

Guidance Note

Human Resource Management Actionable Governance Indicators (HRM AGI) Instrument¹

Contents

Understanding the HRM AGI Instrument.....	1
Analysing the Data Captured by the HRM AGI Instrument.....	4
Parsimonious analysis of key strengths and weaknesses	4
Mantra approach.....	5
More detailed framework for analysing HRM system elements and how they could better contribute to HRM system performance	6
Tailoring the analysis to context	10
Engaging the client: Options paper approach.....	10
Using the Options Paper to Help a Government to Decide What HRM Reforms to Undertake...	10
Applying the HRM AGI Instrument: Data Gathering	11
Identifying the right interlocutors.....	12
Ensuring each question is correctly understood.....	13
Ensuring each answer accurately reflects available information.....	13
Providing detailed explanations for answers when required	14
Including the questions in the instrument’s annex in the data gathering effort.....	14
Annex 1: Analytic Framework for Assessing How Well Key Elements of an HRM System Contribute to HRM System Objectives.....	15

Understanding the HRM AGI Instrument

The Human Resource Management Actionable Governance Indicators (HRM AGI) diagnostic instrument is a tool designed to facilitate assessments of the institutional arrangements and organizational capacities related to six core objectives posited for a given human resource

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management (HRM) regime, as well as the extent to which those six core objectives are being advanced. It is part of a broader effort by the World Bank to facilitate and encourage broader use of what we are calling Actionable Governance Indicators (AGIs) in the design, implementation and assessment of particular governance systems and sub-systems, such as public sector human resource management systems, public finance management systems, policy management systems, legal and judicial systems, systems of decentralized public administration, etc. A careful statement of the definition of the AGI concept, its rationale, and what sorts of things need to be monitored to make AGIs useful may be found in Reid (2008).²

The instrument will consist of four distinct modules, one for each of four distinct types of labor regimes that exist in many countries. Those modules (labor regimes) are:

1. Civil service
2. Service delivery professionals
3. Contract workers
4. Political appointees

The civil service module is currently the only module available. The others will be developed subsequently. The civil service is defined as that set of public employees who are afforded more extensive due process protections than apply within the private sector labor market within the country in which the instrument is being applied. This means, of course, that the types of positions encompassed by the “civil service” will vary across countries.

The instrument is designed to serve four distinct purposes:

- **Diagnosis:** To capture systematic evidence on both the “in law” and the “in practice” characteristics of the institutional arrangements (rules of the game) and organizational capacities of a country’s human resource management (HRM) systems for particular cadres of public employees, so as to permit detailed diagnoses of those HRM systems.
- **Assessment:** To capture systematic evidence on the extent to which core HRM system performance objectives are being met within each of those HRM systems.
- **Feedback:** To facilitate continuous feedback, through repeated use of the instrument, on the implementation and immediate impacts of initiated reform efforts to strengthen the institutional arrangements and improve day-to-day practices of each of the HRM systems captured by the instrument.
- **Learning:** To facilitate continuous, evidence-based learning about which elements of HRM system’s design (institutions), capacities and practices contribute most consistently and significantly to the performance of a given HRM system.

The instrument consists of two parts: the main instrument (available on-line through Survey Monkey) and an annex (available as an Excel workbook). The main instrument and annex are designed, in combination, to capture four broad types of information that bear on how well each of the six core objectives posited for any HRM system are being pursued and achieved: (i)

² Reid, Gary J., “Actionable Governance Indicators: Concepts and Measurement”, mimeo (The World Bank: Washington, DC, 2008). See AGI website (type “agi” into your WB web browser), or go directly to: <http://siteresources.worldbank.org/EXTPUBLICSECTORANDGOVERNANCE/Resources/286304-1235411288968/AGINote.pdf?resourceurlname=AGINote.pdf>

the rules of the game (including assignments of responsibility and authority), (ii) capacities of the various agents assigned the various responsibilities and types of authority; (iii) performance of the HRM system with respect to the six core HRM objectives around which the instrument is structured; and (iv) complementary demographic and context-setting information (e.g., total population, GDP, various subdivisions of expenditures, etc.), which can aid the team in normalizing some of the performance information, as well as for analysing the data on institutions, capacities and performance. The ***main instrument*** includes three sections and is structured to capture evidence on the design, implementation and performance of a human resource management (HRM) system (i.e., items (i), (ii) and (iii) above) with respect to six core objectives. The ***annex*** captures both additional evidence on the performance of the HRM system with respect to the six core HRM objectives (item (iii) above), as well as complementary demographic and context-setting information (item (iv) above).

The six core objectives addressed by the instrument are:

1. Attracting and retaining required human capital within a given cadre
2. Ensuring a fiscally sustainable wage bill
3. Ensuring depoliticized, meritocratic management of staff within a given cadre
4. Ensuring performance-focusing management of staff within a given cadre
5. Ensuring ethical behavior by members of the given cadre
6. Ensuring effective collaboration across cadres

While the first five posited objectives are widely recognized in the literature and by practitioners, the final posited objective is included in recognition of the fact that once you allow that any given public administration is likely to include more than one labor regime, collaboration across cadres governed by those distinct labor regimes poses a further challenge. This is perhaps most poignant at the border between the civil service ranks and the ranks of political appointees. These two cadres need to understand and agree on the differences in their roles, and be willing to act in ways consistent with those divisions of responsibility, functions, authority – in short, roles – if they are to effectively complement each other as resources for meeting policy objectives of the Government.

Importantly, the relative importance of each of the six posited HRM objectives will vary across types of cadres; e.g., depoliticized, meritocratic management is typically very important for civil servants, but of little or no importance for political appointees. Their relative importance may also vary across countries and across time in any given country. Accordingly, the HRM AGI instrument simply seeks to capture extensive, systematic information on the various institutions (rules of the game, including assignments of responsibility and authority), capacities and performance of a given HRM system with respect to these six objectives. The task of assessing how well the HRM system, captured by the data covered by the HRM AGI instrument, is achieving any particular HRM objective, as well as the task of assigning relative importance across those objectives, is left to the analysis team and their counterparts.

One of the advantages of the instrument is that it provides a structured means of assessing in a comprehensive manner all aspects of an HRM system. This can help to address the tendency of many HRM experts to bring their own set of priors about what elements of an HRM system are most likely to pose problems in a given environment. By forcing the team to look systematically at *all* the elements before deciding which ones are the most problematic in a particular

situation, the instrument imposes a bit of discipline on one's process of deciding which are the more important problems or challenges facing a particular system.

But, the instrument is huge. It is perfectly understandable that some users may want to find ways to simplify its application. If one wants to undertake an assessment of the design and endowments provided for a given HRM system, it is probably best to employ the entire instrument. This is not something one would want to do frequently in any given public administration; perhaps once every 3-5 years, or, alternatively, immediately before designing and implementing a major reform of that system and then several years following the launch of those reforms. If, on the other hand, one wants to either find evidence on how effectively an HRM system is achieving one or more of the six posited immediate HRM objectives, or if one wants to make sure an HRM system tracks systematic evidence on this, then the final section is really all that is needed. Moreover, if one mounts a significant HRM reform effort, it would be wise to ensure that the information sought in section 3 of the main instrument (i.e., evidence on the extent to which each of the six HRM objectives is being furthered), as well as similar data sought in the annex, are systematically monitored as part of that reform effort throughout and following those reforms. This will permit one to continuously judge, on the basis of systematic evidence, how well the reformed HRM systems are furthering their various HRM objectives.

Analysing the Data Captured by the HRM AGI Instrument³

In undertaking the analysis, the team faces three distinct challenges: Distilling the detailed information captured by the instrument into a parsimonious analysis of key strengths and weaknesses of a given HRM system, tailoring the analysis to context, and engaging the client.

Parsimonious analysis of key strengths and weaknesses

The HRM AGI instrument is extensive. The sheer range of data captured can be overwhelming. Accordingly, an important task of the analysis team is to distill that wealth of information into a relatively parsimonious, coherent analysis of the most important strengths and weaknesses of the existing HRM system captured by the instrument. To facilitate the analysis teams, we offer two complementary sets of guidance: (i) what we are calling a mantra approach to assessing how the various institutions and capacities (parts 1 and 2 of the main instrument) contribute to each of the six posited HRM objectives (part 3 of the main instrument); and (ii) a more detailed highlighting of key design and implementation features and characteristics that, given our current state of knowledge, are recognized as “good practice. The “mantra approach”, in essence, provides a single, simple guiding principle for assessing how well a given HRM system addresses each of the six HRM objectives – yielding a total of six “mantras” or “guiding principles”. The more detailed advice delves into each of the key HRM system elements that contribute most significantly to each of the six posited HRM system objectives, and highlights ways in which those system elements can be designed and implemented to contribute effectively to the particular HRM system objectives for which those HRM system elements are relevant. We recommend that the analytic framework provided under (ii) and (in more detail) in

³ Sample analyses are available on request, and will be posted on the World Bank’s AGI website shortly.

Annex 1 be employed as a prototype outline for analysis of the data captured by the HRM AGI Instrument; with the addition of an opening “Executive Summary” section and a closing “Summary of Findings and Recommendations” section.

Mantra approach

Perhaps an analogy could help to motivate this advice. Considerable research has yielded detailed advice on the numerous characteristics of “good” walking.⁴ That advice was compiled by scientists, who carefully identified all the various elements of walking and what shape each of those elements takes when a person is walking optimally. While those descriptions are technically accurate and unassailable, for most people they are not particularly helpful, largely because they are so numerous and complicated, making it difficult for a person or patient to figure out which one he/she should focus on first, second, etc., and which ones should be temporarily ignored when following them seems to make it more difficult to follow other parts of that advice. What such “patients” need is some simple instruction that, when they focus on that one thing (or possibly two things), will make it easier for them to better approximate the full set of “good” walking requirements. Let us call this the “mantra” approach to improving some behavior; in this case, walking, since it relies on a simple instruction or “mantra”, rather than a detailed set of un-prioritized instructions. In the walking case, for many people, a sensible “mantra” is “tuck”, meaning that they should focus on tucking their abdomen in and their hips forward, rather than allowing them to slump, with belly protruding and hips sagging. By focusing solely on tucking, most of such a person’s poor walking habits can be corrected.

Civil service or human resource management reforms could benefit from such a “mantra” approach as well. We can detail all the many technical aspects of a “good” human resource management (HRM) system⁵, but those details easily overwhelm the “patient” (a client government, for instance). What is needed as an important complement to such detailed analysis is a simple “mantra” for any given core objective of an HRM system. We propose the following “mantras” for each of the six core objectives that are typical of any HRM system, and around which the Human Resource Management Actionable Governance Indicators (HRM AGI) instrument has been constructed. The idea is that if any given organization or public administration wants to improve the extent to which any particular one of those six HRM objectives are being met, they would be well served by relentlessly focusing on the “mantra” applicable to that HRM objective.

Table 1: HRM Reform Mantra Summary

HRM Objective	Mantra
Attract and retain required human capital skills	Consistency: Ensure consistency in the attractiveness of terms of employment across

⁴ For a summary, see “Learning to Walk: A Graduate Course”, *Harvard Health Letter*, (February 2009).

⁵ In fact, the “institutional arrangements” and “organizational capacities” sections of the Human Resource Management Actionable Governance Indicators (HRM AGI) instrument provide precisely such detailed data on the various elements of an HRM system. Such data can, indeed, be employed to identify all sorts of concrete and very specific actions that a government might take to improve those institutional arrangements and organizational capacities.

	positions, including not just policies governing those terms of employment (<i>de jure</i>), but also enforcement of those policies (<i>de facto</i>). ⁶
Ensure meritocratic, depoliticized HRM practices	Competition: Ensure competition in all major personnel actions (recruitment and selection, promotions, significant salary increases)
Focus staff on furthering the policy and program objectives of the organizational unit within which they work	Continuous, constructive feedback: Ensure continuous (real time), constructive feedback on both organizational and individual performance, and employ that feedback primarily as a learning tool, rather than as a disciplining device or a means for doling out performance bonuses.
Ensure a fiscally sustainable wage bill	Discipline: Impose centralized fiscal discipline on wage bill impacting actions, beginning with remuneration policies, but extending as well to individual salary setting actions.
Ensure ethical behavior by staff	Clarity of expectations and lead by example: Establish clear rules governing ethical behavior of staff, and ensure that your top political and managerial leadership lead by example with respect to ethical behavior.
Ensure effective collaboration across cadres	Lead by example: Ensure collaborative behavior by your top political and managerial leadership, and perhaps 90% of the challenge of ensuring collaborative behavior by the rest of your staff will be addressed.

More detailed framework for analysing HRM system elements and how they could better contribute to HRM system performance

The detailed data captured by the HRM AGI Instrument is designed to facilitate as detailed analysis of the design, implementation and performance of an HRM system as the analysis team desires. Nevertheless, it is helpful to have some guidance on how to prioritize and simplify that analysis. We provide in this section a bit more elaborate and detailed advice on that challenge than is provided by the above “mantra” approach; but advice that is, in its essence, simply an amplification of that “mantra” approach. To keep this brief, we present here in outline form the key elements of an HRM system that contribute most significantly to each of the six posited HRM system objectives, as well as characteristics of each of those elements that, given our current state of knowledge, are widely recognized as “good practice”. Annex 1 provides more

⁶ While this obviously includes such things as consistency in the competitiveness of total remuneration, it also implies, among the other things, the need for effective redress mechanisms, aimed at preventing inconsistent (i.e., arbitrary) application of policies across personnel, organizational units or types of positions.

detailed, drilled-down advice on devices for meeting the norms described in the following analytic framework.

1. Attracting and retaining human capital

a. Recruitment and Selection

- i. Competition
- ii. Tiered screens; i.e., multi-staged recruitment and selection procedures (long-listing, short-listing, final selection), in which no single agent is likely to be able to determine outcomes of each stage.
- iii. Independent redress; i.e., a redress mechanism that is independent and credible.

b. Remuneration Policies and Practices⁷

- i. Consistency in competitiveness of total remuneration; i.e., ensuring consistency in the competitiveness of total remuneration across packages of human capital skill requirements
- ii. Concentration of remuneration in elements of salary linked to human capital requirements of the position (e.g., base pay)
- iii. Transparency and fairness

c. Non-remuneration Policies and Practices

- i. Opportunities for human capital growth
- ii. Intrinsically rewarding work; i.e., HRM practices that make working in the public administration intrinsically rewarding

2. Depoliticized, meritocratic management of staff

a. Due Process Protections

- i. Third party review: Major personnel actions require review by a third party
- ii. Audit trail: Major personnel actions generate an audit trail
- iii. Independent redress: Major personnel actions can be challenged through a redress mechanism that is independent and credible.

b. Recruitment and Selection (see above)

- i. Competition (see above)
- ii. Tiered screens (see above)
- iii. Independent redress (see above)

c. Promotion Procedures and Practices (see below)

d. Disciplinary Procedures and Practices

- i. Disciplinary actions commensurate with infractions: A range of disciplinary options and a mandate and clear guidance to ensure that disciplinary actions are commensurate with the seriousness of the infraction

⁷ See Reid, Gary J., "Public Administration Salary Setting: Principles and Mechanisms for Satisfying Them", mimeo (The World Bank: 2007).

- ii. Checks on disciplinary actions that enter a staff member's personnel record or are likely to affect his/her career prospects; e.g., review and clearance by a superior or other independent agent, requirement that the disciplining agent include an attributable statement of the justification for the disciplinary action, etc.
- iii. Independent redress: Major disciplinary actions can be challenged through a redress mechanism that is independent and credible.

3. **Fiscally Sustainable Wage Bill**⁸

a. Establishment control

- i. Authorization of posts that ensures:
 1. Legitimate justification for the post
 2. Adequate resources to finance the post
- ii. Authorization of recruitments to posts that ensures:
 1. Post is authorized
 2. Rules governing recruitment and selection procedures are followed

b. Wage bill control

- i. Pay policies and procedures
 1. Any policy recommendation with respect to remuneration financed through the budget must be accompanied with an analysis of its likely fiscal impacts.
 2. Any such policy recommendation, with its fiscal impact analysis, must be reviewed by the Ministry of Finance (or its equivalent), who must then either clear or reject the proposed policy change on the basis of its consistency with the Government's macro/fiscal program.
- ii. Setting of individual pay
 1. Mechanisms exist that ensure compliance with rules governing setting of individual pay (all elements)

4. **Performance-focusing Civil Service Management**

a. Mechanisms for holding organizational units accountable for their performance exist and function reasonably well

- i. Clear, measurable, time-bound unit objectives
- ii. Monitoring of unit performance
- iii. Upward reporting on unit performance
- iv. Public reporting on unit performance
- v. Performance affects policy design and management of organizational unit managers

b. Personnel performance assessment policies and practices

⁸ See Reid, Gary J., "Public Administration Salary Setting: Principles and Mechanisms for Satisfying Them", mimeo (The World Bank: 2007).

- i. Performance-based criteria given heavier weight than compliance criteria
- ii. Performance criteria capture contributions to performance of the organizational unit
- iii. Mechanisms exist to discipline personnel performance assessment practices (to prevent them from either being biased or failing to sort staff by performance)

c. Promotion Procedures and Practices

- i. Performance given greater weight than experience or seniority in promotions decisions
- ii. Mechanisms to discipline promotion practices (to prevent them from either being biased or failing to sort staff by performance and potential for relevant human capital growth)
 - 1. *Competition requirements* (see above)
 - 2. *Tiered screens*; i.e., multi-staged promotion procedures (clearance by central personnel management agent, clearance by organizational unit within which the promoted staff member will work after his/her promotion), in which no single agent is likely to be able to determine outcomes of each stage.
 - 3. *Independent redress*: Promotions actions can be challenged through a redress mechanism that is independent and credible.

5. Ethical behavior

a. Code of Ethics and Asset Declaration

b. Ethics training

c. Ethics criteria included in annual personnel performance review

6. Collaboration across labor regimes (Civil Service, Service delivery professionals, Contract workers, Political appointees)

- a. **Definitions** of the distinctions between the roles of the distinct cadres (labor regimes) are codified and made available to all staff.
- b. **Training** is provided to staff from all cadres on the distinctions between their roles, as well as on techniques and devices for facilitating cross-cadre collaboration.
- c. **Regular forums** are held for members of distinct cadres for the purpose of fostering familiarity with each other and communication about common challenges and ways to address them collaboratively.

Tailoring the analysis to context

The HRM AGI instrument does not capture data on the context within which the HRM system examined operates in a given country.⁹ It is the task of the analysis team to adequately understand the local context, so that their analysis of the data captured will be appropriately tailored to that context. This is a crucially important part of the role of the analysis team. This is one of the reasons that we recommend that at least one of the members of that team be a local expert who is familiar with HRM issues in the country's public administration. The international expert will also be more helpful if he/she has a proven capacity to tailor his/her advice to country context.

Engaging the client: Options paper approach

In order to engage the client in the deliberations about what sorts of reforms might be needed, it is advisable for the analysis team to take a bit of a different approach to preparing its analysis of the data captured by the HRM AGI instrument than is typical of expert assessments. Rather than preparing an analysis that supports a particular set of recommendations, we advise the analysis teams to write the analysis as an "options paper". The idea is to: (i) highlight where likely problems exist; (ii) provide options for addressing each of those likely problems; and (iii) clarify issues requiring judgment calls that are posed by each option (advantages & disadvantages, risks & options for addressing each risk, trade-offs). This "options paper" can then be employed to frame a series of deliberations by key stakeholders regarding the HRM challenges being faced and how to address them (see "Using the Options Paper..." section below).

Using the Options Paper to Help a Government to Decide What HRM Reforms to Undertake

We recommend that the options paper be employed in a series of stakeholder consultations to frame discussions or deliberations regarding the HRM challenges faced by the particular HRM regime that has been captured and analysed. The purpose of these stakeholder consultations is to achieve sufficient agreement on what options to pursue, so as to provide a reasonable starting point for launching an effort to prepare a strategy and detailed action plan for undertaking the agreed set of options. Once such "sufficient agreement" is achieved, the Government should appoint a task force to draft such a strategy and detailed actions plan, which, itself, should also be subject to a similar set of stakeholder consultations. The HRM AGI data gathering and analysis team could serve as an advisor to that effort by Government. This approach leaves the task of formulating a strategy and action plan to the Government, where it belongs if there are to be reasonable prospects for the commitment required for any such

⁹ In the terminology of the "Actionable Governance Indicators: Concepts and Measurement" note (footnote 2), the HRM AGI instrument fails to capture *exogenous factors*.

strategy and action plan to be effectively implemented and, ultimately, to meet its objectives. At the same time, it provides room for the data gathering and analysis team to provide helpful advice to the Government and its task force during that policy formulation stage of the work, which will have been made possible by the data gathered and analysed within the HRM AGI instrument framework, as described above.

Applying the HRM AGI Instrument: Data Gathering

We advise that a team be comprised of at least two persons: an international expert in developing country HRM systems and issues, and a local expert with similar expertise, as well as knowledge of public administration human resource management issues in that country. The team is responsible for gathering the data sought by the HRM AGI instrument, for analyzing that data, and for facilitating the Government's deliberations regarding what, if any, HRM reforms they may want to undertake, in light of the findings of the data gathering and analysis undertaken within the framework of the HRM AGI instrument. Close collaboration with counterparts is essential for the success of both the data gathering phase of this work, as well as the analysis and deliberations phases.

First, the team should gather relevant legal framework documents (laws, subsidiary legislation, existing secondary sources on the country's relevant legal framework). This can often be done prior to any international members of the data gathering team visiting the country, provided that a local member of that team obtains and forwards the required documents to other team members. Using those available legal framework documents, the team should code as many of the "in law" questions as possible. This will ensure that the data-gathering team is reasonably knowledgeable about the relevant legal framework when they directly engage officials for the purpose of both ensuring the accuracy of their coding of the "in law" data, as well as for capturing the "in practice" data.

The second phase of data capture must be undertaken in-country. To ensure cost-effective use of the resources devoted to the in-country data gathering effort, we strongly advise the team to mobilize their counterparts to schedule meetings *before* the full team arrives in the country. The earliest meetings will normally be with top officials within the central agencies on HRM issues, such as the Ministry of Public/Civil Service, the Public/Civil Service Commission, or a central personnel office of some other name (e.g., Human Resource Management Office, Department of Public Administration, etc.). Those meetings will aim to ensure that the leadership of those agencies will signal to their staff that they should both meet with the team and be forthcoming in providing answers and data in response to the various questions asked during the technical level meetings. Both these meetings with top officials within the lead agencies on HRM issues, as well as at least a week's worth of meetings at all levels should be arranged prior to arrival of the full team in the country. The second week of work should allow both follow-up meetings and meetings with additional interlocutors, based on recommendations for such meetings that surface during the initial round of meetings.

Key challenges posed by the in-country data gathering effort include:

1. Identifying the right interlocutors
2. Ensuring each question is correctly understood
3. Ensuring each answer accurately reflects available information
4. Providing detailed explanations for answers when required
5. Including the questions in the instrument's annex in the data gathering effort

Identifying the right interlocutors

The instrument requires that a wide variety of interlocutors be interviewed during the data gathering stage. These include, at a minimum:

1. Agents responsible for *developing HRM policies* for the relevant set of public employees¹⁰
2. Agents responsible for *oversight* of implementation of the relevant HRM legal framework
3. Agents responsible for *day-to-day management* of the relevant set of public employees¹¹
4. Agents responsible of *career management* of the relevant set of public employees¹²
5. Agents responsible for *redress* for the relevant set of public employees¹³

It is the task of the data gathering team, in consultation with their counterparts, to identify the specific agents (Ministries, Departments, Agencies, etc.) falling under each of the above categories. In many cases, there will be multiple agents who will need to be interviewed, either because *different agents are responsible for different subsets of the policy space* (e.g., Ministry of Finance may be responsible for ensuring wage bill sustainability, while a Ministry of Public Service or a Public Service Commission may be responsible for proposing policies governing the structure of remuneration), or because *different agents will, given the nature of their responsibilities, have different perspectives on how particular HRM policies or procedures operate in practice* (e.g., central agents – such as a Ministry of Public Service, a Public Service Commission, a Ministry of Finance – vs. line ministries, departments and agencies).

Within the central agencies (e.g., Public or Civil Service Commission, Ministry of Public Service or Public Administration, Ministry of Finance, etc.), the team should arrange interviews with as many Departments or their equivalent as possible. As the instrument asks questions about all elements of an HRM system, *the team should direct each interview to those sections of the instrument that are relevant to the responsibilities of the persons being interviewed.* Thus, for instance, interviews with staff within the Ministry of Finance (e.g., in the Budget Department,

¹⁰ Civil servants, service delivery professionals, contract employees or political employees, depending on which module of the instrument is being applied.

¹¹ See footnote 10.

¹² See footnote 10

¹³ See footnote 10.

the Payroll Department, the Treasury or the Accounting Department) would focus on the sections of the instrument dealing with establishment and wage bill control. Interviews with a Public Service Commission, on the other hand, would focus on the sections of the instrument that address whatever responsibilities rest within the mandate of that Public Service Commission. Similarly for the redress body, etc.

Within line ministries, departments or agencies (MDAs), the team would generally seek interviews with the Human Resources Department, or its equivalent, as well as with two distinct types of staff outside the HR Department: a manager as well as professional or specialist staff. The idea is to capture information and insights from staff whose roles are likely to give them distinct perspectives on how the HRM rules and procedures actually operate in practice. This will allow the team to “triangulate” as they try to code answers to the various questions that capture the reality as reliably as possible.

Ensuring each question is correctly understood

An important task of the data gathering team is to ensure that each question is correctly understood, particularly with respect to whether it is asking for “in law” or “in practice” information.

In addition, in some countries, in which significant changes in the legal framework are being contemplated, and perhaps draft proposals for such changes are circulating, it may prove worthwhile to separately record answers to the “in law” questions under two headings: (i) current legal framework, and (ii) proposed revised legal framework. The former information would provide the basis for analysis (see below) of challenges posed by the existing legal framework, while the latter information could provide a sensible starting point for laying out options for addressing those challenges.

Similarly, if HRM practices are currently in a state of significant flux or change, it may be worthwhile to code answers to “in practice” questions under two or possibly three heading as well: (i) actual (in flux) practices; (ii) typical practices prior to the current period of flux; and (iii) preferred practices, which are hoped to result from a reform effort currently either in preparation or under implementation. Again, by separately capturing such “in practice” information under two or three of these headings, the team will be better positioned to interpret the “in practice” data so captured. If the team decides not to distinguish between these three possible ways of answering the “in practice” questions, it will need to be careful to ensure that all “in practice” questions are coded on the basis of an explicit and consistent understanding of “in practice”. In such a case, the “in practice” data should capture either (i) or (ii), rather than (iii), since (iii) is little more than a hope, rather than a reality.

Ensuring each answer accurately reflects available information

An important task of the data gathering team is to ensure that questions asking for information that is not available are coded as “information not available” rather than either not answered or

answered on the basis of personal viewpoints of the respondents. The absence of systematic monitoring of key types of information is often an important finding, which can provide the basis for recommendations that the Government may want to consider whether it would be worthwhile to start systematically monitoring such information.

Providing detailed explanations for answers when required

It is important that the data gathering team provide detailed explanations whenever a question includes a box asking for the relevant citations (legal framework) or details (e.g., the name of the particular agent referenced in the question, a more detailed answer to the question than allowed by the multiple choice or yes/no answer, etc.). This detailed information is important for at least two reasons. First, information on the details behind a given multiple choice answer (e.g., the name(s) of a central agent(s) responsible for developing HRM policies) will allow the team, during the analysis stage (see following section) to ground their analysis in the specific identities of the relevant actors/agents. Second, detailed explanations of why a given multiple choice answer was provided can help during the analysis to flesh out how or why a particular aspect of the HRM system being examined functions as it does, or why a particular yes/no or multiple choice answer was coded.

Including the questions in the instrument's annex in the data gathering effort

The HRM AGI instrument includes both an on-line part and an annex, which is available as an Excel workbook. The on-line parts of the instrument capture data that, generally, isn't generated by administrative systems, such as a human resources management information system, a payroll system, a budget system or an accounting system. The annex, on the other hand, requests information that would normally only be generated either by such administrative systems or by other government-run efforts to monitor particular statistics, such as data on total population, public/private sector salary comparisons, etc. While much of the data requested in the annex may not be available in any given country, it is still important to determine whether that data is available or not, and to answer the questions posed in the annex with either that data (when available) or by coding the answer as "information not available" . As noted above, the unavailability of data on the various indicators sought in the annex can allow the team to recommend that the Government should seriously consider monitoring such information in the future, so that they will be in a better position to evaluate how well their HRM system is meeting its various objectives.

Annex 1: Analytic Framework for Assessing How Well Key Elements of an HRM System Contribute to HRM System Objectives¹⁴

1. Attracting and retaining human capital

a. Recruitment and Selection

i. Competition

1. Open competition is better than restricted competition; e.g., allowing both internal and external candidates to compete is more competitive than restricting competition to internal candidates.
2. Advertising enhances competition.
3. Clearly specified, publicly available selection criteria facilitate competition.
4. Allowing incumbents to compete for their current position (e.g., a temporary appointee holding the position being competed for) undermines competition

ii. Tiered screens; i.e., multi-staged recruitment and selection procedures (long-listing, short-listing, final selection), in which no single agent is likely to be able to determine outcomes of each stage.

iii. Independent redress; i.e., a redress mechanism that is independent and credible.

b. Remuneration Policies and Practices¹⁵

- i. Consistency in competitiveness of total remuneration; i.e., ensuring consistency in the competitiveness of total remuneration across packages of human capital skill requirements
- ii. Concentration of remuneration in elements of salary linked to human capital requirements of the position (e.g., base pay)
- iii. Transparency and fairness
 1. *Transparency* can be facilitated by:
 - a. *Simplicity*: limiting the number of elements of salary (simpler salary systems are easier for people to understand than are more complicated ones).

¹⁴ This framework should serve as a prototype outline for preparing an analysis of the data captured by the HRM AGI Instrument in a particular application; subject to the proviso that such reports should also include an opening “Executive Summary” section as well as a closing “Summary of Findings and Recommendations” section.

¹⁵ See Reid, Gary J., “Public Administration Salary Setting: Principles and Mechanisms for Satisfying Them”, mimeo (The World Bank: 2007).

- b. Third-party clearance of individual salary-setting decisions: ensuring that individual salary-determining personnel actions are cleared by a third-party (i.e., a central authority), to ensure compliance with the underlying objectives of the rules governing such personnel actions, and
- c. Audit-trails: having personnel management systems that reliably document all salary-determining actions, so they can be effectively audited whenever necessary.

2. *Fairness* can be facilitated by:

- a. Consistency in competitiveness (see above)
- b. Third-party clearance of individual salary-setting decisions: (see above)
- c. Audit-trails: (see above)
- d. Independent redress: providing an effective, independent redress mechanism for public servants who believe they have a legitimate grievance with respect to a salary action directly affecting them.

c. Non-remuneration Policies and Practices

i. Opportunities for human capital growth

1. Competitive promotion procedures and practices that heavily weight performance in promotions decisions
2. Transfer procedures that strategically target transfers on the basis of a staff member's potential for human capital growth in the new position
3. On-the-job learning opportunities
4. Training that strategically targets training on the basis of work force skills and expertise gaps and candidates' potential to develop the skills or expertise to be provided by the training
5. Mentoring that is supportive of improving the human capital and performance of the mentored staff member

ii. Intrinsically rewarding work; i.e., HRM practices that make working in the public administration intrinsically rewarding

1. Perceived fairness of HRM practices
2. Perceived supportiveness by management of staff who try to work hard and effectively
3. Opportunities for staff to exercise discretion in their work, which are commensurate with management capacity to hold staff accountable for performance in the exercise of that discretion

2. Depoliticized, meritocratic management of staff

a. Due Process Protections

- b. **Recruitment and Selection** (see above)
 - i. Competition (see above)
 - ii. Tiered screens (see above)
 - iii. Independent redress (see above)
 - c. **Disciplinary Procedures and Practices**
 - i. Disciplinary actions commensurate with infractions: A range of disciplinary options and a mandate and clear guidance to ensure that disciplinary actions are commensurate with the seriousness of the infraction
 - ii. Checks on disciplinary actions that enter a staff member’s personnel record or are likely to affect his/her career prospects; e.g., review and clearance by a superior or other independent agent, requirement that the disciplining agent include an attributable statement of the justification for the disciplinary action, etc.
 - d. **Independent redress** (see above)
- 3. Fiscally Sustainable Wage Bill¹⁶**
- a. **Establishment control**
 - i. Authorization of posts that ensures:
 1. Legitimate justification for the post
 2. Adequate resources to finance the post
 - ii. Authorization of recruitments to posts that ensures:
 1. Post is authorized
 2. Rules governing recruitment and selection procedures are followed
 - b. **Wage bill control**
 - i. Pay policies and procedures
 1. Any policy recommendation with respect to remuneration financed through the budget must be accompanied with an analysis of its likely fiscal impacts.
 2. Any such policy recommendation, with its fiscal impact analysis, must be reviewed by the Ministry of Finance (or its equivalent), who must then either clear or reject the proposed policy change on the basis of its consistency with the Government’s macro/fiscal program.
 - ii. Setting of individual pay
 1. Mechanisms exist that ensure compliance with rules governing setting of individual pay (all elements)
 - a. Authority to make individual pay-setting actions is clearly assigned.

¹⁶ See Reid, Gary J., “Public Administration Salary Setting: Principles and Mechanisms for Satisfying Them”, mimeo (The World Bank: 2007).

- b. Individual pay-setting actions generate auditable trails capturing reliable information on the action, who authorized it, and when it occurred.
- c. Individual pay-setting actions are reviewed with enough regularity and reliability to ensure compliance with the rules governing them.

4. Performance-focusing Civil Service Management

- a. ***Mechanisms for holding organizational units accountable for their performance*** exist and function reasonably well
 - i. Clear, measurable, time-bound unit objectives: Organizational units have clearly defined, measurable, time-bound objectives.
 - ii. Monitoring of unit performance: Organizational units monitor systematic, empirical evidence on how effectively they are furthering their objectives.
 - iii. Upward reporting on unit performance: Organizational units regularly (at least quarterly, preferably monthly) provide reports to their superiors summarizing and assessing how effectively they are furthering their objectives.
 - iv. Public reporting on unit performance: Periodic (at least quarterly, preferably monthly) reports on organizational unit performance are made available to the public on a timely basis.
 - v. Performance affects policy design and management of organizational unit managers: The evidence provided on the performance of organizational units is input to deliberations by higher authorities (e.g., higher ranking units within the same organization, Cabinet, Parliament, etc.) regarding whether or not to adjust the programs or policies being implemented by those organizational units, as well as whether or not to adjust the management of those organizational units (e.g., by directing them to make certain changes in the way they manage their units, by adjusting the annual performance evaluations of the managers of those organizational units, or, ultimately, by replacing the management of poor performing organizational units).
- b. ***Personnel performance assessment policies and practices***
 - i. Performance-based criteria given heavier weight than compliance criteria
 - ii. Performance criteria capture contributions to performance of the organizational unit
 - iii. Mechanisms exist to discipline personnel performance assessment practices (to prevent them from either being biased or failing to sort staff by performance)
 - 1. *Diverse inputs*: Performance assessments require input by as wide a range as possible of agents in a position to judge various

dimensions of the staff member's performance, including, for instance, supervisors, peers, direct-reports as well as clients or direct beneficiaries of the work of the staff member.

2. *Independent review and clearance*: Performance assessments are subject to review and clearance by a party independent of the manager making the assessment; e.g., by an HRM unit.
3. *Auditable trails*: Performance assessments yield auditable trails capturing reliable information on the assessment, who made it, who cleared it and when it occurred.
4. *Disciplining mechanism*: A disciplining mechanism exists to ensure that overall patterns of performance assessments do not excessively concentrate those ratings in one or two rating categories (e.g., in the highest one or two ratings). An example of such a disciplining mechanism would be caps (minimums for low ratings; maximums for high ratings) on the percentage of staff in each large organizational unit receiving each rating.

c. Promotion Procedures and Practices

- i. Performance given greater weight than experience or seniority in promotions decisions
- ii. Mechanisms to discipline promotion practices (to prevent them from either being biased or failing to sort staff by performance and potential for relevant human capital growth)
 1. *Competition requirements* (see above)
 2. *Tiered screens*; i.e., multi-staged promotion procedures (clearance by central personnel management agent, clearance by organizational unit within which the promoted staff member will work after his/her promotion), in which no single agent is likely to be able to determine outcomes of each stage.
 3. Independent redress (see above)

5. Ethical behavior

- a. **Code of Ethics and Asset Declaration**
- b. **Ethics training**
- c. **Ethics criteria included in annual personnel performance review**

6. Collaboration across labor regimes (Civil Service, Service delivery professionals, Contract workers, Political appointees)

- a. **Definitions** of the distinctions between the roles of the distinct cadres (labor regimes) are codified and made available to all staff.
- b. **Training** is provided to staff from all cadres on the distinctions between their roles, as well as on techniques and devices for facilitating cross-cadre collaboration.

- c. ***Regular forums*** are held for members of distinct cadres for the purpose of fostering familiarity with each other and communication about common challenges and ways to address them collaboratively

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