The Contract System of Employment for Senior Government Officials

Experiences from Africa

Edited by Philip D Osei and Joan N Nwasike

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 Commonwealth Africa (Botswana, Ghana, Uganda and Zambia). 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 pan-Commonwealth programme entitled 'Managing Public Sector Performance' for senior public servants in Singapore in February 2009, and at the Commonwealth Association for Public Administration and Management (CAPAM) Conference 'Governance Excellence: Managing Human Potential' in Arusha, Tanzania, in March 2009.

We have completed a similar study in four countries of the Caribbean region namely: Belize, Guyana, Jamaica and St Lucia and presented the results 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. 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 and standardisation 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. I also want to thank Dr Roger Koranteng, Adviser, Governance and Anti-Corruption, for his review of the manuscript.

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Preface

This study is an enquiry into the nature, processes and outcomes of public sector reform on the role and conditions of service of senior public service officers (specifically, permanent secretaries) in four Commonwealth African countries. These countries are Botswana, Ghana, Uganda and Zambia. The countries were selected because they introduced reforms which, on the whole, amount to institutional change in the revolution of the position of the most senior public servant in Commonwealth countries.

The study uses data from semi-structured interviews and documentary sources. It adopts an analytical framework based on the theoretical approach to public management on which the public sector reform was launched. The study provides evidence that all four countries had instituted contracts of employment and contract-like arrangements in the form of performance agreements, contracts of employment and the retention of a good mix of the old permanent and pensionable modes of employment.

It is evident from the study that to benefit from performance improvements associated with these contractual arrangements, countries must fully implement performance contracts or back up their performance agreements with performance management and performance measurement instruments which could be evaluated at regular intervals, and the performance information fed back to improve management. The study, however, cannot make over-reaching conclusions about the detailed workings of the public service systems in those countries as it concentrated on institutional aspects of implementation of the chosen models by each country, and the length of time spent in each country did not permit an ethnographic type study. The overall conclusion is that a broad range of new management practices for managing public services and senior public service officers have been adopted in Botswana, Ghana, Uganda and Zambia.

Abbreviations and acronyms

APP	Annual Performance Plan
CD	Chief director
CFTC	Commonwealth Fund for Technical Co-operation
CPAM	Commonwealth Association for Public Administration and Management
CSPIP	Civil Service Performance Improvement Programme (Ghana)
CSRP	Civil Service Reform Programme (Uganda)
DPSM	Directorate of Public Service Management
ERP	Economic Reform Programme (Ghana)
GIDD	Governance and Institutional Development Division (Commonwealth Secretariat)
GIMPA	Ghana Institute of management and Public Administration
HOCS	Head of the Civil Service
HOD	Head of department
HOPS	Head of the Public Service
KRAs	Key result areas
MPS	Ministry of Public Service (Uganda)
MTI	Ministry of Trade and Industry (Botswana)
NPM	New public management
PA	Performance agreement
PEAP	Poverty Eradication Action Plan (Uganda)
PMAS	Performance management and appraisal system
PMS	Performance management system
PNDC	Provisional National Defence Council (Ghana)
PS	Permanent secretary
PSC	Public Services Commission

PSP	Public service president
ROM	Results-oriented management
SAPs	Structural adjustment programmes
SPS	Senior public service
SRAs	Strategic result areas
SSNIT	Social Security and National Insurance Trust (Ghana)
TOR	Terms of reference
UNECA	United Nations Economic Commission for Africa
UNPAN	UN Public Administration Network

CHAPTER 1

Introduction

This book is based on a comparative study of contract systems pertaining to the employment of permanent secretaries and chief directors in Botswana, Ghana, Uganda and Zambia. These countries have embarked on the reform of their public services since the latter part of the 1990s with a view to infusing their public administration systems with private sector practices, which theoretically have been deemed to be proficient in turning around malfunctioning public services.

This new way of reforming the public service had come about as a result of the sea change in the ideology of administration called the new public management. These four Commonwealth African countries were selected by the Commonwealth Secretariat on the basis of two main criteria, namely (a) that these countries have consistently and more broadly undertaken public service reform since the 1980s, and (b) that they have tried to borrow or emulate aspects of the New Zealand model of corporatisation of the public service, a model which seems to have influenced reform of practice in most parts of the Commonwealth, but about which only anecdotal evidence had been gathered relating to its success or efficacy and the extent to which some of these ideas have been implemented in emulating countries.

Qualitative research methods were used including an academic literature review, documentary review and primary research, which involved elite interviews and assessment of policy documents and evaluation reports commissioned by the governments of the case study countries. Field visits were conducted in Botswana, Ghana, Uganda and Zambia in July and August 2008 and these afforded a unique opportunity for direct observation of the work of permanent secretaries and chief directors, even if within a limited timeframe. These methods were appropriate to the kind of audience encountered who were mostly from the highest level at the centre of government. The foregoing claim about the appropriateness of this methodology is significant, because an online survey which had been designed to assist in a simultaneous rapid assessment of permanent secretaries in a similar study in the Caribbean had to be abandoned in the African study for reasons of non-patronage by the target group.

The research revealed that a broad range of new practices for managing public services and senior public service officers have been adopted in Botswana, Ghana, Uganda and Zambia. All four countries had instituted contracts of employment and contract-like arrangements in the form of performance agreements, contracts of employment and the retention of a good mix of the former permanent and pensionable modes of employment. These contracts and agreements were signed between the permanent secretaries and chief directors and their governments. In Botswana, Uganda and

Zambia the superior/employing authority (government) were normally represented by the cabinet secretary.

The experiences of these countries do not necessarily represent a wholesale borrowing or copying of the New Zealand model, but certainly the ideas about improving public service delivery systems using contract re-engineering processes were borrowed and translated. It was also found, using analysis of documented evidence produced by these governments and from complementary and systemic means of communication, that the sources of reform ideas and lesson drawing for these countries were multiple and not restricted to New Zealand. There is also a circularity of flow of ideas and lesson drawing is continuous rather than a one-off activity. However, even though each country's experience is unique, reflecting the alignment of power and forces of interest, there were also important commonalities to be drawn.

Contract entitlements generally included gratuities and access to official vehicles in all countries. In the contract-like arrangements under which permanent secretaries and chief directors operated, state pension schemes had been retained in Ghana and Botswana, while gratuities of 40 per cent and 100 per cent of gross salary were paid to permanent secretaries in Uganda and Zambia respectively. The basic pay of the Zambian permanent secretary was considered to be very low by the Independent Management Consulting Company in 2004. The same agency also noted that the gratuity of 100 per cent that is taxed at 35 per cent on collection at the end of the three-year contract does not necessarily show that the system is generous. It argued that bringing the pay of the permanent secretary to market levels might actually be a better option. In Ghana, Uganda and Zambia where contracts of employment have been issued to permanent secretaries and chief directors, the norm for length of a term tended to be three years.

The most important finding of the study is that, to benefit from performance improvements associated with these contractual arrangements, countries must fully implement performance contracts or back up their performance agreements with performance management and performance measurement instruments which could be evaluated at regular intervals, and the performance information fed back to improve management. In this regard, 'Performance and Co-ordination Units' will be needed at the Office of Cabinet or Office of the Head of the Civil Service (as appropriate), with local units at each ministry to ensure compliance, consistent measure of results and policy co-ordination. These arrangements will be congruent with the institutions established in Botswana where a balanced scorecard system has been installed and is seemingly producing value for money for the government and people of that country. One issue that is still not established, with the available information, is whether Botswana's success has anything to do with the small size of its population of 2 million and a public service of about 15,000, while the other countries have large populations of over 20 million each and larger public services. Similarly, the issue of bringing ministers and permanent secretaries to a certain level of knowledge and understanding of public policy and public service delivery, and to press home a common view that the two succeed or fail together might also be a key lesson to be learned from Botswana by the other countries.

The study cannot, however, make over-reaching conclusions about the detailed workings of the public service systems in those countries as it concentrated on institutional aspects of implementation of the chosen models by each country, and the length of time spent in each country did not permit an ethnographic type study.

The book is structured into seven chapters. Chapter 1 is the introduction. It gives a summary of the study and structure of the book. Chapter 2 explains the research methodology and analytical framework used for the study. The study uses case study approaches and qualitative data collection methods, which include in-depth, semi-structured interviews, and document analysis. The second part of chapter 2 pulls together the framework for analysing and interpreting the data. The framework draws on theoretical approaches based on the new public management concepts as well as a historical background within which the public sector reforms in Africa were located. The chapter also specifically highlights the cases of the contract systems pertaining to the employment of permanent secretaries in four Commonwealth African countries – Botswana, Ghana, Uganda and Zambia.

The empirical evidence and analysis of the four country cases are presented in chapters 3–7. Chapter 3 analyses the first country case study – the contract system pertaining to the employment of senior public service officers in Botswana. Chapter 4 deals with the analysis of the second country case study – the contract system pertaining to the employment of senior public service officers in Ghana. Chapter 5 examines the analysis of third country case study – the contract system pertaining to the employment of senior public service officers in Uganda. Chapter 6 investigates the fourth and final country case study – the contract system pertaining to the employment of senior public service officers in Zambia. The concluding chapter 7 summarises the findings and draws conclusions.

CHAPTER 2

Study Framework and Methodology

This chapter discusses the methodology and framework of analysis used for the study. The study was undertaken with mainly qualitative methods. The chapter explains the methodology used in the study, in that it indicates the data sources and methods of data gathering. The second half of the chapter sets out the framework for analysis employed for the study. The chapter discusses the theoretical framework based on the new public management concepts as well as the historical background within which the public sector reforms in Africa were located. The chapter also specifically highlights the case of the contract systems pertaining to the employment of permanent secretaries in four Commonwealth African countries – Botswana, Ghana, Uganda and Zambia. The chapter starts with the theoretical framework, public sector reform in Africa, followed by paragraphs related to the conceptualisation of the delivery of the study, research questions and the fieldwork.

Theoretical framework and background

Public sector reform in Africa

Public sector reform in Africa has been a piecemeal process – it evolved over time as in other regions of the world. In general, three waves of public sector reform have been highlighted in the region. Though the different waves overlap, scholars have made these distinctions for analytical convenience. Hence, within some countries there are still elements of, for instance, the first and/or second wave while moving into the third wave in their reform endeavours (Kithinji, 2002). The first wave of contemporary reforms covered the decade of the mid-1980s to the mid-1990s and was inspired by the global revolution in public management, which is also referred to as new public management (NPM). The distinctiveness of this wave of reforms is determined by its focus on 'restructuring' of the public service. As such, it has been described as the structural reform wave. These NPM reforms have been driven by a combination of economic, social, political and technological factors. As such, countries experiencing economic and financial crises, including Ghana, Uganda, Zambia, and to some degree Botswana, adopted the NPM principles as a means of achieving efficiency and cutting costs in the delivery of public services. In Ghana, Uganda and Zambia, some of the specific measures that were adopted included deregulation of export sector marketing boards and privatisation of state-owned enterprises, retrenchment of over-bloated bureaucracies, assessing government payrolls and clearing them of ghost names and putting in place effective measures for dealing with corruption.

Similarly, in the context of these developing countries, reforms in public administration and management have resulted more so from exogenous factors through, for example, the structural adjustment programmes (SAPs) as stipulated by the Bretton Woods Institutions in the 1980s. Larbi (1998) has contended that other drivers of NPM-type reforms include the ascendancy of neoliberal ideals, the development of information technology, and the growth and use of international management consultants as advisers of reforms.

Essentially, by the 1990s NPM was identified as the main paradigm underpinning public sector reforms as traditional public sector services proved to be inefficient and ineffective. Advocates of this managerialist perspective believed that the organisation and management of the public and private sectors need not be different, but that the organisation and management of the public sector should mirror that of the private sector. Hence, as highlighted by the United Nations Economic Commission for Africa (UNECA), the focus of the NPM movement in Africa was on creating institutional and organisational contexts in order to mirror what are seen as critical aspects of private sector modes of organising and managing. The second wave of reform in Africa from the latter part of the 1990s was therefore predominantly concerned with capacity building, and the third wave of reform, with 2000 as the watershed year, built on the achievements of the previous decades and placed an emphasis on improved service delivery and customer service (www.uneca.org).

In conceptualising some of these reforms, African countries (sharing in the common administrative traditions and common law culture bequeathed by British colonial experience) drew inspiration and ideas from Commonwealth developed countries including Australia, Canada, New Zealand and the United Kingdom, and at times from the United States of America's governmental systems and from the multilateral development banks and agencies such as the World Bank, the International Monetary Fund and the United Nations system. There was also South–South learning through Commonwealth networks of public administration such as the Commonwealth Association for Public Administration and Management (CAPAM), the Commonwealth Secretariat (through the Legal Division and Governance and Institutional Development Division), and from Singapore and Malaysia, which are known for their advances in public administration reform.

There are other systemic and complementary means of communication such as the Commonwealth Schools of Administration network, workshops, conferences, use of international management consultants and country visits by relevant public officials. From the interviews and conversations during fieldwork, these are the general routes through which diffusion takes place. Time constraints to the study, however, prevented a detailed investigation of the density of flow of such exchanges and the quality and extent of learning. But the adoption of lessons, ideas and models could be gleaned from characteristics of real policies and programmes that have been pursued in the case study countries of Botswana, Ghana, Uganda and Zambia.

The New Zealand experience, in particular, has offered food for thought and lesson drawing. What is now called the New Zealand model had at its foundations a corporatisation of the public service (that is, reform to run along business lines): the transformation of government departments into agencies and headed by chief executive officers who were paid competitive salaries. In fulfilling this corporate philosophy, New Zealand chose strategic management as an operational model. A broad consensus was reached which allowed government officials to reduce red tape, minimise impositions and let improved information determine how efficiently the new system will run. Thus, there was recognition of the need to promote an environment, including facilitative budgeting approaches, where chief executives were 'free to manage'. The key elements of the design were:

- 'A selective set of generalised, cross-portfolio policy objectives set by Cabinet (known as strategic result areas – SRAs),
- A process for co-ordinating 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 [permanent secretary]'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' (IMCS, 2004: 43).

The SRAs and KRAs were not seen as performance checkpoints, but as beacons or luminous transmitters of information which guide behaviour and focus attention in a management situation. It is also important to note that SRAs and KRAs were not the same, but different, as the latter were seen more as medium term, and therefore within influence of the public service and formed within the assumptions of the budget policy statement. Even though New Zealand could be regarded as relatively affluent, resources were recognised to be limited and trade-offs necessary (IMCS, 2004, ibid).

From the 1980s, the chief executives (permanent secretaries) were made accountable to their responsible minister through a written performance agreement. The State Services Commission was retained and strengthened as part of the reform, and the State Services Commissioner was the employer and performance manager of chief executives. The Commissioner assessed the performance of the chief executive on an annual basis, taking into consideration the following parameters:

1. 'The performance agreement between the minister and the chief executive,
2. The relevant corporate plan approved by the minister,
3. The objectives of the department approved by the minister and the priority accorded them by the minister, and
4. Any other arrangements between the minister and the chief executive' (IMCS, 2004: 40).

It was from this international context that qualitative change processes were sought to boost the managerial competency and policy oversight of senior public service officials in Botswana, Ghana, Uganda and Zambia. An emergent trend in that endeavour was the introduction of contract-like management and various shades of contract employment measures in the appointment and retention of permanent secretaries and senior public service managers in these countries.

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 researcher also looked at the structure of reform management – i.e. how the reform was initiated, from which office the macro reform was directed and managed, how policies geared at initiating 'contracts of service for the permanent secretary' were adopted, the nature of these contracts, the conditions of service of the permanent secretary, the nature of conflict mediation, the champions of the policy, institutional/legal measures put in place to manage, monitor, evaluate and institutionalise the contracts systems. Review of documentary evidence as a technique of information gathering and analysis was used to good effect.

In view of the quest for detailed answers to these research questions, the original seven parameters that were provided in the terms of reference (TOR, below) were elaborated and amplified in order to approximate a holistic framework. At least five working days were spent in each case study country. The experience of the Caribbean leg of this research encouraged withdrawal of the online survey questionnaire that was developed to facilitate simultaneous access by the permanent secretaries in the four case study countries. The reason for the withdrawal was that the online survey was not a popular mode of participation for permanent secretaries. The method for information gathering was therefore heavily focused on elite interviews using semi-structured questions. This was to help achieve rapid assessment of the views of about 125 permanent secretaries.

There were other difficulties, however, in terms of reaching the permanent secretaries because of their heavy schedules and pre-arranged events before the researcher's arrival in the countries. As a result of this, a sample of key functionaries in each country's public service reform was targeted for elite interviews using semi-structured questions. This sample included the cabinet secretary, head of the Civil/Public Service, chair of the Public Service Commission, chief personnel officers, chief technical officers and consultants in charge of the reform unit in each country and a number of serving permanent secretaries (PS)/chief directors (CD) who were available for interview, and where possible a senior representative from the public service union.

This study was conducted under the auspices of the Commonwealth Fund for Technical Co-operation, and fieldwork was done in the case study countries in July and August 2008. The study sought to answer the following questions posed about the reforms by the Commonwealth Secretariat. In particular, it sought to understand more broadly the experience of the contract systems for senior public servants (permanent secretaries) in the four African countries that have adopted the New Zealand model.

1. What are the management approaches used by ministries/public officials when operating the contract system of employment?
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 to be learned from these contract systems? (TOR)

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 your ministry has 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/CD 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 PS/CD 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?

Category of space	*Innovations by PS/CD*	*Directed change by cabinet, minister, Parliamentary Committee*	*No change*	*Change in performance*
Human resource management				
Financial management				
Operational policy decision-making				

19. Under the new performance contract/agreement or improved system, how is conflict between the responsible minister and the PS/CD handled?
20. (a) What mechanisms exist for solving problems and conflicts between the PS/CD 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?

Fieldwork

To answer these questions, field visits were undertaken to Botswana, Ghana, Uganda and Zambia in July and August 2008, spending at least one working week in each country (see schedule in appendix). The Office of the Head of the Public Service was the first office visited in each country, where the researcher submitted the introductory letter from the Commonwealth Secretariat and in turn got audience with the relevant senior state official immediately or on the following day. The experience with each Head of Public Service was unique as meetings were arranged with the permanent secretaries personally, or a list of key public officers who had knowledge of the key reform issues was made available, and this increased the accessibility of information.

CHAPTER 3

Contract System Pertaining to the Employment of Senior Public Service Officers in Botswana

This chapter presents and analyses the first country case study – Botswana. The chapter (and subsequent chapters) provides empirical data based on interviews of key informants and document sources to examine the contract system of employment of senior public service officers in Botswana. The aim is to understand the Botswana reforms and to gather evidence as to the success or otherwise of the implementation of contract employment as part of the new public management experiment in developing countries. The chapter examines the background to the Botswana case and then proceeds to analyse the contract systems introduced under new public management (NPM) reform, management models underpinning the performance agreement system and the impact of the performance agreement on the working conditions and environment of management in the economy.

Background to the Botswana case

Botswana has been touted as the success story in African governance and there are several reasons why that country qualifies for this accolade. It was a poor country at independence from British rule in 1966, and like others in its category at that time its viability as a state was in doubt. Initially, it was development co-operation and aid that kept alive the country's chances of survival (Henderson, 1991). International aid finance formed a greater aspect of the development budget of some of these states. Henderson (1991) argued that Botswana and Gambia achieved independence without being able to balance their recurrent budget from domestic resources. The UK guaranteed to provide grant-in-aid to such countries until they were able to balance their recurrent budgets from domestic resources. Sir Seretse Khama is said to have achieved domestic financing after seven years of independence, thanks to the discovery of diamonds in Botswana and the exercise of effective democratic and economic leadership that ensured a sound foundation for state-building – 'the process through which states enhance their ability to function' (Whaites, 2008).

Botswana is one of the few countries in Africa that has maintained the Westminster democratic traditions uninterrupted since independence. The country has also maintained a system of development planning which was associated with most of the new post-independence governance in Africa. In the development literature, Botswana is hailed as one among a dozen countries in the world that has broken 'the resource curse'. The resource curse is a reference to the ability of a country to use revenues from a mainstay extractive resource like minerals (e.g. oil, gold, diamonds) in the effective development of its nationals. In the 1980s, Botswana maintained an average growth rate of 8 per cent, while its counterparts like Ghana, Uganda and Zambia were compelled to undertake structural adjustment with associated conditionalities for retrenching expenditure in the social sector.

Contract systems introduced under new public management (NPM) reform

As a result of globalisation and other factors, including an increasingly demanding citizenry, the Government of Botswana decided to introduce administrative reforms and programmes within its public service. This was with the aim of competing more effectively, a competition based on speed, quality, deliverability, cost-effectiveness and efficiency. The reform initiatives include decentralisation of human resources functions, performance management, team building and the computerisation of personnel management systems to facilitate its appropriate adaptability to the on-going globalisation. The reforms are government's attempt to undertake structural, institutional, policy and strategic re-alignment to the global imperatives.[1] The driving force behind the pursuit of these new efficiency objectives is the permanent secretary.

The government made a decision to place permanent secretaries at the centre of change management and to be supported in this effort by the Directorate of Public Service Management (DPSM) which is part of the Office of Cabinet and Public Service President. The government is revamping the Public Service Act and has made a provision for introducing contracts for senior public service officers from directors upwards. The permanent secretaries still operate under the permanent and pensionable conditions of employment for public servants. However, they have been required to enter into a performance agreement since 1998. The performance agreement is signed between the permanent secretary (PS) of a particular ministry and the public service president (PSP)/cabinet secretary.[2] Congruently, to ensure unity of purpose, the minister of the same ministry also signs a performance agreement with the Vice President of Botswana. Similarly, to ensure personal responsibility throughout the public service, officers from the deputy PS and below also sign a performance agreement. This arrangement could therefore represent a system-wide application of performance management in the governance of Botswana, and it is now underpinned by a new management tool – the 'balanced scorecard'.

Within the balanced scorecard framework, the performance agreement of the permanent secretary takes its point of departure from the Annual Performance Plan (APP) of the ministry, a short-term system of planning that has been in use since April 2001. The performance agreement of the permanent secretary is based on choosing about six to eight commitments (priority areas) of the ministry's APP, including breakthrough areas and customer satisfaction objectives and list of outputs the permanent secretary will be responsible for delivering in the next twelve months, in relation to the key priority areas. Aside from this, where relevant, outputs are expected to include those that the permanent secretary wants to achieve in the medium term. Priority areas are related to the services the ministry provides to its clients, policy development and the personal contribution of the permanent secretary to overall management of the public service.[3]

A typical performance agreement for the permanent secretary includes key result areas shown in Table 1.

Explained in fairly simple terms, the performance agreement (PA) is a permanent secretary's commitment for the financial and development year in view. It starts at the level of the permanent secretary and is cascaded down the ministry to deputy permanent secretaries and directors, and the rank and file civil servants align to it.

It was noted from the fieldwork that reporting is upwards or vertical in relation to seniority in the hierarchy. From the deputy director downwards, every employee has his/her performance development plan, reviewed on a quarterly basis. The permanent secretary reviews, on a quarterly basis, the work of the deputy PS to find out whether the targets outlined for the year are being achieved and, if not, what the issues are. The deputy PS also reviews the work of the directors, and the directors in turn review the staff at the lower level. The review is on a one-on-one basis, and it looks at what the commitments were in relation to the outputs produced. There is a Guide from the Office of the President to help in setting measures, targets and activities. To make the system fool-proof, a unit for the co-ordination of performance has been established in each ministry/department of government, thus ensuring effective reporting.

With regard to a probe into whether a sanctions and rewards system exists for lack of performance, it was revealed in the interview with a co-ordinator of performance at the Ministry of Trade and Industry (MTI) that the only negative reward a responsible officer receives is for that performance gap to be closed. If it is a case of lack of capacity, the ultimate sanction could be applied after several sessions of training and attempts to rectify the situation, and then there could be demotion or exit. Alternatively, for good performance, a thirteenth salary – a bonus – has been instituted. The chain of reporting is purportedly taken very seriously by the cabinet secretary/PSP, very business-like in the way he noted that the sanctions and reward system was being applied in the strictest sense, on a quarterly basis.

Table 1. Example of key result areas in a performance agreement

Key Result Areas	*Commitments (1 to 3 per commitment)*	*Performance Measures*
Visionary Leadership	• Achieve public service productivity	(C1) – Level of customer satisfaction – Net output per employee
	• Achieve employee engagement and commitment	(C2) – Level of employee motivation – Level of talent retention – Level of implementation of performance-based reward system (PBRS) including 13th cheque
Financial Management	• Optimise use of resources	– Percentage expenditure – Vacancy rate – Level of maintenance of facilities – Performance rate of internal processes: √ Response time √ Terminal benefits √ Recruitment √ Payment to suppliers √ Sourcing of suppliers/services
Implementation and Co-ordination	• Achieve efficiency and effectiveness of delivery in HR services	– Compliance rate to service standards – Level of improvement (resulting from re-engineering, restructuring, legal frameworks and procedural changes, decentralisation) – Level of completion of outsourcing recruitment of scarce skills
Human Resource Management	• Develop public service leadership capability • Enhance employee competencies	– Leadership pipeline ratio – % Improvement in leadership competencies – % Number of ministry or DPSM staff trained – % Change in employee performance (evidence based)
Information Management & Communication	• Integrated Human Resource Information Management System	– Level of data reliability – Level of data integration

Note: In the Performance Agreement and Review Instrument (which is six pages long), there is a fourth column to this table which indicates the Output/Results Achieved; and two pages for comments and narrative assessment, one page explaining the performance rating adopted and the final page reserved for Recommendations by the Supervisor (cabinet secretary/public service president). In this final page a row each for Reward, Development Required, Permanent Secretary's Comments, PSP's Comments and the signature of both PS and PSP. A 13th cheque refers to end-of-year bonus paid to the PS in recognition of achievement.

Because of the review system in place and the tradition of maintenance of the development planning system since the 1960s, ministries hardly operate in silos, according to the co-ordinator of performance at the MTI. For instance, economic growth is the mandate of the MTI, a responsibility emanating from the Vision 2016, the national development plan, and the mission of the ministry. Thematic working groups have been formed to deliver on economic growth, including the ministries responsible for finance, land and labour. A tool that has been used to assist and thus promote joined-up working arrangements is the balanced scorecard, which has been added to the performance management system since 2005.

Management models underpinning the performance agreement system

Before the balanced scorecard, a general model of performance management system (PMS) had been installed. The PMS was expected to be rolled out in 2004 to all ministries and independent departments. The PMS is a change and quality management process that facilitates a comprehensive management of performance at all levels in an organisation. Its major objectives are: to improve individual and organisational performance in a systematic and sustainable way; to provide a planning and change management framework which is linked to the budgeting and funding process; to enhance government capacity; and to inculcate the culture of performance and accountability to management at higher levels of productivity so as to provide efficient delivery of services.

According to the Performance Management System Philosophy Document of the Government of Botswana,[4] the structure of the model (PMS) involved coming up with a vision, a mission, and value statements that will guide the whole public service. The essence of the new philosophy was captured in the 'Botswana Public Service Vision Statement', which notes that:

> … the Botswana Public Service will provide a world class service that is efficient, effective, caring and responsive to local and global challenges.[5]

The implementation of PMS involves the setting of target outputs and agreements between the supervisor and those being supervised. This is to be followed by regular progress reviews by supervisors to ascertain areas of problems so that actions could be taken in a timely manner. The result should enhance productivity and inculcate a keen interest in the job.

The need for performance management system (PMS)

The necessities underlying the implementation of PMS as outlined in the philosophy document are:

- The system will address previous fragmented 'one-shot' productivity improvement initiatives such as Organisation and Methods (O&M), Job Evaluation, Work Improvement Teams (WITS) or parallel progression. These initiatives had dealt mostly with specific aspects and problems of ministries and departments rather than address all areas of the organisation. The PMS on the other hand offers a holistic framework that facilitates the employment and integration of some of the above initiatives, for example WITS.

- The introduction of PMS does not disrupt the present management structures, but rather builds on it. The main difference is that it equips ministry executives and management with more disciplined tools to manage and enhance performance in their organisations.
- The system is designed to be a permanent process in ministries and departments, and will be enhanced by self-sustaining and self-reinforcing characteristics built into it. The PMS's ability to integrate with all other improvement initiatives makes it a more sustainable process. In the same vein, it is able to reinforce itself and thus enhance the process towards continuously improved performance and results.

Expected benefits of the performance management system

Normally, a well-implemented performance management process is beneficial to the organisation, its managers and employees. But more specifically:

- The PMS is beneficial in that there is integration in the organisation, characterised by a shared vision, common values, communicated strategy and a universal focus on outputs.
- There are clearly defined sets of standards or requirements for ministries, departments, divisions, units and individual employees. They all know what is expected of them in terms of performance or achievement.
- Customer-client needs are addressed and there is a greater and committed effort to satisfy these needs. The organisation is responsive, through regular feedback process, to the needs and aspirations of the customer.
- Through the development of strategic goals and plans, ministries will be able to objectively justify their budget and funding requirements in any given period. This will result in a new way of planning and budgeting by ministries, which can easily be incorporated in national plans as well as assisting in presentation before parliament.

The expected benefits from the implementation of PMS are not exhaustive. However, the overall aim of the Government of Botswana is that the public service will deliver on set and agreed plans, improve and sustain productivity at all levels, and inculcate a culture of performance, accountability and a focus on outputs or results.

Impact of the performance agreement on the working conditions and environment of management in the economy

The Government of Botswana has been striving to create a conducive environment for effective public management. In an interview with Pearl Matome of the

Directorate of Public Service Management (DPSM), the government has put in place structural arrangements including assessment centres within which to build the capacities of public servants below the rank of permanent secretary as part of its leadership development programme in the public service. The public service is divided up into bands:

F – Permanent secretary level

E – Director level

D – Middle management level

C&B – Individual contractor level

In explaining the significance of the different bands, Pearl Matome noted that to reach the E-Level, a public officer has to undergo assessment centre review and upgrading. This, in her view, prepares the relevant officer for seniority and the responsibilities that go with it, and also ensures that before an officer becomes a permanent secretary, he or she does not lack the necessary leadership skills. It was also intimated that the Botswana leadership initiative has benefited from competency frameworks development in far off places including the USA. Lessons learned from abroad were supposedly adapted to the local situation in the Botswana public service.

Similarly, to ensure the supply of leadership in the public service, complementary institutional developments have been initiated, including – with the help of the Singapore Civil Service College – turning the Botswana Public Administration Institute into a Civil Service College. The reason offered for this endeavour was that by turning the institute into a civil service college the emphasis was being shifted from purely academic and skills pursuit into inculcating and deepening professionalism in the cohort of public servants in the country, especially at the point of entry. A leadership capability audit was also in the process of being instituted for permanent secretaries, with the help of a South African human resources company. This will be an additional institutional structure to the competency profiles and job effectiveness profiles which have already been instituted. There have also been job descriptions for all public service posts, the underpinning perspectives of which conform to the balanced scorecard.

There are two other institutional structures that help in creating a supporting environment for public management. One is in the form of a Government Implementation Co-ordination Office, based at the Office of the President, to which all permanent secretaries submit quarterly reports. The PSP uses the reports as the basis for his review of the work of the permanent secretaries. The second institution is referred to as PIC-Force – a committee of all permanent secretaries which is chaired by the PSP/cabinet secretary, and which holds monthly meetings to discuss the management of state affairs and review their joint work.

Conclusion and lessons learned

The Government of Botswana seems to have taken its institution building project seriously, indicated by the fact that it has introduced new approaches to improving management performance at the centre of government while maintaining some of the old institutional forms. Even though permanent secretaries are still employed on permanent and pensionable terms, they have been required to sign a performance agreement, which is backed up by an objective performance measurement mechanism that is ensconced within the balanced scorecard management tool and approach. It is not certain from the research whether Botswana's relative affluence has a part to play in the seemingly successful lesson drawing and mimicking of the spirit of the New Zealand model. What is, however, clear from the interviews conducted is the level of commitment and confidence that the officials in that country exuded. One feature of the country that seems to have played a positive role is the small size of the population and the public service compared with other, heavily populated African countries. But even so, as evidenced in the study of the small states in the Caribbean, smallness might not confer any advantages without the necessary commitment and systems in place.

Notes

1. Republic of Botswana, Report on the Rationalisation of Government Portfolio Responsibilities. See http://www.dpsm.gov.bw/rationalisation_of_gov_portfolio_responsibilities.html [last accessed 4 August 2010].
2. Mr Eric Molale was the President of the Public Service and Cabinet Secretary at the time of the fieldwork for this study in July and early August 2008.
3. Extracted from the Performance Agreement Form (DPSM 6A) (Revised 02/06). Directorate of Public Service Management, Office of President, Gaborone, Botswana; research information collected in August 2008.
4. Republic of Botswana, The Performance Management System Philosophy Document. See http://www.dpsm.gov.bw/pms_philosophy.html [last accessed 4 August 2010].
5. Performance Management System (PMS) Philosophy, Republic of Botswana. See http://www.dpsm.gov.bw/pms_philosophy.htm [last accessed 4 August 2010].

CHAPTER 4

Contract System Pertaining to the Employment of Chief Directors in the Public Service in Ghana

This chapter examines the second country case study – Ghana. It looks at how the contract system regarding the employment of chief directors in the public service has operated in Ghana. The chapter starts with an overview of public service reform and the introduction of contract of employment and performance agreement. It also investigates the management approaches adopted in the reform and used in the contract system. The remaining sections of the chapter look at the entitlement to benefits under performance agreements, such as remuneration and pension, the scope of and potential for expression of leadership by the permanent secretary/chief director under contract, as well as how the contract system impinges on the independence and influence of the permanent secretary/chief director. It also considers how conflict is mediated in the evolving contract system of employment, the value-for-money of the new contract system of employment and, finally, the lessons that can be learned from the experience of the contract system.

Overview of public service reform and introduction of contract of employment and performance agreement

In Ghana the Public Services Commission (PSC) is the constitutional body that has been given the responsibility to make appointments, enact procedures and advise the government on conditions of service for the public sector, especially the civil service. Under First, Second and Third Republican Constitutions, the head of state had important powers of appointment, for example the appointment of judges and senior public servants, but these appointments were to be made in consultation with the PSC. Under the Fourth Republican Constitution of 1992, the executive president is the appointing authority of the chief directors – the principal secretaries until 1990, when the Provisional National Defence Council (PNDC) under Jerry John Rawlings changed the title and focus of the senior public service post. This came at the tail end of the revolution and Rawlings wanted to make a departure with the past. The President appoints chief directors in consultation with the Public Services Commission and the Civil Service Council. A panel of five distinguished individuals will normally sit and advise and then the Civil Service Council will convey the advice to the president for appointment. In the same way, for dismissals, the appointing authority could move and then three months' notice will be given to the chief director, within which time a committee is set up to look into the case.

The first set of chief directors (CDs) was expected to have 15 years of experience in the public service to be eligible and to hold, at least, a bachelor's degree. The existing seven principal secretaries did not apply for the post and only a few people from outside the service applied in 1992. The government was compelled to bring back the old principal secretaries in 1993. From the other applicants, 15 were appointed at the end of the interview, and two of them were from the Ghana Institute of Management and Public Administration (GIMPA), four came from outside the civil service.

According to the Head of the Civil Service (HOCS), Joe Issachar, the post of chief director is higher than the former principal secretary. The Civil Service Law 1993 (PNDC Law 327) was enacted to consolidate the reforms of the public service and it crystallised the post of chief director. The law clarified the structure of administration of the ministry and chief director was now supported by four directors in key competency and business areas of the ministry namely human resources directorate, finance directorate, policy planning directorate and information directorate. Out of the 27 ministries, only 15 had chief directors and this posed a serious problem to public management because the ten regions were also expected to be headed by chief directors.

In all, the structure of public administration in Ghana required 38 chief directors, but it was proving difficult to appoint the full complement and retain them. Until recently Ghana never had more than 15 chief directors serving and confirmed. In 2006 the Government of Ghana managed to appoint 37 chief directors for the regions and the centre.

One underlying reason for this seeming ambiguity could be traced to the fact that the government did not know how to treat the post of chief director. There is a debate going on regarding name change for the post and how to formalise its conditions of service. For instance, there were a number of ministries and regions managed by senior directors for well over the stipulated six months by which an acting chief director should be confirmed, and this had implications for morale and ultimately, productivity. The question was, if these senior directors were good enough to be retained in the post of acting chief director for that long, then what could have prevented them from being confirmed as substantive chief directors?

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

The general trend in administrative reform in Ghana seems to be in the direction of (1) reorganisation and structural changes in the government, as well as

(2) harnessing of human resources for meaningful use in the public services through appropriate training, 'localisation' and incentive programmes. There were sustained reforms between 1982 and 1992. Three phases of administrative reform could be distinguished.

- The first phase was associated with Economic Reform Programme (ERP) 1 (1983–1986), the period of stabilisation and recovery of the economy after a near collapse in 1982 when inflation rose to 123 per cent.
- The second phase was associated with ERP 2 (1987–1990) related to the adjustment phase. A number of structural and institutional reforms were launched during this phase including pay reform. A Civil Service Reform Programme (CSRP) started in 1987 which had a focus on capacity building, including appropriate compensation to increase morale and work effort in the delivery of services. It also included employment reform, for which purpose three census of civil service employment were undertaken in 1986 and 1988. As a sequel, a retrenchment target of 15,000 per year for three years (1987–1990) was instituted and almost achieved (75 per cent), with the retrenchment being extended to 1992. It is reported that in 1983 Ghana had more than 300,000 civil servants serving a population of 12 million.
- Finally, under ERP 3 (1993 onwards and the post-military period under the Fourth Republic), dubbed the 'accelerated growth' phase, the reforms involved sustainable development and alleviation initiatives, which were accompanied by enhancement of social services, human resource development and management capacity building in the public as well as private sector.[1]

Aside from the retrenchment, a selective recruitment freeze was instituted to allow for recruitment of critical skills while preventing overstaffed lower level occupational categories. Other components of the programme of improvement of the service included a review of the civil service management functions and the Civil Service Act and Administrative Instructions; full-scale review of salaries policy and grading; review of the Management Services Division, with a view to strengthening it; functional review and redeployment study, and training and staff development policy.[2] The reformist agenda also saw the commencement of the Civil Service Performance Improvement Programme (CSPIP) in 1996 and the first phase was completed in 2001. This was followed by two interim phases up until 2003. Implementation of the CSPIP placed considerable emphasis on an agenda for 'home grown' management and a participatory approach to change management. All this was in response to the quest for country ownership which was taking root in international development from the latter part of the 1980s. As such, the original design of CSPIP contained two innovations: (i) the provision of Performance Improvement Facility (the rationale of which was not always clear), and (ii) the payment of incentives to the CSPIP Team. It is reported that concerns were raised about the fact that incentives were paid on an input rather an outcome basis.[3]

There was some confusion associated with the status of the chief director in at the beginning of the Fourth Republic in 1993. An emerging consensus around that time was that the chief director should come in with the government of the day and leave with the government when it is voted out of office. This did very little to inspire confidence and so resulted in a difficulty to fill the posts and have a full complement of chief directors. The essence of the debate was whether the chief director's post was to be career or political, and questions were raised about impartiality, loyalty and professionalism in the public service. This uncertainty led to some directors serving for as much as six years as chief directors without being confirmed. It was not until 2005 that the chief directors' posts were advertised in the newspapers and interviews were conducted and appointments made in 2006. In that year almost the full complement of chief directors was in place and only three were not career civil servants.[4] A list of chief directors at post as at 1 August 2008 showed that there were 33 of them.[5] Table 2 shows the age range of the chief directors.

Table 2. Age of chief directors in Ghana

Age range (on 1 August 2008)	*Number*
50–54	4
55–60	21
61–65	7
TOTAL	32

Note: There was no information on the age of one chief director, but that person was on contract employment.

Table 3 shows the employment status of 33 chief directors in Ghana. The list secured from the Office of the Head of the Civil Service showed that there were three types of status of appointment – normal (i.e. open tenure), contract and limited engagement.

Table 3. Contract status of chief directors in Ghana

Status of appointment (on 1 August 2008)	*Number*
Normal	22
Contract	8
Limited engagement	3
TOTAL	33

Note: The chief directors who are on 'limited engagement' are not regular civil servants.

In 1997 and 1999 the government introduced a performance agreement system for chief directors and deputy directors and heads of department, respectively, to address the problem of compression and inability of government to raise pay substantially for all. This was in spite of the Ghana Universal Salary Structure (GUSS) review of 1999. The performance agreement is made between the Government of Ghana and the chief director.

Two main reasons have been given for the establishment of the performance agreement. First, the idea of the agreement was to ensure achievement of public policy objectives under the Ghana Poverty Reduction Strategy II. Secondly, there was a need to benchmark the performance of the chief directors, and the performance agreement was seen as the way in which this could achieved. The performance agreement covers four objectives that must be achieved. These include:

- Preparation of the budget by a certain stipulated date,
- An annual report which must be ready by June of the ensuing financial year (in Ghana, the financial year is from January to December),
- That the chief director will ensure staff development,
- Prompt responses to audit queries, and
- Financial propriety.

In addition to this, there are certain deliverables that are peculiar to each ministry. The performance agreement is signed by the chief director, countersigned by the responsible minister and the Head of the Civil Service (HOCS). A review mechanism has been instituted to monitor performance. It includes two institutional players, namely, the Head of the Civil Service and the Civil Service Council. The HOCS and the Civil Service Council are charged with the responsibility to set up the review panel, and the latter determines who sits on the evaluation panel. The initial panel or review committee consisted of three members, which includes the Director General of the Ghana Institute of Management and Public Administration or someone related to that institute, and a former cabinet secretary. It should be noted that the first review was done in 1998, followed by a second in 2000. However, since that time the review has been irregular and this has affected evaluation of the experiment.

Four issues emerge from the assessment of the evaluation system associated with the performance agreement. The first is that the expected rewards and sanctions system to accompany the new performance agreement is yet to be laid out. Secondly, there is the issue of cascading, which is related to the fact that the chief directors were busy and did not get their directors to sign the performance agreement that expected to be signed between the chief director and the directors. In the interview, it was revealed that some of the chief directors were not conversant with the performance agreement and were therefore unable to administer it to their subordinates. Thirdly, there was no government position or policy on the new system, and the HOCS did not have the resources to reward and sanction the chief directors. Finally, the study also revealed that at the time the minister did not understand the system. The overall feeling emerging from the investigation is that ministers had not assumed policy ownership of the performance agreement.

This revelation calls for a revisitation of policy and institutionalisation process of the performance agreement. The HOCS noted that a remedial measure had been adopted in which a consultant had been employed to review the performance agreement system, and as part of that, a workshop was organised for the chief director. This was approved by the Civil Service Council and a further measure was instigated in the form of a Cabinet Memorandum. In the memorandum a 13th month salary or a bonus was proposed as a solution to the incentive question. At the individual level of performance, however, a performance facility was proposed, which includes the supply of computers.

Entitlement to benefits under performance agreements: remuneration and pension

Generally, the salary levels of public servants are low. The chief director's pay is approximately about US$1,000 per month (net). The general perception of public servants is that the chief director should be the highest paid public officer. However, traditionally, the parastatals have been singled out of the public service and given better terms and conditions of service than the civil service. In the interviews and discussions for this study, it was alleged that this affects the relationship of the chief director with the heads of department (HODs) of the statutory bodies and parastatals. An ongoing pay and pensions reform known as the New Comprehensive Salary Structure Review, initiated by government in 2006, is expected to resolve some of these anomalies because the chief director is higher in rank and the HODs report to the former. The consultants are noted to have come up with a 'single-spine' pay structure to deal with the problem of disparate pay structure of parastatals and statutory bodies, as well as a 25-level grade structure which was developed for reclassifying all public sector jobs. The report had been submitted to Cabinet in July 2008, with options for consideration by the Government. There are 17 service commissions and it is said that each service had its own salary structure, thus making the management of public emoluments unwieldy. A Fair Wages and Salaries Commission was established by Act 737 (2007) which is responsible for bargaining with the labour unions to determine salaries in the public sector, including that of chief directors.

There are two types of pension in the public sector. The first one was handed down to the post-independence government by the colonial administration. It is commonly known as the Colonial Cap 30 Pension Scheme and it paid pensions on retirement of civil servants including the chief director. Gratuities were also paid accordingly. In 1972, however, the Social Security and National Insurance Trust (SSNIT) Decree instituted a SNNIT scheme based on level of salary. None of this is considered superior today. Cap 30 is considered as unsustainable, while the management of the SNNIT scheme has left much to be desired. A three-tier arrangement for pension was under way during August 2008, which was, first, to reform the SNNIT scheme; and secondly, to establish a contributory pension based on 5 per cent of gross salary, to be managed outside SNNIT. Thirdly, private discretionary schemes are to be encouraged to help improve workers' conditions after retirement. Article 199 of the Constitution of Ghana 1992 states that:

1. A public officer shall, except as otherwise provided in this Constitution, retire from the public service on attaining the age of 60 years.
2. A public officer may, except as otherwise provided in this Constitution, retire from the public service at any time after attaining the age of 45 years.
3. The pension payable to any person shall be exempt from tax.

The chief director also receives some in-kind benefits. This includes free housing, telephone, residential security personnel (a watchman), a houseboy, and a chauffeur-driven car with petrol supplied. The Ministry of Finance has also arranged for chief directors a bulk finance arrangement with the utilities. The national Comprehensive Salary Structure exercise has sought to monetise the non-cash benefits across the public service. This has sparked off a debate in the senior public service ranks about how to monetise some of the in-kind benefits and bring the salary levels of the chief director to about US$3,000. However, there was no agreement on the acceptability of the proposal.

The scope and potential for expression of leadership by the permanent secretary/chief director under contract

With regard to issues related to the environmental conditions which impinge on the ability of the chief director to express leadership, the study revealed a number of factors. This includes the paucity of resources, lack of an adequately trained workforce, insufficient information and communications technology facilities. In terms of resources, it was revealed that the ministries, departments and agencies in Ghana were under-resourced. Budgets are reviewed and adjusted in the course of the year, signalling that financial autonomy is far from being achieved and this tends to initiate a culture of non-performance. Similarly, it was noted that in spite of the numerous capacity-building initiatives, the various administrations since the commencement of the Fourth Republic have inherited a backlog of untrained staff. The need for capacity became acute in 2006, from which time various training programmes have been organised for senior public service staff at GIMPA, the University of Ghana Business School, especially courses in policy delivery and management. As a rule, middle level civil servants receive their training from the Civil Service Training Centre.

How the contract system impinges on the independence and influence of the permanent secretary/chief director

In Ghana the greatest factor which impinges on the independence of the chief director is the lack of adequate resources to carry out the requirements of administration. The chief director is also the accounting officer. It is unusual to find two chief directors in one ministry, as was the case in the Ministry of Foreign Affairs in the 1990s, when that ministry had four chief directors – one for the political and economic divisions, one for protocol, one for policy planning and one for administration. The lines of accountability are much clearer than before and the chief director responds to administrative queries from the Public Accounts Committee of Parliament related to probity, sound management and financial propriety.

How conflict is mediated in the evolving contract system of employment

Two scenarios were painted by the head of the Civil Service with regard to conflict resolution. The first is that there is a lot of trust and confidence between the minister and the chief director. In this scenario, very little conflict occurs. The second scenario borders on the margin of trust. In this scenario, mistrust ensues where the minister feels that the chief director has the competence, but where the chief director could misdirect the minister in policy matters. This scenario was thought to be plausible because there could be an issue of indiscretion. The overall assessment of conflict was that there had not been any separations of chief directors based on conflict with the minister.

Article 196 of the 1992 Constitution of Ghana states that 'The Public Service Commission shall have such powers and exercise such supervisory, regulatory and consultative functions as Parliament shall, by law, prescribe, including as may be applicable, the supervision and regulation of, entrance and promotion examinations, recruitment and appointment into or promotions within, the public services, and the establishment of standards and guidelines on the terms and conditions of employment in the public services'. Because of the provisions of Articles 199 and 196 of the 1992 Constitution (quoted above), and the processes through which the chief director is appointed, the post holder is a public officer and he/she enjoys the protections granted, including the human rights provisions in the Constitution. This therefore underlies the established rule of law and the chief director is unlikely to be dismissed arbitrarily without following proper procedure, as obtained under military rule or contemporary Zambia where a permanent secretary could be dismissed at a press conference before he/she knows about it or gets the dismissal letter.

Value for money of the new contract employment system

At the current stage of implementation, the performance agreement and contract employment system in Ghana do not yet offer optimal value for money. Two chief directors among the officials who were interviewed for this study noted that, apart from citizens who need to receive the best of services, the public service has an obligation to the development partners who are supporting the Ghana Poverty Reduction Strategy II (GPRS II) through the multi-donor budget support (MDBS), as such performance contract and evaluation systems that are still missing from public management have to installed as a matter of urgency.

To obtain additional value for money for the investment that the country makes in the chief directors, the government has since 2006 enunciated a proposal to establish a senior public service (also called senior executive service in other Commonwealth countries). This senior public service (SPS) has been conceptualised to include managers of public services, chief directors and directors of civil service. Accordingly, a Senior Public Service Commission (SPSC) has been proposed which will be made up of the Head of the Civil Service, president of the Public Service Commission, president of the State Enterprises Commission, two members of the private sector and one member of the Civil Service Association. In the proposal, the members of the SPS would be graduates of a School for Public Leadership (SPL) at GIMPA and would have to apply to the SPS and pass an oral interview with the SPSC. Membership will be open to private sector middle managers (40 years old minimum) and civil servants with a minimum of 15 years' experience who are already graduates of the School of Public Administration at GIMPA. Purportedly, the establishment of the SPS will be to prevent parochialism in ministerial/departmental management, promote policy co-ordination between departments, and enhance professionalism and implementation of government policy by investing in people and promoting mobility and quality.[6]

Similarly, the government has initiated a policy on the development of service charters and this exercise is being developed by ministries and district assemblies and is being led by the chief director and the district co-ordinating director (DCD). Each organisation develops its own charter and the finished document is sent to the ministry of public sector reform for quality assurance and printing.

What lessons can be learned from Ghana's experience of the contract systems?

The study revealed that, in its public sector reform effort, Ghana has drawn lessons from new public management approaches to reform the terms and conditions of service of senior public servants. Ghana has a three-pronged approach to appointing its senior public servants, namely through contracts of employment, normal open tenure and a contract of service called 'limited engagement'. The senior public servant or chief director (called permanent secretary in other jurisdictions) also signs a performance agreement with the government of Ghana, but at present it does not have established performance measures and can therefore not be called a performance contract. In spite of their contractual status, all chief directors are public officers and they are entitled to a non-taxable pension at the end of their service. The biographical data showed that the chief director category is an ageing population. Twenty-eight (28) of the 32 chief directors are between 55 and 65 years. This indicates that it will be a propitious move for Ghana to speed up the implementation of the senior public service concept so that younger public servants of 40 years and above could receive the specialist leadership training envisaged, in order to avert a leadership crisis.

Notes

1. Government of Ghana, Public Service Commission (2008) 'History of Public Sector Reform in Ghana'. Policy Brief.
2. Ibid.
3. Ibid.
4. Interview with Chief Director, Office of the Head of the Civil Service, August 7, 2008.
5. 'List of Chief Directors – As at 1st August 2008', supplied by the Head of the Civil Service, Accra, August 8, 2008.
6. Management Services Division, Office of the Head of the Civil Service (2006) 'A Senior Service Class for Ghana'. Brief. Accra, Ghana.

CHAPTER 5

Contract System Pertaining to the Employment of Permanent Secretaries in the Public Service in Uganda

This chapter analyses the third country case study – Uganda – on the contract system pertaining to the employment of permanent secretaries in the public service. The aim of this chapter is to investigate and understand how the contract system of employment in the public service is implemented under the public sector reforms in Uganda. The following areas are covered in the chapter: overview of public sector reform, contract system pertaining to the employment of permanent secretaries, autonomy and room for expression of leadership, and management models used in the civil service reforms. The poverty eradication action plan, promotion of competition in service provision, structure and implementation of results-oriented management, performance assessment and performance management of permanent secretaries are also captured in the chapter. Finally, entitlements given to permanent secretaries in the employment contract, value for money, conflict resolution mechanism, evaluation and lessons learned complete the chapter.

Overview of public sector reform

Uganda is widely acclaimed as an African success on account of achievements in macro-economic reforms, poverty reduction and political stability, following years of civil war, economic decline and worsening poverty. Progress on these fronts was accompanied by a succession of governance reforms, ranging from an ambitious programme of civil service restructuring, the creation of a series of semi-autonomous public agencies, reforms in public expenditure management, decentralisation, innovations in service delivery, and legal and institutional measures to combat corruption (Robinson, 2004).

Prior to gaining this recognition, however, the disastrous state of the public sector had led the National Resistance Movement (NRM) government to promise a fundamental change in the management of public affairs through the Ten-Point Programme (changed to fifteen) which, among other things, aimed at building and consolidating democracy, building an independent and integrated economy while fighting corruption at all levels of society. Hence the Civil Service Reform Programme (CSRP), initiated in 1988 and operationalised in 1989 with the setting up of the Public Service Review and Reorganisation Commission (PSRRC) under the CSRP, heralded one of the fundamental changes in handling public affairs and policy formulation in the country (Olum, 2002). The review of documentary evidence confirmed the fact that the country has gone through the three waves of reform posited by the UNECA, and the nature of the reforms in the mid-2000s showed that the conceptualisation of these programmes benefited from lessons and ideas drawn from international experience in public management reform. The conduits of information, ideas and inspiration were largely through the Commonwealth public administration networks. It was through these sources that ideas for reform along the lines of New Zealand and the UK diffused into the Ugandan policy system.

Contract systems pertaining to the employment of permanent secretaries

Since the 1990s the Ugandan public service and policy system has undergone reform. Some of the projects included the creation of executive agencies such as the Uganda Revenue Authority, National Agriculture Research Authority and other agencies, which have adopted contractual appointment and some have signed performance contracts. Much of the reform has been supported by the World Bank. The civil service has also undergone reforms since the latter part of the 1990s and permanent secretaries have been put on contract, while their recruitment has been reformed to include competitive examinations. The appointment of the permanent secretary is underpinned by the merit principle. The competitive exams for recruiting the permanent secretaries cover four subjects including public policy, human resources, financial management and communication. Each paper lasts three hours. The exams are set by experts and written by hand with question papers printed the night before the exam. The examination process also includes what is called 'basket presentations', in which the candidates pick a piece of paper with a topic written on and then asked to address the panel consisting of his/her colleagues and public service commissioners. This presentation is graded and added to the final assessment of the candidate. There is also an oral examination for all prospective candidates for the post of permanent secretary.[1]

The eligibility criteria for appointment to permanent secretary qualifies anybody who is commissioner (or director) and above, in the public service, to apply and sit for the exam. Appointment to permanent secretary is thus not restricted to those who have passed through the ranks of the service like the under secretary, but also experts from outside the public service. Vacant posts are advertised both internally and externally. It was around 1998 that the contract system was invoked by an executive act, and permanent secretaries were asked to consider the proposal. The proposal did not receive a positive response from every official; some of them did not like it all. The prospective candidates had to retire from the permanent and pensionable service in order to be considered for the post of permanent secretary. This act is followed by an application for and collection of end-of-service entitlement in the form of what is called a 'commuted gratuity'. The new contract of service for the permanent secretary is for three years and it is renewable upon good performance. However, the contract can be described as an employment contract, which does not have a performance agreement with measurable targets, even though tacitly the permanent secretary is supposed to operate within the results-oriented management framework that the government has adopted.

The public service commission addresses imbalances in the recruitment process in favour of minorities. For example, if the assessment for a particular ministry ends in a tie, the preference is given to a female candidate. An equal opportunity also exists, which is tantamount to affirmative action in which regard posts could be given to Muslims over Christians. Presentations from countries like Kenya, South Africa and Tanzania are said to have come to study the system in Uganda.

Autonomy and room for expression of leadership

In terms of autonomy and room for expression of leadership, Article 173 of the 1995 Constitution provides protection for public officers so they can execute their public duties without fear or favour. It notes that a public officer shall not be discriminated against for having performed his or her duty, and shall not be dismissed or have his/her rank reduced. Similarly, Article 166 (2) of the 1995 Constitution (Amended in 2005) provides that the Public Service Commission shall not be subject to the control or direction of any authority, except that it shall take into account policy related to the public service. The merit principle by which the permanent secretary is appointed also acts as a buffer against arbitrary dismissal, and Article 42 grants a right to fair and just treatment in administrative decisions. The articles governing finances also protect the permanent secretary from arbitrary dismissal due to conflict over financial propriety and spending with, for example, the minister.

In Article 62 of the Constitution the permanent secretary is made the accounting officer and he/she is therefore has the firmness and authority to deal with the commissioners and directors over spending in the departments of the ministry that are under his/her control. The budget is prepared through working groups. Cash budgets allow for cuts by the Ministry of Finance, but a decision has been made to ring-fence the budget pertaining to training and capacity building. Other supporting institutional mechanisms such as the results-oriented management model and an output-oriented budgeting system have been used to harmonise financial management across the public service. In addition to this, the Public Finance and Accountability Act makes the permanent secretary as accounting officer, personally and pecuniary responsible, for the performance of his/her ministry. In addition to this, the Public Procurement and Disposal of Public Assets Act of 2003 provide that the accounting officer should be responsible for signing contracts. All these provisions, when put into effect, ensure significant elbow room for the expression of leadership by the permanent secretary.

Management models used in civil service reform

Civil service reform is one of the most visible and protracted areas of governance reform in Uganda. The civil service reform programme begun soon after the NRM government came to power in 1986 and has continued under various guises to the present. The most radical initiatives were implemented in the late 1980s as part of the structural adjustment package with an emphasis on cutting costs through downsizing and rationalising the bureaucracy. Payroll and establishment controls were put in place, most benefits were monetised and take-home pay was modestly increased. In the latest phase of reform the emphasis had shifted to enhancing performance through results-oriented management with consolidation of pay and pension reforms.

Uganda's civil service in 1986 was bloated, highly corrupt and inefficient. It was incapable of performing basic service delivery or policy implementation functions. Many civil servants did not turn up for work as rates of pay were nominal and most had other sources of income to meet their basic needs. There were large numbers of ghost workers on the government payroll who either did not exist or were deceased. Bribery was rampant. The disastrous state of the civil service was the product of years of political strife and civil war which contributed to economic chaos (Robinson, 2004).

The Uganda Civil Service Reform Programme (CSRP) received political approval in May 1993 and was launched with World Bank loan support. Its overall goals were to improve the efficiency, accountability and performance of the public service through an interlocking series of reforms. A semi-autonomous Civil Service Reform Secretariat was formed to manage the change process, staffed by expatriate advisers and government technocrats who received salary increments by way of performance incentives.

The implementation of the reform agenda was underpinned by neoliberal policy perspectives on minimal state intervention coupled with rationalisation of structures. This began with the merger of the Ministries of Finance and Planning and Economic Development. In addition to this, the number of ministries was reduced from 38 to 21 in 1992 through a series of mergers and closures. A radical downsizing plan was prepared with the objective of reducing the total public service to 150,000 by 1995 through elimination of 'ghost workers', the abolition of the group employee scheme, a voluntary retrenchment scheme and a selective freeze on employment. Non-salary benefits for most civil servants in the form of vehicle and housing were monetised, though allowances were retained for top officials. There was a series of across-the-board salary enhancements in the early 1990s, followed by selective increases for particular categories of staff thereafter with the intention of achieving the objective of a minimum living wage by 1996. Substantial donor funding was provided for technical assistance and voluntary severance packages for civil servants and soldiers.

Other models of managing the public sector were introduced en suite as donor interest in supporting what seemed to be an unfolding success story. A new public sector reform programme (PSRP) was launched in 1997 with the aim of reviving reform momentum. In July 1998 pay reform was designated as one of the five national priority programme areas. The recruitment freeze was lifted in December 1998, largely to accommodate the need for large-scale recruitment of teachers for the Universal Primary Education programme launched in 1997, and to hire in new staff where shortfalls had emerged. Even though less trumpeted, the moving spirit and manager of all these reforms was the permanent secretary.

The documentary evidence shows that the Ugandan public sector seems to be in a perpetual state of reform, mostly due to the abundance of aid resources and a flow of goodwill towards the government. Current reforms have continued to deepen the results-oriented management (ROM) model as a means of generating efficiency and payroll and pensions reform. A payroll cleaning exercise was initiated to regularise and improve the efficiency of salary payments for public servants along with the creation of an integrated personnel and payroll system. This was designed to reduce salary delays and prevent unauthorised payments and irregularities through computerisation of the payroll. The latest initiative is a Capacity and Performance Enhancement Programme which is envisaged as a demand-driven approach in which individual departments can submit bids for capacity-building initiatives which are funded on a competitive basis. As compared to early success in downsizing the civil service, the results in terms of pay reforms and efficiency gains have been much less impressive. The Presidential Commission's target of achieving a minimum living wage for civil servants by 1996 was not achieved. Public sector salaries remained well below the private sector despite progressive salary increases, averaging 42 per cent of comparable jobs in the market (Robinson, 2004). Discussions with officials of the Public Service Ministry and information supplied in various issues of the reform newsletter indicated that most of these payroll and internal capacity-building efforts continued to 2008, and new dimensions of planning and managing the economy have been introduced, including the poverty eradication action plan, but the ROM model has remained fairly stable and its institutionalisation has deepened over the years.

The Poverty Eradication Action Plan (PEAP)

The PEAP serves as Uganda's national planning framework for long-term development and was launched in 1997 following two years of extensive stakeholder consultation. As the government's blueprint for achieving its central objective of reducing poverty, the PEAP has four major policy objectives:

1. Creating a framework for fast and sustainable economic growth and structural transformation

2. Ensuring good governance and security
3. Directly increasing the ability of the poor to raise their income
4. Directly improving the quality of life

The PEAP sets the framework for sectoral and district plans, and the relationship between the two levels is iterative. The PEAP specifies national and sectoral targets and monitors indicators for assessing progress in implementation. The government has also developed a Poverty Monitoring and Evaluation Strategy aimed at improving accountability, information flow between policy-makers and service and beneficiaries, with a view to improving policy design (Byaruhanga, 2002). The permanent secretaries are in charge of implementation of the PEAP and they give account of progress to the cabinet secretary and Parliament in their budget policy.

Promotion of competition in service provision

Under the NRM regime, the Government of Uganda has made serious attempts at introducing competition in the way public goods and services are delivered. The commonest method now in use is through contracting out services such as roads, street parking and waste management. Although contracting out has produced some positive effects on the way these services are delivered to the consumers, especially regarding efficiency, and effectiveness, a lot still remains to be done in terms of their quality and quantity (Olum, 2002).

Measurement of performance-based outputs

Theoretically, performance assessment under results-oriented management (ROM) should suggest best practices and should target key outputs characterised by high-level objectives, outputs and performance indicators. These characteristics should relate to their contribution to the quality of the final product and building of commitment to perform effectively.

Five categories of performance criteria have been applied, even if unsystematically, in Uganda:

1. Measurement of high-level objectives
2. Clarity of outputs
3. Relevance of performance indicators
4. Whether the plan preparation process is satisfactory
5. Collection of information and/or data

Performance standards have thus been set out in various public institutions using the results-oriented and quality management principles. The time, quantity, quality, customer satisfaction, response rates, stakeholder participation, outcomes, outputs and other methods of assessment of performance are being popularised. However, in Uganda many government officials initially resented the idea of performance measurement as it meant changing the way work was being done. This resentment led to the adoption of crude performance benchmarks that remained on paper, as they ended up not being implemented.

The output-based budgeting (OBB) model has also been an important tool that is used in performance management of scarce public resources in Uganda. This tool is based on results and total quality management as effective tools in forcing organisations to act on the performance information that is available to them (Olum, 2002).

Structure and implementation of results-oriented management (ROM)

Due to issues of slow implementation and the need to simplify the Presidential Commission report's broad recommendations, in late 1992 it was agreed by the Ugandan Cabinet that two overriding objectives would inform the civil service reform process:

1. Payment of a minimum living wage
2. Introduction of results-oriented management

Results-oriented management is intended to provide practical guidelines for defining objectives with measurable performance standards and suggesting how and when the reform components will be implemented by ministry, district and individual civil servants. A baseline service indicator is to be developed through a service delivery survey, with the help of WB/EDI, thus allowing policy-makers to assess reform inputs and outcomes in terms of the highest net marginal benefits to the public.

In a civil service reform paper the UN Public Administration Network (UNPAN) elaborated on the components related to ROM.[2] The revised action plan for the reform reflecting the twin objectives of paying the minimum living wage and implementing ROM contains six major components:

1. Rationalisation of ministries and districts
2. Strengthening the capability of the Ministry of Public Service (MPS) to manage and champion the reform
3. Monetisation of benefits
4. Job grading
5. Code of conduct and discipline
6. Information programme and communication strategy for reform

The number of ministries was reduced from 38 to 21, as recommended by the Commission in 1992. The rationalisation of ministries and districts aimed at producing smaller and more accountable organisations performing only core functions. This permitted the release of funds for improving remuneration and offering opportunities for privatisation of non-core activities, eliminating duplications and enhancing co-ordination among ministries. The ministerial reviews followed a process involving a team of three to five people from MPs, local management consultants and expatriate advisers who interviewed key ministerial staff, conducted surveys, and reported their findings to the MPs. Similar reviews were performed at the district level to reconsider the role of government, set objectives and priorities, agree on performance indicators, remove redundant staff, and focus specifically on capacity-building plans.

The focus here was to decentralise functions from central ministries to local governments according to the Decentralisation Act of 1993, and to devise the transfer of operational responsibility for the delivery of services and necessary staff, funds and assets previously controlled by the central government. Overall, within the ministries and districts, a 50 per cent reduction in staff was recommended for the revised establishment. Arrangements were also made for demobilisation of over 30,000 soldiers who participated in the liberation struggle. To implement new staffing levels for the restructured ministries, the President appointed The Implementation and Monitoring Board (TIMB), comprising senior citizens who conducted interviews to identify staff to remain in approved positions, staff in redundant positions, and staff declared redundant and no longer required by the government for employment. TIMB interviews assessed each employee's performance with an A, B, or C rating: 'A' for exemplary performance, 'B' for acceptable performance, and 'C' for unacceptable performance. A significant downsizing of central government civil service was carried out in five distinct areas: removal of 'overdue levels' (approximately 6,339 officials and 7,421 teachers), removal of ghost workers (about 42,000), abolition of group employee scheme (temporary short-term employees, about 30,000), redundancies arising from ministerial reviews, and a voluntary retirement scheme in which about 4,500 participated.

TIMB assessments also led to removal of 11 of the 32 permanent secretaries in the central government. At the end of the rationalisation process, it was determined that the wage bill could be raised from 21 (1994/95) to 31 per cent (1996/97) of current expenditures over a three-year-period to achieve payment of the minimum living wage to the reduced establishment.

The second component of the CSRP, strengthening Ministry of Public Service capability to manage and champion the reform process, was achieved by modernising the technical facilities (computer and other office equipment) and training of senior staff in records management and system control (i.e. computerised position-coding system, personnel management information system and other control systems). By providing comprehensive training and technical support to its own staff at all levels, MPS emphasised the importance of improved management of human resources, served as a model for capacity-building and strengthened management and supervision for other government ministries and agencies.

The Ugandan Management Institute (formerly the Institute of Public Administration), played a significant role by designing and implementing a comprehensive training program in support of the CSRP for all levels of civil servants. The government also established a Payroll Monitoring Unit in the MPS to monitor and verify entry and exit from the payroll; this proved particularly effective in the teaching service, where the payroll was reduced by nearly 25,000 staff over a three-year period.

The third and fourth components of the CSRP, monetisation of benefits and job grading, called for an accounting of all non-cash benefits, coupled with a revision of the overall salary structure, using job evaluations and specifications. Some items of non-cash benefits, namely housing, vehicle and other benefits for senior officials, were monetised at US$1,500 to US$2,000 per month, and the MPS initiated the sale of 2,259 houses and 4,741 vehicles owned by government to generate revenues for meeting the wage bill. A transparent salary system and a new position-coding system were introduced. However, ministers, and other senior civil servants continue to enjoy non-cash benefits for transport, fuel, electricity, housing, as is the case in many other countries, both industrialised and developing.

The fifth component of the reform strategy, the Code of Conduct and Discipline, was elaborated in a series of workshops held across the country for senior government managers, focusing on their role as leaders in the civil service reform and on results-based management. Along with the Code of Conduct and Standing Orders, the Leadership Code of Conduct for political and administrative leaders outlines specific prohibited conduct and requires that disclosure of interests and assets be made to the Office of the Inspector-General of the Government (IGG). A four-point action plan to combat corruption was developed at a highest level workshop organised by the IGG, facilitated by the WB/EDI and Transparency International, and attended by parliamentarians and senior civil servants. These workshops strengthen the fight against corruption and emphasise performance standards. A more effective baseline indicator developed from the service delivery survey allows for measuring reform progress and establishing realistic standards and targets within the ministries and districts, thus facilitating the process of instituting results-oriented management in the civil service.

Finally, the sixth component of the CSRP, the Information Programme and Communication Strategy for Reform, was achieved through distribution of publications, meeting reports and quarterly reports describing progress against the action plan to the public, civil servants and the donor community. The role of the media in the process of information dissemination was recognised, and journalists were invited to attend two courses to improve their skills and effectiveness in serving the public interest regarding the CSRP. Other elements of the information programme included assisting the MPS in making professional presentations in various forums, and identifying and monitoring communication problems among stakeholders, donor co-ordination, and other media activities to heighten public awareness of the reform programme.[3]

Although performance is said to be the most important factor for promotion, it has to be pointed out that, until recently, length of service was equally if not more important in the civil service. However, the introduction of results-oriented management in selected ministries and districts was expected to supersede this method eventually. Qualifications are also beginning to feature more prominently as a basis for promotion in the public sector, thus encouraging civil servants to go for further education while in service.[4]

Performance assessment and performance management of permanent secretaries

As at July 2008, performance instruments were in place for rank and file public servants, but a similar formal measurement mechanism was yet to be devised for the permanent secretary. Jane Kyarisiima-Mwesiga, a Commissioner at the Ministry of Public Service, noted that the gap in the reform was related to the lack of a broad human resource strategy for the public sector, which will deal with succession planning, human resource planning, and training. However, this was going to be addressed through a project supported by the World Bank.

Meanwhile, the Head of the Public Service (HOPS) is mandated to review the work of the permanent secretary and will be required to use an instrument developed by the Public Service Commission. In the absence of a formal measurement system, a crude or subjective system exists in which the permanent secretary submits a report to the HOPS and the PSC on his/her achievements three months before the renewal date. The report of the permanent secretary has to be seen by the responsible minister. If the minister has anything to say about the report of the permanent secretary, this must be put into writing. Asked whether there have been occasions when contracts have not been renewed, the HOPS noted that there had been one occasion in which he did not support one permanent secretary's renewal application. Two permanent secretaries have also gone away into private practice and opted not to renew their contracts. The HOPS is the authority who makes recommendations to the PSC for renewal.

Uganda has 17 ministries, one president, two vice presidents, four service commissions and the public service commission. There should be 17 permanent secretaries, but three posts were vacant in July 2008. Two of these vacancies were due to ill health and death. Similarly, out of the 15 at post, there were five women permanent secretaries and the rest were men. One new permanent secretary had been appointed and was awaiting assignment. There were many women directors as well. For example, in the Ministry of Public Service three out of four directors were women.

A Permanent Secretaries Board is functional, and meets on a monthly basis to engage in self-assessment and discuss submission of cabinet papers, especially when papers are returned for reworking by the responsible ministry. The meetings of the Permanent Secretaries Board are chaired by the HOPS and attendance is mandatory – absentees receive a reprimand.

As the permanent secretary was on contract and had to work with officers and heads of department who were employed on permanent and pensionable terms, the results-oriented management system that has been adopted by the Government of Uganda allowed the permanent secretary to institute a system involving an Annual Performance Plan (APP) for the heads of department (HODs) each financial year. Similarly, the permanent secretary signed the Performance Appraisal Instrument for the staff of the ministry upon receiving these appraisals from the HODs. The permanent secretary derives his/her key output targets from the policy statement agreed between him/her and the minister and the Head of the Public Service, as well as the strategic objectives of the ministry in question. Accountability for results within this governing framework depends on the commitment of the minister.

A 'Draft Transformation of the Public Service' paper was expected to be published by government at the end of 2008, intended to stipulate the basic philosophy behind public management and generally deal with issues such as client focus service, efficiency, effectiveness and responsiveness of the public service. The draft paper was also intended to suggest solutions for transitional problems such the requirement for a stringent performance management regime, so that the permanent secretary will eventually sign a performance agreement as part of his or her contract, according to the interview with Kyarisiima-Mwesiga, 21/07/08.

Other challenges facing the evolving system were outlined by John Lwamafa, permanent secretary for Ministry of Public Service, who observed that an important conjectural issue was the motivation of other officers who are not on contract, and the need for an incentive framework, especially commensurate pay to match the new responsibility of the permanent secretary.

Entitlements given to the permanent secretary in the employment contract

Most of these entitlements have been monetised and include a medical allowance which could be used to buy insurance, mobile phone allowance, transport allowance, monthly salary, a gratuity of 40 per cent that is payable annually and security at home (a maximum of two security guards at home).

Value for money

The contract system of appointments has introduced a level of efficiency in public management, according to the senior public service officers who were consulted during the fieldwork in July 2008. The effect, they argued, could be seen in the firm grip with which management is controlled by the permanent secretary, as the officers now have to account for what they do with public resources given to them in the budget. But there are questions about how many contract terms one should serve, especially as the retirement age is 60 years. An important issue under consideration was whether a permanent secretary should serve beyond age 60.

Conflict resolution mechanism

There are three main human agencies through whom any conflict at the level of the ministry is dealt with in Ugandan public administration. The head of the Public Service, who is concurrently cabinet secretary, is better placed to mediate in any conflict between the permanent secretary and the minister. This is normally a collegial approach in which the HOPS/cabinet secretary inquires into the issue by speaking to the two parties separately, and then attempts to bring the two together for an amicable solution. If resolution is defied at that level, the matter may be referred to the prime minister and finally to the president. According to Mitala and Lwamafa during interviews, matters rarely go beyond the level of the head of the Public Service.

Evaluation of the current reform by a permanent secretary

The field study included an in-depth discussion with a permanent secretary at a workshop for ministers and permanent secretaries at the Kampala Serena Hotel, and helped to provide further evidence and a counterweight to evidence from the two offices mentioned above, as well as a self-assessment by a permanent secretary who was at the heart of implementation and receiving end of the reform. The interview with the permanent secretary for energy and minerals also gave us a rare opportunity to probe how the ordinary permanent secretary views the reform of the conditions and system of employment of the permanent secretaries. The respondent indicated the opportunities and challenges that have been presented by the recent reform. Accordingly, sector-wide groups have been constituted to assist in the management and co-ordination of development and policy. Previous management approaches had categorised the ministries into two: 'key areas' and 'others'. The key areas included water, education and roads, while energy and minerals fell under the 'others' category. The essence of this categorisation was that those areas bunched as 'others' were not treated as priority for various undisclosed reasons. In the respondent's view, this categorisation was based on a policy perspective that looked at economic development in the short term, and allocated budgetary resources based on what constituted drivers of the economy narrowly defined. This perspective on the economic function, however, changed in early 2006 when oil was discovered in Uganda.

The discovery of oil ushered in a new way of looking at the economy in which recognition was given to the energy and mineral sector. This turnaround of perspective was reported to have come about through hard work, planning, advocacy and training and upgrading of human resources. It is claimed that these developments have been reflected in the politics of budget allocation and have led to a new value being placed on the sector. The permanent secretary noted that the budget package of the energy and minerals sector was now four times that of competing sectors and key areas. In spite of the newly acquired status of the sector, however, the remuneration of the permanent secretary has not changed. Similarly, unlike the chief executive officer who can hire and fire, the permanent secretary still operates in an unchanged environment. Stability of tenure under contract is also precarious because the permanent secretary is no longer under permanent and pensionable conditions of employment, and can lose his/her job and a case can drag on for years. What was gratifying, however, according to a respondent, is that evaluation by panel seems to be more objective than being evaluated by one person and this constitutes strength of the reform.

Conclusion and lessons learned

From the foregoing, therefore, the fieldwork produced evidence which shows that Uganda has continued sturdily on a path of public sector reform for over two decades, and an important development has been the introduction of contracts of employment for permanent secretaries. The level of corporatisation of the administrative and policy system, however, is minuscule compared to what happened in New Zealand. The research also revealed that the most critical hallmark of the New Zealand model – a performance measurement instrument and mechanism for assessing the work of the permanent secretary – is yet to be introduced. Similarly, operating environment and culture of management in the public service required a little more reworking in order to anchor and institutionalise the results-oriented management framework that has been adopted across government.

Notes

1. Interview with John Mitala, Head of Ugandan Public Service, 17 July 2008.
2. MDGD – Civil Service Reform Paper. See: http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN001183.pdf [last accessed 4 August 2010].
3. MDGD – Civil Service Reform Paper. See: http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN001183.pdf [last accessed 4 August 2010].
4. Republic of Uganda, Public Administration Country Profile. Division for Public Administration and Development Management (DPADM), Department of Economic and Social Affairs (DESA), United Nations (January 2004), 10. See: http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023292.pdf [last accessed 4 August 2010].

CHAPTER 6

Contract System Pertaining to the Employment of Permanent Secretaries in the Public Service in Zambia

This chapter uses empirical data based on interviews of key informants and document sources to examine the contract system of employment of senior public service officers in Zambia. The aim is to understand the Zambian public sector reforms and to gather evidence to ascertain the success or otherwise of the implementation of contract employment as part of the new public management experiment in developing countries. The chapter examines the background to the reform of the position and conditions of service of permanent secretaries, introduction of contracts of employment to the senior public service and conditions of service for permanent secretaries. It then analyses entitlements in the employment contracts for the permanent secretary, room for expression of leadership by the permanent secretary, management models and frameworks which have been used in the reform, value for money and lessons learned.

Background to the reform of the position and conditions of service of permanent secretaries

From a briefing paper on the reform of the position and conditions of work of permanent secretaries prepared by the Zambian Cabinet Office in 2005, a number of interesting characteristics of the changes could be isolated. The briefing paper was in response to a 2004 consultancy report regarding the design of a performance-based contract system for permanent secretaries. The cabinet secretary set out the contemporary perceptions of the role and performance of permanent secretaries and made a candid assessment of the institution of permanent secretary. It was acknowledged that the original concept of 'permanent secretary' emphasised the permanency of this position and was also designated as one that should be occupied by the senior civil servant. In Zambia, historically, most office holders were career civil servants who had gone through what the cabinet secretary referred to as the 'scheme of service' and therefore had developed a mastery of civil service rules and procedures as well as possessing professional and technical skills and competencies. Permanent secretaries were expected to possess capabilities required for, among other things, interpreting the policy agenda of the political executive, providing technical guidance in policy formulation and implementation, and galvanising the contributions of public service personnel to deliver according to set objectives and achieve high levels of efficiency and effectiveness. These certainly reflect the required qualities of leadership in the Westminster–Whitehall model of administrative management, which have been put under strain in recent reforms.

The review also noted that in the early years after independence, Zambia followed this tradition and embarked on a vigorous programme of indigenisation by developing nationals for senior positions in the public service. Indeed, A L Adu had in his book *The Civil Service in Commonwealth Africa* (Adu, 1962) acknowledged the dearth of skilled personnel in the period of terminal colonialism not only in Zambia, but also in other Southern African countries. The Cabinet brief was therefore accurate in its assessment of the evolution of the senior public service in Zambia. The pursuit of the Kaunda administration in the heady days of independence created a discernible career progression path and added prestige to the appointments system, as it was based on the merit principle. Changes were introduced, however, with the onset of the Second Republic, which led to greater reliance being placed on political expediency. This practice, the cabinet secretary noted, had affected the position of senior public service personnel, especially at permanent secretary level, which had become very tenuous as a number of appointments had been made outside the system. The approach resulted in a number of consequences, the key implications of which included those listed below.

1. Values such as professionalism, independence, integrity, political impartiality, transparency and service to the public, associated with the merit principle applied to appointments, are often sacrificed.
2. There is no clearly defined set criteria that could be applied to explain the basis of some of the appointments made in terms of qualifications, experience and overall suitability of candidates.
3. Distortion of career progression opportunities in the public service as lower ranked personnel cannot meaningfully aspire to senior positions on the basis of performance.
4. An impression is created that appointments are a form of reward by the political executive to party loyalists – a situation that also compromised the political impartiality of those who were appointed.
5. A perception is created that the position of permanent secretary requires no particular skills, experience or knowledge of the operations of line ministries and the public service' (Zambia, 2005).

Introduction of contracts of employment to the senior public service

Conditions of service for the permanent secretary

How did the reform under President Mwanawasa purport to address the above listed challenges? A contract system was introduced in 2003 and was managed by the Office of the President through the cabinet secretary and head of the Public Service. But this was not a performance contract in spite of the fact that a performance management system had been introduced in the public service of Zambia. Characteristically, a normal letter of appointment was issued by the cabinet secretary, which indicated that His Excellency the President has appointed a particular individual as permanent secretary in accordance with the provisions of Article 44 (2) of the Constitution of Zambia and in exercise of the powers vested in him by Section 9 of the Public Service Act, chapter 259 of the Laws of Zambia. The appointment letter normally states that the permanent secretary is on a contract of employment, and stipulates the salary grade including the basic salary, a gratuity pegged at 100 per cent of each completed year served, but paid at the end of the contract. The leave entitlement of the permanent secretary was three-and-half days per month, adding up to 42 days in a year. The specific definition of functions and accountabilities of permanent secretaries are set out in two documents, namely the Letter of Appointment and the Cabinet Handbook which was produced in Lusaka in July 2002.

In 2005, the salary of a permanent secretary was generally in the range of between 45 million kwacha (ZK) and ZK54 million per annum. In comparison, most heads of statutory boards were paid salaries of not less than ZK120 million per annum (or ZK10 million per month), which is almost three times what a permanent secretary received. Heads of statutory boards were therefore compensated according to job worth and market comparability, while the permanent secretary was not (Management Development Division, 2005).[1] From the interviews conducted with some of the serving permanent secretaries in Zambia in July 2008 it was clear that the Permanent Secretary–Head of Statutory Board salary disparity had not been addressed as yet, and that this was a source of discontent and demotivation for the permanent secretary. The implication of this, according to the interviews, is that the low-paid permanent secretary lacked the moral fortitude and incentive to demand compliance from the highly paid subordinates who run the statutory boards, and this has remained a significant management issue which the Government of Zambia needed to resolve.

With regard to the length of contract, the original contemplation was for the adoption of a five-year renewable contract. However, three-year contracts have become the norm and, as at August 2008, renewal was significantly based on subjective criteria because the Government of Zambia was still examining the prospect of introducing performance-based contracts, which purportedly would be accompanied by measurement instruments for assessing the work of permanent secretaries. The Independent Management Consulting Services Limited (IMCS) of Zambia had in

2004 been contracted to assess the current employment contract system and design performance-based contracts for permanent secretaries. However, revelations from the interviews seemed to indicate that the recommendations of the consultancy had not been put into action almost four years after.

Entitlements in the employment contracts for the permanent secretary

A reading of the Cabinet Handbook 2002 shows that, in spite of their changed employment status, permanent secretaries are still considered as public officers and are bound by all the codes of conduct of the civil service and rules of confidentiality. Relieved of almost all the powers of appointment as a chief executive, the permanent secretary has been given authority to appoint one officer – the cabinet liaison officer (CLO) – who is responsible for co-ordinating all Cabinet business within the ministry, including the preparation and handling of Cabinet documents. This power of appointment is significant because the CLO, as representative of the permanent secretary, retains day-to-day contact with the Policy and Co-ordination Division at the Office of the President, and he/she also provides the secretariat for meetings of inter-ministerial committees of officials. In Zambia, permanent secretaries are the administrative heads of ministries, provinces and divisions. There are in total 42 permanent secretaries, as Zambia has 22 ministries and nine administrative regions and the Ministry of the Presidency has as many as four permanent secretaries. However, where there is more than one permanent secretary, only one of them is appointed as controlling officer, in terms of financial management of the ministry.

The permanent secretary is entitled to a basic salary, vacation leave of 42 days in a year and a vacation allowance, has access to official transport, and a gratuity of 100 per cent of gross salary, which is taxed at 35 per cent. However, there were some permanent secretaries who took issue with the grading of permanent secretaries on a flat scale, in the sense that they thought inadequate recognition was given to those who handle larger portfolios. This meant that there were no incentives for those permanent secretaries who managed the big ministries and they were treated in the same way as those who manage small ministries.

To whom are permanent secretaries responsible?

The post of permanent secretary is a constitutional post and it enjoys constitutional protection. The Cabinet Handbook 2002 notes that the minister and the permanent secretary are jointly responsible for the performance of their ministry. The permanent secretary is, however, responsible for the day-to-day operations and administration and for dealing with 'all civil service matters in their ministries, provinces and divisions' (Cabinet Handbook 2002: Section 10.9). Similarly, permanent secretaries are responsible to the Ministry of Finance in their exercise of financial control. In relation to that role, they may be called upon occasionally to answer queries from the

Public Accounts Committee of Parliament, and will be liable for prosecution and surcharge for any unauthorised, irregular of wasteful expenditure by the ministry or for loss of revenue resulting from financial irregularity or serious inefficiency. The conceptualisation of the roles of minister and permanent secretary in the Cabinet Handbook is interesting, in the sense that nowhere is it written that the permanent secretary is responsible to the minister. In fact, they are jointly responsible for the policy and administrative output of the ministry and both are responsible to the President. This leads to the archaic (and much resented) practice in which the President can dispense with the services of a permanent secretary at press conferences, even before the notice of dismissal is received by the relevant permanent secretary.

Room for expression of leadership by the permanent secretary

From the interviews conducted with senior public service officers, the partial collegial nature of the relationship between the permanent secretary and ministers is helpful. There seemed to be divided opinion regarding the availability of revenues to the permanent secretary for the administration of the ministry. On balance, however, there was a convergence of opinion around the belief that the Ministry of Finance was now getting on top of its business and was making disbursements of the budget on time for use by other ministries. By far the most important obstacle to the expression of leadership by the permanent secretary was the issue of the unceremonious dismissals announced at press conferences by the president. This issue represented a grave concern to all the permanent secretaries interviewed, who felt that such issues about people's employment should be treated with delicacy.

The hand of the permanent secretary is, however, strengthened in his/her expression of leadership in the control of the finances of the ministry. The Cabinet Handbook 2002, Section 10.20, is emphatic that 'permanent secretaries have a duty to refuse, in writing, to act in a manner that is financially irregular, if requested or directed by the minister', and 'permanent secretaries should carry out their minister's directives on financial matters only if the instructions are issued in writing and indicate that the minister accepts responsibility for the proposed course of action' (Section 10.21). In the event of such a situation arising, the permanent secretary is obliged to report it to the minister responsible for finance and the Auditor-General, who may then consider reporting the matter to the Public Accounts Committee of Parliament with copies to the secretary to the cabinet.

Management models and frameworks which have been used in the reform

Information obtained through the interviews seems to suggest that there is not a single overarching management model imposed at the national level. Decentralised management is practised, however, as the country is divided into nine administrative regions or provinces and there is a permanent secretary at each region, as well as a provincial co-ordinating committee. Zambia also seems to have big government in that the country has 42 permanent secretaries. Some ministries and departments have multiple permanent secretaries. The Ministry of Agriculture has two; Ministry of Finance has three and the Cabinet Office has four. The secretary to the treasury is the one who appoints permanent secretaries as controlling (accounting, in other jurisdictions) officers, under the Finance and Administration Act.

Similarly, performance appraisal has been introduced for the rank and file, but it is not applied universally across all ministries, and as a result of the absence of an overarching management model nationally, there is room for innovation and experimentation by individual permanent secretaries. For example, the current permanent secretary for science, technology and vocational training was appointed into the public service from the University of Zambia. He was a statistician, and he noted in the interview that his professional background has proved useful because he has been able to introduce monitoring and evaluation frameworks in his ministry. It was through his consultancy work in statistics to the government that he was recommended for appointment as permanent secretary.

Another noteworthy example of personal initiative was recorded with the permanent secretary for justice, who had previous private practice as a lawyer in the banking sector, but had been appointed to the public service as a deputy director and had worked in the system for about fifteen years and became a permanent secretary in 2003. Upon her appointment as permanent secretary she updated the policies and records and evaluated her staff on a yearly basis and also involved them in drawing up the budget. Under her watch Zambia took part in the African Peer Review Mechanism and wrote reports on the Rights of the Child and Report to the African Charter on Human Rights. The permanent secretary for justice also indicated that she wrote the 'State of Human Rights Report' when she was deputy director of the ministry and that endeared her to donors, who supported the institutionalisation of the report writing. The same activity is now budgeted for and fully funded by her ministry. Strategic planning was another tool that had been tried at the Ministry of Justice to great advantage. The permanent secretary noted that her efforts had been acknowledged internationally in that Zambia has been voted to UN Human Rights Council.

Value for money

From a systemic perspective, Zambia theoretically has a laudable system. However, the bane of Zambian governance is lack of implementation of the ideas suggested by the Independent Management Consulting Service about how to install a performance-based contract for permanent secretaries, paid for and accepted by Cabinet, but about which little had been done, as at the time of the research in July 2008. There were young directors at the Cabinet Office who in conversations indicated that they would not want to be permanent secretary under the current system because of the lack of an objective criterion for measuring and rewarding the permanent secretary, and because of the subjectivity and uncertainty surrounding the security of contracts. Apart from one positive review of the current system, a majority of those who were interviewed noted that the contract system was still a work in progress and that its full value will be reaped when a performance contract has been established and the operating environment including a changed budgetary allocation system has been created.

Conclusion and lessons learned

The reform of public management in Zambia since the early 2000s has had an important element which dealt with human resource capabilities and terms and conditions of work of senior public servants – in particular, permanent secretaries with the view to establishing a senior executive service along the lines of New Zealand. The fieldwork revealed that there are multiple approaches to appointing permanent secretaries, but the president of the republic is the appointing authority. The two main ways of appointing a permanent secretary include headhunting from the private sector or academia and hierarchical appointment by way of appointing people from the public service based on seniority and talent.

From the fieldwork, interviews and discussions with public officials in Zambia, it was realised that there was a mood for change and fuller implementation of reforms proposed for better managing the employment of permanent secretaries. Employment contracts have been introduced to replace the permanent and pensionable terms under which the senior public service officers served. An equally valuable document in the form of a Cabinet Handbook has been published, which seem to embody the essentials of contemporary good governance practice. This was intended to support institutionalisation of the new system. However, the lack of objective measures of performance of permanent secretaries and the lack of performance contracts seem to be of grave concern to the current cohort as well as up-and-coming directors – the pool from which future permanent secretaries could be drawn. The practice of dismissal of permanent secretaries by press conference was resented, yet it seemed to represent an issue which could be easily addressed by government without any cost. Finally, the Zambian system seems to require local champions who can manage system-wide performance management system across government and a Cabinet Office that is well equipped to evolve an evaluation system for the contracts and manage it on a regular basis.

Notes

1. Management Development Division, Cabinet Office, Office of the President (2005).

CHAPTER 7

Conclusion – A Comparative Assessment of the Findings

Basic information from the field visits (see Table 4) indicates that the four countries – Botswana, Ghana, Uganda and Zambia – have been engaged in various public sector reform projects, and have instituted employment contracts (i.e. contract of service) and contract-like arrangements which are associated with the new management of senior public service officers including the permanent secretaries. The permanent secretary in each country is still effectively the chief executive of the ministry/department or administrative region. This senior public service officer is called a chief director (formerly principal secretary) in Ghana, whereas the other three countries have retained the name permanent secretary. The data show (Table 4) that Uganda had 17 (out of an expected 21), Zambia 42, Ghana 37 and Botswana 29 permanent secretaries/chief directors respectively. Of these, all 17 permanent secretaries are on employment contract in Uganda; all 42 in Zambia are also on employment contracts; and all 29 in Botswana have signed a performance agreement. Ghana has a mixed basket, with only 8 of the 37 chief directors on employment contract of three to four years and 22 on open tenure (or permanent and pensionable) while 3 are on an employment contract which is called 'limited engagement'. A 'limited engagement' contract is normally a short-term contract of between one and three years' duration. It tends to be given to chief directors who have just retired, but whose services are still needed by the state. All the chief directors in Ghana also sign a performance agreement. The age of retirement in Botswana, Ghana and Uganda is 60 years, and it is pegged at 55 for Zambia.

None of the permanent secretaries in the four countries has delegated authority for the human resource function, especially in terms of hire and fire. In each case the Public Service Commission (PSC) still retains these functions and is also the key agency which makes recommendations for promotions and reward or sanction of public employees. In Zambia, however, the Cabinet Handbook of 2002 notes that the permanent secretary can appoint one cabinet liaison officer, whose duty it is to co-ordinate all Cabinet business within the ministry and retain day-to-day contact with the Policy and Co-ordination Division at the Office of the President. An important novelty that was discovered was in Botswana, where the government has established, at the Office of the President, a Directorate of Public Service Management (DPSM) which handles most of the human resource functions of the state. In an interview with Pearl Matome, Deputy Director at the DPSM, the Botswana Public Service

Commission has only been used as an appellate body. This means that aggrieved public employees have the right to refer their problems to the PSC for redress.

A simple gender analysis of serving permanent secretaries/chief directors reveals that there are 12 male and 5 female permanent secretaries in Uganda; 37 male and 5 female permanent secretaries in Zambia, and 31 male and 6 female chief directors in Ghana. This picture is nothing out of the ordinary, it is only slightly better than the patriarchy at the level of head of state in the continent, where there is only one female head of state (who is located in Liberia).

An important characteristic of African public administration (in the case study countries) is the size of government, and this is one area that is dynamic and is subject to regular review, as governments reform their bureaucracies in response to the changing constitutional requirements and the international environment. At the time of the fieldwork in July 2008 Uganda had 21 government ministries, Zambia had 22, Botswana had 15 and Ghana had 27. In each of the four countries, there were three tiers of government – central, regional and local government. In Zambia and Ghana, the regional level of administration is headed by a permanent secretary or chief director, and this in a way explains the high number of permanent secretaries and chief directors recorded in those countries.

Table 4. Senior public service officers under contract in Africa (July–August 2008)

Country	*No. of ministries*	*No. of administrative regions*	*Expected no. of permanent secretaries/ chief directors*	*Actual no. of permanent secretaries/ chief directors*	*No. on employment contract (EC)/ performance agreement (PA)*	*No. on open tenure*	*No. on limited engagement*	*No. with delegated authority for HR*	*Gender M/F*		*Retirement age service*	*Size of the public*
Uganda	21	4	21	17	17 EC	0	0	0	12	5	60	117,000
Zambia	22	9	42	42	42 EC	0	0	0	37	5	55	102,000*
Botswana	15	10	30	29	29 PA	30	0	0	21	8	60	105,000
Ghana	27	10	38	37	8 EC	22	3	0	31	6	60	42,000
Total	94	33	131	125	97	52	3	0	101	24		

Notes: This table was constructed using information obtained from fieldwork in the four Commonwealth African countries in July and August 2008. In Ghana and Zambia, permanent secretaries/chief directors are also appointed at the regional level of administration; and in Zambia and Uganda some ministries have more than one permanent secretary, even though in such a situation only one of them will be appointed by the Treasury or Finance Ministry as controlling officer (or accounting officer). In Ghana, there is a category of chief director who is on 'limited engagement' service to the government. The position in this category is normally occupied by senior public service officers who are brought back from retirement on a limited contract between one and three years. As at 1 August 2008 there were 33 bona fide chief directors and four were senior directors who had been acting as chief directors, making the total number of chief directors 37. *Note: This figure was sourced from Stevens, M and Teggemann, S (2003) 'Comparative Experience with Administrative Reform in Ghana, Tanzania and Zambia'.

Table 5. Summary assessment of conditions of service and measures for assessing the performance of the permanent secretary/chief director

Country	*Duration of contract*	*Conditions of service*	*Eligibility for permanent secretary*	*Management models used for performance evaluation in ministry*	*Performance assessment measures for the PS/chief director*
Uganda	Fixed-term three-year employment contract in the first instance. Contract is renewable based on performance and mutual consent.	Basic salary, telephone, vehicle, car loan. Not pensionable, but a gratuity is paid at 40% of gross salary.	Open to career public servants and private sector managers are not excluded.	Results-oriented management (ROM) has been introduced and a performance appraisal system has been introduced to assess all officers except the PS.	1. Objective formula for performance assessment of the PS has yet to be designed. 2. Assessment of the PS based on ministerial performance Parliamentary vetting of ministerial achievement of statement and of policy in the annual budget. Intuition and subjective criteria are also part of judgement formation. 3. A results-oriented management and appraisal system has been introduced and appraisal of rank and file is conducted by directors. The latter in turn are reviewed by the PS. Directors and all ranks below are on permanent and pensionable tenure. 4. PS's contract is not a performance contract.
Zambia	Since 2003 all the PS have been on contract. The term is three years in the first instance.	Basic salary, entitled to a motor vehicle, fuel allowance, electricity allowance, domestic help allowance, car loan and gratuity of 100% of the gross salary at the end of three years, taxable at 35%. Contract can be terminated by a presidential announcement at a press conference.	Open to career public servants, academicians and private sector managers	A performance management and appraisal system (PMAS) for both PS and the rank and file officers recommended since 2004, but had not been implemented at time of this study. Constitutional reform process was planned which will look at performance contracts for the PS	There is no objective formula for assessing the PS. Assessment is based on an unwritten subjective criterion. But there is uncertainty about 'who will do the evaluation?'

Botswana	Open Tenure, but the PS signs a performance agreement, by which he/she is held for results.	The PS is hired on permanent and pensionable terms. Contributory health plan. The PS, who is on performance agreement, is appointed at the pleasure of the president, and could be sacked for non-performance. She/he is also subject to Public Service Regulations and Staff Orders in addition to the prescriptions in the relevant sections of the Constitution.	Open to both career public servants and managers from private background.	A balanced scorecard framework has been installed across government, and it is mandatory that all ministries use it. The PS uses performance templates generated from the balanced scorecard to report on programmes, projects and service delivery, all linked to the Vision 2016 and the National Development Plan. Traditional performance management system was introduced in 1998.	1. Performance reviews are under the purview of the cabinet secretary and the vice president; the cabinet secretary reviews the PS and the VP reviews the work of the ministers. The process is adhered to and is conducted regularly. 2. Specific assessment instruments have been developed and are in use. 3. The PS submits his/her quarterly reports to the government Implementation Co-ordination Office located at the Office of the President. 4. The Public Services Commission does not perform HR functions and is a mere appellate body for surcharge and dismissals. 5. All national level HR policies, relations with unions and HR functions of audit, pension, promotion and monitoring of performance are planned by the Directorate of Public Services Management located at the Office of the President. DPSM also assists the PS working with them in the preparation of job description. 6. Auditor General, Public Accounts Committee and Ministry of Finance audits expenditure and procedures. 7. Performance development plans are developed by rank and file members and are the basis on which staff members are reviewed every three months.
Ghana	A mix of approaches: (a) A performance agreement is signed by PS (since 1997); (b) full employment contracts issued to those recruited from the private sector; and (c) 'Limited engagement' contracts of one to three years for re-hired retired permanent secretaries.	1. Entitled to a pension. 2. Thirty-three (33) working days' leave. 3. Allowances: travel and entertainment. 4. No general health insurance. 5. Allocated official motor vehicle 6. Housing and security at residence.	Open to career public servants and private sector managers	A Performance Monitoring and Appraisal System (PMAS) is in place. Appraisals are meant for lower level staff and not for the senior public service officer.	There is no formally instituted process for evaluating the performance of the PS. There is uncertainty about which agency will evaluate the work of the PS.

Management approaches adopted in the reform

Table 6. Characteristics of the contract systems reform in four African countries

Country	*National economic management framework*	*System of governance*	*Appointing authority of PS*	*Signatories to the contract*
Ghana	Ghana Poverty Reduction Strategy (GPRS) II, which is donor supported	Fused Executive Presidency & Head of State	President of the Republic acting on advice of Public Service Commission and Civil Service Council	Head of the Civil Service, and the chief director
Botswana	Vision 2016 and National Development Plan, which are locally supported	Fused Executive Presidency & Head of State	President of the Republic	Cabinet secretary/ public service president, and the permanent secretary
Uganda	Poverty Eradication Action Plan (PEAP), which is donor supported	Fused Executive Presidency & Head of State	President of the Republic acting on advice of the Public Service Commission, and cabinet secretary	Cabinet secretary/ Head of Public Service, and the permanent secretary
Zambia	Poverty Reduction Strategy Papers	Fused Executive Presidency & Head of State	President of the Republic acting through the cabinet secretary	Cabinet secretary/ Head of Public Service, and the permanent secretary

Source: Compiled from field notes from Ghana, Botswana, Uganda and Zambia, July–August 2008.

A broader look at the management of the political economy in each country underscores the nature of the national governance environment in which the contract systems for permanent secretaries were established. Every country was pursuing an economic reform programme which required new management capacities and new ways of bureaucratic management. From Table 6 we see that Ghana was implementing a Poverty Reduction Strategy II, a successor programme to the Heavily Indebted Poor Country initiative (HIPC) of the Bretton Woods Institutions which was signed in 2001. Similar HIPC continuation programmes were also being implemented in Uganda and Zambia in the form of Poverty Eradication Action Plan and Poverty Reduction Strategy Paper respectively.

How is performance measured and rewarded under the contract system?

Different management models for achieving efficiencies were at different stages of implementation in each country (as shown on Table 5). Uganda had begun to institutionalise a results-oriented management (ROM) across government, a model by which public management for results will be organised and conducted. In Zambia the thought of introducing a Performance Management and Appraisal System was still at the embryonic stage, whereas Ghana had instituted a similar system since 1998. Ghana, Uganda and Zambia had not devised measurement systems for assessing the performance of the permanent secretary and chief director, and this constituted a serious flaw in the performance systems that they were seeking to install. However, the Head of the Public Service in each country was aware of this shortfall and they were at various stages of finding solutions to the performance contract question. Indeed, all the permanent secretaries who were interviewed alluded to the need to turn their employment contracts into performance contracts, with effective measures to evaluate their performance.

Botswana had made the greatest advancement in this area of performance management and measurement. The country had installed a PMAS in the latter part of the 2001 and introduced a balanced scorecard management model by 2004. The balanced scorecard was implemented across government and it had separate templates which allowed each permanent secretary to report on public management measures and project updates in a more business-like way than had been tried before in that economy. Reviews of the work of the permanent secretary and rank-and-file civil servants were reported to be carried out on a quarterly basis, with fail. Botswana was therefore seen as proffering a model that was worthy of emulation by the other countries.

The scope of and potential for expression of leadership by the permanent secretary/chief director

From the interviews with permanent secretaries and chief directors in the four countries, two main issues emerged as important factors which impinge on the expression of leadership by these senior public service officers. These are the availability of revenues and the remuneration of the permanent secretary in relation to heads of department of statutory bodies to whom, administratively, they are senior. The inadequacy of budgetary resources was important to the permanent secretaries in Ghana, Uganda, and Zambia. This issue was not particularly acute in Botswana, where a mixture of good fortune in terms of a small population of the country (approximately 2 million) and diamond reserves have ensured that the public sector has remained financially stable. On the other hand, the issue of subordinates earning more that the permanent secretary, who is the administrative head of the ministry and to whom the heads of statutory corporations report, was noted as a concern in Zambia. To the relevant Zambian senior public service officers, this inequity gets in the way of the exercise of leadership over statutory corporations which are under their purview.

How the contract system impinges on the independence of the permanent secretary/chief director

The independence of permanent secretaries and chief directors in the four countries seemed to be helped tremendously by the creation of written rules and constitution concerning the roles of the permanent secretary, deputy minister and minister. The Cabinet Handbook 2002 of Zambia, the Civil Service Act, Law 327 of 1993 and the constitutions of all the four countries have determined the precise roles of public officials. The instructions issued to permanent secretaries and chief directors by the ministry responsible for finance on their appointment as controlling officers in terms of financial management of their ministries are also another source of good practice for the prevention of confusion in financial management. Permanent secretaries and chief directors are occasionally called upon to answer queries raised by the Public Accounts Committee of Parliament in each country and that has acted as a source of encouragement for the senior public service officers to manage their ministries with integrity.

How is conflict mediated in the contract system?

Two likely sources of conflict were isolated in the governance structures of the public services in the four African countries. These are the personal/political interests of ministers which are likely to play out in spending of public resources and meeting of ministers with heads of departments without the permanent secretary being present. In the first case, the financial instructions from the ministry responsible for finance to permanent secretaries make it expressly clear that where a minister gives instruction for the permanent secretary to spend public funds which is likely to compromise the integrity of the latter, the permanent secretary should require those instructions to be in written form. Similarly, if the minister is adamant and insists on the expenditure of these funds against the rules, the permanent secretary may submit the written instructions to the minister of finance and the Auditor-General. This practice is common to all the four countries. However, in Zambia this institution is further emphasised in the Cabinet Handbook of 2002.

Value for money of the contract systems

With regard to the question of whether the contract systems pertaining to the employment of permanent secretaries were delivering value for money, the public officials interviewed in Ghana, Uganda and Zambia felt that even though the present management systems are an improvement on the previous practice, value for money was not being fully derived for the country. This is because the performance management models have only been partially implemented and performance agreements and contracts of employment have not been buttressed by the necessary measurement instruments to enable full accountability. The officers in Botswana were confident that their balanced scorecard system was proving successful because the system is practised across government and permanent secretaries and ministers of government were adhering to the reporting practices, while the cabinet secretary and Vice President of the country were also ensuring that the performance reports were reviewed on a quarterly basis without fail.

Conclusions and lessons learned

This study set out to examine the contract systems pertaining to the employment of permanent secretaries and chief directors in Botswana, Ghana, Uganda and Zambia. This was necessary because these countries had embarked on the reform of their public services since the latter part of the 1990s with a view to infusing public administration systems with private sector practices, which have been deemed to be proficient in turning around malfunctioning public services. This new way of reforming the public service had come about a result of the sea change in the ideology of administration called the 'new public management'.

Qualitative research methods were used including literature review and primary research which involved elite interviews and assessment of policy documents and evaluation reports commissioned by the governments of those countries. Field visits afforded a unique opportunity for direct observation of the work of permanent secretaries and chief directors. These methods were appropriate to the kind of audience encountered who were mostly from the highest level at the centre of government. This claim is significant because an online survey which had been designed to assist in a simultaneous rapid assessment of permanent secretaries in the Caribbean had to be abandoned in the African study for reasons of non-patronage by the target group.

The research revealed that a broad range of new management practices for managing public services and senior public service officers had been adopted in Botswana, Ghana, Uganda and Zambia. All four countries had instituted contracts of employment and contract-like arrangements in the form of performance agreements, contracts of employment and the retention of a good mix of the old permanent and pensionable modes of employment, which were signed by the permanent secretaries and chief directors with their governments. In Botswana, Uganda and Zambia the superior or employing authority (government) were normally represented by the cabinet secretary. The experiences of these countries do not necessarily represent a wholesale borrowing of the New Zealand model, but certainly the ideas about improving public service delivery systems using contractual re-engineering processes were borrowed and translated. However, even though each country's experience is unique, reflecting the alignment of power and forces of interest, there were also important commonalities to be drawn.

Contract entitlements generally included gratuities and access to official vehicles in all countries. In the contract-like arrangements under which permanent secretaries and chief directors operated, state pension schemes had been retained in Ghana and Botswana, while gratuities of 40 per cent and 100 per cent of gross salary were paid to permanent secretaries in Uganda and Zambia respectively. The basic pay of the Zambian permanent secretary was considered to be very low by the Independent Management Consulting Company in 2004. The same agency also noted that the gratuity of 100 per cent that is taxed at 35 per cent on collection at the end of the three-year contract does not necessarily show that the system is generous. It argued that bringing the pay of the permanent secretary to market levels might actually be a better option. In Ghana, Uganda and Zambia where contracts of employment have been issued to permanent secretaries and chief directors, the norm for length of a term tended to be three years.

The most important finding of the study is that to benefit from performance improvements associated with these contractual arrangements, countries must fully implement performance contracts or back up their performance agreements with performance management and performance measurement instruments which can be evaluated at regular intervals, and the performance information fed back to improve management. In this regard, 'Performance and Co-ordination Units' will be needed at the Office of Cabinet or Office of the Head of the Civil Service (as appropriate), with local units at each ministry to ensure compliance and policy co-ordination.

These arrangements will be congruent with the institutions in Botswana where a balanced scorecard system has been installed and is seemingly producing value for money for the government and people of the country. One issue that is still not established, with available information, is whether Botswana's success has anything to do with the small size of its population of 2 million and a public service of about 15,000, while the other countries have large populations of over 20 million each and larger public services. The issue of bringing ministers and permanent secretaries to a certain level of knowledge and understanding of public policy and public service delivery, and to press home a common view that the two succeed or fail together might also be a key lesson to learn from Botswana by the other countries.

This study, however, cannot make over-reaching conclusions about the detailed workings of the public service systems in those countries as it concentrated on institutional aspects of implementation of the chosen models by each country, and the length of time spent in each country did not permit an ethnographic type study.

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Appendices

Appendix A: Country activity

Below is the schedule of visits by the consultant.

Period	*Country*	*Activity/ig1 information collected*
16 July–22 July 2008	Uganda	Interviews and discussions with the Cabinet Secretary and Head of the Public Service, Mr John Mitala, five permanent secretaries, one former permanent secretary, and two senior officers of the public service.
22 July–28 July 2008	Zambia	Delivered the Commonwealth Secretariat's letter of Introduction to the Secretary to the Cabinet and Head of the Public Service, Dr Joshua Kanganja. His Director of Public Service Management, Mr A K Mwenya organised for the consultant to meet with four permanent secretaries and one director.
28 July–4 August 2008	Botswana	The Secretary to Cabinet and Head of the Public Service, Mr Eric Molale, gave a broad overview of the performance agreement between ministries and Parliament & Cabinet, and arranged for the Deputy Director, Ms Pearl Matome, at the Directorate of Public Service Management to give the consultant additional information.
4 August–14 August 2008	Ghana	The consultant was given a broad overview of the subject matter by Mr Joe Issachar, Head of the Civil Service, and some of the chief directors of the ministries and a consultant at the Management Services Division.

Appendix B: People consulted in Botswana, Ghana, Uganda and Zambia

Country & Date	*Name of Officer*	*Post*	*Institution*
Uganda			
17/07/2008	Mr John Mitala	Secretary to Cabinet & Head of Public Service	Office of the President, Uganda
17/07/2008	Mrs Christine Guwatudde Kintu	Permanent Secretary	Ministry of Gender Labour & Social Development
17/07/2008	Mr Pius Bigirimana	Permanent Secretary	Yet to be assigned
17/07/2008	Mr Kesi Nyakimwe	Former Permanent Secretary	Retired
18/07/2008	Mr Edward Walugemba	Assistant Commissioner, Co-ordination Monitoring & Evaluation	Ministry of Public Service
18/07/2008	Mrs Jane Kyarisiima-Mwesiga	Commissioner, Human Resource Development	Ministry of Public Service
21/07/2008	Mr Lwamafa	Permanent Secretary	Ministry of Public Service
21/07/2008	Mr K Kaliisa	Permanent Secretary	Ministry of Energy & Minerals
Zambia			
23/07/2008	Dr Eric Kanganja	Secretary to Cabinet & Head of Public Service	Office of the President, Zambia
24/07/2008	Mr Mataka	Deputy Permanent Secretary	Office of the President
24/07/2008	Dr Buleti Nsemukila	Permanent Secretary	Ministry of Science Technology & Vocational Training
25/07/2008	Mrs Gertrude Mwae	Permanent Secretary	Ministry of Justice
25/07/2008	Mr A K Mwenya	Director, Public Service Management Unit	Office of the President
25/07/2008	Mrs Zimba	Permanent Secretary	Ministry of Tourism & Environment
25/07/2008	Mrs Msenge	Permanent Secretary, Policy Analysis & Co-ordination Unit	Office of the President
Botswana			
30/07/2008	Mr Eric Molale	Secretary to Cabinet & Head of the Public Service	Office of the President
30/07/2008	Mr Wayne Mlazie	Co-ordinator of Performance Management	Office of the President
01/08/2008	Mrs Bontsi	Performance Co-ordinator	Ministry of Trade & Industry
01/08/2008	Ms Pearl Matome	Deputy Director	Directorate of Public Service Management
Ghana			
05/08/2008	Mr Joe Issachar	Head of the Civil Service	Office of the Head of the Civil Service

06/08/2008	Mrs Felicia Owusu-Bonsu	Implementation Specialist	Ministry of Public Sector Reform
07/08/2008	Mrs Rebecca Aboagye	Chief Director	Office of the Head of the Civil Service
07/08/2008 14/08/2008	Dr S K Bemile	Commissioner	Public Services Commission
07/08/2008	Mr William Botchway	Director	Management Services Division
07/08/2008	Mrs Brenda Osei-Kofi	Deputy Director	Statistical Service
11/08/2008	Mr Yaw Okyere Nyarkoh	Director	Ministry of Finance
13/08/2008	Mr Seth Addo	Chief Director	Ministry of Trade & Industry

The Contract System of Employment for Senior Government 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 Botswana, Ghana, Uganda and Zambia. These countries introduced the contract system of employment, and their experience highlights the importance of acknowledging context in considering the implications of the contract system, and the challenges of implementation.

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