent secretaries at the end of 2006 with the change of administration after the national elections.
- The four countries have adopted new management models for the public service in the form of performance management, strategic and results-based management. The practices associated with these management models are yet to be embedded or are only slightly embedded in the public service of these countries. The contracts given to the permanent secretaries in all four countries are not performance contracts, and as a sequel no formal evaluations are conducted on the performance of the permanent secretary. Only Jamaica has a semi-formal evaluation mechanism, but evaluation reviews are conducted irregularly.
- In spite of these countries' acceptance of the tenets of NPM and associated management models of strategic management, the administrative environment in each country has remained almost the same. Public service regulations and staff orders have remained fairly stable, the principle of political neutrality of public servants has been reaffirmed in Jamaica and St Lucia, and the traditional budgeting processes and management style have not been changed in tandem with the adoption of the new management models. The permanent secretaries

who are on contract are also under the same public service regulations as those on open tenure. These conditions have impinged on the ability of the permanent secretary to exercise leadership and influence national development in a meaningful way.

- Conflict resolution mechanisms are still institutionalised in statute and in the constitutional provisions of these countries. There are two types of conflict, internal and external. Internal conflict could be construed as lower level conflict and the external conflict could be interpreted as higher-level conflict. The internal conflict was conceptualised to include day-to-day issues that are under the purview of the permanent secretary while the external conflict is of a political nature and involves the permanent secretary and the minister. For the internal conflict, some good practice was revealed to the researcher. This has come about as a result of the adoption of improved management practices and the skills set possessed by the permanent secretary. Conflict related to permanent secretary–minister relations is in each country handled by the cabinet secretary (or Head of the Civil Service), with recourse to the president or prime minister. In Jamaica and St Lucia, when conflicts escalate the cabinet secretary can reassign the permanent secretary to another ministry. The evidence from the field showed that the chief executive officer (CEO) of the Ministry in Belize is more vulnerable because he/she has lost this kind of protection, as he/she is politically appointed.
- In terms of human resources endowment for results production, permanent secretaries noted that they lacked sufficient highly trained (at postgraduate level) policy analysts and public administration experts to work with. It was also noted that the permanent secretary *per se* needs enhanced knowledge and understanding of the legal environment in which they operate and how their decisions affect national macroeconomic development.
- With regard to value for money, it is still too early to determine whether the contract system of employment of the permanent secretary has delivered the results that were envisaged. Opinions are divided on this issue because of the stricture imposed by the macroeconomic outcomes in each country and the fact that the operating environment has not been changed to facilitate the achievement of strategic goals by the permanent secretary. The Belize model (which seems to be the closest to the New Zealand model that was abandoned – see chapter 1) went farther than that of the other three countries, and the Government leaders in that country surmise that they have achieved their objectives.
- Lessons learned: The strengths of the contract system of employment of the permanent secretary have been widely acknowledged by those who were interviewed in Belize and Jamaica. It offers an opportunity to fill the top post in the public service by drawing from a wider pool of expertise from the private and public sectors. According to the cabinet secretaries in Jamaica and Belize, contracts and delimited tenures were seen by holders to act as a source of motivation and

performance, and the package of conditions and remuneration are supposedly favoured by the young professionals who do not want to be tied to one job for life. The conclusion, however, is that the contract system of employment for permanent secretaries is a work in progress and that Belize, Jamaica and Guyana are nowhere near the end of the road. It requires a commitment to institutionalising the system properly, improving the public sector management environment and ensuring periodic evaluation of the value of this flexible approach to public employment, if that is the way these countries want to go.

Introduction

In the latter part of the 1970s and the 1980s the Government of the United Kingdom, under the then Prime Minister Mrs Margaret Thatcher, established the Efficiency Unit in the Prime Minister's Office and this unit undertook an in-depth assessment of the public sector with a view to infusing private sector management culture and ethics into the management of state affairs. This policy experiment deepened as other aspects of the reform were introduced, for example the public financial management initiative which sought to achieve the following objectives: simplify financial reporting and accounting systems; establish clearer and stronger cost controls; clarify the links between programme and budgets of ministries; improve ministers' ability to direct and control the senior public service officer cohort; and bring about transparency in government activities in areas of procurement and project management. Similar reforms took place in the United States of America under the presidency of Ronald Reagan. Over the following decades governments in some Organisation for Economic Co-operation and Development (OECD) countries have followed suit and restructured their systems, leading to a broad movement which came to be called the New Public Management Reform Movement. The application of these broad reform principles led to a shift from the traditional bureaucracy to make the administration of public affairs more results-oriented, emphasising among other things cost-effectiveness, customer service and high quality service provision, and making the terms of public employment more flexible. Flexible government is noted to be 'opposed to the rigidities and conservatism attributed to permanent organisational structures and individuals with permanent, highly secure careers' (Pollitt and Bouckaert, 2000: 127).

Contemporaneous with NPM reforms was the discovery of the concept of 'governance' – a discourse which accommodated an inclusive stance towards public service professions and acknowledged the existence of networks which possess substantial autonomy (Ferlie and Geraghty, 2005: 432–433). In some countries, there was a move to establish a Senior Executive Services (SES) group or cadre of public servants, contract-based and well-motivated to deliver results. This SES originated in the United States of America as a process to develop executive management, accountability and competencies which reflected private sector experiences and practices, as well as a leadership model that was more entrepreneurial (Borins, 2002; Denis, Langley and Rouleau, 2005: 446–467). However, two Commonwealth countries, Australia and New Zealand, also instituted civil service reforms with the former country reporting some successes.

In New Zealand an SES was created in the 1980s with contract appointments. In 1988 the country passed the State Sector Act that transformed the senior civil

service along the lines indicated below. The Act has established a fixed term for chief executives. It also makes provision for reviews ‘of the efficiency, effectiveness and economy of each department’ (Auditor General of Canada, 1995: 39). As a result of the 1988 State Sector Act labour relations in the public sector are guided by the same principles in the private sector. The Act also conferred upon the chief executives ‘all the rights duties and powers of an employer’ and provided for the employment of permanent secretaries on contracts for up to five years. The performance of chief executive was now subject to formal systemic appraisal by treasury and the State Service Commission (SSC). The chief executive of each department is the employer of all staff within the department. The former centralised system in which all public servants were employed by the SSC was eliminated.

- The key elements of the New Zealand design were:
- ‘A selective set of generalised, cross-portfolio policy objectives set by Cabinet (known as Strategic Result Areas – SRAs);
 - A process for coordinating departmental contributions to those objectives and making related resourcing decisions (strategic dialogue);
 - A set of critical medium-term commitments (Key Result Areas – KRAs), which anchor departments’ strategic contributions to the policy objectives, through incorporation in the chief executive’s performance agreement;
 - A requirement that chief executives regularly report on progress being made on those commitments to their minister and to the State Service Commission; and
 - An expectation that chief executives will take responsibility for making and taking care of the connections between their commitments and those of other chief executives, while also ensuring that their own commitments flow down through their departments’ management chain’ (Independent Management Consulting Services Limited [IMCS], 2004: 43).

This was intended to produce a set of career professionals; but this end was not realised for various reasons, including the use of a highly decentralised system. The SES system was pronounced a failure by 1992 and moribund by 2000 (Bhatta, 2001). However, several Commonwealth countries in the Pacific and the Caribbean Regions copied and implemented similar models and have managed their public sectors in the last decade using the tenets of these models.

The Cayman Islands, for example, instituted financial, personnel, public authorities and civil service reforms supported by legislation. Among the key features of the personnel reform were: abolition of the Public Service Commission, abolition of the General Orders and public advertisement of the positions of permanent secretaries. Currently, all permanent secretaries are from the public service and are on open-end contracts and have a service agreement which is negotiated on an annual basis. The Government plans to introduce performance-related pay for permanent secretaries ranging from 0 to 10 per cent of salary.

Noteworthy for an in-depth assessment are the experiences of four Caribbean countries: Belize, Guyana, Jamaica and St Lucia. From the mid-1990s, as part of their public service modernisation programmes, these Caribbean countries promulgated policies that sought to make changes to the structure, functions and management of government ministries, departments and statutory corporations.

An important plank of some of these policies was the decision to temper the age-old tenured appointments of public servants which guaranteed ‘jobs for life’ and institute new systems of employment. This age-old appointment and personnel management system was an institution, guarded and protected by rules of procedure, embedded administrative culture and regulations, and underpinned by what was known as the ‘General Orders’ or ‘Staff Orders’. This administrative institution also had legal foundations in the independence constitutions bequeathed to these nations by the departing British colonial authority. In its totality, this system of public administration formed part of the transplanted Westminster system of governance. The chief cornerstone of the transplanted Westminster public administration system was the position and function of key functionaries including the permanent secretary and the head of department. The functionaries of these two echelons formed the cohort of senior public service officers in the Caribbean.

In these case study countries, policies were formulated which introduced new models of management including putting permanent secretaries on employment contracts and other forms of performance agreement. The main objective of these reforms was to create performance- and results-driven public administration systems. This study sought to examine the nature of the reform policies, the contracts of employment and performance which were introduced, the experiences of the permanent secretaries who have operated under these new regimes and the outcomes of the new system of contract employment.

This study was conducted under the auspices of the Commonwealth Fund for Technical Co-operation, and it sought to examine the following parameters of assessment which were posed by the Commonwealth Secretariat:

What has been the experience of the contract system for senior public servants (permanent secretaries) in the four Caribbean countries that have adopted the New Zealand model with regard to:

1. The management approaches used by ministries/public officials operating under a contracts system
2. How is performance measured and rewarded under the contract system?
3. What is the scope of and potential for expression of leadership by senior public servants under contract?
4. How does the contract system impinge on the independence and influence of senior public servants?
5. What is the nature of conflict mediation relationships in this new system?

6. What is the return on the high investments made by Government in implementing the contract system?
7. What are the lessons learned under this contract system? (TOR)

Conceptualising the delivery of the study

The study took a holistic approach to systems analysis and learning, and adopted as its point of departure the Public Sector Reform Programmes of recent times beginning from the mid-1990s. It was thought that it would be propitious to examine the sources of influence (internal and external) of reforms in each of the four countries. The structure of reform management was also looked at – i.e. how the reform was initiated, from which office the macro reform was directed and managed, how ‘contracts of service for the permanent secretary’ (PS) policies were adopted, the nature of these contracts, the conditions of service of the PS, the nature of conflict mediation, who were the champions of the policy, what institutional/legal measures were put in place to manage, monitor, evaluate and institutionalise the contracts systems.

In view of the quest for detailed answers to these research questions, the original seven parameters that were provided in the Terms of Reference were elaborated and amplified in order to approximate a holistic framework. A survey questionnaire was developed and delivered online to facilitate simultaneous access by the permanent secretaries in the four case study countries. This was to help achieve rapid assessment of the views of about sixty permanent secretaries. Considering the circumstances of the PS and the multiple tasks which compete for their limited time, it was felt that most permanent secretaries would not find the time to complete the online survey questionnaire. As a result of this healthy scepticism, a purposive sample of key functionaries in public service reform was selected for elite interviews using semi-structured questions. This sample included the cabinet secretary, chairman of the Public Service Commission, chief personnel officers, chief technical officers in charge of the reform unit in each country, at least two serving permanent secretaries/CEOs and where possible a senior representative from the public service union.

The following research questions were pursued:

1. Could you give me a brief synopsis of how the recent public sector reform has affected your ministry or public administration system?
2. What is the total number of people who are employed (in established and non-established posts) by this ministry?
3. Are you under any form of contract to your government for performance?
4. Who are you directly and indirectly accountable to?
5. What management frameworks informed the type of contract system under which you are now employed? For example, management by objectives, results-based management, etc.

6. What models of management have been adopted and institutionalised as part of the reform of your ministry?
7. Has this management model been adhered to or has your ministry changed it for other models?
8. If the management model has been changed, what is the name and nature of the new model?
9. In carrying out your mandate as PS/CEO and manager of your ministry what management styles have you used, e.g.
 - Delegation to unit/division managers?
 - A centralised management approach with more hands-on management by you?
 - Decentralisation with strong co-ordination?
10. How has this management style helped you to achieve your key performance indicators (KPIs)? What have been the challenges?
11. What kinds of monitoring and evaluation (M&E) systems were put in place by the PS to achieve the results demanded by their approved corporate plans?
12. How has your contractual arrangement affected the way you engage in inter-sectoral collaboration with other ministries? Do you think that the performance requirement/responsibility enhances or hampers the way you work with other ministries?
13. How has your contractual status affected your role as policy adviser to the minister? Has this role been enhanced or reduced and to what effect?
14. How has the government reckoned value for money for the performance systems they put in place for the PS? Has the value of this investment been commensurate with the cost?
15. How is the PS's performance measured and rewarded?
16. How is non-performance or lack of performance treated by the relevant overseeing authority?
17. What is the nature of the decision space created by delegation through the new contracts system? What powers have been given to the permanent secretary/CEO to facilitate the achievement of his/her mandate?
18. How has the PS used his/her autonomy in the control of the following: human resource management, financial management and operational decision-making?

<i>Category of space</i>	<i>Innovations by PS/CEO</i>	<i>Directed change by cabinet, minister, parliamentary committee</i>	<i>No change</i>	<i>Change in performance</i>
Human resource management				
Financial management				
Operational policy decision-making				

19. Under the new performance contract/agreement or improved system how is conflict between the minister responsible and the PS/CEO handled?
20. (a) What mechanisms exist for solving problems and conflicts between the PS/CEO and the performance oversight institutions? (b) How have actual conflicts been resolved?
21. What lessons can be learned from the reform of the role of the permanent secretary in terms of the following:
 - management of change
 - the performance management system in the public service
 - strategic management?

Field trips were made to Belize (14–21 August 2007), St Lucia (23–28 July 2007) and Guyana (5–13 August 2007), while a flexible approach was taken in the Jamaican fieldwork. An initial observation from the field trip to Belize was that the assumption about the permanent secretary with regard to the online survey tended to be true. Most of them could not fulfil the request to go online in the period prior to the field visit and after. From the field experience, it seemed that the permanent secretaries preferred the face-to-face meeting. As such, the researcher depended heavily on elite interviews to ascertain the necessary information for the study. This was backed by analysis of documentary evidence – copies of employment contracts, delegated authority, letters of appointment, reform policy (White Papers on Public Sector Reform, St Lucia and Jamaica) and reviews of reform carried out by government and independent researchers.

Employment contracts in the public sector – a theoretical survey

The New Public Management reform movement sweeping across both developed and developing countries since the 1980s have introduced far-reaching changes to what was called ‘job for life’ in the traditional bureaucracy. The issues of tenure, job security, freedom of association, and fundamental principles such as equal work for equal pay, and bilateral and tripartite arrangements for pay negotiations have come under pressure with the introduction of new work contracts. The effects of this change have been experienced across different echelons of public sector hierarchies

across the Caribbean region, in particular, Belize, Guyana, Jamaica and St Lucia (Jenkins, 1994; Chaudry et al., 1994). The general objective of this section is to explore the types of employment contracts that have been generated by the adoption of NPM approaches to public management reform and ascertain how existing governance structures for contracts have matched up to the challenges introduced by the changing employment practices.

Public sectors have traditionally operated differently from private sectors around the world. However, with the advent of 'reinventing government' or 'managerialism' or 'new public management' (NPM), private sector management practices and market principles have been consciously adopted since the 1980s, initially by reforming governments in the developed countries. This has led to the emergence of a new public service culture and work ethic to which labels like 'quasi markets' have been assigned (Bennett and Ferlie, 1996; Deakin and Walsh, 1996; Kirkpatrick and Lucio, 1996; Walsh, 1995). In the public management literature, terms like 'reinventing government, managerialism and new public management' have been used synonymously (Dunleavy, 1997: 16-46).

The creation of this quasi market involved reorganisation, convergent changes and reorientation. These changes took the form of introduction of strategic management practices, business process re-engineering, introduction of performance management and performance-related pay or reward systems, framework documents, modernisation plans and medium-term financing plans (Davis, 2001). The old style personnel management system has proved inadequate and its methods unsatisfactory in the face of these global changes. Performance appraisal systems and performance measures are seen to offer more than the previous model, while there seems to be a consensus that 'performance indicators offer the promise of assessment of agency performance towards specified objectives' (Hughes, 2003: 163). Hughes (2003: 163) further argues that performance in the public sector can now be measured, even if imperfectly, and that systems should be allowed to evolve, as they have in many developed countries.

The imperfection of measures should not be a reason to discard the use of performance indicators. According to Walsh (1995), the outcomes of these reforms approximate to institutional change in the management of public services. The changes that have taken place involve three crucial features:

- (a) an economic component which focused on 'the classical concepts of competition, prices and markets',
- (b) 'the introduction of the concept of contract with its socio-legal connotation', and
- (c) 'a change in the organisational character of the public service, because it involves a break with the tradition of the self-sufficient, bureaucratic government organisation' (Walsh, 1995: 32).

Many different climates of opinion have helped to shape the leading arguments and provided the *raison d'être* for the implementation of NPM. According to one school of thought, the main purpose of introducing the institutional changes was that market mechanisms for managing public services would help correct some of its inherent failings. A second school argued that the essential problem of the public sector lay squarely at the backyard of the motivation of those who work in the system, and the difficulties in monitoring and controlling their performance. To this argument can be added another well-rehearsed suggestion, that there is an inevitable tendency to inefficiency in government because of the lack of market incentives. In this vein the critics of government noted that because of its organisation government was unlikely to take advantage of and exploit 'technological possibilities for lowering costs, raising productivity, or realising economies of scale' (Walsh, 1995: 29).

In the 'quasi' public sector market that has been created, extensive use of new forms of contract and market relations has been made. Contracts have, in general, become the 'main mechanism for governing transactions within public sector "quasi" markets', and these have been used to mould and reconfigure public services (Bennett and Ferlie, 1996: 49) in a way that has never been attempted until the 1980s, in the developed countries of the OECD. Same mechanisms are now being increasingly used in the developing countries. Thanks to the proliferation of New Public Management (NPM) strategies of reform, a diffusion process has helped to deepen our knowledge of the concept of convergence (Pollitt, 2001). Contracts had been in use in the public sector in the Caribbean well before the 1990s when NPM reform strategies from the OECD experience begun to diffuse into the policy-making arenas of the region. However, it is the intensity with which these new employment contractual arrangements have been institutionalised and used as instrumentalities for promoting performance which marked the difference in the way the public sector is governed. Contracts are now even considered as 'the medium of communication in the public sector. NPM puts in place a contracting state, where personnel and other resources are to be managed by means of a series of contracts' (Lane, 2000: 146). In effect, therefore, the internationalisation of public management has been the key force behind the recent changes that have been observed in labour and employment relations in the public sector in the region. While this may appear radical in the eyes of public sector employees, to private sector functionaries, public sector workers have now joined the real world (Deakin and Walsh, 1996).

Furthermore, it is important to note that the introduction of these alternative approaches to public service delivery has led to a balkanisation of the public sector into two contrasting cultures: new market-based arrangements with their own set of governing norms and practices on the one hand, superimposed on the old civil service practices and employment relations on the other. This has provided a recipe for conflict due to the personal insecurity attendant to it, and fortuitously, its tendency to render anachronistic, trade unions and employee representative institutions. Freedom of association, a fundamental human right, seems to be under threat

in the contemporary changed world of work. This theme is substantiated with a Jamaican example later on in this publication.

Four main models of contracting have been identified in the Anglo-American literature on contemporary public sector reform. These are classical, relational, regulated and pseudo contracting (Bennett and Ferlie, 1996: 49). These labels have been developed as catch all terms in a bid to capture the multifarious mechanisms and relationships that are associated with public procurement, of which contract labour is a significant part.

Since the 1950s an established civil servant was considered to have been appointed to an office, and was therefore, 'a public officer remunerated by moneys provided by parliament, so that his employment depends not on a contract with the crown but on appointment by the crown' (Kirkaldy, 1998: 268). This represented a ruling by Lord Goddard in a United Kingdom court case in 1956 (*IRC v Hambrook*).

The literature on industrial relations outlines two main types of employment contracts - viz. 'contract of service' and 'contract for service' (Kirkaldy, 1998: 265). A contract of service is defined as an 'individual contract of employment entered into between the employer and the worker, whereas under the contract for service the company contracts out the work to be done' (Kirkaldy, 1998: 265). If the same ruling was held true for Jamaica, Kirkaldy argues that the reference of a public service dispute to the Industrial Disputes Tribunal would appear to be *ultra vires*. This is because the Labour Relations and Industrial Disputes Act (LRIDA) describes a 'worker' as 'individual who has entered into or normally works under a contract of employment' and that a 'contract of employment' means 'a contract of service' (Kirkaldy, 1998: 268).

Recent public sector reform programmes using the reform strategies proposed under NPM have introduced a complex element into public employment. Policy instruments in the form of 'contracting out' or 'outsourcing' and internal markets have been used variously to reassign the responsibility for public service provision to private entities or other agencies of the public sector. While some of these new or alternative organisational arrangements have led to an increased use of contracts for service, others have resulted in changes to the way public service commissions work, and how the management teams of key public institutions are hired, remunerated and fired. This new practice has implications for core civil service departments/ministries as well as for the newly established executive agencies. A fuller discussion of the main issues is supplied below. Prior to that, however, it is important to outline one important caveat.

The topic of employment contracts as an area of public management discipline has only now begun to be studied widely in both the Caribbean and abroad. As a result, information and data on the subject are patchy. The literature on contract law has many rich and illustrative cases reflecting various settlements that were reached in industrial disputes that were settled in the courts. The Public Administration

and Development Management literature is poor in terms of the coverage it has given thus far to the changing employment practices, especially where contract work is concerned. Job reduction, redundancy and retrenchment of public sector employment under the 1980s neo-liberal structural adjustment programmes of the International Monetary Fund (IMF) and the World Bank have been fairly covered (McCourt, 1998, 2001; Mosley, Harrigan and Toye, 1991; Anderson and Witter, 1994; King, 1998, 2001). There is in contrast an absence of coverage of the new practices and changes in developing countries. However, in the United States and Britain for example, elaborate laws and regulations and public information systems exist for the governing of public employment contracts. The two countries have even designed employment agreements and application forms online to which their citizens could avail themselves in order to educate themselves about their rights and obligations in the newly unfolding changes in the workplace (www.cftech.com/BrainBank/BUSINESSLAW/Employment_Contract.html). Needless to say, in the Caribbean the paucity of information on employment contracts is even more acute. This study therefore fills an important gap in the literature and sheds light on the experiences of Belize, Guyana, Jamaica and St Lucia.

Assessment of the Contract System of Employment for Senior Public Service Officers (Permanent Secretaries)

Analysis of the findings from the study is presented using a comparative analysis that attempts to achieve a concise report and draw lessons using the basic demographic characteristics of the permanent secretaries and the ministerial portfolio in the case study countries shown in Table 1. This report also uses many of the details ascertained through the country assessment, which looked not only at the contractual arrangements under which the permanent secretaries operate, but also the environment in which they operate and how the various environmental factors impinge on their ability to express leadership and implement policies to achieve national development goals. The environmental factors in question include the constitutional setting, the political context, the macroeconomic situation and socio-cultural factors which determine the broader cultural mores of public administration in any particular country. A conclusion is then drawn from the experiences of senior public service officers under contract employment and other forms of contract in the four Caribbean countries.

Management approaches adopted in the reform and used in the contract system

In Belize, Guyana, Jamaica and St Lucia the recent public sector reforms were informed broadly by the main tenets of the New Public Management (NPM), which in a summary form include:

- ‘a focus on efficiency and tighter central control,
- a focus on downsizing and decentralisation,
- a focus on organisational change and innovation, and
- a focus on service quality, customer service and a reassertion of distinct public sector value and mandate’ (Ferlie et al., 1996).

The NPM was seen essentially as a paradigmatic shift from the old public administration that was institutionalised on Weberian principles and embedded in the

transplanted Westminster-Whitehall System. NPM reforms, as practised internationally, have sought to transform the public service and its relationship with government (political directorate) and society (variously labelled as customers).

In these Caribbean countries, one element of NPM which seems to have been taken on more seriously was human resource management. To address this issue, new performance management systems have been introduced to the public service, but in all the four countries this model is in its embryonic stage of institutionalisation. The old personnel management practice was thought to be outmoded by the reformers in these countries. In all the four countries, personnel management was steeped in rules and procedures and underpinned by the principle of political neutrality, and employment in the civil service was considered as a career, in line with the Weberian bureaucratic principle.

The human resource management principles adopted by each country did not succeed in rooting out old practices and procedures. In fact, public administration rules and regulations have subsisted alongside new practices of human resource management under the NPM. In all the countries most of the old public administration practices, which are normally codified in the General Staff Orders, have been re-emphasised. In Jamaica, for instance, these old rules and procedures were reconfirmed in the Public Service Establishment Act, General Staff Orders of 2004, and St Lucia (Staff Orders 1983) did not introduce any new law to effect human resource management changes, except for Green and White Papers, which did not address the issue of contract employment. The new employment contracts for permanent secretaries (see Table 1 for details) were established within the framework of the old public administration and the tenets of NPM. Jamaica has operated a dual system of open tenured permanent secretaries (10 in number) and four (4) contracted permanent secretaries. The role of the Public Service Commission was altered to give autonomy to permanent secretaries to have control over human resource management through hire, reward, discipline and fire.

In Belize an attempt was made by the PUP Government, under the leadership of Said Musa, to do away with one of the bedrocks of the Westminster-Whitehall system: political neutrality of senior public service officers. The label – permanent secretary – was removed and replaced by ‘chief executive officer’ (CEO) in 2000. There are twelve (12) CEOs. The tenure of the CEO is closely associated with the tenure of the party in power. As such, on the day of the general election all CEOs are to consider their contracts as terminated, unless their party’s mandate to govern is renewed by the populace. Even here, new contracts will be issued and there is no guarantee that a CEO will be rehired.

Update on Belize

Since this study was conducted, a new government was elected in Belize in February, 2008. The new government has retained the chief executive officer (CEO) contract system for permanent secretaries. However, in this administration at least 50 per cent of the CEOs were former senior public servants.

Since the CEOs are political appointees the government has reverted the authority previously delegated to CEOs to the Public Service Commission to ensure less political partisanship in the management of the public sector. The Public Accounts Committee is now headed by the opposition. Parliament has also been strengthened by a Constitutional Amendment to eliminate the government's majority.

In Belize, Guyana and Jamaica the contract of the permanent secretary or CEO is terminable with one month's notice from either party. St Lucia abandoned its contract system for the permanent secretary in the last quarter of 2006 when the St Lucia Labour Party administration led by Kenny Anthony was defeated in the general election by the United Workers Party led by Sir John Compton. This move has satisfied the public service union (PSU), which had argued that the contract system of employment for the permanent secretary had destroyed the career prospects and professionalism of rank and file public servants who on their appointment had a hope of becoming a permanent secretary one day.

In Guyana, there are eighteen (18) permanent secretaries, all of whom have been put on contract by the administration led by President Bharrat Jagdeo. A focus group with the executive committee of the PSU revealed a similar dislike or animosity towards the contract system of employment for the permanent secretary, especially how the system bypasses the established public officers who have risen through the ranks, in favour of recruitment of personnel from outside the public service system.

How is performance measured and rewarded under the contract system?

In all the four countries, a nascent performance management and strategic planning system was in various stages of institutionalisation in different ministries and departments of state. These were in their pilot stages in a few ministries. Full implementation will take years to accomplish because the reform programmes are cash strapped as the countries themselves are heavily in debt and there is very little budgetary support from local sources. There is also an ongoing attempt to buttress the performance management system with performance monitoring and appraisal systems (PMAS). The latter is most tenuous because it is only lightly embedded or yet to be embedded in the performance management system and the performance-related pay strategy is yet to be fully applied in a meaningful way in any of the four countries.

The scope of and potential for expression of leadership by the PS/CEO under contract

The contractual obligations of the contracted permanent secretary create both opportunities and barriers to the expression of leadership. In Jamaica between 2001 and 2007 the PS of seven ministries out of fourteen (7 out of 14) had been given delegated authority to manage the human resources of their ministry. This authority included recruitment (first appointments), promotion, transfer, assignments, reward, discipline, separation, and training (GoJ, Office of Cabinet, 2000b). Similarly, by August 2007, four (4) permanent secretaries had been employed on contract. The delegated authority for human resource management has also been extended to the chief executive officer of the Executive Agency (the equivalent of a departmental head).

To a similar degree the CEOs of Belize have a delegated authority for human resources management. In Guyana and St Lucia this function is still performed by the Public Service Commission (PSC). It is important to note that the delegated authority is not irrevocable. The PSC reserves the right to withdraw this authority where abuses occur or functions are not performed satisfactorily. In St Lucia, the delegation of the human resource management function happened for a season under the administration of the former Prime Minister Kenny Anthony. However, this was withdrawn after a couple of years because there were alleged abuses of the recruitment function in the form of nepotism.

In Guyana, the fixed-term renewable contract for the PS is said to have inspired the need for the PS to work with others to realise the objectives set by the ministry. This is also true for Belize and Jamaica where the need to achieve performance objectives led the PS and CEO to form management committees comprising departmental heads and senior directors of the ministry. In addition to this, in Jamaica, the letter of appointment of the PS, which is issued by the Ministry of Finance, specifically makes known to the PS the decision space he or she has in relation to financial accountability and administrative propriety. The letter of appointment gives an outline of the procedures that a PS should go through to make his position known to the minister of finance in a situation where the PS is being put under undue pressure to flout the financial regulations of the country. The letter of appointment from the Ministry of Finance also specifies the reporting procedure and the expectations to attend the Public Accounts Committee sessions to answer questions regarding his/her responsibility as the accounting officer of the ministry. This responsibility of the PS has not been tempered in spite of the extension of human resources and accounting officer responsibilities to the CEO of the semi-autonomous executive agencies, which were created between 1999 and 2007.

In spite of all these changes to give more managerial autonomy to the PS/CEO, the practices of the Ministry of Finance still determine how much room the PS/CEO has to think and operate strategically. Budgetary resources (accessed through the

established warrant system) are given on a monthly basis, and there is no assurance that the budget that was approved by Parliament will be released on time to assist with forward planning. In addition to this, in spite of the contract of employment, all the restrictions of the old public administration seem to have been kept and the PS/CEO still operates under public service regulations. Similarly, apart from the Jamaican contract system which has introduced a semi-formalised arrangement for the evaluation of the PS, the contract systems of all these countries have done very little to change the operating environment and evaluate the work of the PS. This reality is perhaps one of the reasons why, for example, the performance agreement signed by the Jamaican PS is not fully evaluated. It is not possible to apportion blame for non-performance when the government has not created the enabling environment for the PS to achieve the agreed results.

How the contract system impinges on the independence and influence of the PS/CEO

The context of public management in the four Caribbean countries requires that the PS/CEO acquires new skills and knowledge of multiple management approaches. It can be argued that Larson and Coe (1999: 5) were a bit conservative in their perception and assessment of the role of the permanent secretary. Not only have the responsibilities of the post changed radically and substantively, the context (internal governmental, internal societal and external globalised) in which the PS manages poses several challenges. The PS is not just an accounting officer of the ministry, an adviser to the minister, and a manager of the department. He/she has now been entrusted with authority for human resource management, which was the role of the Public Service Commission. Likewise, the days of the PS who was always behind the scenes and sheltered by the minister are over. There is now a vibrant media in each of these countries and a knowledgeable citizenry, who have been empowered by the passage of Access to Information Laws and who use every avenue afforded them to demand accountability. There are also contractor generals (i.e. ombudsmen of public procurement) who are active in demanding for more information from the PS in quick time.

In these debt-ridden middle-income countries (Osei, 2004), the job of the PS requires knowledge about how the performance of the role affects macroeconomic management and national development. As manager of his/her particular sector of the national economy, the PS must understand how the global market and technological changes affect the growth of the country as a whole and the sector in particular. The PS is also required to produce results and fulfil strategic goals within the strictures imposed by the meagre budget. The employment contract systems in Belize, Guyana and Jamaica ensure that competent people are employed as PS/CEO as they provide a more attractive package of conditions of service and rewards. It allows the public service to rid itself of poor performers and, for the employee who is over 55 years old, it provides a gratuity package to compensate for the loss of pension

(interviews with cabinet secretaries in Jamaica and Belize, July and August 2007). However, what must be guarded against is the use of the contract system as a means to satisfy political patronage which many public servants fear.

There are three important factors that pose considerable challenges to the independence of the PS and the influence he/she could bring to bear on national development. The first is political in nature and relates to the erosion of the principle of political neutrality; the second relates to the loss of the so-called 'voice of conscience' and succession planning; and third, the road blocks to achieving key performance indicators. Previously the post of the PS represented the permanence of the administrative arm of the executive branch of the state. The principle of political neutrality ensured security of tenure and the possibility of the PS to continue beyond the administration of government by successive parties. The neutrality principle was abolished by the Government of Belize as it appointed a chief executive officer in place of the PS and tied the tenure to the life of the party government itself. The implication of this is that the CEO's appointment is terminated on the day of a general election. In St Lucia the four permanent secretaries, who had been recruited on contract from the private sector by the then ruling SLP government, left office after their party lost the elections.

In Jamaica the four contracted permanent secretaries consist of the cabinet secretary, the PS for Industry Technology Energy and Commerce, the financial secretary, and the PS for National Security. There is some ambiguity with the way the Jamaican contract system operates. A contract PS could opt for open tenure after serving the initial three-year term of the contract. The PS for Education seems to have transitioned without any problems and this suggests that the rules are flexible. The durability of the contract PS was tested with the coming into power of the Jamaica Labour Party after the general election on 3 September 2007. In concluding this argument, it is important to note that the lack of longevity introduced by the withdrawal of the neutrality principle in Belize and St Lucia has certain drawbacks. Institutional memory may be lost with the change of government and administrative momentum has to be rebuilt each time a new executive assumes office.

Update on Jamaica

Since the conduct of this study, the contract system in Jamaica has survived a change of administration since September 2007. However, the number of permanent secretaries who are on contract has not changed and still remains at four. Ministerial boundaries have changed, and the four ministries with PS on contract are: Energy; Education; National Security; and Mining and Telecommunications.

The alignment of the PS with the party in power ensures complete loyalty to the party and its manifesto. However, permanent secretaries in the past have been known as ‘lords of the backroom’, who have striven to maintain the true meaning of public service in the face of political interference. In the classic Belizean case and in Guyana, the CEO has virtually become a politician and has lost prestige in the eyes of the public service unions. This has implications for the morale of the rank and file public service officers, and the situation takes a worse turn where most of the contract PS and CEO are recruited from the private sector. In Guyana this issue is complicated by the existence of racial tensions in national politics, which in turn has ramifications for racial balance in the senior public service.

There is also the question of what have been the key challenges to the PS/CEO achieving his/her key performance indicators. Guyana runs a relatively big government with eighteen ministries. Concomitantly, the human resource requirements are likely to be equally daunting. Because of a restrictive macroeconomic expansion and other social issues, there is a reduction of middle level management staff through retirement, migration and attrition. This is coupled with a general lack of appropriately trained personnel, at the postgraduate level, and the ability to elicit quick decisions from key decision makers. The shortage of appropriately trained personnel in public policy was raised as an issue in Jamaica by the cabinet secretary; and in St Lucia and Belize the need for public administration specialists was also noted. The shortage of critical skills is therefore seen as an issue that impinges on national public management and which limits the ability of the PS/CEO to influence the course of development more positively.

How conflict is mediated in the evolving contract system of employment

In the four countries, conflict resolution is underpinned by the critical, at times, patrimonial role played by the cabinet secretary. The cabinet secretary deals with two types of conflict. First, internal administrative conflicts (when they escalate) between the PS and divisional heads and second, conflict of a political nature which occasionally erupts between the PS and the minister. Some of the internal administrative conflicts could have arisen with many ministerial mergers and reshuffles. Belize and Jamaica have seen several mergers and separations of ministries and this poses a great challenge to management by the PS. In terms of how to marshal resources to deal with the ‘business as usual’ functions as well as any specific reform programmes taking place at the ministry, it also poses another difficulty. For instance, in Jamaica, in the merging of ministries and departments some permanent secretaries became redundant as they did not have any ministry to manage. At the same time, it was not desirable to send them home. The solution to this problem has been for the government to create the post of director general of a department. While this could be seen as a good practice in conflict management and accommodation, it could also be the source of tensions between the serving PS and the director general.

Another way in which conflict seems to have been managed in the internal realm has been the creation of access to the minister by the PS, allowing divisional directors to speak to the minister directly. A good practice case was found in the Ministry of Industry Technology Energy and Commerce in Jamaica. The PS of that ministry noted that when she was appointed, she changed the 'tradition of senior directors meeting only when they meet', and instituted monthly meetings and gave directors charge of their divisions and allowed them direct contact with the minister. This approach was facilitated because it was a special ministry which had charge of key sectors of the economy, and which had one minister and about four deputies in a six-year period.

The creation of semi-autonomous executive agencies was also a source of conflict in Jamaica. The Executive Agencies Act 2002 and the processes of developing and granting executive agency status to some government service departments inadvertently introduced a certain ambiguity in the reporting relationships between the CEO of the agency and the PS of the ministry. In the law the executive agencies were made to report to the minister and the Board, whereas the PS is still the accounting officer of the ministry and where the particular PS of the ministry has been granted delegated authority for human resource management, the PS has control of that function for the entire ministry. The CEO is also granted delegated authority over the performance of the finance and human resource functions, and he/she is accountable to the PSC and the Executive Agencies Review Unit of the Ministry of Finance for the performance of these functions. These contradictions seemingly encouraged executive agencies of at least two ministries to see themselves as autonomous and they became somehow reluctant to take instructions from the PS. This situation is further exacerbated by the institutional clauses which gave some of these agencies the authority to collect fees and make money. Apparently, the king does not seem to be in his clothes.

Conflicts of a political nature between the PS and the minister are resolved by mechanisms well laid out in statute and the constitution. In St Lucia, section 62 of the Constitution, in Jamaica section 93 of the Constitution, in Guyana section 87 of the Constitution and in Belize section 48 of the Constitution established that every ministry (consisting of not less than two departments) shall be under the supervision of the PS and political direction and control shall be given by the minister. These Constitutions have placed the orderly management of ministries in the charge of the PS. In Belize the CEO has become quasi-political but still a public officer; but the Public Management Bill in Belize, and the Financial Administration Act in Jamaica, St Lucia and Guyana all firmly place the PS in charge of the appropriation of warrants and the proprietary expenditure of same. The cabinet secretary is the patrimonial head of the Caucus or Board of Permanent Secretaries and he resolves all conflicts that are brought to his attention. In all four countries the PS/CEO is directly responsible to the minister, but in Belize the PS is ultimately responsible to the prime minister, while the PS in Guyana is indirectly accountable to the President. In Jamaica and St Lucia

the PS is ultimately accountable to the Governor General through the Public Service Commission. In Belize and Guyana the tendency is towards executive presidential kind of authority, and under this system, the likelihood of the sort of compromised solution you find in Jamaica and St Lucia, in which the cabinet secretary could reassign the PS to another ministry if there is a conflict between him/her and the minister, is very slim. However, other institutional mechanisms have been provided by the Constitution and statutory instruments of each country to deal with various issues including unfair dismissal. The Belize Advisory Council occasionally sits to determine the decisions of the PSC, but this service is not available to the CEO. The CEO is thus vulnerable. The Courts in St Lucia and Guyana, and the Labour and Industrial Disputes Tribunal in Jamaica are some of the institutions put in place to deal with serious disputes.

Value for money of the new contract system of employment

With regard to the question posed, ‘do you think that contracts systems of employment for the PS/CEO in your country has yielded value for money?’ various interesting perspectives were given by the respondents in the four countries. These views are summarised below according to country.

Jamaica

A male PS noted that the country is getting a bargain, but it is also paying a price, in the sense that if the contractual arrangement is to be truly meaningful, there should be a difference between the accountability of the PS under contract and the open tenured PS. This arrangement is however a work in progress and there is room for improvement. On the whole, he thinks that the public service is not well remunerated. A few years ago the government came up with a policy to bring public sector salaries to 80 per cent of that of the private sector. However, this policy has fallen through, due to the difficult financial situation of the country.

According to a second respondent, a female PS, the contract system has yielded value for money. It has allowed government to recruit suitable candidates that may not be found in the public service. A third respondent, a male PS, did not however know whether the contract system has made any difference at all, and reference was made to the fact that everyone received similar conditions of service and it was up to the PS to be astute in managing his/her relationship with the minister and getting the job done.

At the Cabinet Office, while one member of the focus group was in support of contracts for all permanent secretaries, at least two other members disagreed, arguing that the stability of the public sector would be threatened by these three-year leadership cycles. Furthermore ‘not all ministries are created equal’ therefore some ministries require a strategic long-term focus that is better served by open tenure.

Consequently they endorsed a dual model system [that currently obtains] with some PS on three- to six-year contracts and others on open tenure.

Guyana

The first respondent noted that putting the PS on contract has brought many benefits including the following:

- Has attracted highly trained and experienced staff,
- Has allowed for the exercise of innovations,
- Has raised the capacity of ministries to garner greater international support through grant and highly concessionary loans,
- Has improved the capacity of the ministry to produce position papers which have influenced the development of policies and laws,
- Has afforded high quality service on a number of government boards, and
- Has facilitated the development of greater transparency in government business.

A second respondent noted that the Public Service Commission and Ministry of Finance must give a bit of room for the exercise of leadership by the PS, but there should be a monitoring framework. Furthermore, a suggestion was made to the effect that the PS should pull together a small team to look at an appraisal system for the PS. This suggestion was made in the light of the fact that in Guyana, it is not certain who should put in place a formal system for appraising the work of the PS. The Chairman of the Public Service Commission and the Minister of the Public Service confirmed that a working group had been set up to study what aspects of the work of the PS could be evaluated.

St Lucia

The country has done away with the contract system of employment for the PS and the open tenure has been restored since the latter part of 2006 with the change of administration. The first respondent noted that the present system needs some improvement. The new government was looking to reform the system in a holistic way, and the solution is not just hiring external permanent secretaries, and that a performance approach will be an added value.

However, a second respondent noted that he is not convinced that the PS is doing a lot in the efficient delivery of ministry policy, or insisting on performance by the staff. He believed that they are doing just enough so that nobody complains. Change, in his view, could come about by joint effort and the elaboration of a deep philosophical stance on the role of the state. Similarly, the respondent noted that there were other weaknesses that needed to be sorted out. The knowledge base for managing was noted to be weak and lagging, and because of the challenging environment in which

public management takes place today, the PS should be better equipped with legal knowledge of the environment (the local macro economy and development in the international economy). The role of the budget as a toll of economic development should also be better understood by the PS.

Belize

The first respondent was full of confidence that the new system has been value for money. The CEOs have a reason to work hard – the survival instinct – which is paramount in the absence of security. In his view, this increases the success quotient for the government.

A second respondent noted that, in her view, the environment or systems around the contract system need to be strengthened to really make it value for money. Yet a third respondent noted that those from the public sector have certain advantages. The CEO from the private sector has had to learn the rules of the game from scratch.

Conclusions: What lessons can be learned from the experience of the contract systems?

This study examined the new contract of employment and other contractual obligations to which the permanent secretary has been subjected since the turn of the century. (See Tables 1 and 2 for the summary of findings on each country.) A survey questionnaire and elite interview schedules were developed and administered to officials in Belize, Guyana, Jamaica and St Lucia, and relevant official documents and academic literature were examined to formulate a theoretical basis for the study. The analysis shows that different models of contract employment (or contract of service) for the PS were followed in each country and differing results were produced.

The Belizean model of contract CEOs has been bold enough to confront the ‘traditional’ inertia induced by or associated with the principle of neutrality by making the CEO part of the government. The CEO’s tenure is tied to the continuance of the government and therefore this situation naturally induces a survival instinct to work hard. There is therefore less suspicion and conflictive issues of questionable loyalties. However, the public service rules must equally be modernised and aligned to create an enabling environment for the CEO to achieve his/her strategic objectives. The solution to this puzzle is mired in macroeconomic management and global economic trends, which this country sometimes can only appreciate but can do little about.

While Guyana like Belize followed a wholesale award of contract of service to the PS, Jamaica followed a dual model, consisting of a mix of contract of employment for some (four) permanent secretaries and open tenure for others. St Lucia’s system of contract was abandoned with the change of government at the end of 2006. The country has since reverted to the old open tenured employment for the PS, who normally would have risen through the ranks of the public service.

All the four countries adopted new management models for the public service in the form of performance management and a nascent result-based management. Performance appraisal systems have also been implemented in each country, but these are not for monitoring and evaluating the PS/CEO. A formal mechanism for evaluating the performance of the PS/CEO against their strategic goals are yet to be put in place in Belize, Guyana and St Lucia. Jamaica has a system but the regularity of application of the tool has been lacking. This is an area that could benefit from further work and assistance. In spite of the acceptance of strategic planning and management, the budgetary and financial management rules and procedures have been seldom changed to facilitate the institutionalisation of the new management practices. As such, the operating environment has not been tempered in line with modernisation of substantive ministries. This represents the greatest challenge to the public sector reform programme of all the four countries. Similarly, in all the four countries, there does not seem to be a consensus on the contract system of employment for the PS. In Guyana, Belize and St Lucia the public service unions are not in favour of this system as they see it as destroying the career-based public service.

The strengths of the contract system of employment of the PS has however been widely acknowledged. It offers an opportunity to fill the top post in the public service by drawing from a wider pool of expertise from the private sector. Contracts and delimited tenures act as a source of motivation and performance, and the seemingly attractive package of conditions and remuneration are supposedly favoured by the young professionals who do not want to be tied to one job for life.

Table 1. Senior public service officers under contract in four Caribbean countries (July 2007)

Country	No. of ministries	Expected no. of permanent secretaries/ CEOs	Actual no. of permanent secretaries/ CEOs	No. on employment contract	No. on open tenure	No. with delegated authority for HR	Gender M / F	Retirement age	Size of the public service
Belize	12	12	12	12	0	12 (scales 1-8)	7 5	55	8,000*
Guyana	21	21	18	17	1	0	13 4	55	
Jamaica	14	14	14	4	10	7 (all scales except CEOs)	10 4	60/65	40,801*
St Lucia	14	14	12	0	12	0 (Withdrawn in 2003)	10 2	55	
Total	61	61	56	33	23	19			

Notes: This table was constructed with information obtained from fieldwork in the four Caribbean countries in July and August 2007, using information including the Constitutions of the various countries.

* Civil Service Establishment Act, General Order, 2004.

Government of Belize, (2000: 5) Public Sector Reform: Charting the Way Forward – 2000 and Beyond. April.

Table 2. Summary assessment of conditions of service and measures for assessing the performance of the PS/CEO

Country	Duration of contract	Conditions of service	Eligibility for permanent secretary	Management models used for performance evaluation	Performance assessment measures for the PS/CEO
Belize	Fixed-term three-year employment contract in the first instance. Renewable on performance. Contract is aligned to the lifespan of the elected government.	<ol style="list-style-type: none"> 1. Fixed starting salary, telephone and entertainment allowance. 2. Not pensionable, but a tax free gratuity is paid at 20% of gross salary. 3. Duty is waived for importation of a vehicle at end of service. 4. Contract can be terminated by one month's notice by either party. 5. CEO is also subject to civil service regulations. 	Open to both career public servants and private sector managers.	Performance management has been introduced and a performance appraisal system has been introduced to assess all officers except the CEO.	<ol style="list-style-type: none"> 1. No objective formula for performance assessment of the CEO. 2. Assessment of the CEO is based on unwritten subjective criteria and the political skills of the CEO to avoid crisis. 3. A performance management and appraisal system has been introduced for the rank and file, but not for the CEO. 4. The CEO's contract is not a performance contract, as such it limits the practice of performance management.
Guyana	Since 2003 all PS have been on contract. The term is three years in the first instance.	Salary; vacation allowance; transport allowance; and a tax free gratuity of 22.5% of the gross salary, payable every six months. Contract can be terminated by one month's notice in writing by either party.	Open to both career public servants and private sector managers.	A performance management and appraisal system for the rank and file officers, but the process is yet to be extended to the PS. A committee has been formed to devise a measuring mechanism for assessing the PS.	<p>There is no objective formula for assessing the PS. Assessment is based on an unwritten subjective criterion. But there is uncertainty about 'who should do the evaluation.'</p>
Jamaica	1. Since 2001, three systems – Open Tenure, Accountability Agreement and Fixed-Term Contracts	1. There is a 10-point salary scale for the PS as against eight for the normal civil servant.	Open to both career public servants and managers from private background.	The PS uses a performance management system in service delivery. This has been enhanced by the	In the context of performance and strategic management, the performance of the PS is assessed as follows:

<i>Country</i>	<i>Duration of contract</i>	<i>Conditions of service</i>	<i>Eligibility for permanent secretary</i>	<i>Management models used for performance evaluation</i>	<i>Performance assessment measures for the PS/CEO</i>
	<p>- have been experimented concurrently.</p> <p>2. For contracts, the term is three years in the first instance, and is renewable upon performance.</p> <p>3. It is possible for the PS to switch from contract to open tenure.</p>	<p>2. A gratuity of 25% earned for each completed year of service.</p> <p>3. Contributory Health Plan.</p> <p>4. The Contract PS is also subject to Public Service Regulations and Staff Orders in addition to the prescriptions in the relevant sections of the Constitution.</p>		<p>introduction of a performance monitoring and appraisal system (PMAS). The PMAS is fairly new and it is still being piloted.</p>	<p>1. The cabinet secretary organises a performance accountability session for the PS, at which the performance of the PS is reviewed. The process needs revamping because the session has not been conducted regularly.</p> <p>2. The Office of the Services Commission audits and monitors the performance of the delegated human resource management function.</p> <p>3. Traditional audits take place. Auditor General, Public Accounts Committee and Ministry of Finance audits expenditure and procedures.</p>
St Lucia	<p>Open tenured employment. 1997-2006 marked the contract phase, but this policy has been revoked by the new government of John Compton. About five people were employed on contract in that period.</p>	<p>1. Entitled to a pension.</p> <p>2. Thirty-three (33) working days leave.</p> <p>3. Allowances for travel and entertainment.</p> <p>4. No general health insurance.</p>	<p>It was open to career public servants and private sector managers under the Kenny Anthony administration. Returned to tenured career public servants since Compton won power in the latter part of 2006.</p>	<p>A performance monitoring and appraisal system (PMAS) in place. Appraisals are meant for lower level staff and not for the senior public service officers.</p>	<p>In the context of performance and strategic management, there is no formally instituted process for evaluating the performance of the PS. There is uncertainty about who will evaluate the work of the PS.</p> <p>The normal traditional audits by the Auditor General and Public Accounts Committee are carried out as required.</p>

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Record of meeting with Mr Gilbert Scott, Permanent Secretary, Ministry of National Security, Jamaica, Kingston on 16 August 2007.

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Record of meeting with Dr the Honourable Carlton Davis, Cabinet Secretary, and Officers of the Office of Cabinet and Office of the Prime Minister including Mrs Hillary Alexander, Chief Technical Director in charge of Public Sector Reform, Mr Ryan Evans, Director, Office of Cabinet, and Ms Oneka Campbell, Director, Office of the Prime Minister. Kingston, on 31 July 2007.

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Record of meeting with Mr Reginald Brotherson, Project Co-ordinator, Public Management Modernisation Programme, Office of the President and former Permanent Secretary of the Ministry of Amerindian Affairs. Georgetown, on 8 August 2007.

Record of focus group meeting with the Guyana Public Service Union. Georgetown, on 10 August 2007.

EMPLOYMENT SENIOR CONTRACT GOVERNMENT

The Contract System of Employment for Senior Government Officials

CONTRACT SENIOR OFFICIALS

This publication reviews the effects of the reforms implemented under the 'new public management' programme on the roles and conditions of service of permanent secretaries and directors in Belize, Guyana, Jamaica and St Lucia. These countries introduced the contract system of employment, and their experiences highlight the importance of acknowledging context in considering the implications of the contract system, and the challenges of implementation.

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