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**Comparative Institutional Diagnosis of Civil Service  
Systems**

**Summary of 17 Country Evaluations**

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## I. INTRODUCCIÓN

The present work summarizes a set of reports which have had the aim of diagnosing the civil service systems of seventeen countries: Argentina, Barbados, Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

In the first place, it is necessary to stress the **plurality and diversity of the countries** studied and the enormous differences among them. It would not be reasonable to compare the civil service of Brazil, a country with 170 million inhabitants and around 7 million government employees, with that of Barbados, which has a population of 268,000 people, without adequately adjusting for such differences.

**Each country's own problems** and public policy priorities also make it advisable to nuance the comparisons. For example, the specific problems of Colombia have no relationship with the situation in Bolivia; at this time Colombia is a country engaged in war against the guerrilla insurgence and its priorities relate to ending that conflict. Bolivia has serious problems of poverty, inequality and political instability, but luckily it is not at war.

It should be added that **the indices** in which the diagnoses are concentrated **reflect reality in a static manner**, and leave them fixed at the time the analyses are carried out. Therefore, they do not reflect, because such is not their purpose or the logic of their preparation, the projects for change, the outlines for reform or the emerging trends, beyond those elements that may already have been effectively incorporated into the operation of the national civil service systems. This must be taken into account when gauging the indices, considering that two countries with similar evaluations could find themselves in very different situations from the point of view of the dynamics of change verifiable in one and the other. In general, this information requires not being restricted to the indices, but regarding the latter as parts of a wider diagnosis, in which those considerations must have been taken into account by the evaluator and be consigned in the corresponding report.

For this reason, the indices allow the systematization of a very complex reality, and an approach to gaining knowledge about the real situation in the civil service area, but they do not judge the performance of one or another government in that field; they express a historically configured situation and define the starting point in the

construction of their own civil service models, models which should tend to respect some principles, criteria and values that we believe to be present in the reference model existing in the “Analytical Framework,” but which inevitably must be idiosyncratic. Besides, it is necessary to point out that the model present in the “Analytical Framework” is not a closed model to which all countries ought to tend, but rather an instrument that makes it possible to describe and delve deeper into a very varied reality with the aim of getting to know the fundamental factors that compose it; in sum, it is not a closed paradigm nor does it claim to provide the only possible account of reality.

Additionally, comparisons between countries should take into account that **the use of a common methodology does not entirely exclude the presence of subjective elements** in the analysis. The predominantly qualitative character of the evaluations make it necessary to encompass this, particularly when, as is the case, the people who carry it out are different. The common methodology applied restricts this subjectivity to the maximum extent possible, but cannot wholly exclude it. This is on occasion reflected in differences of criterion when it comes to applying the scale of evaluation of critical points, and necessarily impinges on the indices. As an example, if a comparison is made among the literal appreciations carried out by the consultant in the analysis of the diverse subsystems with the numerical evaluation applied to the same country, it becomes quite evident that the cases of Uruguay and Paraguay have been graded more toughly than those of Venezuela or Argentina.

For all these reasons, we believe that the evaluation process heretofore followed is a work in progress, which makes it possible to learn while it is being carried out. In any case, with a significant part of the universe to be analyzed already being covered, we consider that the diagnosis is highly significant, without detriment to the limitations pointed out.

The indices have allowed us to learn in a very systematic manner what is the country-by-country situation with regard to key variables of the civil services. And, analyzed as a whole, we believe **consistency** exists between what it has been possible to learn about each country through the reports studied and through the results added up. Thus, if in the report we are told that in the corresponding country there is no strategic planning, i.e. the quantitative and qualitative human resource needs are not foreseen on the basis of the final objectives of the public organizations and, on the contrary, action is taken reactively in the face of a problem, the index of strategic consistency

must show low results. Thus it is noted in Nicaragua, Guatemala or Bolivia, and their indices are 2.4, 2 and 1.7, respectively, out of 10.

Also, from the analyses among countries there are derived **conclusions that we believe to be solid for validating the results of the study**. Thus, it is known from other studies that the Brazilian civil service, at its central government level, is a good example of the application of mechanisms to guarantee professionalism in recruitment and selection, a circumstance which should lead us to high marks in the merit index. Indeed this has been the case. Meanwhile we also know that the civil service in the Dominican Republic has not been historically characterized by compliance with its advanced and competent guidelines as regards merit, but that there has been a continuous politicalization of the selection processes, even if this is slowly changing. This should lead to low marks in that index. If in the comparison between the results for the two countries the difference were minimal, we would have to review which of the two indices has been badly drawn up or if both contain errors. With the maximum grade being 20, if Brazil had 10 and the Dominican Republic 9 it is likely that both indices would be wrongly drawn up and the report would have to be reviewed, because the inconsistencies between what was written down and the grades would determine its lack of validity. But in the indices drawn up by the consultants Brazil obtains a grade of 16.8 and the Dominican Republic 6.31; consequently those grades reflect consistency with the data known through the reports.

For all the above reasons, with the unavoidable caveats, considering the variety of actors involved in drawing up the cases and the complexity of the reality inherent in each country, we believe that these diagnoses are a major instrument for the systematic and comparative study of the civil service systems in Latin America.

## II. SYSTEMATIC ANÁLISIS OF THE DIAGNOSES, SISTEMÁTIZED BY INDICES

Observations gathered in the examination of the 16 national reports referred to are presented, ordered by indices.

### EFFICIENCY

In general, in numerous countries there is a major **lack of information** regarding the existing staff and its characteristics, but, above all, there is lack of information on personnel needs, which is essential to optimize cadres. This situation is clear in countries like Argentina, Bolivia, Dominican Republic, Peru, Paraguay, Colombia and Guatemala. In Uruguay a coexistence of personnel surpluses and deficits is generated by the lack of mechanisms that relate needs and existing staff.

**Lack of planning** is the fundamental deficiency found, and it is related to the index of strategic consistency, which will make manifest an inadequacy attributable to all national civil service systems, one which, in the majority of countries, has the consequence that investment in personnel policies is reactive, obeying scattered logics of stimulus and response.

- Nevertheless, there are the beginnings of appropriate planning and information systems in Brazil and Barbados. It is a process that requires cultural changes, in addition to follow-up and continuity, but for now, in the countries mentioned, the right path has been taken.
- As we shall see later, again, the absence of true anticipation of needs is very generalized. This situation is very clear in Bolivia, Nicaragua, Colombia, Venezuela or Guatemala. In the Dominican Republic the freezing of the permanent staff rolls mitigates the problem, even though the expansion of temporary staff demonstrates that this must be dealt with. In Argentina, the expectations lack technical studies to underpin them.
- In Peru, there are clear differences in the value of this index between the entities that operate under a public system (low relative efficiency) and the decentralized ones that are governed by a private labor system (higher

efficiency, with limitations that especially affect the allocation and rotation of staff, and investment in training).

There is a major **weight of the payroll on total public expenditure** in Uruguay, or in Brazil, referring to the Central Government, including retirement pay. Also sizable is the weight of expenditure on personnel, calculated with regard to the GDP, in Jamaica, Colombia, Costa Rica and Paraguay. Nevertheless, the data on this aspect are quite heterogeneous and make comparison difficult.

- In Costa Rica, the problems in this field are derived from the rigidity in personnel rolls, which hinders the adjustment of deficits and surpluses, as well as from virtually indexed wage raises (every 6 months, depending on inflation and the availability of resources), and from retribution inefficiency (higher than market wages) in the medium and lower levels of the tasks structure. On the other hand, absenteeism indexes are satisfactory, and rotation low.
- A deficit is detected in the system of public pensions in Uruguay, and in Paraguay the weight of the pension system on public expenditure is considered excessive. In Brazil the pensions system for public employees of the central government is a privilege that is hard to justify, since around 80% is financed with funds from the general budget, dues from workers financing 20%; in fact, the median public employee pension is twenty times higher than that of a worker in the private sector.

**The benefits of the staff are not evaluated** in cost/benefit terms in any country, albeit only Jamaica makes explicit reference to this information defect. Non-salary benefits are very numerous in Guatemala or in Colombia, a circumstance that causes the real remuneration of employees in those countries to be very advantageous with regard to the private sector. The non-existence of wage scales drawn up on the basis of work post evaluations is clear in the Dominican Republic and in Bolivia.

**Absenteeism** data are unknown, save in Costa Rica, and so are those on rotation, except in that same country and in Brazil. In some cases, such as Ecuador or Trinidad and Tobago, high absenteeism is perceived, without the existence of transparent figures that record it.

## MERIT

In relation with the staff recruitment and selection process, **gaps between officially established guidelines and everyday practice** are very common. Such is the case in Argentina, Mexico, Dominican Republic, Colombia, Guatemala, Venezuela or Bolivia.

- For example, although the law establishes selection via competitions, practice is otherwise in Venezuela or the Dominican Republic.
- In Colombia, as a method for escaping from the legal control of the merit principle, recourse is had to a provisional appointment for reasons of urgency, later adapting the competition to the candidate already holding the post. Provisional appointments turn into definitive ones, leading to over 80% of posts being entered into without an examination, that entry later being formalized, making it definitive. There is hope that the National Civil Service Commission will, following the constitutional ups and downs, begin to demand respect for the rules on merit existing in the country since 1938.
- In Bolivia, when this report was being drawn up, the launching was being carried out, for the second time, of a career civil service, so that this event must be judged positively. Nevertheless it must be admitted that, up to now, that career system has only covered a minimal share of officials. An independent Superintendence has been created to guarantee respect for the merit principle.
- There is an abusive use of special forms of contracting to avoid the rules in Uruguay or in Venezuela. And an extended use of “decrees of exception” to make direct appointments that would demand competitions in Argentina.
- In Mexico, although the majority of the organizations possess formal procedures to publicize recruitment, in actual practice it is personal contacts and informal channels that constitute the dominant paths toward access to public employment. Membership in cliques located close to power ends up being the determining factor.

- In the Dominican Republic, there has been progress in recent years vis-à-vis the implementation of the Administrative Career System designed in Law 14/91; nevertheless, the latest presidential changeover has generated a certain alteration in the criterion. Entrance requirements have been reduced and the previously established technical procedures for selecting the staff entering the civil service have been paralyzed. However, as a positive aspect, it must be stressed that administrative career admission processes carried out under the previous rules have been reviewed and that 75% have already been validated, a situation that makes it possible to have career staffers selected during a presidential administration and that have been validated during the next.
  
- In Ecuador, a clear politicalization can be seen in the systems of recruitment, selection, promotion, remuneration and dismissal.
  
- In Guatemala, recruitment conditions do not tally with the real capabilities of the candidates, the necessary guarantee mechanisms and procedures needed to avoid arbitrariness in the admission process have not been established, the selection instruments have not been adequately designed, and promotion practices do not match with previously systematized criteria.
  
- In Nicaragua, there is a virtually absolute lack of procedures that guarantee quality in recruitment and selection.

In all countries with a deficient merit system there appear to be **areas that are more protected from arbitrariness**: “contracts with high specialization” in Uruguay; the Ministry of Production and Trade in Venezuela; up to a certain point, the SINAPA roll in Argentina; Customs in Bolivia; the Government Labor Secretariat, the ONAP, the General Control Office of the Republic and the Supreme Court of Justice in the Dominican Republic, the teaching profession in Paraguay. In Peru it is, paradoxically, the decentralized entities that operate under the private labor system that manage to come closest to the ideal of a career system based on merit. The convictions of the leaders at the top of these entities here appear to have more weight than the legal framework itself. It is, nevertheless, possible to pose some queries regarding the degree of institutionalization of these meritocratic practices, their vulnerability to politicalization or rent-seeking and their durability over time.

- Irregularity and the absence of selection guarantees extends to other fields, such as promotion or remuneration in Mexico, Uruguay and Peru, or dismissals for political reasons in Argentina.
- Selection bodies aren't sufficiently technified in numerous countries, and the contracting of foreign companies is sometimes resorted to, as in Bolivia or Guatemala.
- Jamaica, Barbados, Costa Rica and Brazil are an exception to all the above. The report on Jamaica records a governmental emphasis on guaranteeing professionalism and merit, and the extended use of transparent procedures for handling employment. In Costa Rica, recruitment and selection are, in general, guided by criteria of merit and professional aptitude, and selection bodies operate with a high degree of independence. There are no dismissals for political reasons. In Brazil, recruitment for positions is impersonal, meritocratic and hinders admissions based on recommendations. Selection processes are well structured, and instruments are restricted to guarantee that they leave no margin for arbitrariness. And in Barbados, recruitment is carried out on the basis of a series of criteria such as academic certifications. Afterwards, the candidate is selected on the basis of his or her qualifications and will probably have to undergo an interview. There is a central Agency for recruitment that provides staffers for the other units of Government, as a function of the existence of vacancies and of the person chosen meeting the conditions established in the previously approved profiles.

## **STRUCTURAL CONSISTENCY**

### **Strategic coherence**

All reports, in their conclusions, define the **lack of linkage between the human resources office and institutional strategy** as the main problem of their Civil Service systems. This lack of strategic coherence is detected, in the analysis of subsystems, in relation to virtually all of them.

- In Barbados: Until the year 1997 there was no development of human resources planning in Barbados, ministries and agencies operating on the basis of the “ambitions” of the corresponding minister. In practice, recruitment was carried out on the basis of the existing vacancies and of the budgetary allocations made to that end. But in 1997 the Office for the Reform of the Public Sector was created, one of its key goals being to develop strategic plans. By February 2002 there already were a series of Ministries working with strategic plans, which will affect decisions on quantitative and qualitative needs for human resources in those organizations.
  
- Bolivia: In accordance with the SAFCO Law, of 1990, public entities must develop a strategic Plan and, in addition, an Annual Operating Plan; this planning should afterwards lead, in accordance with the Statute of 1999, to Individual Operating Plans making it possible to know how many people are needed in each entity, and what type of persons are required to be able to comply with the plans. This road is followed in Customs but not in the remainder of the Administration, where the only element for planning are the budgetary ceilings on expenditure on personnel. On the basis of the ceilings approved, the decision is afterwards taken to add or dismiss staffers or modify remuneration.
  
- Brazil: Planning is still in the creation stage, even though elements exist to indicate that some basis already exists for its implementation. Until 1999 there was an annual recruitment programming for each government agency, which carried out its quantitative analysis on the basis of its workload, the demands of the units and the corresponding negotiation, which led to an annual program of contests looking four years ahead. This model changed in 1999, for fiscal reasons, to control expenditure annually; this means that programming is now annual and case by case. Nevertheless, a Planning Handbook for the labor force is being drawn up, to be gradually implemented in public entities, under the supervision of the Planning Ministry’s Management Secretariat. In Brazil there is a good system of information on federal personnel and on staff redistribution possibilities within the labor municipality.
  
- Colombia: No decentralized planning of human resources is carried out. In principle, any modification of staff rosters is only possible if it is preceded by an

exhaustive explanation, accompanied by a technical study that justifies the new staff roster, which must be approved by the Administrative Department for Public Office and by the Ministry of the Treasury and Public Credit. The anticipation of future needs is, in this context, more closely related to the vegetative evolution of existing resources than to a long-term strategy, especially owing to normative and fiscal restrictions. Nevertheless, there exists a broad authority for the redistribution of staff among units in the same organization, respecting labor conditions.

- In Mexico, no central unit or mechanism ensures the consistency of staff policies and practices with strategic governmental priorities. Many Secretariats have detailed records with information on the staff, which is not shared or coordinated.
- In Peru there are differences, too, in the field of planning, between the centralized and the decentralized entities. In the latter a greater strategic consistency of their staff practices is detected.
- Guatemala: In this case a total lack of human resources planning is noted. The size of the public sector, in terms of personnel, has been shaped in vegetative fashion and through political decisions without a strategic basis. This leads to difficulties even to know the real number of employees.
- Dominican Republic: Human resources planning processes have not developed, owing, among other reasons, to the lack of a planning culture among officials. This failure has also been due to the absence of an overall planning system for the public sector that follows up and evaluates the execution of the projects and activities formulated in the Budget.
- In Trinidad y Tobago, a governmental plan has been launched in 2002 to introduce a human resources planning capability in the public sector, based on training in strategic planning, and on modernization activities for information systems, but it is still too soon to evaluate to what degree the deficiencies existing in this field are being overcome.
- In Ecuador, no subsystem of planning is available that would make it possible to maintain strategic coherence between the diverse human resources

management practices. Needs are determined on a short-term basis. Decisions to reduce payrolls are attributable to commitments with the IMF, rather than to a true rationalization.

- In Costa Rica, this is the subindex that exhibits the lowest value, as a consequence of the absence or weak linkage between organizational strategic goals and human resources management.
- In Argentina, the existing elements of planning lack a strategic orientation, other than budgetary restrictions.
- In Paraguay, planning is strongly limited by the massive lack of basic information on public employment and the individuals composing it.
- In Venezuela, the difficult adaptation of human resources management to strategic changes stands out.
- In Jamaica the organization of labor is well structured, but is not linked to human resources planning.

The lack of strategic consistency is a central pathology of the human resources management system, which spreads to virtually all its subsystems. The diagnoses allude especially to a deficit in two of them:

The **lack of a consistent remuneration strategy** is very widespread, occurring, for example, in Uruguay, Colombia and Guatemala; in the Dominican Republic there is a vast spread and lack of a criterion for the determination of wages. In Bolivia there is no definition of criteria or strategy on remuneration.

Another feature to be stressed is the **lack of a training strategy**, a circumstance found in Uruguay, Venezuela, Dominican Republic or Bolivia. In Colombia a National Training Plan exists but it is disconnected from the human resources management system. In Guatemala there is a clear problem of insufficient budget for training.

## **Leadership consistency**

The **excess of uniformity and centralization** in human resources decisions is very generalized. This is seen in Venezuela, Jamaica, Barbados, Guatemala or Brazil. The corresponding lack of autonomy by the leadership is common; it is particularly noticeable in Uruguay, in Peru, save in the decentralized entities, in Ecuador or in Guatemala. In Trinidad and Tobago, after almost a decade of reforms in this direction, the degree of decentralization is still minimal.

**Leadership training deficits** exist in Uruguay, Costa Rica and Trinidad and Tobago. Nevertheless, although it isn't clearly evident, it can be deduced that this problem is also common in Bolivia, Nicaragua and the Dominican Republic. In Guatemala the problem of the lack of qualifications of the staff is generalized, not only affecting the leadership sector.

The **lack of involvement by supervisors** in the management of the people they are in charge of is noticeable in Venezuela and in Bolivia.

There is a **lack of an image of central human resources services** as value-creating entities, in Uruguay, or, in the best of cases, vast differences in their image, in Venezuela. In the Dominican Republic ministerial human resources services are recruited and coordinated in centralized fashion, from the ONAP.

- In Paraguay, there stands out the weak leadership role of the human resources units, which, when they exist, are exclusively devoted to controlling the staff.
- In general, it is hard to speak of a minimally professional leadership function, except in Barbados, Jamaica and Brazil.

## **Consistency in processes**

The most common problem in this field affects the quality of the **systems of personnel information**, which are considered deficient (Venezuela, Colombia), dispersed and fragmentary (Argentina), embryonic (Jamaica), are under construction (Uruguay), or are, simply, virtually non-existent (Bolivia, Dominican Republic, Guatemala, Paraguay). The reasons for this are varied, but, for

example, in the Dominican Republic there were budgetary shortage problems; in Bolivia they are jurisdictional problems between the Superintendence of the Civil Service and the National Personnel Administration Service.

The **evaluation of performance** has been formally designed in almost all the countries, but isn't fully applied, save in Jamaica, Brazil, and Barbados. In general, even in those three countries there are implementation problems, especially the lack of implication of the managers when evaluating, since they avoid discriminating. In Colombia there is a very noticeable concern over the method to implement, but this concern, which has led to a good instrument, is not made adequate use of by the managers, because there is a great central tendency – or a tendency by the responsible managers – to give almost all employs grades above the level considered as acceptable, to avoid conflicts; and a disconnection with the other subsystems of the human resources system related to that of evaluation.

- In the Dominican Republic an Instruction on Performance Evaluation was approved in 1999; to date it has not been implemented. Only the ONAP indicates it will carry out a pilot test to see how it works with its staff
- En Mexico, a formal system exists for the evaluation of performance, which includes planning, follow-up and performance evaluation, as well as feedback to the employee, but it is not applied in an even minimally systematic manner.
- In Trinidad and Tobago, the application of the evaluation is seriously hindered by the lack of official descriptions of the posts.
- In Guatemala, in practice, staff is not systematically evaluated. The absence of planning systems at an overall level, as well as of good descriptions of posts and of allocation of goals and objectives to units and employees, and the lack of performance standards make it very difficult to implement the method designed.

Regarding the systems for the **description, grading and classification of working posts** the situation is diverse.

- In Argentina these tools are very deficient, as is indicated in the report.

- In Mexico, post descriptions clearly define the activities and technical capability requirements they involve, but are rarely employed to hire or promote individuals.
- In Bolivia no complete post descriptions and profiles have been issued. In Guatemala a system of post classification and grading exists, but the grading subsystem has not been applied since 1989.
- In Trinidad and Tobago, the launching of a system of grading and classification of posts hasn't yet been completed.
- In the Dominican Republic there exists a system of description of posts and of classification, formed by the General Handbooks on Common Posts and on Civil Posts, which are used in the hiring processes of public servants; additionally, 42 units have Handbooks on Classified Posts.
- In Colombia there exists an excessively detailed system of classification of posts, which hinders outside transfers. Nevertheless, internal transfers are carried out with considerable flexibility.

**Career plans** do not exist in almost any country, save in Brazil or Barbados.

There are **vast unjustified wage differentials** in Argentina, Bolivia, Dominican Republic, Nicaragua and Ecuador. In Guatemala, on the other hands, the problem is the almost non-existence of differentials, which causes the adoption of responsibilities to offer very little attraction.

- In Paraguay, the deficiencies in the design of the working posts coexist with a wage spread that is not linked to the nature of the role.
- The case of Jamaica is special, since the report shows that the main processes (allocation, mobility, dismissal) are formalized to a high degree, something that the analyst only sees lacking with regard to human resources planning.
- In Barbados there also exists a very complete system of information on the staff, which makes it possible to know data on the description of each post, profile of the candidate and remuneration of the post, and additionally to know,

for each employee, his or her personal data, training, career, etc. In sum, it is a complete system that allows the roster to be issued in a centralized way and to provide information on human resources processes, and essential data on each public employee.

- Brazil has detailed post descriptions which are, now, being opened up, with a view to make labor relations more flexible; powers are well defined and so are the profiles of the capabilities needed for a good performance.
- In Costa Rica, there exist human resources management processes that are technically well defined and documented, known by administrators and in actual application, although some deficiencies are seen, such as a certain lack of integration, and lack of overall coverage, of the information systems, or some weaknesses – which in any case are common to all the countries – as regards evaluation.

## **OPERATIONAL CAPABILITY**

### **Competence**

Not included here, to avoid repetition, are the observations already made when speaking of merit (absence of trustworthy selection processes, arbitrariness, etc.) which should logically also be considered in this index.

The **overall lack of a modern and broad view of professional qualifications** is seen.

- Here we also find weaknesses in some of the countries that are most advanced in human resources management. There is a cult of the professional title, not of competence, in Uruguay. The emphasis is on formal education on Jamaica. In Barbados there has also been great concern over formal aspects, even though progress is taking place in this field.
- This is reflected in working organization systems and processes. Post descriptions do not include the competence required in any country, with the exception of Brazil. Handbooks on the posts are based on formal merits, not on competence, in Costa Rica, Venezuela, Guatemala or Colombia.

- In Mexico, the most important criteria for hiring and promoting staff, when these decisions aren't purely arbitrary, are the number of years of seniority, knowledge of the Administration and loyalty. Considerations of technical capability and mastery of skills and aptitudes are secondary. At the same time, the politicalization of public employment produces a high rotation, with the consequent decapitalization effect.
- There are some optimistic views of the level of technification attained by public rosters. The volume of posts that require higher university degrees is somewhat low in Uruguay but then increases very significantly indeed when any university degree, even if not a higher one, is incorporated. This volume is very high in Bolivia, and likewise in Brazil. In Venezuela the average level of degrees is rising, but in a "vegetative," not a planned manner. In Costa Rica there is a significant weight of qualified work in the composition of public rosters, although the structure of remuneration, which favor the operational sectors vis-à-vis the professional and leadership sectors, is a negative factor.

A **lack of technical capability** to ensure adequate levels of competence is found. There are no technical studies to define the profiles in Argentina, Peru, Ecuador or Bolivia. Selection experts are not employed in Uruguay, Colombia, or Guatemala, save some exceptions.

In other cases, such as Paraguay, there is difficulty in retaining qualified staff, because of the **low levels of the wages** in relation to those in the private sector. In Trinidad and Tobago, although there are no difficulties in recruitment, public wages are clearly inferior to those in the private sector, which tends to displace the most valuable profiles toward the latter, in market terms.

- A very important feature in Guatemala is that of the low level of training of its staff and the latter's absence of qualifications. Posts with university degrees represent 6% of total posts, when in other countries it reaches as much as 40%.
- Trial periods following the selection process exist in Brazil, Barbados or Jamaica. In Guatemala the Civil Service Law established a trial periods of six months for entry posts in the Administrations and of three months for

promotions, but in practice no evaluations of performance are being carried out during those periods.

**Training suffers from notable deficiencies.** Limitations on investment in training exist in Jamaica, but much more so in Bolivia, in the Dominican Republic or in Guatemala. Nevertheless, in Bolivia and in the Dominican Republic centers with cutting-edge technology for the training of officials have been opened with international assistance. For the moment, those centers are being under-utilized.

- Systematic training plans are lacking in Uruguay. In training, action is reactive in Venezuela and Nicaragua; thus, it is the individuals who postulate themselves, without an analysis of organizational needs. Performance deficits are not studied with a view to determining training needs in Argentina.
- In Peru, the recruitment and selection processes are found to be excessively formalized and concentrated on formal knowledge and merits, especially in the case of professional careers, as is an excessive weight of seniority in promotion mechanisms.
- In the Dominican Republic three central organs exist, in addition to those of each administrative center, devoted to training, but no unified Committee to coordinate them has ever been set up. Agreements have been signed with local and foreign organizations and universities, but, in general, all training is carried out without prior determination of needs.
- In Trinidad and Tobago serious training investment deficiencies are found. Between 1997 and 2002, only courses on performance evaluation were offered.
- In Barbados, however, training is carried out at Ministries following the determination of needs, even though a comprehensive evaluation, carried out by the central training unit, is lacking. The financing of training is generous and there are highly specialized staffers devoted to that task.
- In Brazil, in relation to professional development, the component associated with training is better structured than that which is linked to promotion. The former is indeed based on prior evaluations of organizational needs, by posts

and by individuals. The latter is more bureaucratic, more linked to seniority than to the acquisition of competence.

### **Efficacy in creating incentives**

A significant part of the critical grades in this subindex affect the **subsystem of management of performance and its connection with the diverse human resources policies**. Evaluation of performance exists in all countries, but its operation is valued negatively save for some exceptions, such as Barbados, where the results are awaited of the process of launching a relatively advanced method, in March 2003.

- Even in Brazil, an example of quality in diverse aspects of its human resources management, it is considered that the evaluation system must be improved. There, two forms of evaluation exist, one institutional and the other individual; the former tends to operate well, especially because of its link to the Pluriannual Plan, but the latter, the individual one, has the problem that the involved operators tend to treat the process as a formality and avoid discriminating among employees – a central trend. Evaluation is used in Brazil both for promotion and for productivity payment purposes.
- Evaluation operates as a mere formality in Uruguay. In Venezuela a standard format is applied and leadership involvement is very low. In Argentina the process is distorted; the objectives are defined at the end of the process to justify the formal evaluations. The systems are neither trustworthy nor objective in Jamaica. In the best of cases, a trend – albeit a precarious one – to relate the evaluation to career progress is detected in Argentina. In Trinidad and Tobago, the leadership refuses to involve itself efficaciously in the application of the system, and the majority of employees end up being evaluated at an average level.

**Deficiencies in remuneration and promotion policies.** Remuneration is not employed as an instrument of management either in Argentina or in Bolivia, Colombia, Guatemala, Ecuador, Costa Rica or the Dominican Republic. Neither is wage progression linked to performance in any of those countries. In Peru there is an almost total separation between performance on the job and the operation of the

promotion and remuneration systems. In Trinidad and Tobago, professional advancement continues to be based almost exclusively on seniority.

- In Nicaragua, a high degree of inequity is verifiable in remuneration.
- In Mexico, the allocation of economic incentives is highly subjective and linked to discretionary decisions of the superior, without appearing, in general, to be aimed at stimulating performance. The dominant incentives for trusted staffers are related to membership in cliques and to maintaining the confidence of the chief. For the lower staff, there is a prevalence of the labor organization logic that relates professional stability and progress to membership, rather than to performance or learning.
- Brazil has, nevertheless, developed a relatively advanced remuneration system. On one hand, mechanisms have been developed to reduce the differences with the private sector for comparable posts. Additionally, the wage range has been extended in the careers and the percentage of pay linked to productivity has been reduced. Internal equity was sought in remuneration, tending towards similar pay for all comparable posts in the diverse careers. A progression was established in remuneration as a function of progress, vertical and horizontal, in careers. Advancement linked to merit and seniority. Wage improvements are larger the further that progress is achieved in the career. The main factors for determining an employee's remuneration are his or her competence (abilities, knowledge, training, experience), the tasks allocated to the post and its level, and the performance of the person occupying it.

There are large differences among the countries in the indices for **wage compression** (see the table of indicators). The extremes are Jamaica (1/15), Brazil (1/22) and the Dominican Republic (1/33) as regards decompression and Uruguay (1/3.4) and Colombia (1/4) as examples of compression.

Quite a number of reports indicate deficiencies in **disciplinary processes**. Weakness in disciplinary practices in Venezuela. Lax disciplinary processes in Uruguay. A system of job guarantee and not of real merit in Colombia. In Barbados, disciplinary procedures may demand years. Slowness is also the most outstanding defect in Trinidad and Tobago.

- In Paraguay, the bad performance of disciplinary mechanisms is a clear problem. Dismissal is reserved for special circumstances and in no case is it linked to performance.
  
- In Guatemala punishment is in practice hard to apply and there is a high permanence and, in many cases, absolute immovability of public employees, despite justified reasons for sanctions and, even, dismissal. Both in administrative procedures and in judicial cases the application of punishment is blocked, unjustified “reinstatements” are ordered and conduct contrary to the public interest is encouraged.
  
- In Uruguay a rigidity of a cultural nature exists when it comes to deciding to dismiss people who underperform, even when it is legally possible to do so.

### **Flexibility**

Some reports are in agreement on assigning the main problems of rigidity to the subsystem of **organization of work**. There is rigidity in the structure of posts in Uruguay and in Venezuela. There is excess rigidity in post descriptions in Jamaica and in Colombia.

Abundant rigidity problems are also detected in **mobility** mechanisms. Mobility is very low in Venezuela, or depends solely on the will of the person involved, without taking the organization’s interest into account, in Uruguay, or flexible mechanisms are absent, in Argentina. In Colombia it is very difficult from one organization to another, albeit simple within each organization.

- In Brazil the constitutional amendment of 1998 made labor relations more flexible, eliminated distortions in the remuneration structure and created conditions for the adoption of contractualization mechanisms for the staff. Advance is also being recorded along the path to recognizing and attaching value to good performance, ongoing training and linkage between the objectives of human resources policy and the overall objectives of the organization.

- The report on Argentina especially criticizes the lack of follow-up and of adaptation to change in mechanisms for planning and for the design of posts and profiles.
- In Costa Rica, there are elements of flexibility such as the possibility of amortizing working posts for technical, organizational or economic reasons. Nevertheless, there are significant rigidities in functional and geographical mobility, in the linkage between advancement and performance and in the wage structure, albeit tempered in the latter case by escape mechanisms such as “pluses.”

There is no **horizontal promotion** serving as an alternative in leadership careers in any country except Brazil.

- In very weak systems, such as those of Bolivia or the Dominican Republic, rigidity is not the principal problem, since no fixed and guaranteed rules exist that preclude the adoption of discretionary decisions. Nevertheless, in the Dominican Republic the ONAP is attempting to control abuses and non-compliance with the rules, with relative success; its direct dependence on the President favors its capacity to act. In Bolivia, the future of the Superintendence will determine the level of flexibility that the system is allowed.
- Guatemala stands out for the high degree of centralization of human resources management, since the National Civil Service Office and the Ministry of Public Finance play a starring role in almost all human resources decisions.
- In Peru, dysfunctional aspects that stand out are the excessive uniformity of the regulatory framework, the perception of excess job security, and low internal mobility.

## **INTEGRATING CAPACITY**

There is general agreement on a negative assessment of the **management of the working atmosphere**. The management of the atmosphere is very deficient in Jamaica. The atmosphere is not monitored in Venezuela, nor is it evaluated in Costa Rica or Uruguay. Nor is attention paid to the working atmosphere in

Argentina and Ecuador. In view of the problems of arbitrariness, politicalization and absence of a career approach, in Guatemala there is a poor working atmosphere, compensation for which is attempted through generalized permanence and immovability and a rather chaotic wage and rewards and compensations structure. In Colombia there is an atmosphere of lowering of incentives. In Bolivia the working atmosphere has deteriorated badly. In the Dominican Republic the management of the atmosphere is not a practice in the Administration.

Some reports indicate **low participation**, as in Uruguay, and weak mechanisms for internal communication, as in Argentina or in Colombia. In Barbados or in Brazil internal information and dialogue are promoted, particularly in Brazil since the launching of the quality program.

Differences exist as regards the evaluation of **labor conflictivity**. It is not excessive in Jamaica. It is generated particularly at sub-national levels in Argentina. It is higher in the health and education sectors in Uruguay. In Bolivia public workers are forbidden to form unions and to strike, although there have been conflicts in the health and education sectors. In Colombia, confrontation has been moderate. In Barbados, confrontation is minimal because negotiations are permanent.

As regards the operation of **labor relations mechanisms**, the view is not uniform either.

- In Argentina the mechanisms operate adequately and allow balanced and constructive labor relations, with strong negotiation.
- In Uruguay, formal systems for collective bargaining over labor relations do not exist, and the report points to the lack of conflict resolution mechanisms.
- In Mexico, although civil servants are not legally allowed to have collective labor agreements, there are formulas by which the labor unions exert a major influence in the determination of working conditions, including wages, in what may be regarded as an institutionalized flouting of formal legalities, in exchange for social peace.

- In Peru, in this field the differences between the central and the decentralized entities are reproduced: strong labor union influence among teachers, and a low one in entities subjected to the private labor system.
- In Brazil the informal mechanisms for negotiating with the unions are more advanced than the formal ones.
- In Bolivia, with the prohibition of forming labor unions and the fragmenting of the units of possible negotiation, it is already difficult to speak of dialogue, and more so of negotiation, with some exceptions in the education or health sectors.
- In Barbados the diverse trade unions are very actively involved in the negotiation and promotion of the reform, and union members are being continually consulted, in addition to being critical actors on different committees.
- In Colombia, mechanisms exist, but do not appear to be fully employed.
- In the Dominican Republic, associating has been promoted, and institutionalized mechanisms – the staff commissions – exist as conciliation levels in the solution of conflicts and constancy in the interpretation and application of the Civil Service Law and its complementary rulings.
- In Guatemala the role of the civil service unions is a major one; they retain their role in fighting for labor claims, resort to pressure tactics, maintain a monopoly over the representation of workers, and have participated in essential discussions on the government's economic agenda.
- In Costa Rica, induction processes of acceptable median quality exist, and the perception of internal equity in remuneration is reasonably good. Labor relations are balanced and, in general, oriented towards negotiation and agreement.
- The pensions system is very weak in Venezuela, the Dominican Republic and Bolivia. And excessive in its privileges in Brazil.

### III. PROVISIONAL CONCLUSIONS

A significant part of the project being, with seventeen national diagnoses, already covered, some considerations may be set down vis-à-vis the eventual continuity of the work.

1. With the reservations pointed out in the introduction, the methodology employed (the “Analytical Framework for the Evaluation of Civil Service Systems” and its application by consultants, under the coordination and supervision of the Bank, to the analysis of the diverse national circumstances), has shown itself to be a valid one for generating quality institutional diagnoses, useful in themselves for a better knowledge of the realities in each country, and suitable for producing valuable comparisons among the different national systems for the management of public employment and of the people in it.
2. Although all the national diagnoses have applied the methodology adequately and have the demandable quality, in some cases there are details that should be improved, and small modifications that should be introduced to make the basis for comparison more homogeneous.
3. The results obtained allow thought to be given to the usefulness of completing the project with the diagnoses of the countries remaining to be analyzed, particularly taking into account the amount of work already carried out in comparison with that which remains to be done, as well as the benefits, from the point of view of the completeness of the regional overview, that would be obtained by doing so.
4. The country-by-country institutional diagnoses are in themselves, as we said, an extremely valuable product. Nevertheless, to make better use of the work it would be advisable to carry out, taking them as a basis, a comparative study, in the manner of a “Report on the Civil Service in Latin America and the Caribbean,” which would go deeper in the evaluations and comparisons and render them more systematic, making it easier to obtain a regional reading of the current situation in this aspect of democratic institutions. Such a study would especially make it easier for political decision-makers to reach a better grasp of its institutional reality and of its location within the framework of the region as a whole; it would contribute to constructing a common language on

the issues related to the civil service, and would thus make it easier to carry out constructive exchanges among countries.