

Civil service management in developing countries: what works?

Evidence from a survey with 23.000 civil servants in Africa, Asia, Eastern Europe, and Latin America

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Civil service management in developing countries: what works?

EVIDENCE FROM A SURVEY WITH 23,000 CIVIL SERVANTS IN AFRICA, ASIA, EASTERN EUROPE AND LATIN AMERICA

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Implementing a survey of civil servants across ten countries and four continents was only possible thanks to the collaboration of a great many colleagues and government counterparts. Our thanks extend to, first, our academic collaborators, who took the lead in or collaborated in implementing the survey in their respective country of expertise: Adam Harris (Uganda), Brigitte Seim (Malawi), Rachel Sigman (Ghana), Tiina Randma-Liiv and Cerlin Pesto (Estonia), Izabela Correa (Brazil), Shreekrishna Shrestha (Nepal), Hamit Qeriqi (Kosovo), Ansi Shundi (Albania) and Taiabur Rahman, Kazi Marful Islam and Ahmed Shafiq Huque (Bangladesh). Our academic country collaborators have also lead-authored a series of country reports on civil service management, which complement this cross-country report with country-specific findings and are (or will shortly become) available for download from the project's website: <http://www.britac.ac.uk/node/4662/>. These reports also duly acknowledge the dozens of research assistants whose excellent research assistance was central to running and analysing the survey.

Further, we are grateful for the support and authorization of the survey by government institutions in the ten countries studied. Civil service surveys not only provide an evidence basis for civil service reform. They also put a transparency spotlight on public employment. We appreciate the governments' support for this endeavour. Finally, we would like to thank the over 23,000 civil servants who took the time to complete the survey and share their experiences in public service. Without them, there would have been no report.

The views and opinions expressed in this report are those of the authors and do not necessarily reflect the views and opinions of any government, funding agency or university.

“Civil service reforms require tailoring to the realities of each institution”

Executive Summary

Civil servants are central to effective governance in developing countries. They deliver essential services to citizens, commission infrastructure, regulate economic activity and engage in diplomacy with foreign countries – to name just a few tasks. This puts a premium on understanding how to manage civil servants in developing countries effectively. Yet, to-date, there are scarcely any quantitative studies which deliver robust findings across developing countries – let alone regions – on what works in civil service management. To address this gap, this report draws on data from an original survey of 23,000 civil servants in ten countries in Africa, Asia, Eastern Europe and Latin America – the, to our knowledge, largest original cross-country survey of civil servants ever conducted in the developing world.

Drawing on this data, the report assesses the effects of a range of civil service management practices – from recruitment to promotion, pay and performance management practices – on the attitudes and behaviour of civil servants. To understand the desirability of these practices, our survey covers a spectrum of civil servant attitudes and behaviour which are core to civil service effectiveness: work motivation, job satisfaction, public service motivation, commitment to remaining in the public sector, performance and integrity. With these indicators, we can identify which civil service management practices tend to have positive effects and which do not – thus providing a foundation for evidence-based civil service reform designs.

What can be learned from the data? First of all, that effects of civil service management practices need to be understood within countries and institutions. The attitudes and behaviour of civil servants sharply vary across and within countries and institutions. The resulting pattern bears little resemblance to conventional wisdoms about developing country states. Many prior studies had construed them as dichotomies between ‘islands of excellence’ and seas of mediocrity. Top performers and basket cases certainly exist in our data. Most institutions, however, are neither. Instead, they sit in between. Gradual differences rather than dichotomies between poor and strong performance mark most institutions in developing country civil services.

Moreover, institutions (and civil servants) which score highly in one attitude or behaviour (e.g. work motivation) often do not do so in another (e.g. commitment of civil servants to remain in public sector). Institutions may thus have strengths in some dimensions of civil servant behaviour and attitudes, while having weaknesses in others.

These findings underscore that civil service reforms ultimately require tailoring to the realities of each institution – and, at times, the realities of each unit or group of professionals within institutions. To tailor to local realities thereby requires an

“Four civil service management practices had positive effects in almost all surveyed countries: depoliticization, curbing nepotism, ensuring that performance matters, and paying sufficiently to retain motivated staff.”

understanding of both existing civil service management practices in an institution, and of the attitudes and behaviour of civil servants that are being shaped by them (for instance via staff surveys). Country-level one-size-fits-all civil service reform programs would do well to keep this in mind.

Once these local realities are understood, reforms can be tailored to them. Of course, a panoply of reforms might be effective in any given context. Notwithstanding, our survey identified four reforms which had positive effects in most of the countries we studied. In other words, they tended to lead to more motivated, committed, satisfied, performing and ethical civil servants:¹

#1: Depoliticize civil service management

Having political connections matters for the recruitment, promotion and pay of a significant minority of civil servants across all surveyed countries. Its incidence is associated with lower work motivation, job dissatisfaction, public service demotivation, poor performance and corruption of civil servants. This underscores the importance of civil service de-politicization. How can de-politicization be attained? The data suggests that formally meritocratic civil service management practices – such as oral and written exams to recruit civil servants and consistent advertisements for positions – are one important set of practices.

#2: Curb nepotism in civil service management

As with political connections, having personal connections inside the state helps a significant minority of civil servants obtain recruitment, promotions and pay rises across countries studied. In fact, the incidence of personal connections is more widespread than politicization. Our data shows it is equally pernicious, adversely affecting the work motivation, job satisfaction, public service motivation, performance and integrity of civil servants. Curbing the incidence of personal connections (nepotism) in civil service management thus constitutes a second reform priority. Formally meritocratic civil service management practices – such as public advertisements of positions and written exams – are, on average (though not always) effective in doing so.

#3: Ensure that performance matters in civil service management

Civil services vary significantly in the extent to which performance is perceived by civil servants to matter for their promotion, pay and dismissal prospects. Contrary to popular stereotypes, civil servants are more satisfied with greater perceived performance orientation in civil service management; they are also more committed and, at times, motivated to serve the public, work hard and perform. Making sure that performance matters in civil service management decisions thus brings important

¹ Many civil service reforms beyond these four may, of course, be beneficial in any given country. We selected these four given their relatively consistent effects across countries.

“Institutions frequently do not adopt civil service management practices which are associated with more effective civil services.”

payoffs. Formal performance management practices – such as performance evaluations – can foster perceptions of performance orientation. However, they can also achieve the opposite. For example, where performance objectives are not identified beforehand and evaluation results are not perceived by civil servants to matter for their promotion, pay and promotion prospects, evaluations have counterproductive effects. Formal performance management systems thus need to be designed and implemented well to have positive effects. Where they are not, they achieve the opposite – and, with it, more dissatisfied and demotivated civil servants.

#4: Pay enough to retain (more) motivated civil servants

Most civil servants in our surveyed countries are relatively dissatisfied with their pay and do not find it sufficient to maintain their households. Yet, most would also find it hard to find a better-paid private sector job. Judging from our sample, salaries thus appear competitive for many civil servants in developing countries, even if they are perceived as unsatisfactory and insufficient. Notwithstanding, these perceptions matter. Higher pay satisfaction and sufficiency are associated with greater job satisfaction and intent to remain in the public sector – but not (directly) greater work motivation and performance. Higher pay – through its effect on pay satisfaction – however can drive motivation and performance indirectly: by discouraging departures of more motivated and performing staff, who, according to our data, (also) find it easier to get better-paid private sector jobs. This puts a premium on paying enough to retain motivated and performing staff. Where retention (and attraction) of motivated and performing staff is not a challenge, however, higher pay may do little to boost motivation and performance.

Our four lessons thus underscore the importance of meritocratic personnel management practices, sufficient pay for retention and well-designed and implemented performance management systems. They also suggest reformers should only introduce performance systems where they are confident they can design and implement them well. For long-standing civil service reformers, these lessons might not be news. Advocates of Weberian bureaucracies have long argued for meritocratic personnel practices to curb politicization and nepotism; and managerial reform proponents have long advocated performance management systems to incentivize hard work.

To some extent, this is good news: it suggests that many prior reform prescriptions have the potential to improve civil services. It is also bad news, however. Institutions frequently do not adopt practices that are statistically associated with more motivated, committed and ethical civil servants. This, of course, points to the need to understand civil service reform not only as a technical design, but also as a political and implementation challenge. Our report principally sought to inform reform design. With that said, we hope that the evidence presented on reform effects can also help reformers make their case and convince others of the benefits of civil service reform.

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“This report draws on the largest original international survey of civil servants to-date, with over 23,000 respondents in ten countries in four developing regions.”

I. Introduction

Making civil services work: an international research project

Civil servants are central to effective governance in developing countries. They deliver essential services to citizens, commission large-scale infrastructure, regulate economic activity and engage in diplomacy with foreign countries – to name just a few roles. Yet, in many developing countries, civil servants do not consistently take on these roles effectively. Instead, civil services are marked by service delivery failures and corruption. In response, donor organizations and governments in developing countries have recurrently sought to reform civil services. The World Bank (2008), for instance, lent US\$422m per year for this purpose between 2000 and 2006. The track record of these reforms has been far from stellar, however. The World Bank’s lending, for instance, had no measurable impact on civil services (World Bank, 2008). Other aid organizations raise similar concerns (e.g. DFID, 2011).

One important hindrance to reform has been the absence of rigorous evidence on how to manage civil servants effectively in developing country contexts. In fact, some observers go as far as noting that “we do not really know what we are doing” in civil service reform (Brösamle, 2012). While this might be an exaggeration in light of some recent studies (see e.g. Rogger, 2017), it is clear that, to-date, there are scarcely any quantitative studies which deliver robust findings across developing countries – let alone regions – on what works in civil service management in developing countries.

This report seeks to help address this gap. It draws on results from the – to our knowledge – largest original cross-country survey of civil servants conducted to-date, with responses from 23,000 civil servants in ten countries in four developing regions: Ghana, Malawi, Uganda, Brazil, Chile, Estonia, Albania, Kosovo, Bangladesh and Nepal. The underlying research project was led by Jan-Hinrik Meyer-Sahling (University of Nottingham) and Christian Schuster (University College London) and

funded by a grant from the British Academy – UK Department for International Development (DFID) Anti-Corruption Evidence Programme.

Our cross-country survey gathers data on civil servants' experiences and perceptions of civil service management practices on the one hand, and civil servants' attitudes and behaviour on the other. The civil service management practices covered in the survey include recruitment, pay, promotion, performance evaluation and career management of civil servants. Concurrently, the survey captures a broad spectrum of attitudes and behaviour of civil servants – their work motivation, job satisfaction, public service motivation, commitment to remain in the public sector, performance and integrity.

Thanks to data on both management practices and attitudes and behaviour, a statistical analysis can provide guidance on which management practices have positive (or negative) effects on the attitudes and behaviour of civil servants, after controlling for a range of other factors.

We hope this analysis provides an evidence basis and starting point for governments and donors hoping to design improvements in civil service management.²

The survey of civil servants

The survey focused principally on surveying civil servants in the administrative arm of central government, including officials in government ministries, subordinated organizations of ministries and executive agencies. In other words, the survey sampled respondents in the 'civil service' in its most common colloquial usage.³ As a result, the survey did not extend to teachers, medical personnel, policemen or the military. The survey aimed to include civil servants from all ranks and hence from the

² This report is based on cross-sectional analyses of perception-based survey data, which can provide important insights, but is not without limitations. As such, we hope that its findings are treated as a basis to discuss potential improvements to civil service management practices – rather than a be-all and end-all guide to civil service reform.

³ Legally, the scope of civil services varies across countries. To ensure comparable samples, we did not follow legal definitions but rather the aforementioned common usage of the 'civil service' in our survey sampling.

“Our statistical analyses can provide guidance on which management practices tend to have positive (or negative) effects on the attitudes and behaviour of civil servants.”

top to the bottom of the administrative hierarchy. Most surveyed civil servants were employed in the capital city of the respective countries.

The survey was conducted with authorization and support from central governments in the ten countries. How institutions and civil servants were sampled within the civil service in each country varied somewhat, due to differences in the survey mode, scope of government support and availability of survey population data.

In five countries, respondents completed the survey online, based on governments holding email records of civil servants. In three of these countries, the survey was sent to all ‘civil servants’ (Kosovo, Estonia and Albania), except officials employed in defense ministries and their subordinated organizations. In two of these countries, the survey was sent to all civil servants in eleven (Chile) and fourteen (Brazil) central government institutions. Response rates varied across countries (see Appendix A.1). To enhance representativeness and subject to data availability, a subset of our country reports includes survey weights (see, e.g., Schuster, Meyer-Sahling, Mikkelsen, Gonzalez Parrao, 2017).

In the five remaining countries, the survey was conducted in-person. Civil servants were selected through informal quota sampling and chain referral, with a view to obtaining responses from civil servants in a variety of positions, institutions and functions. The survey thereby extended to 48 (Ghana), 31 (Uganda), 62 (Malawi), 31 (Nepal) and 38 (Bangladesh) state institutions. Appendix A.1 contains further detail on survey sampling and response rates.

The cross-country survey was translated (and, at times, back-translated) into local languages where necessary. To ensure a comparable understanding of the wording of our questions across our diverse range of countries and languages, the survey was pre-tested in each country through a series of cognitive interviews with public servants. The survey was iteratively revised in each country until cognitive interviews with public servants suggested measures were understood as intended

The survey sample implies that our survey data can provide detailed insights into civil servants in a wide range of positions and institutions in four different developing regions. To illustrate, table 1 contains basic demographic data on our respondents. Our respondents are virtually balanced in terms of gender; have, on average, over 13 years of experience in the public sector; are roughly 43 years old; are distributed across levels of the administrative hierarchy, with a majority in technical-professional positions; and tend to be university educated and on permanent contracts (with one in five being on temporary contracts and not having a university degree, however).

While our survey thus covers a range of civil servants, institutions and countries, our findings are not necessarily representative for each of the countries studied. Survey mode and respondent sampling varied in each country, and we could not obtain data to construct survey weights across countries. As a result, cross-country comparisons in particular should thus be interpreted with care. They are only suggestive.

Table 1. Demographics of survey respondents

		Proportion of civil servants in survey sample
Gender	Female	51%
	Male	49%
Education	No University Degree	20%
	University Degree	80%
Age	Average number of years	42.8 years
Rank in hierarchy	Administrative Support	23%
	Technical-professional	60%
	Manager	17%
Years of experience	Average number of years	13.3 years
Contract Type	Permanent	77%
	Temporary	23%

Structure of the report

After this introduction, chapter 2 of this report delves into data about civil servants themselves: their motivation to work hard, performance, job satisfaction, public service motivation, commitment to remain in the public sector and integrity. It draws on this data to derive lessons about the nature of civil servants in developing countries. This data challenges conventional wisdoms about developing country civil services, for instance the notion that civil services consist of islands of excellence in seas of mediocrity. The chapter concludes with implications of these lessons for civil service reform approaches.

Chapter 3 turns to the core purpose of this report: what works in civil service management? To shed light on this question, regression evidence is presented on the effects of civil service management practices on the motivation, performance, satisfaction, commitment and integrity of civil servants. The chapter derives four core lessons about how to make civil services in developing countries work based on this analysis. These lessons are structured around civil service management practices which have positive effects in all or most of the ten countries surveyed.

The report concludes in chapter 4 with implications and policy recommendations for a more motivated, committed and ethical civil service in developing countries.

II. The nature of civil servants in developing countries

Four core insights about the nature of civil servants – their job-related attitudes and behaviour, including job satisfaction, work motivation, commitment to public service, performance and integrity – can be drawn from the data:

#1: The attitudes of civil servants are dynamic: they progress over time

#2: Good attitudes need not coincide: civil servants and institutions which score high in one attitude or behaviour (e.g. motivation to serve the public) need not score high in another (e.g. motivation to work hard).

#3: Attitudes and behaviour vary sharply across and within countries and institutions; at times, groups within institutions will differ more sharply in their attitudes than the average civil servant across countries.

#4: Most institutions are neither 'islands of excellence' nor basket cases. Contrary to conventional wisdom, they are instead situated on a gradual slope between excellence and mediocrity.

For civil service reformers, the first finding is good news: if attitudes of civil servants are dynamic, they can be shaped by civil service reforms. Findings 2 to 4 caution attention, however, to trade-offs and local contexts. As good attitudes need not coincide, reforms can foster some at the expense of others; and, as attitudes vary sharply between and within institutions, the effects of management practices might plausibly do so as well. Reforms thus need to be tailored to the realities of each institution. Understanding the attitudes and behaviour of civil servants (which reforms, ultimately, seek to shape) should thus be the first step in any civil service reform.

What it takes to make civil services work: desirable attitudes and behaviour of civil servants

Our survey captured a range of dimensions which are both intuitively and empirically associated with better working civil services: job satisfaction, public sector commitment, public service motivation, work motivation, performance and integrity (figure 1). Appendix A.2 contains the indicators used to measure each of these attitudes and behaviour.

Figure 1. Attitudes and behaviour of effective civil servants



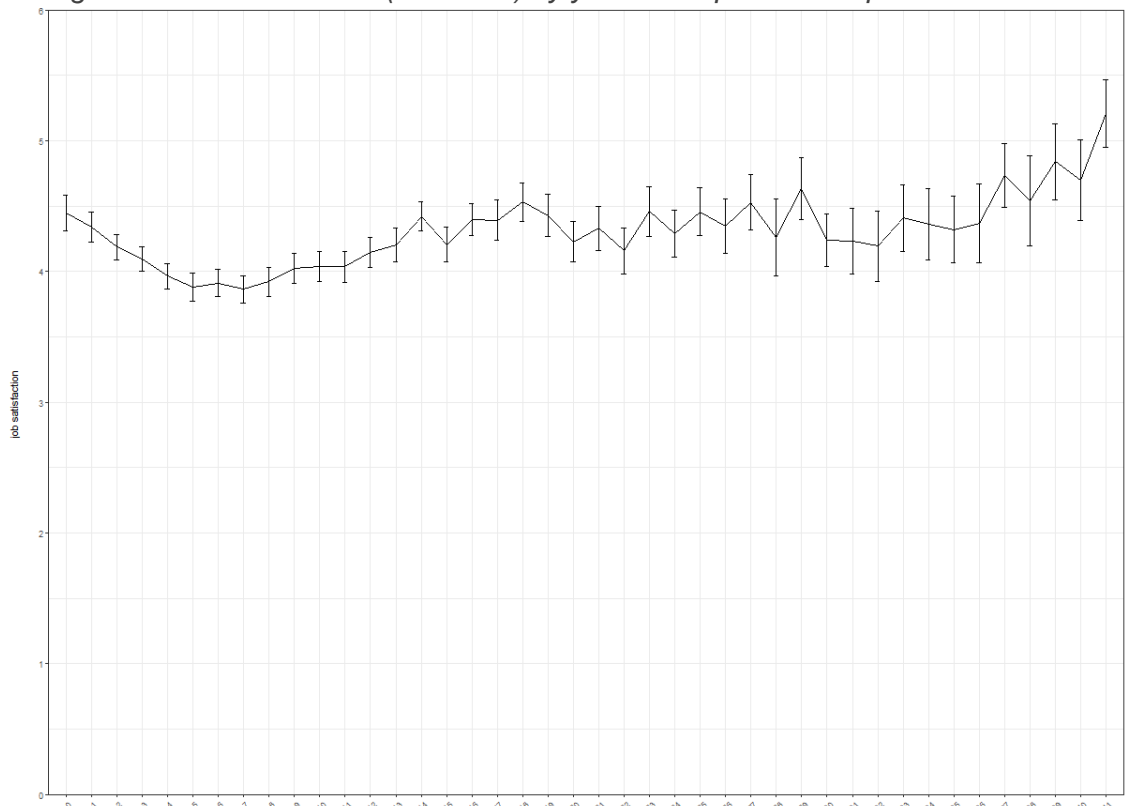
These are, of course, by no means the only desirable attitudes and behaviour of civil servants. However, they are all attitudes and behaviour, which, according to prior studies, matter for civil service effectiveness. Job satisfaction, a commitment to remain in the public sector, work motivation, public service motivation and individual job performance have all been associated with greater organizational performance (see e.g. Cantarelli, Belardinelli & Belle, 2016; Kim, 2004; Ritz, 2009); as have integrity – including (lower) corruption, clientelism and nepotism (see e.g. Gould and Amaro-Reyes, 1983).

They also reflect a wide spectrum of civil service attitudes and behaviour. Thanks to cross-country data on this wide spectrum, this report can identify several insights about the nature of civil servants in developing countries, which studies focused on single dependent variables or countries could often not.

Insight #1: The attitudes of civil servants are dynamic

Our data suggests, first, that how motivated, committed, satisfied and ethical civil servants are varies significantly over time in public service. To illustrate, figures 2 to 3 plot the average job satisfaction and preference for remaining in the public sector (public sector commitment) of civil servants in our sample by years of experience.

Figure 2. Job Satisfaction (0-6 scale) by years of experience in public service



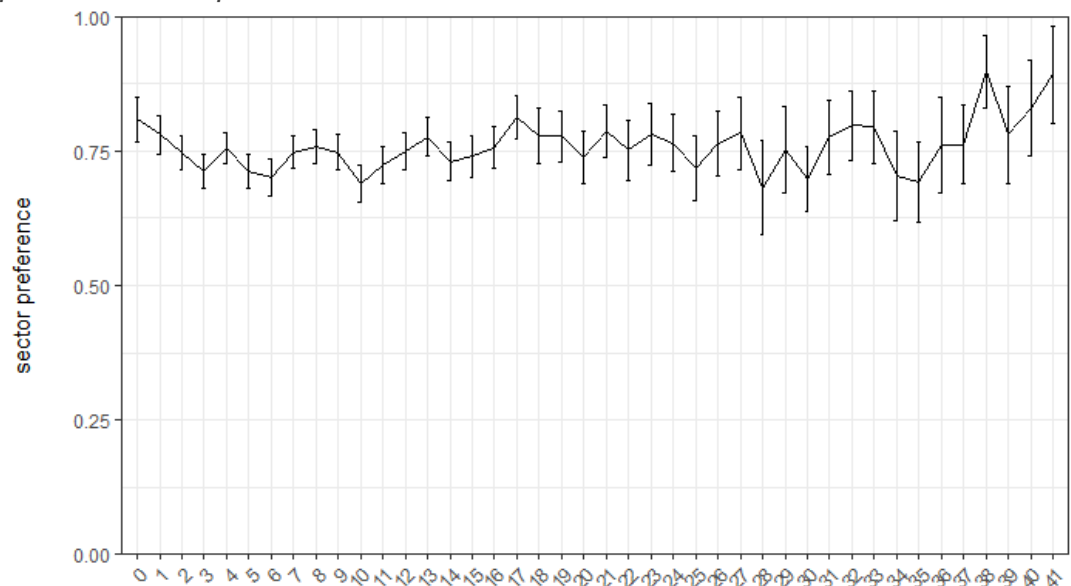
The figures suggest that these attitudes are dynamic. Average job satisfaction and public sector commitment fall significantly in the first five years in public service, and only recover to initial levels after 15 to 20 years of service. They reach their peaks shortly before retirement. Public sector turnover – with the most dissatisfied staff leaving – might well explain the recovery after five years; it does not provide a convincing explanation for the initial fall, however. These shifts are also not merely

“The attitudes of civil servants are dynamic; public sector organizations can mold them.”

due to coincidence of age and years of experience of civil servants. As illustrated in Appendix B, public sector commitment hardly changes with age. In other words, attitudes and behaviour do appear to shift with years of experience.

As illustrated in Appendix B (figures b2 and b3), this dynamic nature is observable across countries. For instance, the initial slump in job satisfaction occurs across all countries with sufficient observations for year-on-year comparisons. The implication of this dynamic nature of civil servant attitudes and behaviour is clear: public sector organizations can mold them.

Figure 3. Proportion of civil servants preferring to work in the public sector by years of public service experience



“Institutions can have strengths in some attitudes and behaviour of civil servants, yet weaknesses in others.”

Insight #2: Good attitudes need not coincide: civil servants and institutions can score high in one, yet not another

While ‘good’ attitudes and behaviour are all positively related to each other in our dataset, most correlations are not large (table 2). Correlations range from $r = 0.32$ for work motivation and performance to $r = 0.08$ for work motivation and preference to remain in the public sector – with the remaining correlations in between. This suggests that desirable attitudes and behaviour are more likely than not to coincide; they need not do so, however.

Table 2. Correlations between attitudes and behaviour of civil servants

	Job Satisfaction	Performance	Public Service Motivation	Work Motivation	Public Sector Commitment
Job Satisfaction	1.00	0.16	0.08	0.12	0.21
Performance	0.16	1.00	0.19	0.32	0.11
Public Service Motivation	0.08	0.19	1.00	0.22	0.08
Work Motivation	0.12	0.32	0.22	1.00	0.08
Public Sector Commitment	0.21	0.11	0.08	0.08	1.00

We observe a similar pattern at the institutional level. Some institutions score high in some attitudes, but not others. Two rankings of attitudes and behaviour in the surveyed state institutions in Chile are illustrative. Figure 4 compares the proportion of civil servants who would prefer continuing to work in the public sector (over a private sector job). Figure 5 compares the self-assessed performance of civil servants. There is significant movement of institutions between the rankings. The civil service agency (DNSC) scores among the top 3 institutions in terms of the preference of staff to continue to working in the public sector, yet among the bottom 3 in (self-assessed) performance, for instance. Institutions may thus have strengths in some dimensions of behaviour and attitudes of civil servants, yet not others.

Figure 4. Proportion of civil servants preferring to work in the public sector by state institution in Chile

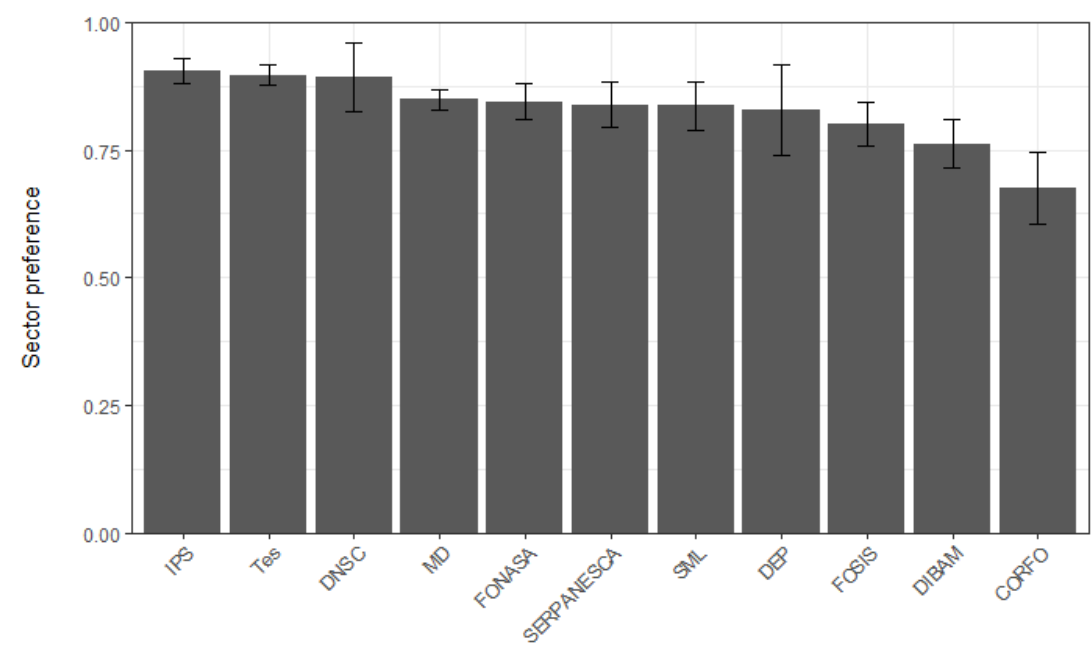
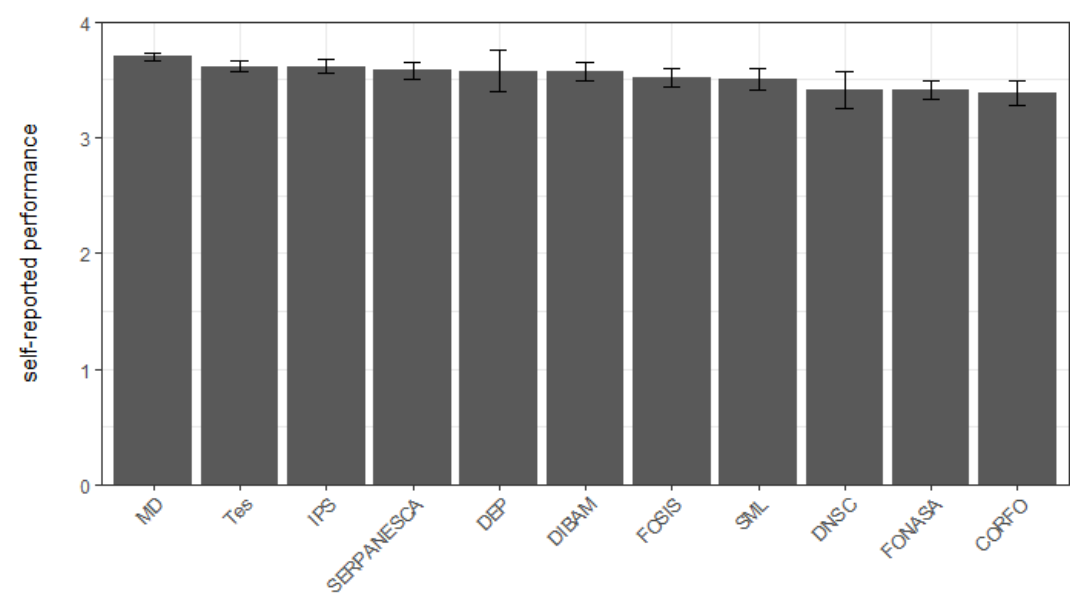


Figure 5. (Self-assessed) performance by state institution in Chile

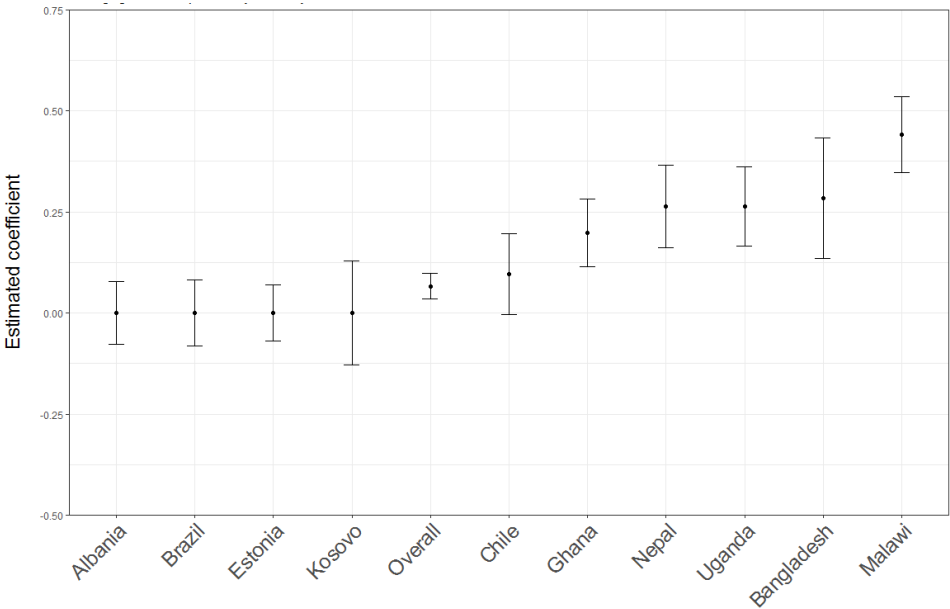


Good attitudes and behaviour thus need not coincide, both for individual civil servants and for state institutions. If they do not go together, however, then the desirability of civil service management practices depends on how they affect the range relevant attitudes and behaviour of civil servants. A core civil service management challenge is thus the design of practices which shape the range of attitudes and behaviour of civil servants positively – rather than a few at the expense of others.

Insight #3: Attitudes and behaviour vary across and within countries and institutions

At the country-level, our survey samples are, as noted, not necessarily representative. As such, we can only provide suggestive evidence about descriptive differences between countries. With this caveat in mind, we do observe significant cross-country variation in attitudes and behaviour. To illustrate, figure 6 shows the average proportion of civil servants in each country who are willing to accept money or a personal present in exchange for helping someone through their public sector position. This is one important measure of corruption intent. To obtain (more) truthful estimates of corruption intent, we asked this question in a list experiment (see Appendix A.2). Estimates vary between from 0% in a subset of our countries to almost half of civil servants (44%) in Malawi.

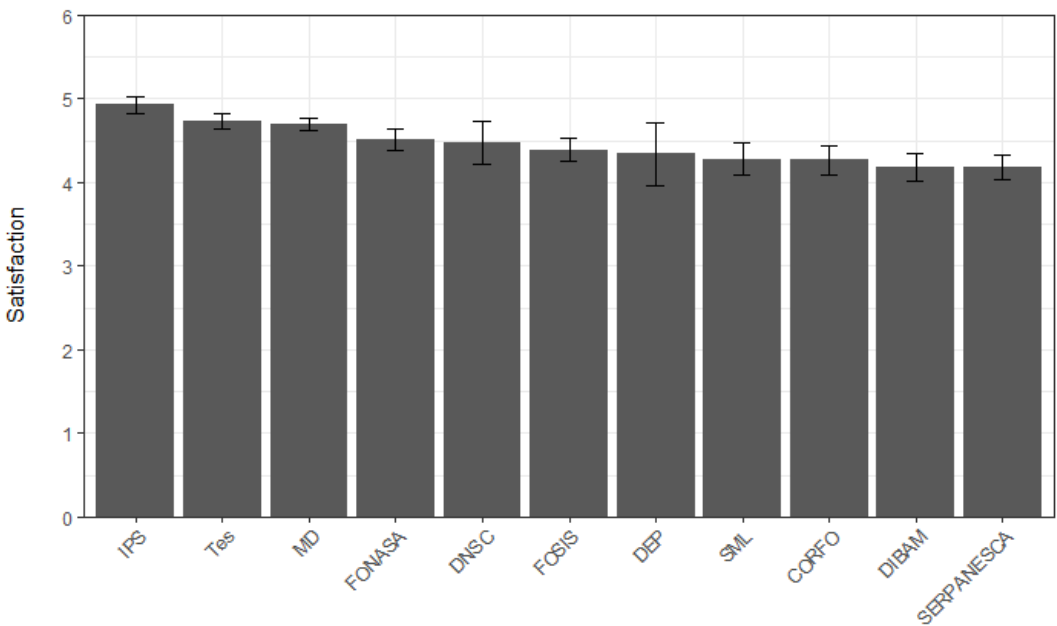
Figure 6. Proportion of civil servants per country indicating that they are willing to engage in corruption



We observe similar cross-country variation across our other indicators. As illustrated in Appendix B, average job satisfaction, for instance, ranges from less than 3.5 in Brazil and Uganda to over 4.5 in Chile (on a scale from 0 to 6).

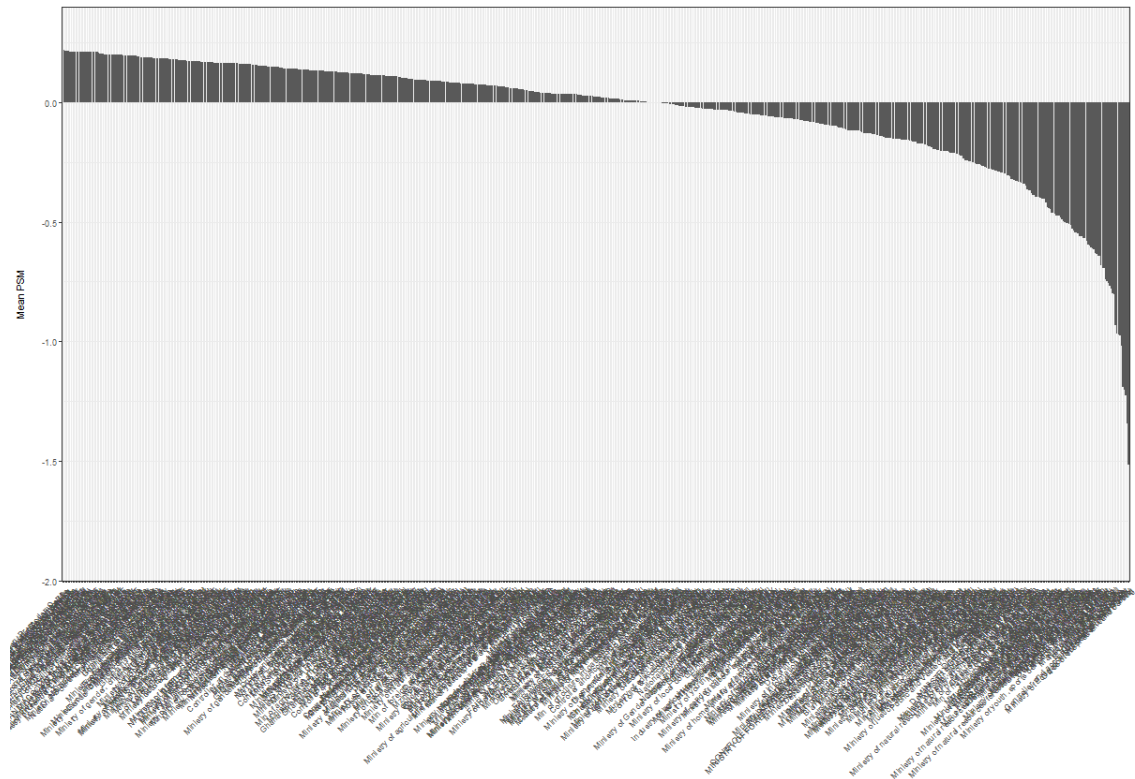
Importantly, this variation extends not solely to countries. It is also observable across institutions within countries – and within individual institutions. To illustrate, Chile is the country with the highest job satisfaction on average in our sample. Yet, as illustrated in figure 7, six other countries have a higher average job satisfaction than the institution with the least job satisfaction in Chile. Within-country variation can thus trump cross-country differences in the attitudes and behaviour of civil servants.

Figure 7. Job satisfaction by institution in Chile



In fact, even within-institution variation can trump cross-country and cross-institutional variation. In Chile’s Treasury, for instance, managers are more satisfied than the average civil servant in any other Chilean institution (see Appendix B). At the same time, technical-professional staff is less satisfied than the average employee in a series of institutions. These differences suggest that civil service reforms would benefit from tailoring not only to the realities of each state institution, but also within state institutions to the realities of each department or group of civil servants.

Figure 9. Public service motivation by institution (all countries; global mean set to zero)



Implications for civil service reform

What can we learn from these insights about civil service reform? First of all, the findings imply that civil service management matters. If attitudes and behaviour of civil servants are affected by time in an organization, organizational (and civil service management) practices can plausibly shape them. This puts a premium on assessing their effects, a task the next chapter takes on.

In assessing the desirability of civil service management practices, however, the data point to an important note of caution. This desirability needs to be assessed against a large range of attitudes and behaviour of civil servants. Those need not coincide, and civil service management practices might thus well come with trade-offs, favourably affecting one attitude or behaviour, while adversely affecting another. The next chapter thus assesses the effects of civil service management practices on a range of

“Civil service reforms can require tailoring to not only the realities of each state institution, but also within state institutions the realities of each department or group of civil servants”

attitudes and behaviour of civil servants. As will be shown, civil service management practices often have heterogenous effects.

Finally, the effects of civil service management practices need to be understood within countries and institutions. As noted, there is sharp variation in attitudes and behaviour across and within countries and institutions – in a pattern which puts a damper on the utility of the ‘islands of excellence’ metaphor. In light of the diversity of these attitudes and behaviour across and within institutions, the effects of (many) civil service management practices are likely to vary. Cookie cutter civil service reforms are thus unlikely to be effective. Rather, civil service reforms require tailoring to the realities of each institution – and, at times, to the realities of each unit or group of professionals within (or across) institutions. Understanding these realities requires an appreciation of not only existing management practices, but also the varied attitudes and behaviour of civil servants that are being shaped by them (for instance via staff surveys).

The next chapter takes this lesson on board and assesses both cross-country and country-specific effects of civil service management practices. Moreover, several of the country reports complementing this cross-country report also estimate effects of civil service management practices in individual institutions (see, e.g. Schuster, Meyer-Sahling, Mikkelsen, Gonzalez Parrao, 2017). The core lessons presented in the next chapter are robust in most of these institutional-level analyses.

III. Civil service management in developing countries: what works?

The data in this chapter points to four core lessons for making civil services work in developing countries:

- #1: Depoliticize civil service management**
- #2: Curb nepotism in civil service management**
- #3: Ensure that performance matters in civil service management**
- #4: Pay enough to retain (more) motivated civil servants**

These are, of course, not the only civil service management practices affecting the motivation, satisfaction, performance and integrity of civil servants, nor do these outcomes solely result from civil service management practices. Nonetheless, our data suggests that they are worthwhile targets for civil service reform attempts: we find support for these lessons and their effectiveness in almost all of the ten countries studied.

Lesson #1: Depoliticize civil service management

Having political connections matters for the recruitment, promotion and pay of a significant minority of civil servants across levels of hierarchy in all surveyed countries. The data shows that such politicization of civil service management functions adversely affects the work motivation, job satisfaction, public service motivation, performance and integrity of civil servants. It also shows that certain formally meritocratic civil service management practices – such as oral and written exams to recruit civil servants or public advertisements for positions – curb politicization. We find that these de-politicizing effects of merit practices hold both on average across countries and at the country-level in most surveyed countries. The evidence thus both underscores the importance of civil service de-politicization to make civil services work and the relevance of formal meritocratic procedures to achieve de-politicization.

1.1. Civil service politicization in developing countries: how widespread is it?

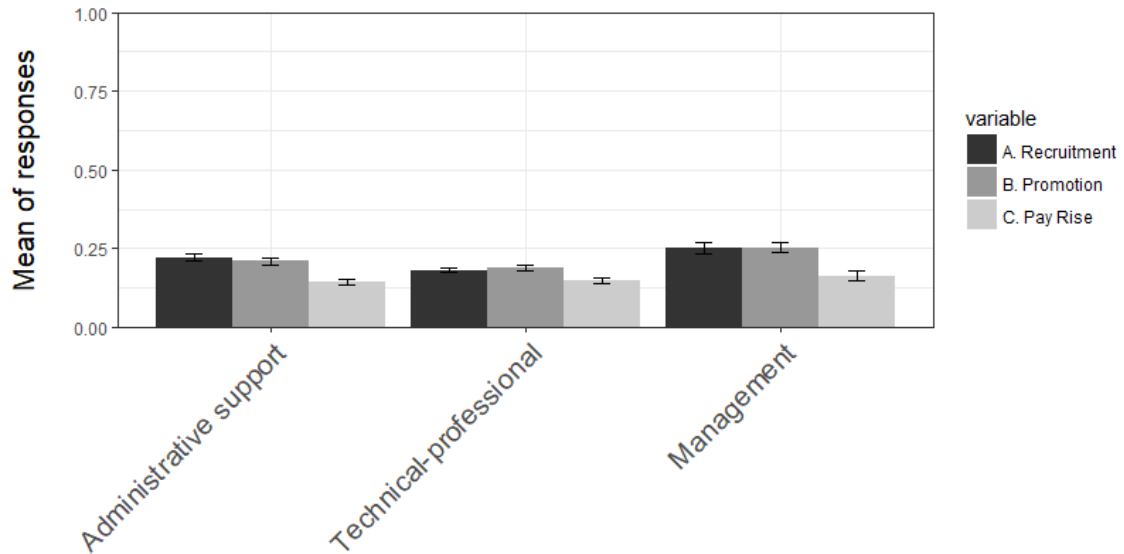
Politicization of the civil service generally refers to ‘the substitution of political criteria for merit-based criteria in the selection, retention, promotion, rewards and disciplining of members of the public service (Peters & Pierre 2004:2). We measured politicization in the survey by asking civil servants directly how important it has been for them to know a politician or a person with political links to get their first job in the public sector, to advance to a better position in the public sector and to get a pay rise.

Figure 10 reports the proportion of civil servants who indicate that political connections were at least somewhat (i.e. *not* not at all) important for their public sector jobs and careers, that is, for their recruitment, pay and promotions.⁴ It shows that politicization is not limited to the top of administrative hierarchies – where legitimate democratic concerns with the political control of state institutions might warrant politicization (see Kopecky et al., 2016). While politicization is most prevalent at the managerial level (25% of civil servants for recruitment, 25% for promotions and 19% for pay), it also occurs at the administrative support level (22%, 21% and 15%), and the technical-

⁴ Civil servants were asked to rate the importance of knowing a politician or someone with political links for recruitment, promotions and pay rises on a scale of 1 to 7. As civil servants may underreport the (sensitive) experience of having had political connections in the course of their career in the public sector, we report in figure 1 the proportion of civil servants that attaches at least some importance – i.e. not none at all – to political connections (scoring at least 2 on the scale of 1-7).

professional level (18%, 19% and 15%). Politicization thus permeates throughout levels of hierarchies.

Figure 10. Proportion of civil servants who obtained their first job (also) thanks to political connections, by level of hierarchy



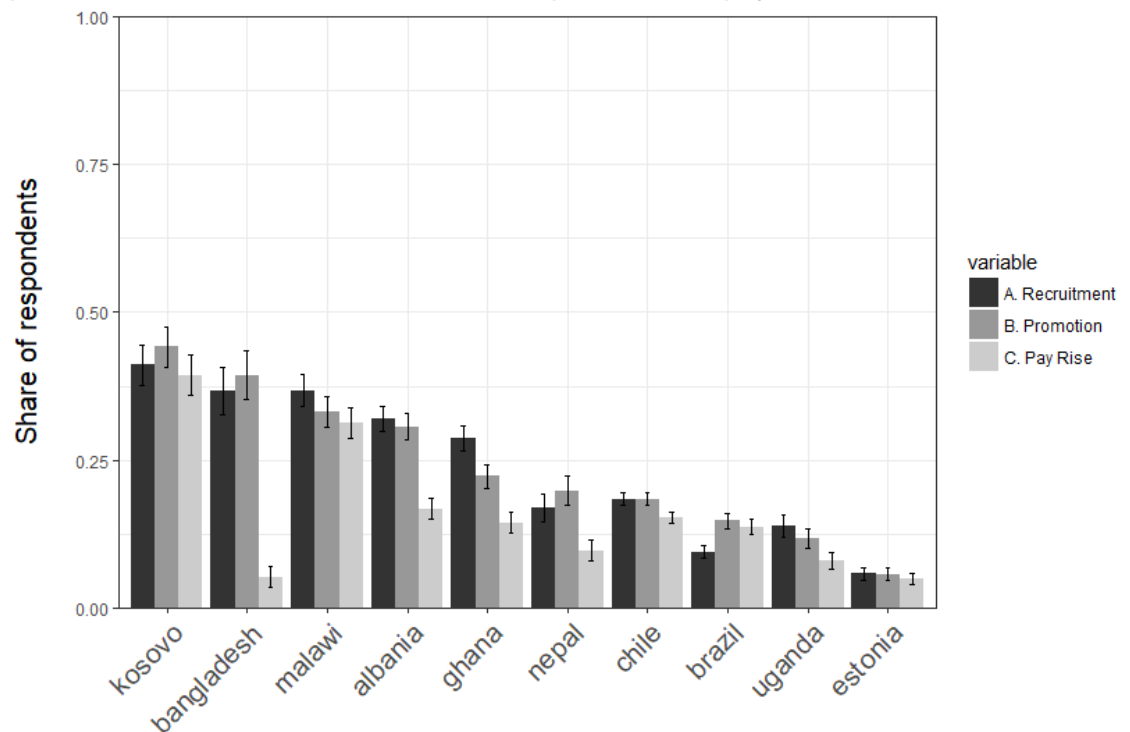
Politicization also matters to some extent in all of the surveyed countries – albeit to a greatly varying extent. As illustrated in figure 11, the share of civil servants for whom political connections matter for recruitment, promotion and pay respectively vary from 5%-6% in Estonia to 39%-44% in Kosovo.⁵

The politicization of different civil service management functions thereby tends to coincide. The politicization of recruitment and promotion is highly correlated ($r= 0.79$); as is the politicization of promotion and pay rises ($r = 0.81$); and recruitment and pay rises ($r = 0.73$). This suggests that many civil servants who use political connections to get a job subsequently also use political connections to get promoted and pay rises once inside the state. Or, from the vantage point of authorities, where state institutions politicize one civil service management function, they typically also politicize another.

⁵ In Chile, the indicator reports the proportion of civil servants who deem political connections at least somewhat important *for civil servants like them* (rather than for the respondents' own recruitment, for instance).

“Politicization of civil service management practices happens to some extent in all of the surveyed countries – albeit to a greatly varying extent”

Figure 11. Proportion of civil servants who attribute at least some importance to political connections for their recruitment, promotion or pay rises



As a caveat, however, this pattern of politicization across civil service management functions does not apply equally to all countries. In half of our countries – most notably in Bangladesh and, to a lesser extent, also in Albania, Ghana, Nepal and Uganda – pay decisions are significantly less politicized than recruitment and promotions. This reflects regulated salary systems in countries such as Bangladesh that allow for less discretion over pay decisions. As a result, the share of civil servants for whom political connections matter for pay rises across countries (15%) is smaller than in the case of recruitment (20%) and promotion (20%). While recruitment and promotion are, on average, equally politicized, in some countries – in particular Malawi and Ghana – recruitment is more politicized than promotion, while in Brazil the opposite occurs. Overall, the variation in politicization of civil service management functions suggests that management practices – not just connections of civil servants – matter for the weight of politicization, and that de-politicization reforms should consider carefully *which* civil service management functions and ranks are politicized – a point we will return to further below.

In sum, political connections matter for the recruitment, promotion and pay of a significant – but varying – number of civil servants across levels of hierarchy and countries.

1.2. How does politicization affect the behaviour and attitudes of civil servants?

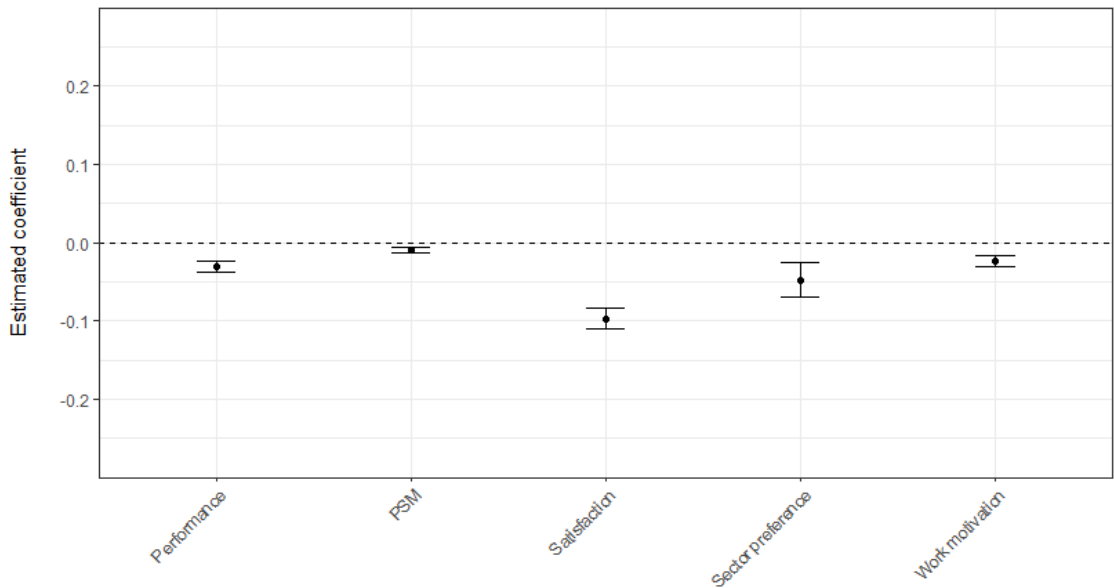
How does civil service politicization affect civil servants? Prior studies suggest that the politicization of recruitment has negative effects on civil service performance, clientelism and corruption (Lewis 2008, Meyer-Sahling & Mikkelsen 2016, Oliveros & Schuster 2017). Politicization can adversely affect the behaviour and attitudes of civil servants through several channels (Meyer-Sahling, Mikkelsen & Schuster, forthcoming). Most obviously, where political criteria have weight in personnel decisions, competence is no longer (fully) prioritized, with negative consequences for performance. Politicization also changes the career incentives of civil servants. Responsiveness to political demands becomes the driver of career success – not impartial service delivery to the public. Lastly, politicization can change the role identity of civil servants. Civil servants become ‘political servants’ who are appointed and promoted for their political service to politicians – not public service to society. This shifts the sense of obligation of ‘public’ servants towards political superiors and, potentially, away from the impartial and lawful exercise of their duties.

Our data confirms the negative effects of politicization, but provides a broader picture, enabling us to assess the effects of the politicization of recruitment, promotion and pay on a range of desirable attitudes and behaviour of civil servants across countries. Controlling for a range of other factors⁶, we find that civil servants for whom political connections were important for recruitment are less motivated to work hard, less motivated to serve the public, less committed to staying in the public sector, less performing and less satisfied with their jobs (figure 12). As illustrated in Appendix C (figures c1 and c2), we find similar negative effects for the politicization of promotions and pay rises.

⁶ For all regressions in this report, we run models which control for the gender, age, education, level of hierarchy, income (in bands), years of experience in public sector, type of position (dummy for contact with citizens) and country of the respondent. As noted above, the resulting cross-sectional statistical associations are only suggestive of causal effects. Regression results and the precise models (OLS, GLM or logit, for instance) used are available from the authors upon request.

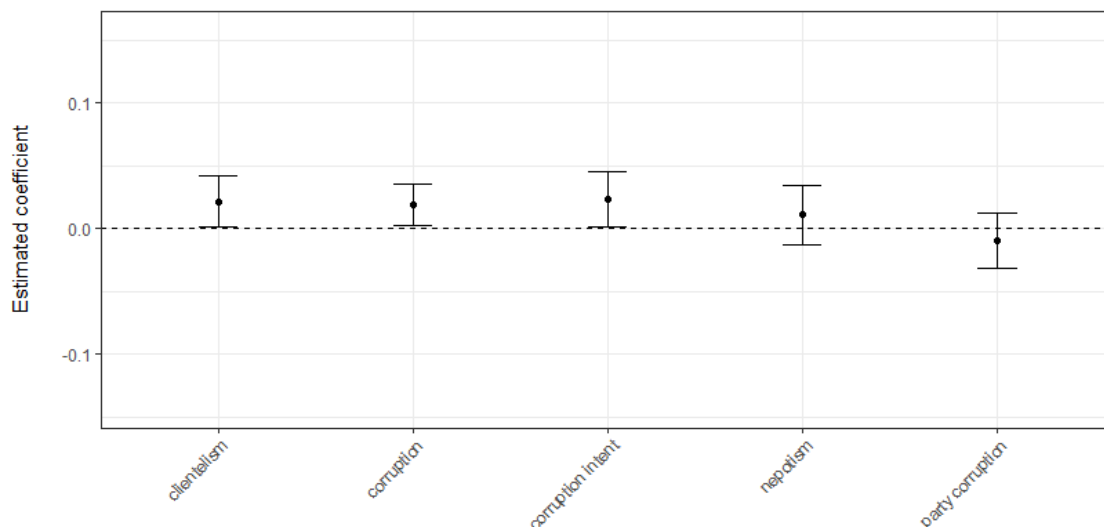
“Politicization of civil service management practices has adverse effects on work motivation, performance, public service motivation, job satisfaction, commitment to staying in the public sector and integrity.”

Figure 12. The negative effects of politicized recruitment of civil servants



The adverse effects of politicization do not stop at work and public service motivation, satisfaction and performance, however. Our data suggests that they also extend to integrity. As illustrated in figure 13, civil servants for whom knowing a politician or someone with political links has been important for getting their job are more willing to accept money or a personal present in exchange for helping someone through their public sector position (controlling for the aforementioned factors). They have also more frequently done so in the past, and are, in addition, more likely to help the election campaign of a political party. In other words, politicization is associated with greater corruption and clientelism in the public service (as measured by our list experiments; see Appendix A.2). As illustrated in Appendix C, politicized promotions and pay rises are, similarly, associated with greater clientelism. These latter results are particularly intuitive: civil servants who owe their jobs to politicians are more likely to help them in their (re-) election efforts.

Figure 13. The effects of politicized recruitment on the integrity of civil servants



In sum, political connections not only matter in a significant share of civil service management decisions. They also negatively affect the behaviour and attitudes of civil servants, curbing work and public service motivation, job satisfaction and performance while leading to more corruption and clientelism in public service. This puts a premium on understanding which civil service management practices can depoliticize civil services. This is assessed next.

1.3. Which civil service management practices curb politicization?

To protect civil service management decisions from undue political interference, reformers have typically relied on merit-based civil service management procedures, such as public advertisements of public sector jobs, followed by written examinations and interviews for entry. Such procedures also figure prominently in the repertoire of international aid and assistance organizations (see, for instance, SIGMA 2014). In our data, we find that such procedures are frequently – but far from always – used across countries. Are such procedures effective in curbing politicization? We find that, on average, they are, yet (some) politicization can persist even in their presence.

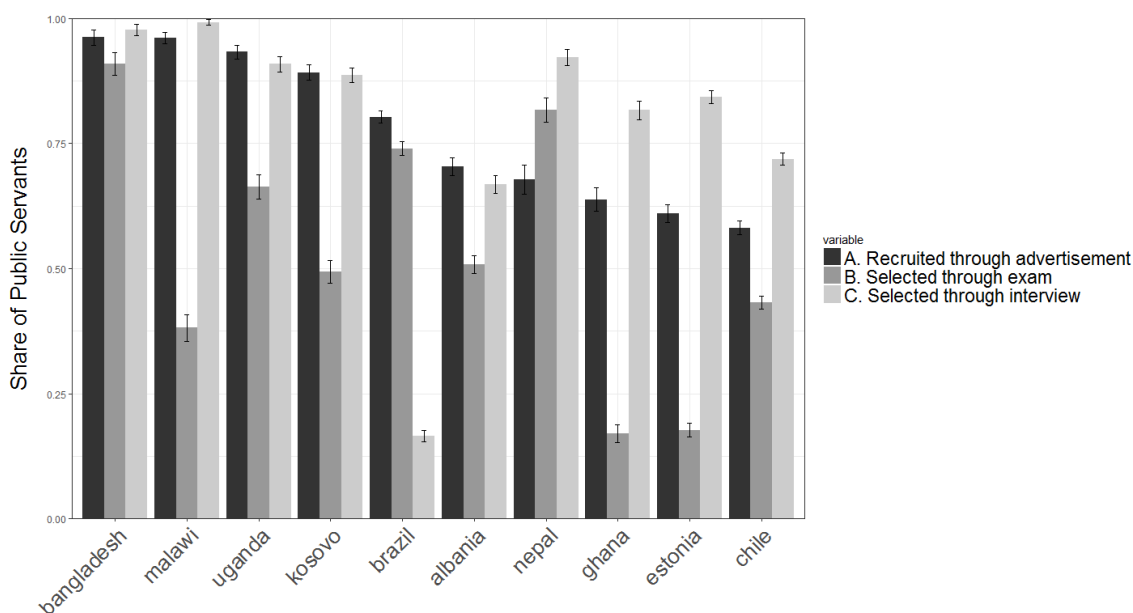
As illustrated in figure 14, most public sector jobs in our surveyed civil services appear to be advertised. Only a minority of civil servants (27%) has heard about their jobs through word of mouth only (rather than some form of wider advertisement). This share does reach 41% and 39% in Chile and Estonia respectively, however,

“Some civil servants have obtained public sector jobs which were neither advertised nor assessed through an interview or exam.”

suggesting that a potential lack of advertisement precludes citizens in some countries from applying to a significant minority of positions. Once applications are received, interviews are the most common form of assessment in our surveyed countries (70% of civil servants), followed by exams (49% of civil servants).

For both selection methods, however, there is significant variation across countries. In some countries, the use of written examinations is highly common (Bangladesh, Nepal and Brazil). In others, written exams are hardly ever used (Estonia and Ghana). Similarly, assessing candidates through interviews is highly common in most countries (Bangladesh, Malawi, Uganda, Kosovo, Ghana, Estonia and Nepal), but virtually absent in Brazil (where, in most institutions, only managerial-rank civil servants are interviewed).

Figure 14. Proportion of civil servants hired through formally merit-based recruitment and selection procedures, by country



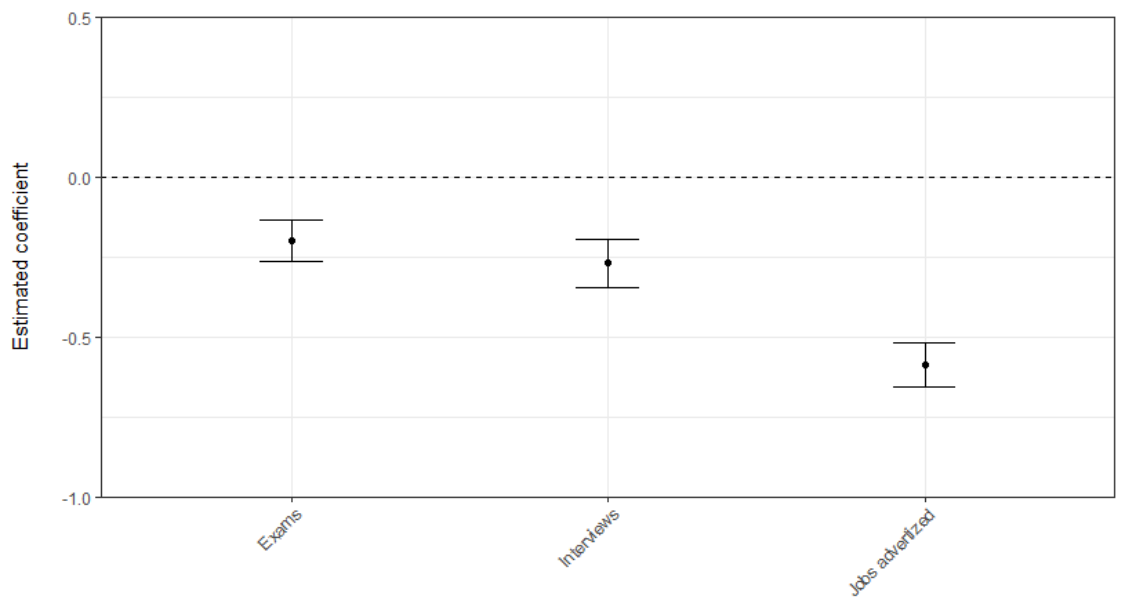
Written exams tend to coincide to some extent with job advertisements ($r=0.22$), while the use of exams and interviews ($r=-0.03$) and job advertisements and interviews ($r=0.02$) is largely unrelated. This reflects that, in the countries in our sample, most civil servants apply for advertised jobs and are then assessed through written exams or interviews (64%), yet fewer apply for advertised jobs and are then assessed through both exams and interviews (28%). A relevant minority of civil servants also

“Consistently advertising public sector jobs and assessing candidates through written or oral examinations can reduce politicization.”

entered the public sector through a job, which was not advertised *and* not assessed through either an interview or an exam (6%), or advertised but not assessed through an exam or interview (15%).

To what extent are these formal merit procedures effective in curbing politicization in the civil service? Figure 15 suggests that formal procedures – advertisements of public sector jobs, written examinations and interviews – can curb politicization. Both written examinations and interviews are associated with less importance of political connections in recruitment. to the effect of job advertisements is substantively even larger, which underscores the importance of advertising job opportunities in the public sector – rather than merely disseminating them through word of mouth.

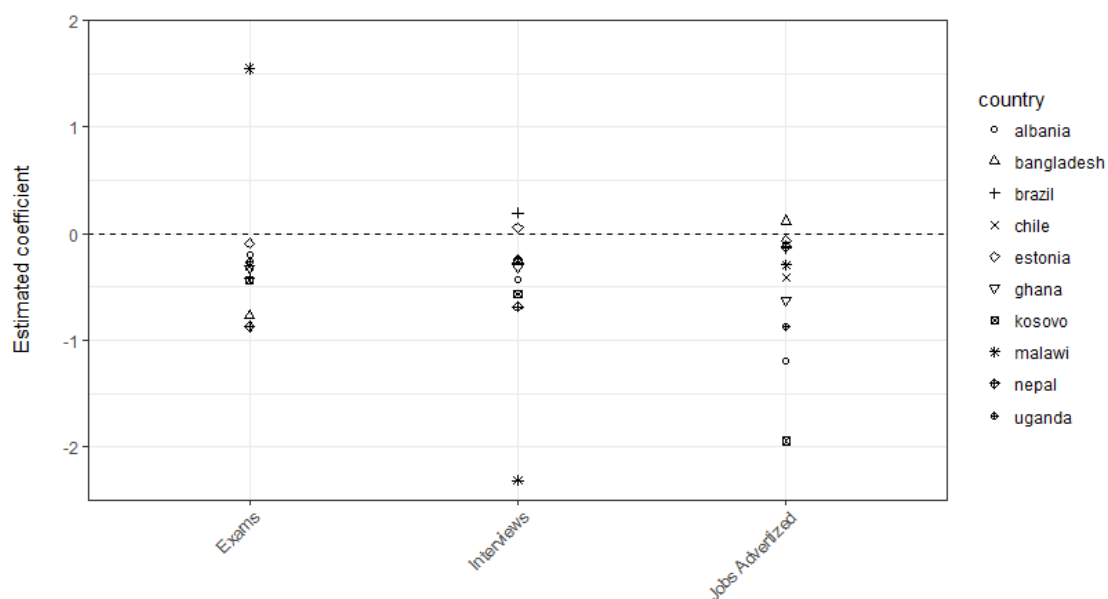
Figure 15. Effects of advertisements, written examinations and interviews on the politicization of recruitment



Formal merit procedures are effective in curbing civil service politicization not only on average, but also in almost all of the countries studied. As figure 16 illustrates, exams exert a negative effect on politicization in 8 of the 10 countries studied (with one negative effect not being significant); interviews exert a significant negative effect in 6 of the 10 countries studied (and are only statistically significantly positively associated

with more politicization in one country); and job advertisements, similarly, are associated with less politicization in 6 out of 10 countries (the two positive effects are not significant).

Figure 16. Effects of advertisements, written examinations and interviews on the politicization of recruitment



In short, formal merit procedures are frequently – but far from always – used across countries. On average and in most countries studied, they tend to curb politicization. Particularly countries with high levels of politicization would thus benefit from expanding formal merit safeguards – consistently advertising positions for recruitment and promotion, and assessing civil servants through exams and/or interviews for recruitment and promotion.

Lesson #2: Curb Nepotism in Civil Service Management

Having personal connections inside the state (nepotism) matters for the recruitment, promotion and pay rises of a significant minority of civil servants across levels of hierarchy and countries studied. In fact, nepotism is more widespread than politicization. Our data shows that it is equally pernicious: it adversely affects the work motivation, job satisfaction, public service motivation, performance and integrity of civil servants. As with politicization, certain formally meritocratic civil service management practices – such as oral and written exams to recruit civil servants or public advertisements for positions – curb nepotism – both on average and in most countries studied. In fact, they tend to have larger effects on reducing nepotism than on reducing politicization. The evidence thus both underscores the importance of curbing nepotism to make civil services work, and the relevance of formal meritocratic procedures to rid civil service management in developing countries of nepotism.

2.1. Nepotism in civil service management in developing countries: how widespread is it?

That personal networks frequently play roles in hiring decisions is well-established (see, classically, Granovetter 1973). A significant number of jobs in private companies is found through referrals, for instance. Some companies explicitly seek out referral-based hiring. It can, for instance, speed up recruitment and reduce information gaps about applicants, particularly about hard to observe characteristics such as cultural fit (Dineva, Holbrook & Geshuri, 2015). Personal networks can thus play legitimate roles in hiring decisions. However, an excessive reliance on them can turn into nepotism: favouritism in recruitment, promotion and pay decisions towards family members, friends and other personnel connections inside the state. This risk is particularly acute in developing countries with neo-patrimonial regimes, and thus personal connection-based rule as a characteristic feature (Erdman & Engel 2007, Guliyev 2011).

Personal favouritism – like political favouritism (politicization) – can be expected to have adverse effects on civil servants' attitudes and behaviour. Professional competence is de-prioritized, with potential adverse effects on performance. Career incentives are skewed away from hard work towards cultivating personal networks. And the identities of civil servants may shift from servants of society to servants of the networks who helped them obtain their jobs or pay rises – with potentially adverse effects on civil service impartiality and integrity. Whether the 'personalization' of civil

“Four out of every ten civil servants in our sample have obtained their first public sector job also thanks to personal connections.”

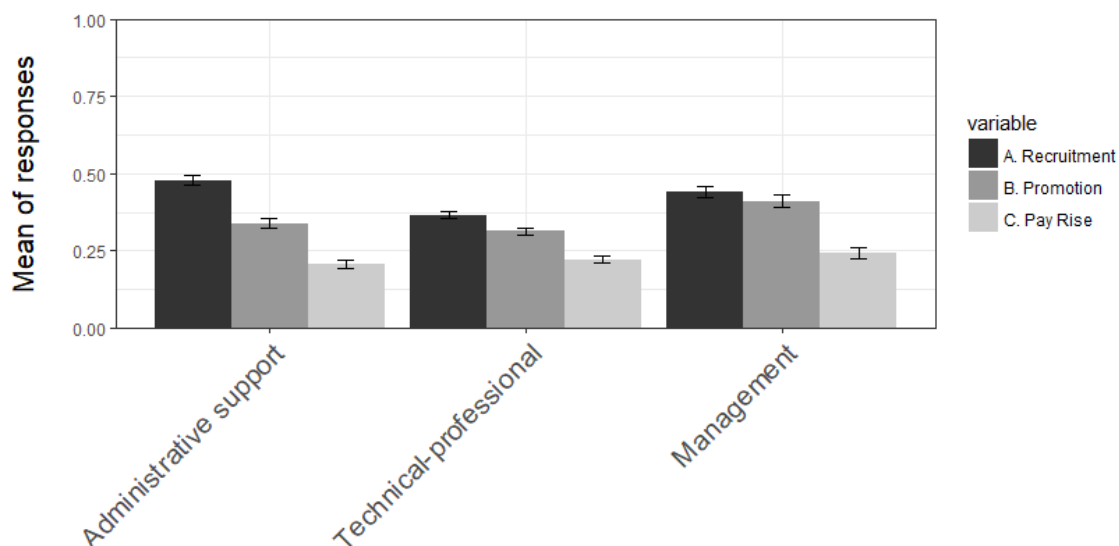
service management practices, in fact, has adverse effects is empirically explored further below. This section first provides evidence for its widespread reach.

In our survey, we measured personalization analogously to politicization: we asked civil servants how important friends, family members or other personal connections have been for them to get their first job in the public sector, to advance to a better position and to get a pay rise.⁷ We find that, on average, 41% of civil servants got their first job (at least in part) thanks to personal connections; for 34% of civil servants, they were at least somewhat important for obtaining promotions; and for 22% they mattered for pay rises.

As with politicization, personal connections matter for recruitment, promotion and pay decisions across the hierarchy (figure 17). Almost half (48%) of administrative support staff indicates that personal connections were (at least somewhat) important for their recruitment (and 34% and 21% indicate they matter for their promotion and pay). Similarly, almost half (44%) of managerial staff assigns importance to personal connections for their recruitment (and 41% and 24% for promotion and pay respectively). Personal connections matter relatively less at the technical-professional level, but are still relevant for the recruitment (36%), promotion (31%) and pay rises (22%) of a significant minority of professional-technical staff.

⁷ Civil servants were asked to rate the importance of having friends, family or other acquaintances in the public sector for having obtained their first job, for promotions and for pay rises on a scale of 1 to 7. As civil servants may underreport the (sensitive) experience of having had personal connections to get a job, promotions or pay increases, we report in figure 2 the proportion of civil servants that attaches at least some importance to personal connections (scoring at least 2 on the scale of 1-7).

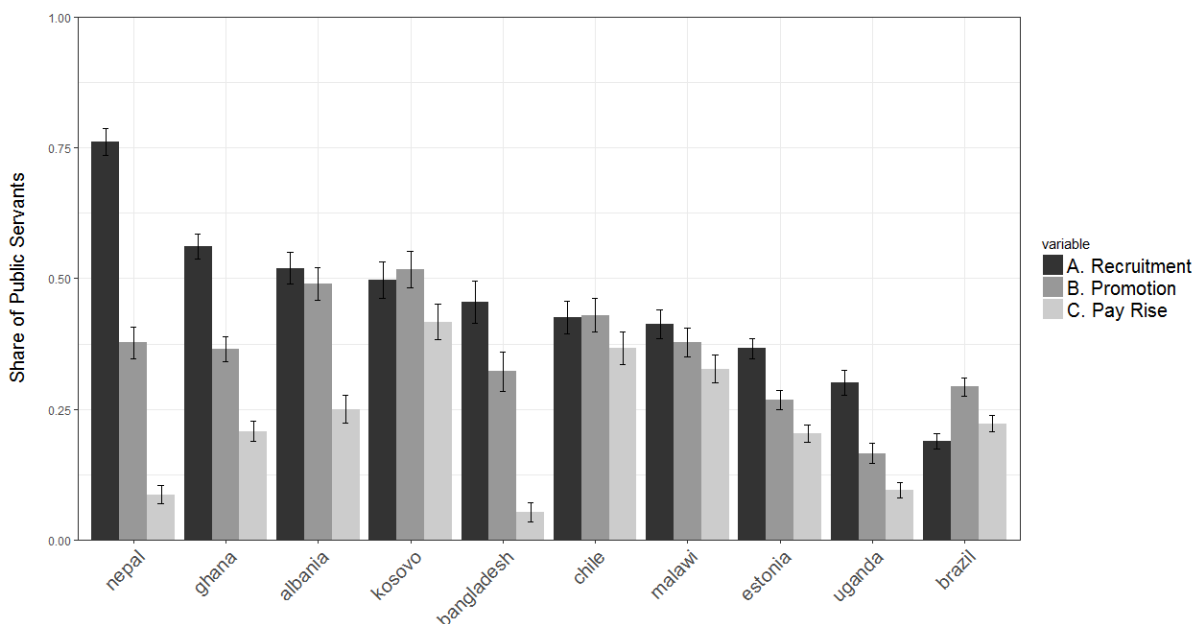
Figure 17. Proportion of civil servants who obtained their first job (also) thanks to personal connections inside the state, by level of hierarchy



Personal connections matter not only throughout hierarchies but also across countries – but to a greatly varying extent. Personal connections matter in the recruitment of most civil servants in Nepal (76%), for instance, but only a small minority of (managerial) civil servants in Brazil (19%). Similarly, they matter for the promotion of a majority (52%) of civil servants in Kosovo, yet for only a small minority (17%) in Uganda; and for the pay rises of a large minority of civil servants in Kosovo (42%), yet only for a minor share (5%) of civil servants in Bangladesh.

“The incidence of nepotism is more widespread in our surveyed civil services than politicization.”

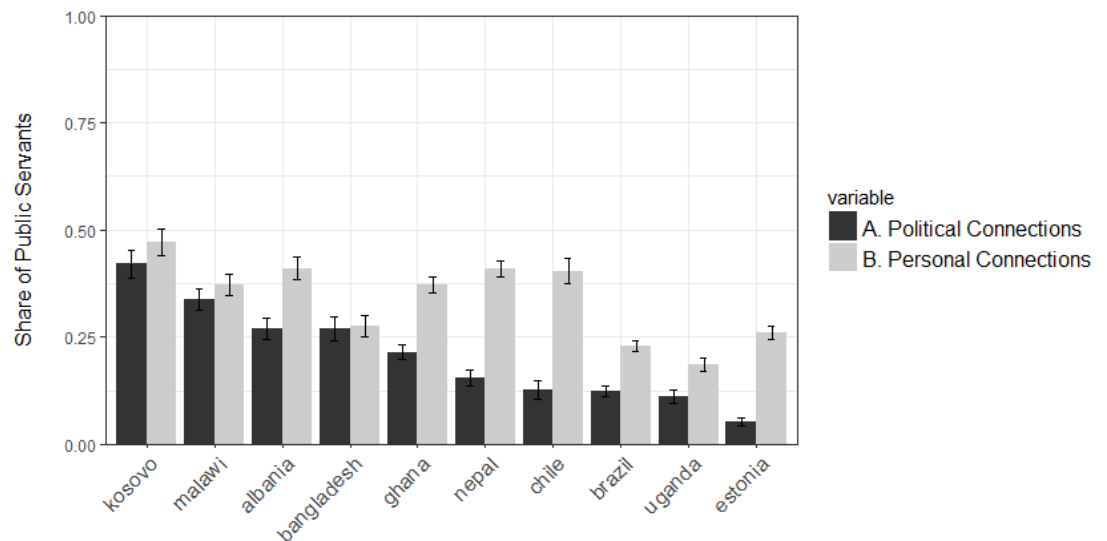
Figure 18. Proportion of civil servants who attribute at least some importance to personal connections for their recruitment, promotion or pay rises⁸



As with politicization, the ‘personalization’ of civil service management functions often coincides, with personal connections in recruitment and promotion ($r = 0.55$), promotion and pay ($r = 0.74$) and recruitment and pay ($r = 0.46$) all significantly correlated. At the same time, personal connections matter differentially for different civil service management functions. On average and in more than half of our countries, personal connections are significantly more important for getting a job than for promotions and pay rises. Moreover, personal connections have least weight for pay rises in almost all countries (nine out of ten). Civil servants who use personal connections inside the state to obtain their first public sector job thus do not appear to be consistently able to draw on those connections to advance to a better position or higher pay once hired.

⁸ In Chile, this question was only fielded in the Treasury, with an indicator which reports the proportion of civil servants who deem personal connections at least somewhat important *for civil servants like them*. As such, differences between Chile and the remaining countries maybe due to differences in measurement.

Figure 19. Importance of political versus personal connections in personnel decisions (average of recruitment, pay rises and promotions)



That personal connections matter in civil service management decisions may, of course, coincide with politicization: friends, family members or other acquaintances inside public administration may also be politicians or individuals with political links. In fact, the incidence of personal and political connections in recruitment ($r = 0.47$), promotion ($r = 0.58$) and pay rises ($r = 0.62$) are significantly correlated. Many civil servants thus draw on both personal and political networks to get a job, promotion or pay rise in the public sector – suggesting personal and political networks might often overlap. This correlation is far from perfect, however. This suggests that personal and political connections also play separate roles and require both separate analysis and reform action. Moreover, personal connections are, on average, significantly more important than political connections in the recruitment, promotion and pay across all our ten surveyed countries (figure 19).

In sum, having support from friends, family members or other acquaintances inside the state matters for the recruitment, promotion and pay rises of a significant minority of civil servants across countries and levels of hierarchy. In fact, the incidence of personal connections is more widespread than politicization. As noted at the outset, this need not be bad news. Network-based personnel decisions need not have adverse effects, but would do if they reflect personal favouritism and thus nepotism. The next section thus assesses the effects of civil service ‘personalization’.

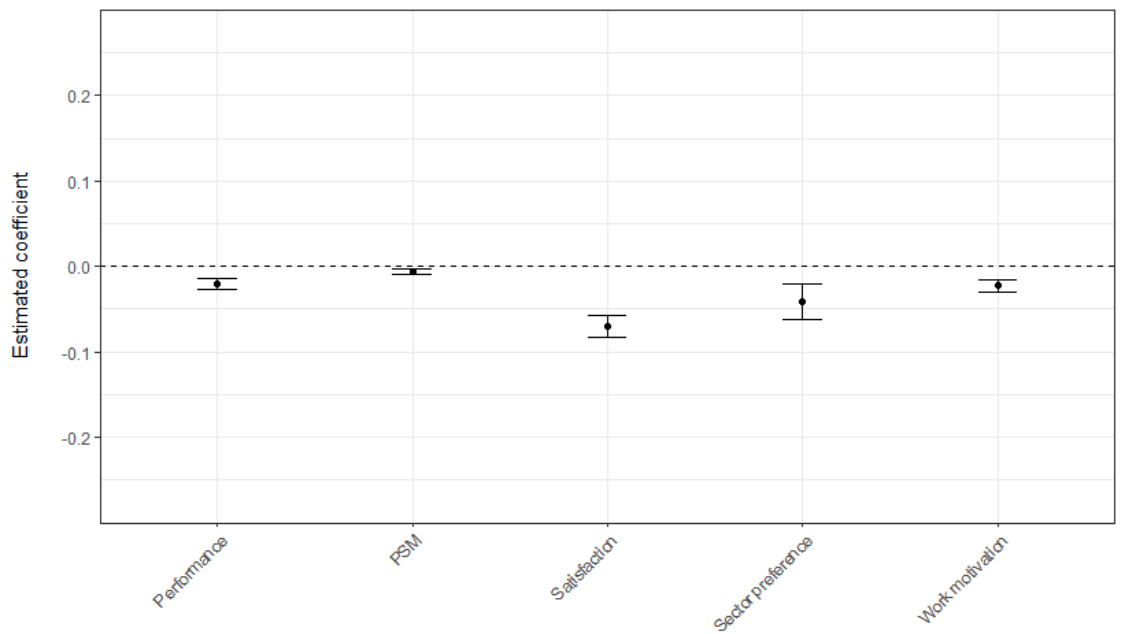
“Nepotism in civil service management reduces work motivation, public sector commitment, performance and job satisfaction.”

2.2 How do personal connection-based civil service management decisions affect the behaviour and attitudes of civil servants?

While research into the effects of nepotism in organizations has recently multiplied (see Jones, 2012), there is little evidence on the effects of personal connections in developing country civil service management decisions to-date. Our data suggests that, similar to politicization, personal connection-based civil service management decisions have adverse effects on the attitudes and behaviour of civil servants. This is congruent with the concern that the permeation of personal networks in developing country civil services often equates to nepotism and personal favouritism – rather than referrals to better inform meritocratic personnel decisions.

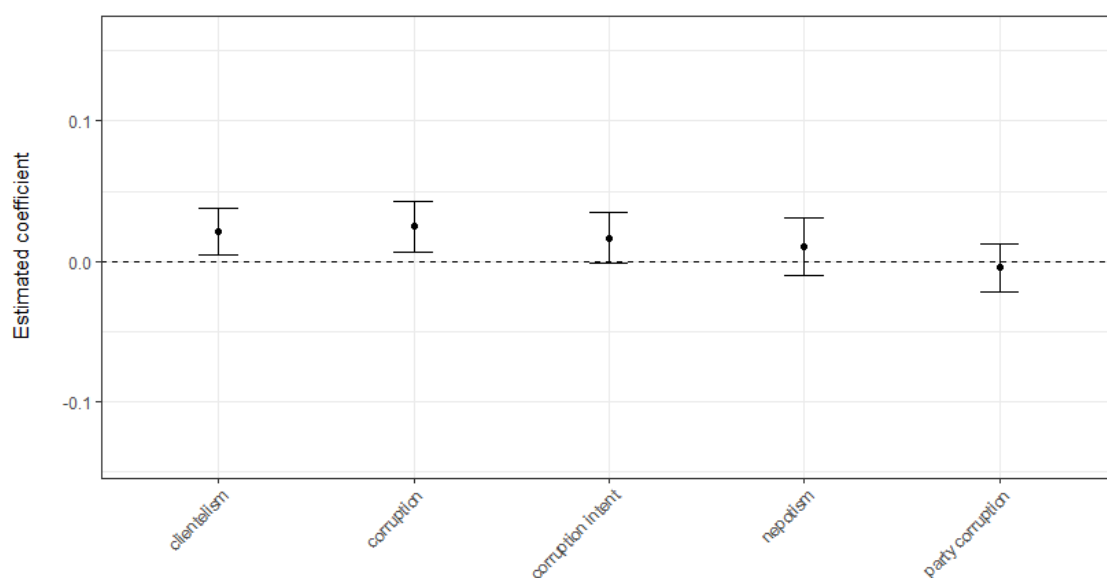
In particular, controlling for a range of other factors, we find that civil servants for whom personal connections were important for recruitment are less motivated to work hard, less motivated to serve the public (PSM), less committed to staying in the public sector, less performing and less satisfied with their jobs (figure 20). As illustrated in figures c5 and c6 in the Appendix C, we find similar negative effects of personal connection-based promotion and pay rise-decisions.

Figure 20. The negative effects of personal connection-based civil service recruitment



As with politicization, the adverse effects of personal connection-based civil service management decisions do not stop at work and public service motivation, satisfaction and performance, however. Our data suggests they also extend to integrity. As illustrated in figure 21, personalization is positively associated with corruption and clientelism in the public service, as measured by our list experiments (see Appendix A.2). Civil servants for whom having family, friends or personal acquaintances inside public administration has been important for getting their job have been more likely to have received an informal payment or otherwise personally benefited from their position (personal corruption), and been more likely to campaign for a political party (political clientelism). As illustrated in figures c7 and c8 in the corresponding Appendix, personalized promotions and pay rises are, similarly, associated with greater clientelism.

Figure 21. The effects of personal connection-based civil service recruitment on integrity in civil service



These findings suggest that personal connection-based civil service management decisions frequently equate to favouritism in developing country civil services – rather than the use of networks to identify high-performing staff for organizations. They also provide additional evidence for the aforementioned close relationship between nepotism and politicization in developing country civil services. That personal connection-based recruitment is associated with greater political clientelism suggests

“Formally meritocratic civil service management practices – such as written exams and interviews – can curb nepotism.”

that personal connections are often, concurrently, political connections. Personal and political networks of civil servants thus often appear to overlap, with both permeating a significant minority of personnel decisions.

In summary, nepotism affects a significant minority of civil service management decisions in developing countries and is, in fact, more widespread than politicization. It adversely affects several behaviour and attitudes of civil servants measured in our survey: work and public service motivation, job satisfaction, performance, corruption and clientelism. This puts a premium on understanding which civil service management practices can curb nepotism. This is discussed in the next section.

2.3. Which civil service management practices curb nepotism?

To curb nepotism, reformers frequently rely, as with politicization, on merit safeguards in civil service management decisions, such as written and oral exams and advertisements of public sector positions. As noted above, we find that such merit procedures are frequently – but far from always – used across countries. Are such procedures effective in curbing politicization? We find that – with the exception of selection through interviews – they are.

As illustrated in figure 22, written examinations and the advertisement of positions appear to curb nepotism. Both are associated with lower importance of personal connections in hiring, with job advertisements exerting a particularly strong effect. The size of the effects is thereby remarkably large and, in fact, more than twice the effect that exams and job advertisements had on curbing politicization. Interviews to select staff, by contrast, appear to have no effects – perhaps because interviews are by their very nature personal (rather than impersonal), and leave selection committees with greater discretion to select personally-favoured candidates.

The effects of exams and job advertisements generalize across almost all of the countries studied (figure 23). At the country level, job advertisements exert negative effects on nepotism in all of the countries studied, while exams exert negative effects in 9 out of 10 countries. By contrast, the effects of interviews are somewhat mixed, with interviews associated with less nepotism in the majority (but far from all) countries.

In short, formal merit procedures and, in particular, written examinations for entry and the advertisement of job positions tend to curb nepotism. Countries with high levels of nepotism and/or politicization in civil service management would thus do well to expand formal merit safeguards.

Figure 22. Effects of public advertisements, written examinations and interviews on the importance of personal connections in recruitment

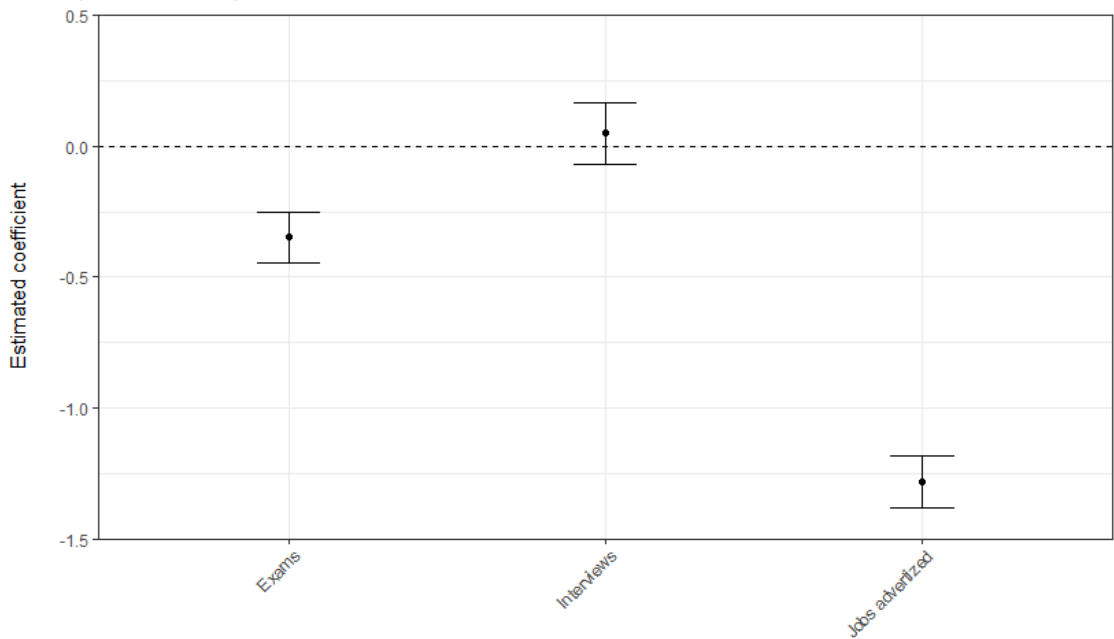
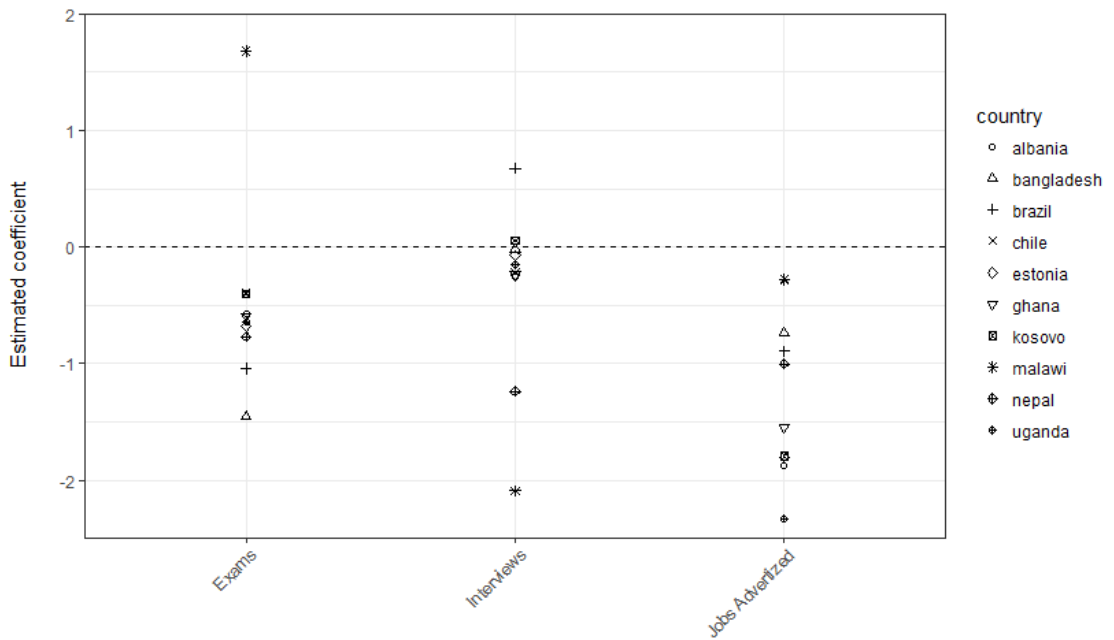


Figure 23. Effects of public advertisements, written examinations and interviews on the importance of personal connections in recruitment, by country



Lesson #3: Ensure that performance matters in civil service management

Civil services vary significantly in their performance orientation: the extent to which performance is perceived to matter for promotion, pay and dismissal prospects. We find that performance-oriented civil service management has positive effects. Civil servants are more satisfied, committed and, at times, motivated to serve the public, work hard and perform where they perceive that performance shapes their pay, promotion and job stability prospects. Making sure that performance matters in civil service management decisions thus brings important payoffs. Formal civil service management practices can play a role. Performance evaluations are positively associated with (some) perceptions of performance orientation. Their effects depend, however. Where performance objectives are not identified beforehand and evaluation results are not perceived to matter for career advancement, pay and promotion prospects, they have counterproductive effects. The evidence thus underscores the importance of ensuring both that performance matters in civil service management decisions, and that formal performance management systems are designed and implemented well to achieve this end.

3.1. Performance-oriented civil service management in developing countries: how widespread is it?

The role of performance orientation in civil service management has been discussed extensively in debates surrounding the introduction of New Public Management reforms in developing countries (Schick 1998, Manning 2001). Proponents of New Public Management reforms point to the importance of rewarding performance as an incentive for better performance and motivation in the civil service. Evaluations that have focused on performance-related pay have provided qualified support for this perspective – albeit with hardly any studies assessing the core civil service (Hasnain et al. 2012).

By contrast, sceptics of New Public Management have stressed the unsuitability of performance-based civil service management in developing countries. They refer to general concerns over difficulties to measure performance in public administration, unintended consequences of performance measures (such as gaming and cheating) and the potential costs of crowding out intrinsic and public service motivation (Chen & Hsieh 2015). Moreover, they suggest that setting goals and delegating discretion to managers to achieve them opens the door for abuse in contexts of politicization and nepotism (e.g. SIGMA 2014).

“Contrary to popular stereotypes about bureaucracies, there is some sense of performance orientation in all of the surveyed civil services.”

Our survey provides evidence which can (to some extent) help adjudicate between these perspectives. We thereby shed light on the effects of performance-oriented civil service management. We understand performance orientation as ensuring that work performance matters in pay, promotion, transfer and dismissal decisions. This, by no means, requires a mechanistic pay-for-performance or promotion scheme in which performance ratings automatically translate into pay rises or promotions (see OECD, 2005). Rather, a performance orientation provides civil servants with a sense that performance is (eventually) worthwhile – because career, pay or job stability prospects improve.⁹

Figure 24 illustrates that, contrary to popular stereotypes about bureaucracies, there is *some* sense of performance orientation in all of the surveyed civil services. Civil servants on average in our sample, for instance, either ‘neither agree nor disagree’ or ‘somewhat agree’ that they could be dismissed for poor performance. Cross-country variation is significant, however. In Estonia, Chile, Kosovo and Albania, civil servants, on average, somewhat agree that they could be dismissed for poor performance. At the other extreme, in Bangladesh, the mean response is between ‘somewhat disagree’ and ‘neither agree nor disagree’. Similar variation can be observed for the performance orientation of promotions. On average, civil servants rate the importance of work performance for their career advancement at 3.2 on a scale of 0 to 4. Only 7% attribute no importance whatsoever to their performance. This suggests that the large majority of civil servants, in fact, perceive their performance to matter at least in some way for their career advancement. The share of civil servants for whom this is not the case varies significantly across countries, however, from 2% in Estonia and Ghana to 25% in Bangladesh. Lastly, across most countries, there is scepticism about the performance orientation of pay decisions. With the notable exception of Estonia, civil servants in all countries are more likely to disagree than agree that their work performance has influenced their pay (mean of 1.4 on a scale of 0 to 4, where 4 is strongly agree).

⁹ We measure performance orientation in pay with the extent of agreement to the statement ‘My work performance has had an influence on my salary in the public service.’ Performance orientation in dismissals with the statement ‘I might be dismissed from the civil service if I do not perform well.’ And performance orientation in promotion by asking respondents to rate on a scale from 1 to 7 how important work performance is for their future career advancement. We normalized the 1-7 scale to a 0-4 scale in figure 15.

Figure 24. Civil servants' perceived performance for promotion prospects, pay rises and dismissals

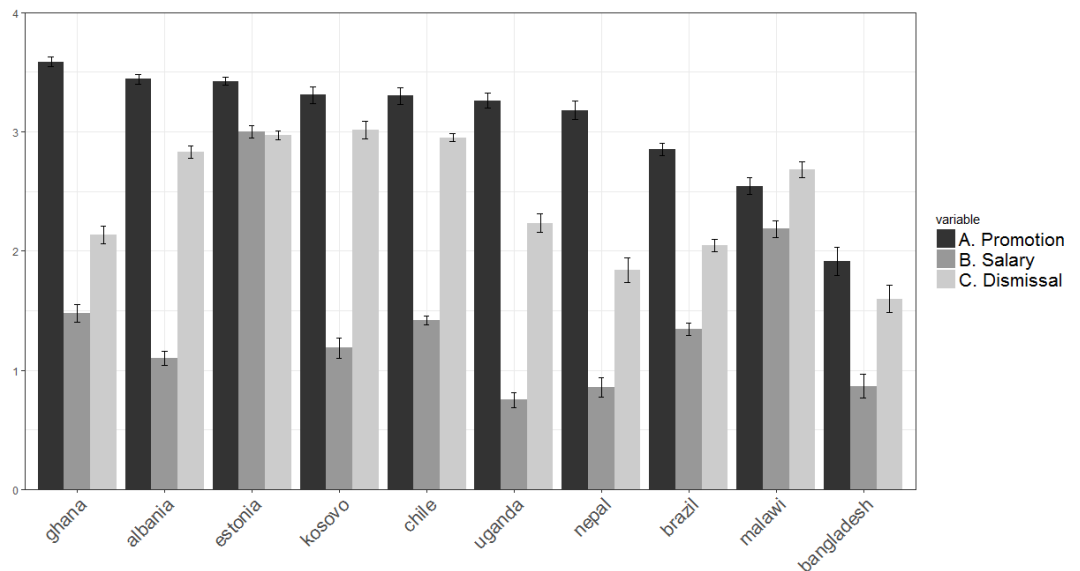


Figure 24 thus plausibly suggests that there is some performance orientation across countries, albeit much more so in some countries (e.g. Estonia) than others (e.g. Bangladesh); and that performance orientation is relatively less pronounced in pay setting (with the caveat that some of these differences may stem from different variable measurements). Moreover, the figure suggests that performance orientation in one civil service management function need not coincide with performance orientation in another. In fact, performance orientations in promotions and salaries ($r=0.15$), promotions and dismissals ($r=0.13$) and pay and dismissals ($r=0.2$) are only weakly correlated. Introducing a performance orientation in one civil service management function thus does not seem to spill over into performance orientations in other civil service management functions. The next section will assess the extent to which such performance reforms matter.

3.2. How does performance-oriented civil service management affect the behaviour and attitudes of civil servants?

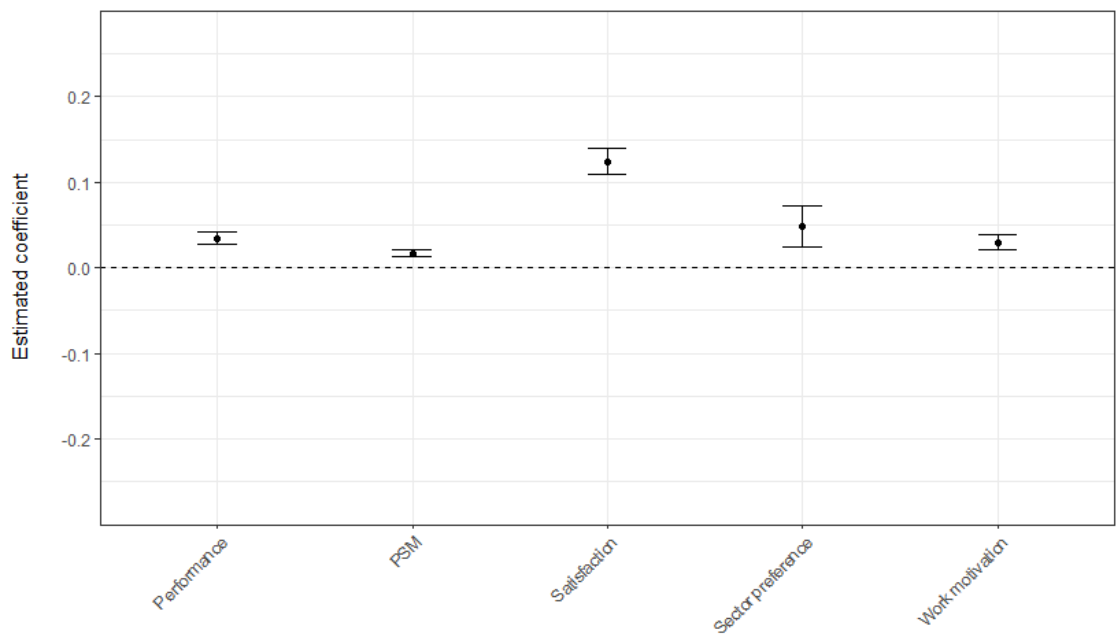
As noted above, the consequences of performance-based management in public sectors remain contested. Most existing studies have focused on the consequences of performance-related pay (PRP). PRP assumes that the salary of civil servants is (in

“Perceptions that promotions are based on performance are associated with greater work motivation, commitment, performance and job satisfaction.”

part) a function of measured performance. Proponents expect PRP to incentivize civil servants to exert more effort and engage less in shirking, and to attract and retain civil servants who are willing to work hard and contribute to organisational objectives (cf. Hasnain et al., 2012). Critics, however, argue that PRP comes with unintended consequences: crowding out of public service motivation, gaming, cheating and effort substitution in civil service jobs with hard-to-measure outputs and outcomes, and multi-dimensional task profiles. These arguments in favour and against could be expected to apply equally to performance-related promotions and dismissals.

Our survey cannot shed light on all potential consequences of performance schemes in civil services (e.g. cheating on indicators). However, it does shed light on one important aspect: how performance-oriented civil service management affects core attitudes and behaviour of civil servants. As illustrated in figures 25 to 26 (and additional figures c9 to c12 in the Appendix C), these effects are – where statistically significant – invariably positive.

Figure 25. The positive effects of performance-based promotions on civil servants



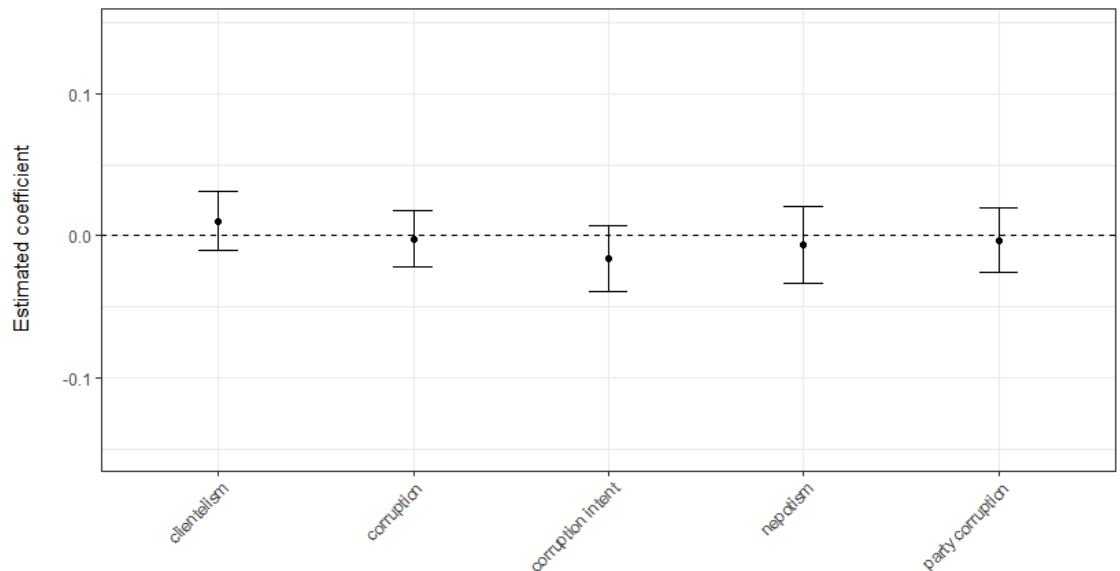
Having the perception that performance matters for their career advancement, pay and job stability enhances civil servants’ job satisfaction and preference for remaining

“Contrary to popular stereotypes, civil servants are more satisfied where civil service management is performance-oriented.”

in the public sector. Performance-oriented promotions and job stability (albeit not pay) also have a small positive effect on public service motivation; and performance-oriented promotions and pay (albeit not dismissals) positively affect work motivation and performance.

At the same time, we observe hardly any effects of performance orientation on integrity. As illustrated in figure 26, performance-oriented promotions have no significant effects on any of our integrity measures, and neither do performance-oriented dismissals (Figure c12 in the Appendix C). Performance-oriented pay is statistically significantly associated with less nepotism – albeit none of the other four integrity measures. This might be a statistical artefact, however (of finding, by random chance, an effect in one in fifteen regressions), and thus only provides tentative evidence for a positive effect of performance orientation on integrity.

Figure 26. The effects of performance-oriented promotions on integrity in public service



What can be learned from these findings? First of all, they suggest that, contrary to popular stereotypes, civil servants appreciate some performance orientation in civil service management decisions. The most robust effects of performance orientation across the three civil service management functions are on job satisfaction and preference for working in the public sector. Unintendedly, giving civil servants a sense

“Basing promotions on performance might be more important than performance-related pay or dismissals.”

that their performance matters may thus affect job satisfaction and retention more than performance or work motivation.

Second, a performance orientation in and of itself does not appear to crowd out public service motivation (PSM); in fact, we observe ‘crowding in’ of PSM for performance-oriented promotions and dismissals based on our cross-sectional data. At the same time – and contrary to the lessons about nepotism and politicization – a performance orientation only appears to have a, at best, tentative positive effect on integrity. Further analyses would be required to assess whether it might shape integrity indirectly, however (e.g. by fostering PSM).

Fourth, performance-oriented promotions might trump performance-oriented pay and dismissals in making civil services work. New Public Management reforms have frequently focused on pay-for-performance and temporary contracts as ‘hard’ performance incentives. In our data, by contrast, only performance-oriented promotions are significantly associated with performance, work motivation, performance, satisfaction *and* a preference for public sector jobs. This suggests that reformers would do well to consider performance orientation in career advancement in their reform designs. Lastly and most obviously, the positive effects of performance orientation put a premium on understanding which civil service management practices can bring this orientation about. This is analysed next.

3.3. Which civil service management practices foster a performance orientation?

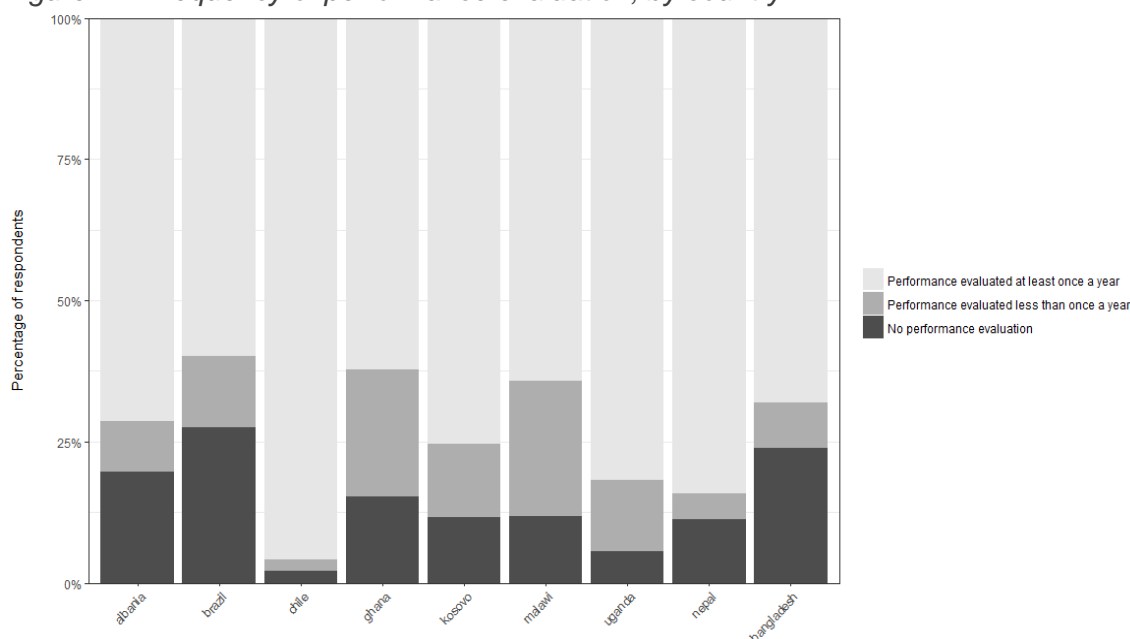
How can reformers and civil service managers increase the perception among civil servants that performance matters for their promotion, pay and job stability? In this section, we assess the effectiveness of what has arguably been the core instrument to this end in managerial reforms: performance evaluation systems that regularly assess the work performance of civil servants. Performance evaluation systems, of course, come in many guises: they differ in the frequency of evaluations, whether objectives are set in advance, whether targets are quantitative or qualitative, whether results of evaluations are discussed, who evaluates, and whether there is a forced distribution of ratings among staff in a department, among many.

Our survey is not able to capture the manifold dimensions of performance evaluation systems. Rather, our ambition is more modest: the survey can shed light on whether having evaluations has *any* effects on performance orientation; and whether two basic design features of performance evaluations – setting goals before an evaluation

period and linking evaluation results to promotion, pay or job stability prospects – shape the effects that performance evaluations have on civil servants.

In our surveyed countries, performance evaluations are relatively common. On average, 88% of our surveyed civil servants had at least one performance evaluation in the last two years. This share varies between 72% (Brazil) and 98% (Chile), however, suggesting that performance evaluations are almost universal in some, but not all civil services (figure 27). Most of these performance evaluations are also occurring regularly – that is at least yearly. 78% of civil servants note that their performance has been evaluated at least annually, with this share varying between 60% in Brazil and 96% in Chile. In other words, most – but far from all – civil servants undergo regular performance evaluations.

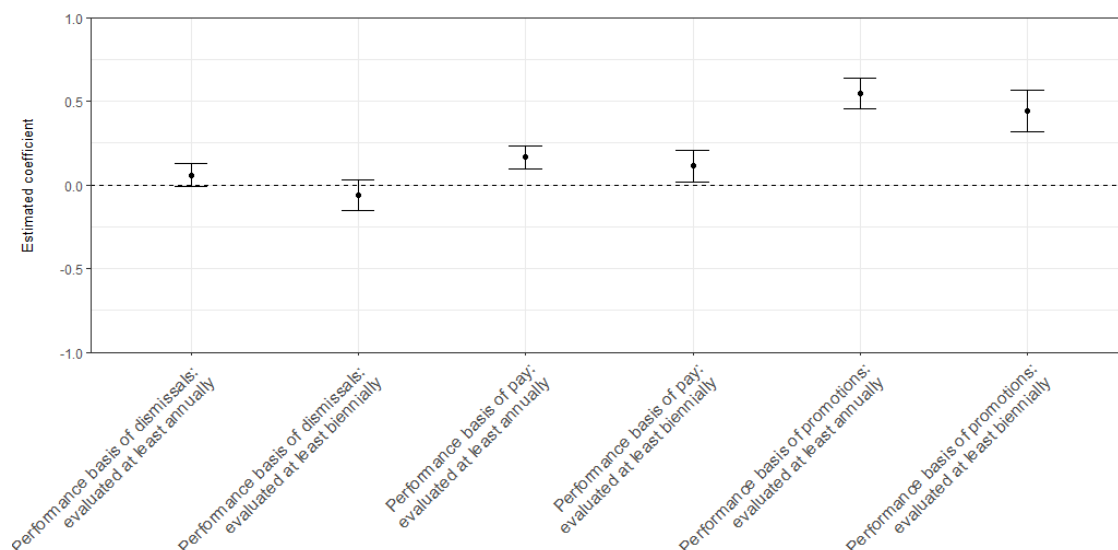
Figure 27. Frequency of performance evaluation, by country



What are the consequences of performance evaluations? As illustrated in figure 28, having had one or multiple performance evaluations is positively associated with the perception that pay and promotions (albeit not dismissals) are performance-oriented. Being evaluated thereby appears to be more important than the frequency of evaluations. Annual or more frequent evaluations have an only marginally (and not statistically significantly) larger positive effect than biennial evaluations.

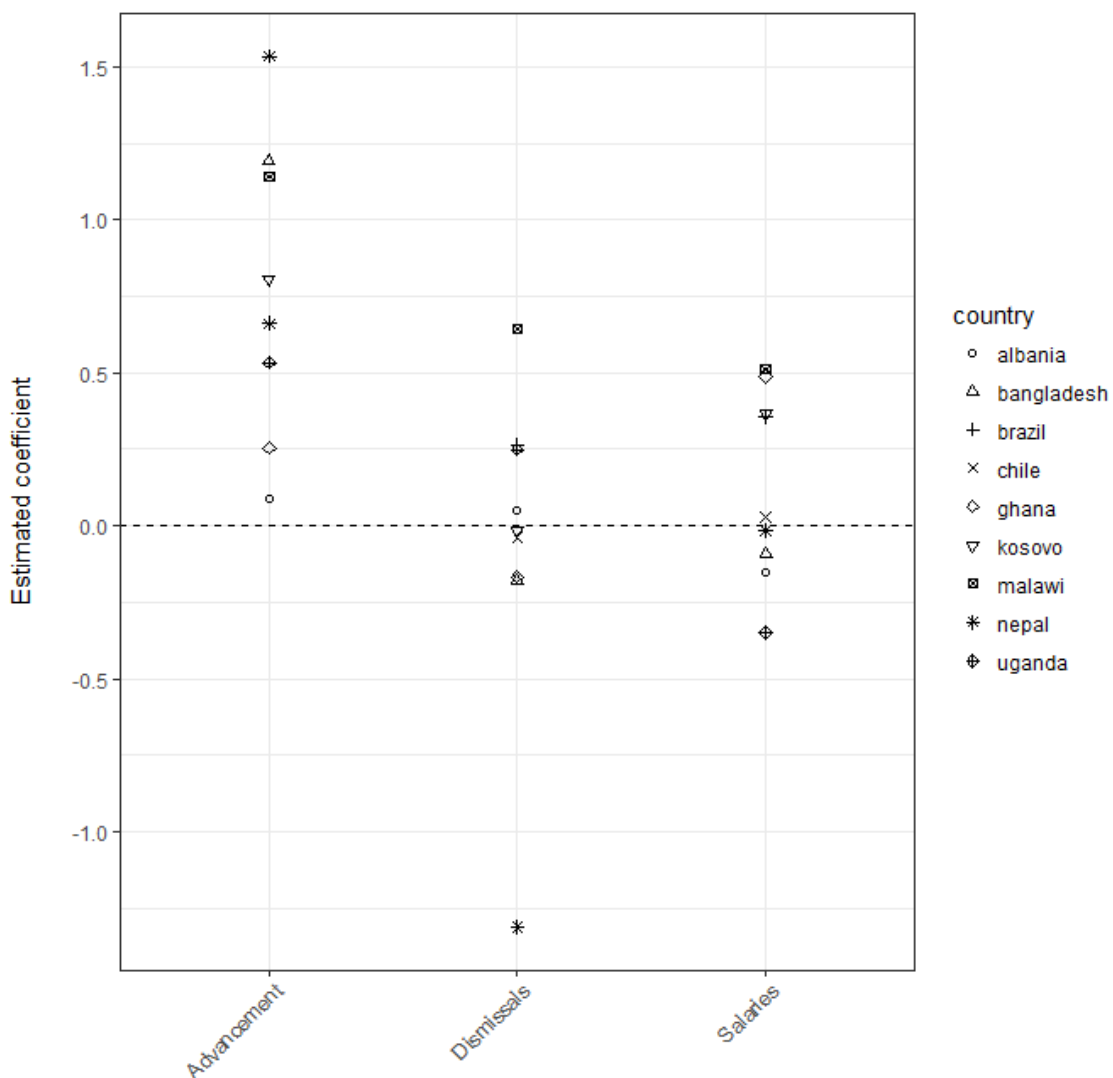
“The effects of performance evaluations on civil servants vary across countries.”

Figure 28. The effects of performance evaluations on the perceived performance orientation of civil service management



While, on average, performance evaluations thus appear to have positive effects, these effects vary significantly across countries. Having had an evaluation has negative effects on the perceived performance orientation of dismissals and pay in five and four of ten countries respectively (though these effects are not always statistically significant). The effects on perceptions of performance orientation in promotions are more consistently positive (figures 29).

Figure 29. The effects of having had a performance evaluation on the perceived performance orientation of civil service management, by country

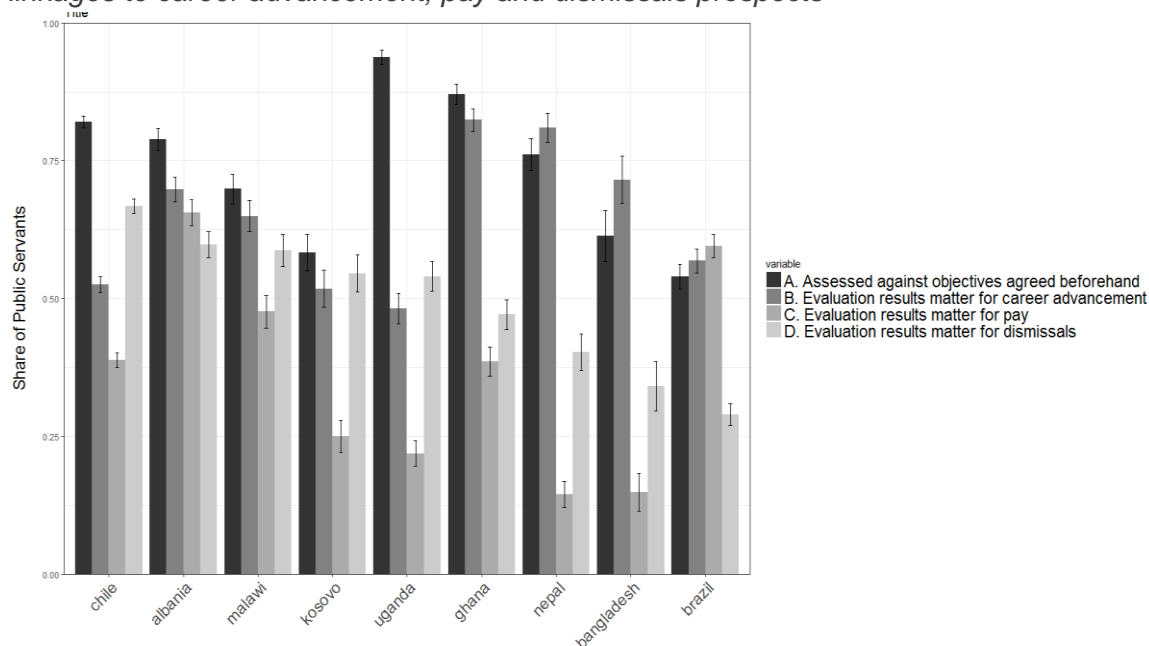


Variation in the effects of performance evaluations across countries can, of course, be due to multiple factors, including, for instance, differences in culture. We assess one set of factors – the design of performance evaluations – given its actionable nature for reformers. Performance evaluation systems can, as aforementioned, vary greatly in their designs. However, two features are often considered essential for evaluations to incentivize work effort and performance towards organizational goals: (1) setting and

agreeing on objectives prior to an evaluation period (to ensure civil servants know what to perform towards); and (2) giving civil servants a sense that evaluation results matter (by affecting their prospects for promotion, pay and/or job stability in some way). We find that countries vary in the extent to which these basic design features are in place; and that evaluations can have positive or negative effects depending on their design.

Figure 30 illustrates cross-country variation in these basic design features. On average, 76% of civil servants somewhat agree or strongly agree that their performance has been assessed against a set of objectives that were agreed before the beginning of the assessment period. This share varies between 54% (Brazil) and 94% (Uganda), however. Similarly, on average, 41% of civil servants somewhat agree or strongly agree that their performance evaluation results have had an influence on their salary, 61% that they have had an influence on their promotions, and 54% that a poor performance rating could lead to their dismissal. As illustrated in figure 20, however, there is – again – significant cross-country variation.

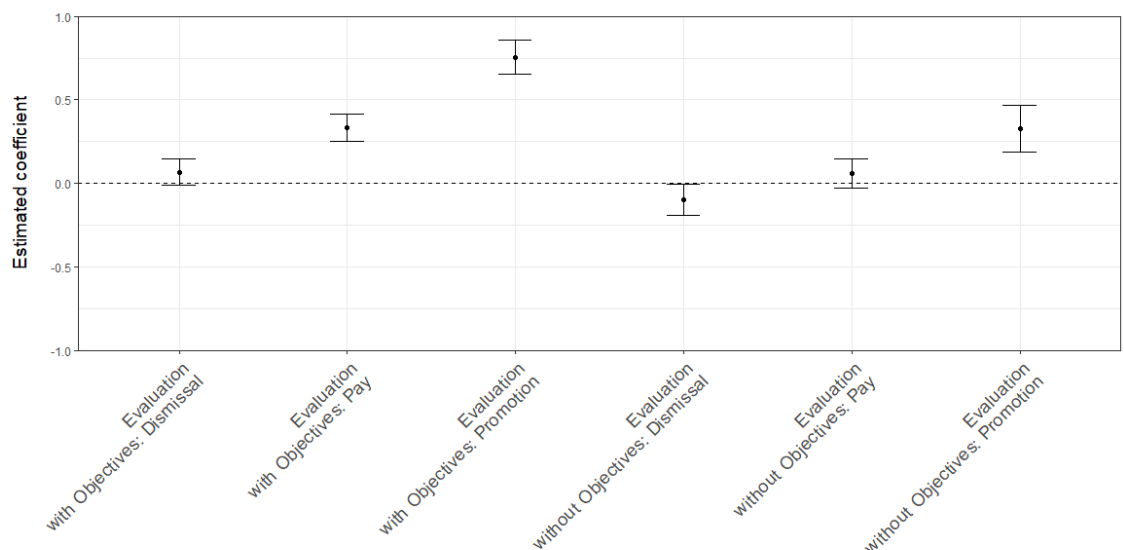
Figure 30. Perception of performance evaluations: objectives agreed beforehand and linkages to career advancement, pay and dismissals prospects



“Whether performance evaluations have positive or negative effects depends in part on whether evaluation objectives are set in advance.”

Figures 31 and 32 illustrate that this variation in design matters for the effects of performance evaluations. Performance evaluations are positively associated with the perceived performance orientation of pay and promotions where they are based on objectives that were agreed before the assessment period (the effect on the performance orientation of dismissals is not significant). In contrast, performance evaluations have negative effects on the perceived performance orientation of dismissals and no significant effects on the perceived performance orientation of pay where no prior performance objectives were agreed (the effect on performance-oriented promotions remains positive). This provides suggestive evidence that the effect of performance evaluations is in part contingent on whether performance objectives are set in advance. Where they are not, they may be counterproductive. This finding may not surprise: being evaluated against objectives which are set ex post is likely seen as arbitrary and unfair by civil servants.

Figure 31. The effects of performance evaluations on the perceived performance orientation of civil service management depend on whether performance is assessed against objectives that were agreed before an evaluation period

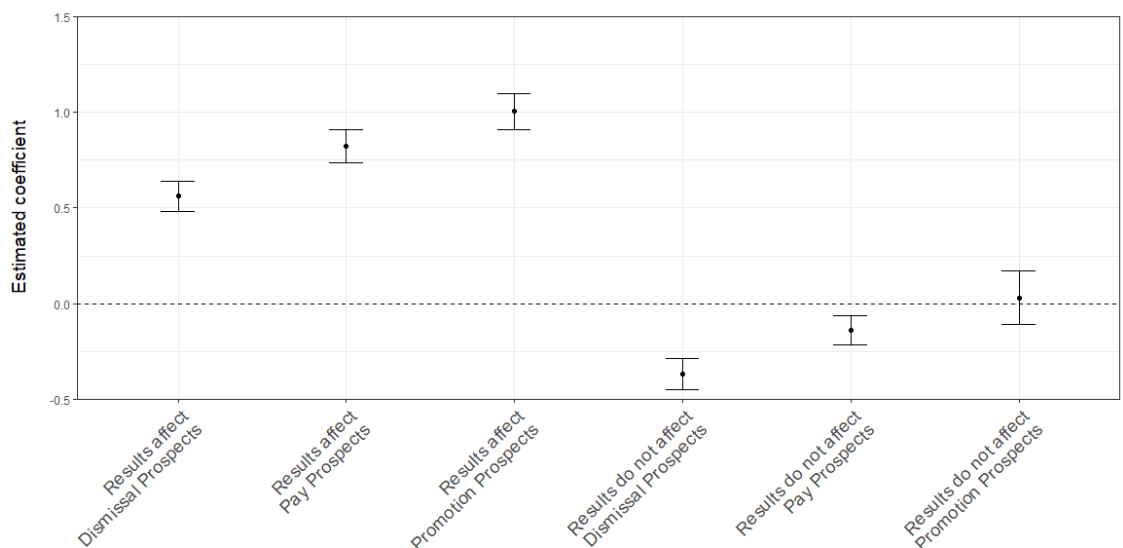


We find similar results for a second core design feature: the link between performance evaluation results and pay, promotion and dismissal prospects. Where civil servants perceive such links, the effects of performance evaluations on perceptions of performance orientation of pay, promotions and dismissals are invariably positive. By

“Performance evaluations only have positive effects where they are designed and implemented well. Where this is not the case, they have negative effects on civil servants.”

contrast, where civil servants do not see a link between performance evaluations results and decisions about pay, promotions and dismissals, the effects of performance evaluations on the perceived performance orientation of pay and dismissals are negative (and the effect on performance-oriented promotions is insignificant). This suggests, once again, that performance system designs shape whether they make civil services work or achieve the opposite.

Figure 32. The effects of performance evaluations on the perceived performance orientation of civil service management depend on whether civil servants believe that evaluation results affect dismissals, pay and promotion



In summary, our results suggest that performance-oriented civil service management affects, on average, civil servants positively. Contrary to popular stereotypes about bureaucracy, civil servants are, in fact, more satisfied and committed to remaining in the public sector where they perceive that performance matters for their pay, promotion and job stability prospects. For performance-oriented promotions in particular, we also find positive effects on public service motivation, work motivation and performance.

The implication for civil service reformers is clear: make sure that performance matters in civil service management decisions. How can reformers do so? We find that

performance evaluations are one important tool. Their effects, however, crucially depend on design. Where performance objectives are identified beforehand and evaluation results matter in the eyes of civil servants for their career advancement, pay and promotion prospects, they tend to have positive effects on perceptions of performance orientations. Without these basic design features in place, they can be counterproductive. This underscores the importance of good design in performance management systems to achieve positive – rather than negative – effects on performance orientation in the civil service.

Lesson #4: Pay civil servants enough to retain (more) motivated staff

How do civil servants in developing countries perceive their pay? Taking a ten-country average, they are relatively dissatisfied with their pay and do not find it sufficient to maintain their households. At the same time, most would find it hard to find a better-paid private sector job. Salaries are thus not necessarily uncompetitive, even if they are perceived as unsatisfactory and insufficient. Notwithstanding these averages, pay perceptions vary significantly across countries, institutions and groups of civil servants. This variation matters. Higher pay satisfaction and sufficiency are associated with greater job satisfaction and intent to remain in the public sector. We do not find significant positive effects on work motivation and performance, however. At the same time, pay satisfaction and sufficiency may affect motivation and performance indirectly: by discouraging departures of more motivated and performing staff, who also deem it easier to find better-paid private sector jobs. As higher pay is a significant driver of greater pay satisfaction and sufficiency, our fourth lesson is clear: pay enough to retain the (more) motivated and performing staff. Where retention (or attraction) of motivated and performing staff is not a challenge, however, higher pay may do little to enhance motivation and performance of staff.

4.1. Perceptions of pay satisfaction, sufficiency and competitiveness

Pay can affect civil servants in a myriad of ways. Advocates of higher pay in public sectors point to studies linking pay increases to the attraction of higher performing candidates to public service (see, e.g., Nickell & Quintini, 2002; Dal Bo, Finan & Rossi, 2013); to greater work motivation and job satisfaction as well as reduced turnover once civil servants are hired (see, e.g., Esteve et al. 2017; Grissom, Viano & Selin, 2015); and to reduced corruption, as civil servants are less likely to need to engage in corruption to make a living for their family and face greater opportunity costs when caught (see, e.g. van Rijckeghem & Weder 2001).

Others have contested these arguments. Herzberg (1987) classically posited that high pay cannot motivate staff; low pay, however, can dissatisfy (and thus demotivate) staff. Some have gone further and argued for adverse consequences of high pay (beyond their fiscal cost). High pay is, for instance, feared to crowd-out the intrinsic and public service motivation of civil servants, due to the attraction of less public-

“Most civil servants are dissatisfied with their salaries and find them insufficient to maintain their households. Yet, only a minority would find it easy to find a better-paid job outside the public sector.”

spirited employees and the greater focus on material benefits of public sector work (see, e.g., Navot et al. 2015). Some studies have found empirical support for this notion, identifying, for instance, positive associations between pay levels and corruption (e.g. Karahan et al. 2006, Navot et al 2015); or, at least, no significant association (e.g. Dahlstroem et al 2012, Rauch & Evans 2000, Treisman 2000).

The number of studies which have assessed these arguments with data from civil servants in developing countries, however, remains limited. Which (if any) of these arguments robustly apply to developing country civil services thus remains uncertain. With our data, we can shed light on this.

Departing from most prior studies, we will, in a first step, assess the *perceptions* of pay of civil servants. The rationale is simple: many of the theoretical mechanisms linking pay to behaviour ultimately rest not on pay itself, but on the perceptions that civil servants have of their pay. Whether pay acts as a dissatisfier in Herzberg’s theory depends first and foremost on how civil servants perceive their pay, for instance. Perceptions of pay are, of course, driven by pay. As we will show below, they also depend on other factors, however. This puts a premium on assessing pay perceptions.

In our survey, we captured three important perceptions of pay: whether civil servants are satisfied with their pay (salary satisfaction); whether they could sustain their household through their salary alone (salary sufficiency); and how easy it would be for them to find a better-paid job outside the public sector (as a proxy for salary competitiveness). The three items were measured on a five-point Likert scale, ranging from strongly disagree to strongly agree.

On average, civil servants in our sample are relatively dissatisfied with their salaries and do not find them sufficient – but, similarly, would not find it easy to find a better paid job in the private sector. As illustrated in figure 33, merely 37% of our surveyed civil servants somewhat agree or strongly agree that they are satisfied with their salary; and 40% that their salary alone is sufficient to sustain their household. Pay satisfaction and sufficiency are thereby relatively closely related ($r = 0.54$). At the same time, only 39% strongly or somewhat agree that it would be easy for them find a better-paid private sector job. This is congruent with studies showing that most developing country public sectors feature wage premiums relative to the private sector (see, e.g. Finan & Pande, 2017). Remarkably, perceived salary competitiveness and pay satisfaction ($r = 0.16$) and sufficiency ($r = 0.10$) are thereby only weakly linked. The judgments of civil servants about their salaries (in terms of satisfaction and

sufficiency) are thus far from always linked to the competitiveness of their salaries – an insight often overlooked in pay reforms to enhance motivation and performance.

In summary, the data thus suggests that salaries are perceived as at least somewhat competitive, but nonetheless not necessarily as satisfactory or sufficient; and that perceptions of satisfaction and sufficiency are often delinked from salary competitiveness.

Figure 33. Civil servants' salary perceptions across countries

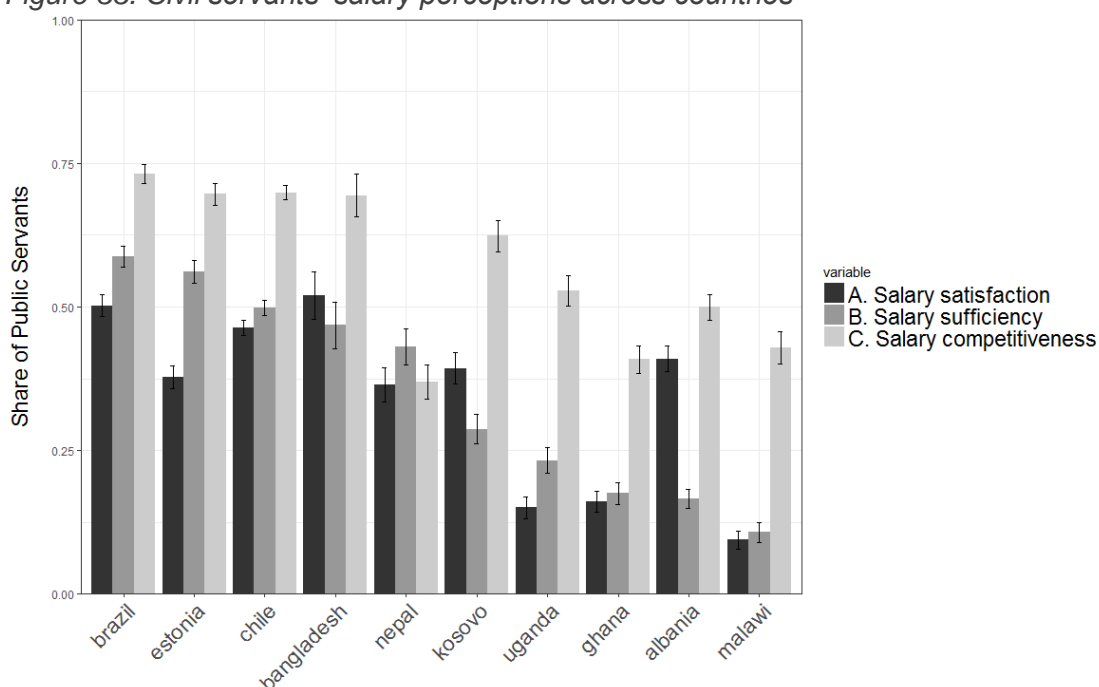


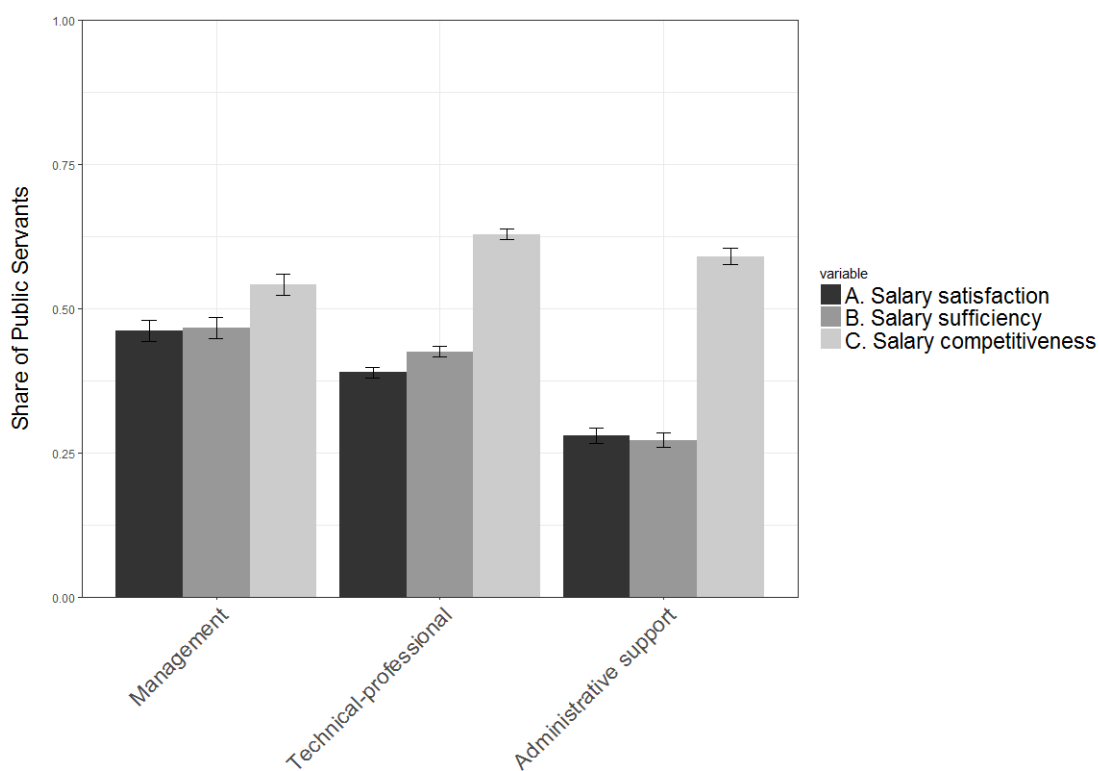
Figure 33, however, also shows considerable cross-country variation in pay perceptions. Over half of civil servants in Bangladesh (52%) and Brazil (50%) are somewhat or strongly satisfied with their salaries, relative to merely 9% to 16% in Malawi, Ghana and Uganda, for instance. Similarly, the majority of civil servants in Brazil (58%) and Estonia (56%) find their salaries (somewhat or strongly) sufficient to maintain their households, whereas only one in ten civil servants in Malawi does so.

In other words, in a subset of developing country civil services, civil servants are overwhelmingly dissatisfied with their salaries, and find them insufficient to maintain their households. Again, this need not mean that salaries are uncompetitive, however.

Even in the countries with the least salary satisfaction (Malawi, Ghana and Uganda), between 41% and 53% of civil servants would not find it easy to find a better paid private-sector job; yet only 9%-16% are satisfied with their pay.

Perceptions of pay vary not only across countries, but also within countries across institutions and groups of civil servants. To illustrate, figure 34 compares pay perceptions by rank in hierarchy. Most prior studies have shown larger public sector pay premiums (over private sector pay in comparable positions) at lower levels in the hierarchy (see, e.g. Panizza, 2001). Our data is congruent with – but nuances – these studies. Relative to managers (54%), more technical-professional (63%) and administrative support (59%) staff would find it difficult to find a better paid private-sector job. At the same time, *more* managers than professional-technical and administrative support staff are satisfied with their (higher) pay (46% relative to 39% and 28%) and find it sufficient to maintain their households (47% relative to 43% and 27%). Managers are thus relatively (more) satisfied with their pay despite it being relatively less competitive.

Figure 34. Salary perceptions across ranks of civil servants



“The effects of pay depend not only on pay levels, but also on the perceptions civil servants have of their pay.”

This finding provides further suggestive evidence that the effects of pay cannot be gleaned from solely looking at pay levels. The differential perceptions across hierarchies also provide additional evidence for the need to tailor reforms – in this case pay reforms – to the realities – in this case pay perceptions – of different groups and institutions within the civil service. This, of course, presupposes that pay perceptions matter for the attitudes and behaviour of civil servants. That this is, in fact, the case is evidenced next.

4.2. How do pay perceptions affect the attitudes and behaviour of civil servants?

As noted in the previous section, prior studies offer competing arguments and findings about the effects of pay. Some associate higher pay with greater job satisfaction, work motivation, public sector commitment and integrity. Others find no significant – or negative – effects. Our cross-sectional data can shed light on these effects in developing country civil service contexts. One note of caution about the limits of our data is due, however: pay can as much determine attitudes and behaviour (such as work motivation and performance) as be determined by them. Our cross-sectional data does not enable us to fully disentangle reverse causality – which, for other variables such as those related to initial recruitment in lessons 1 and 2, is a somewhat lesser concern. As such, our data only provides highly suggestive evidence on the effects of pay.

With this caveat in mind, we find that higher pay satisfaction and sufficiency are strongly positively associated with job satisfaction and a preference for remaining in the public sector. However, we do not find significant positive associations with work motivation and performance (and only a small positive association between salary satisfaction and public service motivation).¹⁰ Pay satisfaction and sufficiency might thus matter more for retaining (satisfied) civil servants and reducing public sector turnover, than for motivating hard work or performance.

¹⁰ In fact, the effect of salary satisfaction on performance is negative. As illustrated in Appendix c.13, however, this is likely due to reverse causality: more performing civil servants are less satisfied with their salaries.

“Pay satisfaction and sufficiency are strongly positively associated with job satisfaction and a preference for remaining in the public sector – albeit not work motivation and performance.”

Figure 35. The effects of salary satisfaction on civil servants

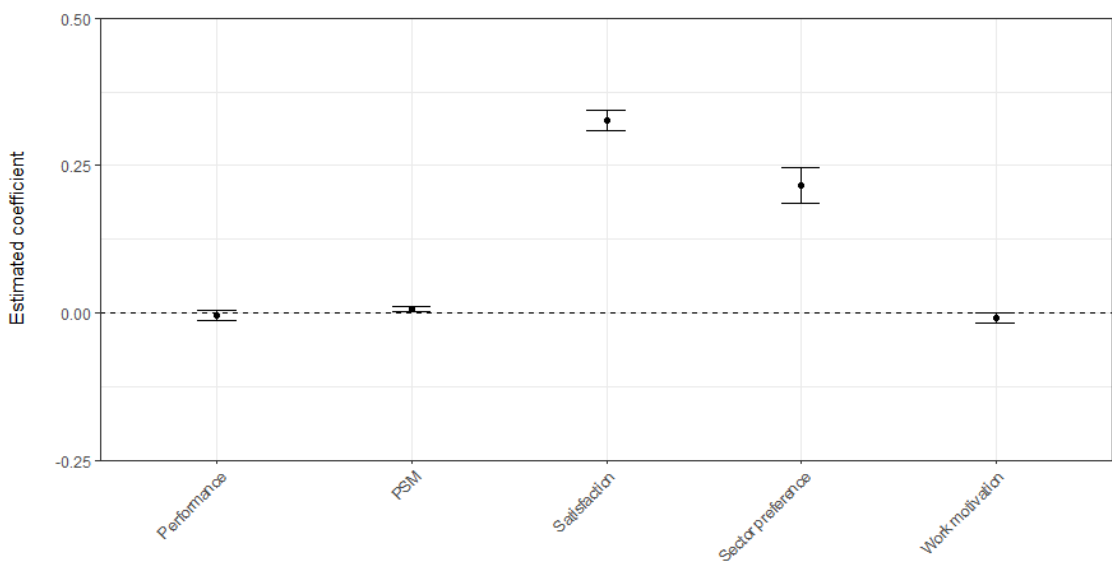
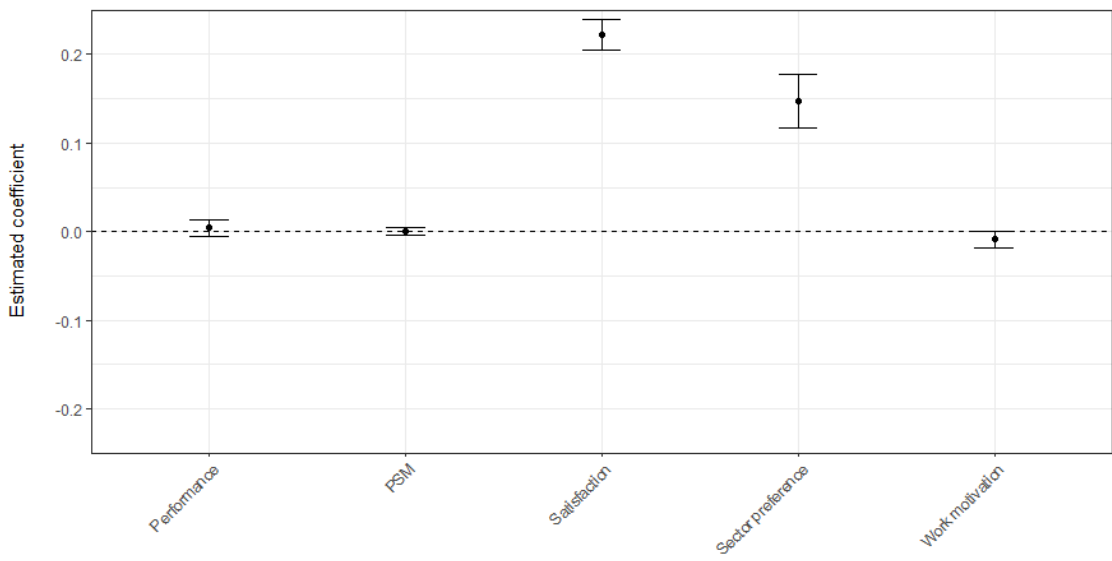


Figure 36. The effects of perceived salary sufficiency on civil servants



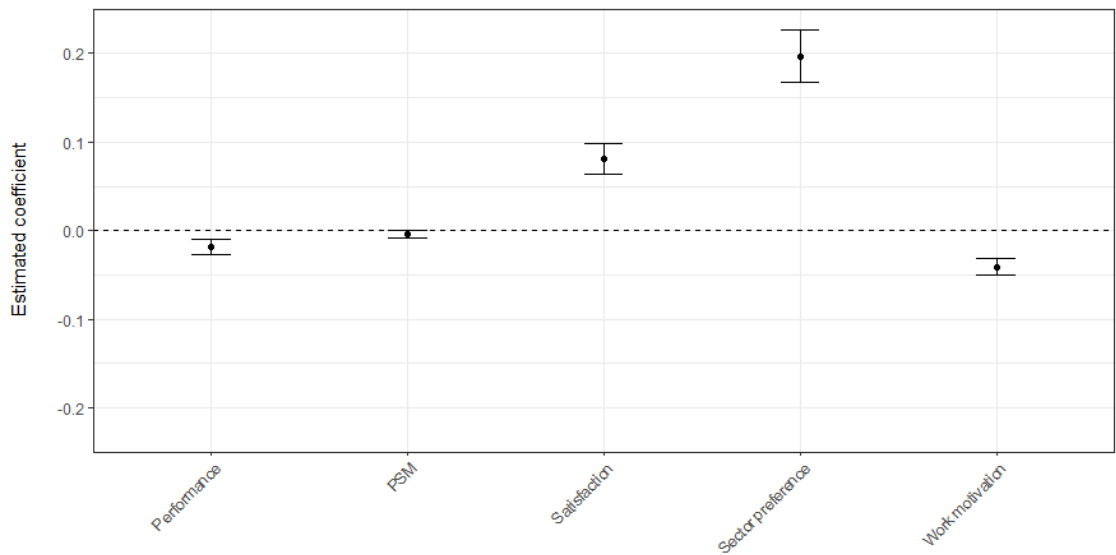
The analysis of salary competitiveness adds an important nuance to this, however. Greater salary competitiveness – deeming it harder to find a private sector job that pays better – is, as salary satisfaction and sufficiency, associated with greater job

“Higher pay may plausibly affect work motivation and performance indirectly: by helping retain more motivated staff who can more easily find better-paid private sector jobs.”

satisfaction and a preference for remaining in the public sector. This need not surprise: those who find it harder to get a better-paid private sector job are more likely to want to stay in the public sector.

However, greater salary competitiveness is *also* associated with less work motivation and performance. This, of course, need not mean that competitive salaries *reduce* work motivation and performance. Rather, as illustrated in Appendix D, reverse causality is likely at play. More motivated and performing civil servants are also those who find it easier to find a private sector job that pays better. As those who find it easier to find private sector jobs that pay better *also* have a greater preference for leaving the public sector, salary competitiveness may plausibly affect work motivation and performance in public sectors indirectly: by helping retain more motivated and performing staff members who deem it easier to find a better-paid private sector job.

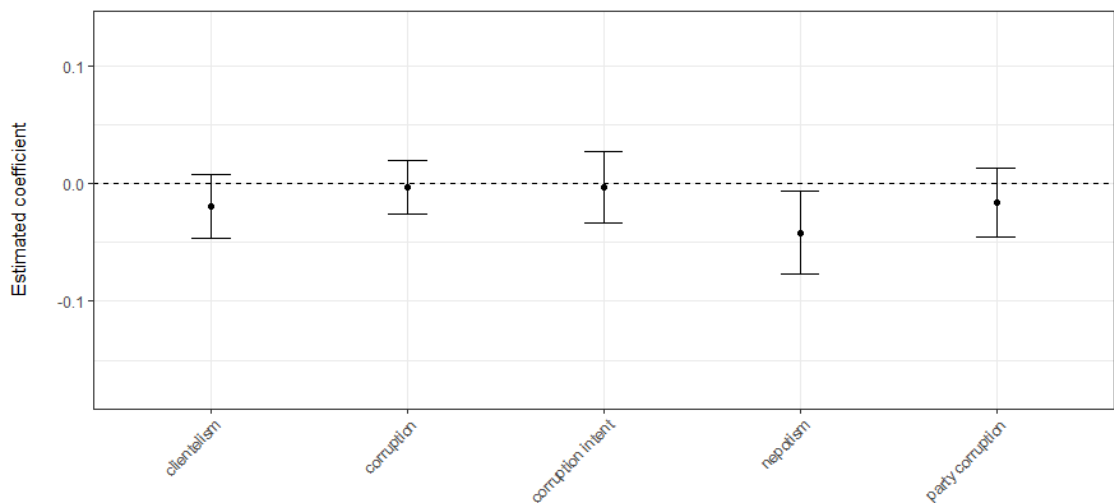
Figure 37. The effects of (perceived) salary competitiveness on civil servants



The effects of pay perceptions on integrity are more subdued. We find no significant effects of pay satisfaction and competitiveness on any of our integrity measures (Appendix D, figures d2 and d3); but one significant (and theoretically intuitive) effect of salary sufficiency. In line with needs-based corruption accounts (see, e.g. Bauhr 2017), civil servants who deem their salaries less sufficient to maintain their households are also more likely to indicate that they have used their public sector position to benefit family members, friends or other personal acquaintances (in a list

experiment; see Appendix A.2). As we only identify a single (albeit highly plausible) effect in one in fifteen integrity regressions, however, we cannot rule out that this finding merely occurred by statistical chance.

Figure 38. The effects of perceived salary sufficiency on integrity-related behaviour



In summary, our data indicates suggestively that pay can play an important direct role in job satisfaction and staff retention, and an indirect role in staff motivation and performance by helping retain more motivated and performing types who can more easily find better-paid private sector jobs. Potentially, higher may also curb needs-based integrity violations. These inferences, of course, assume that pay, in fact, drives the perceptions of pay we assessed in this section. This is explored next.

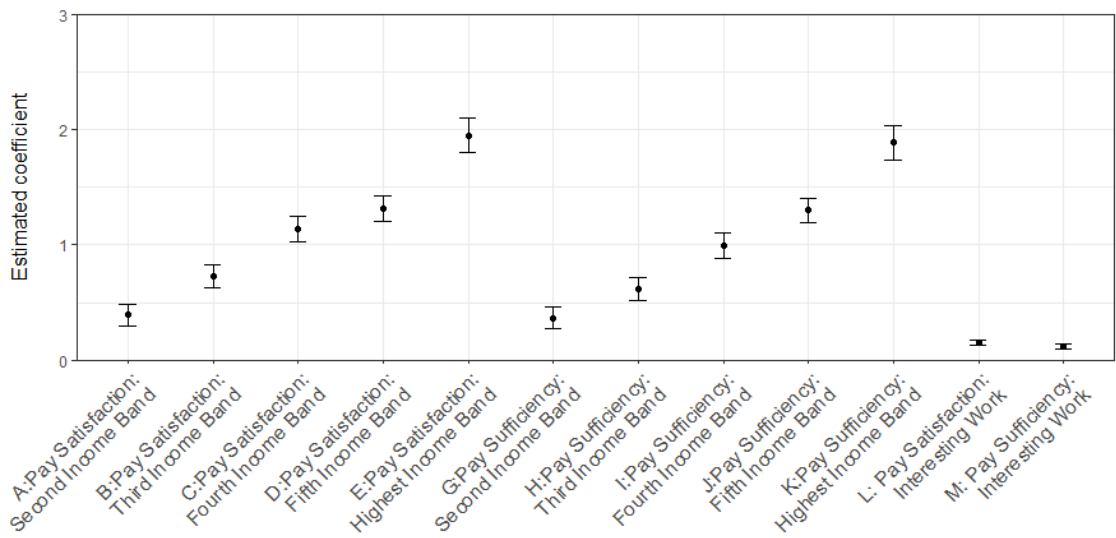
4.3. Which civil service management practices enhance pay perceptions?

As noted above, pay perceptions ultimately shape how pay affects the attitudes and behaviour of civil servants. This puts a premium on understanding how institutions can foster favourable pay perceptions. Higher pay is, of course, the most obvious tool. In fact, as illustrated in figure 39, higher pay is associated with both higher pay satisfaction and higher perceived pay sufficiency, with almost every additional income band boosting pay satisfaction and sufficiency (controlling for our usual variables). The effect sizes are, moreover, substantively large. Going from the lowest to the highest income band lifts pay satisfaction by 1.8 (on a 0-4 scale), for instance. The resulting

“Higher pay can improve pay satisfaction and (perceived) sufficiency, but is not the only management practice shaping pay perceptions.”

conclusion does not need to surprise: higher pay can enhance perceptions of pay satisfaction and sufficiency.

Figure 39. Effects of higher income and interesting work on pay satisfaction and sufficiency (relative to lowest salary band)



As figure 39 illustrates, the perceptual nature of pay satisfaction and sufficiency, however, also implies that pay perceptions are not solely a result of pay. Civil servants are frequently thought to make combined judgments about the range of outputs they obtain from their jobs – including their pay, but also enjoyment, identity and professional growth, among many (see, e.g. Adams, 1965). Public sector institutions may thus potentially shift pay perceptions by modifying other outputs. We find suggestive evidence for this in our data. Pay perceptions marginally improve where civil servants have more interesting work, for instance. The effect sizes are small, however. This has two implications. It implies, first, that fiscally-constrained organizations might be able to improve pay perceptions at the margin by offering other outputs (such as more interesting jobs); and, second, that pay perceptions are driven by – but do not merely result from – higher pay. Pay perceptions thus deserve separate consideration.

In summary, higher pay can enhance pay satisfaction and sufficiency, which in turn helps retain staff and enhance job satisfaction. Indirectly, it may also foster work motivation in public sectors by avoiding departures of more motivated and performing

staff. Our final lesson is thus clear: pay civil servants enough to retain more motivated and performing staff. This complements prior research which had pointed to the importance of sufficient pay to attract motivated and able staff (Dal Bo, Finan & Rossi, 2013).

How much is 'enough' will, of course, vary. As noted, pay perceptions and turnover intent vary across countries, institutions and groups of civil servants. Where turnover intent is low or pay satisfaction, sufficiency or competitiveness are high, higher pay may do little for the motivation and performance of (existing) staff. At the same time, where only few motivated staff could be retained by large pay increases for all civil servants (in cases of collective bargaining, for instance), higher pay may not be cost-effective. Where significant turnover of high performing staff can be forestalled by marginal pay increases, however, seeking pay rises may be well warranted.

IV. Implications for civil service reform

Civil servants are central to making governments work in developing countries. This puts a premium on understanding how to manage civil servants in developing countries effectively. What can be learned from surveying 23,000 civil servants across ten developing countries in this regard?

First of all, that civil service reforms ultimately require tailoring to the realities of each institution – and, at times, the realities of each unit or group of professionals within institutions. Country-level civil service reform programs would do well to keep this in mind. Adapting institutional reforms to local realities has, of course, become a mantra in governance reform discourse (Andrews, 2013). As such, this implication might seem like old wine in new bottles. Our survey can shed more specific light on what ‘adapting to local realities’ means for civil service reform, however.

As noted in chapter 2, the attitudes and behaviour of civil servants vary sharply across and within countries and institutions. The resulting pattern bears little resemblance to conventional wisdoms about islands of excellence in seas of mediocrity in developing country states. Instead, gradual differences rather than dichotomies between poor and strong performance mark most institutions. Moreover, institutions (and civil servants) which score highly in one attitude or behaviour (e.g. work motivation) often do not do so in another (e.g. commitment of civil servants to remain in public sector). Institutions may thus have strengths in some dimensions of civil servant behaviour and attitudes, while having weaknesses in others. Designing effective civil service reforms thus requires, as a first step, an understanding of the attitudes and behaviour of the civil servants (for instance via staff survey) to be able to shape them for the better. In light of the diversity of these attitudes and behaviour across and within institutions, cookie cutter civil service reforms cannot be effective. Rather, they require adaptation to the realities of each institution or group of civil servants within institutions; and those realities comprise both an understanding of existing civil service management practices, and of the attitudes and behaviour of civil servants that are being shaped by them.

Once these local realities are understood, reforms can be tailored to them. Of course, a panoply of reforms might be effective in any given context. Notwithstanding, our survey identified four reforms which had positive effects in most of the countries we

studied. In other words, they tended to lead to more motivated, committed, satisfied, performing and ethical civil servants.

Four reforms to make civil services work

- #1: Depoliticize civil service management
- #2: Curb nepotism in civil service management
- #3: Ensure that performance matters in civil service management
- #4: Pay enough to retain (more) motivated civil servants

Lessons #1 and #2 put a premium on formally meritocratic civil service management practices – such as consistently and publicly advertising public sector jobs and administering exams to assess candidates. Lesson #3 points to the potential of performance management systems. As illustrated in the data, they can foster perceptions of performance orientation (and thus ultimately more motivated and satisfied civil servants) if designed and implemented well. However, as we showed, they can also achieve the opposite where they are implemented poorly. Reformers should thus step back from performance management reforms unless they are confident they can implement them well. Lesson #4 points to the importance of (higher) pay as a tool for staff satisfaction and retention. It matters most where institutions face high turnover of the most motivated and performing staff (or are unable to attract qualified staff). Institutions would thus do well to look at turnover data of high performers before embarking on pay reforms.

For long-time civil service reformers, these lessons may not come as a surprise. Advocates of Weberian bureaucracies have long argued for meritocratic personnel practices to curb politicization and nepotism; managerial reform proponents in turn have long advocated performance management systems to incentivize hard work.

To some extent, this is good news: it suggests that many prior reform prescriptions have the potential to improve civil services. It is also bad news, however. Institutions frequently do not adopt practices that are statistically associated with more motivated, committed and ethical civil servants. This, of course, points to the need to understand civil service reform not only as a technical design, but also as a political and implementation challenge. Our report principally sought to inform reform design. With that said, we hope that the evidence presented on reform effects can also help reformers make their case and convince others of the benefits and importance of civil service reform and effective implementation.

Appendix

Appendix A.1: civil service surveys

Country	Survey Mode	Survey Sample	Number of Respondents
Albania	Online	Population survey frame of the civil service: 7743 civil servants in 106 central government institutions	3,655 (response rate: 47%)
Bangladesh	In-person	Informal quota sampling, through chain referral	513 (note: the survey was still ongoing at the time of writing of this report)
Brazil	Online	Population survey frame for 26,616 civil servants in 14 federal government institutions ¹¹	2,830 (response rate: 11%)
Chile	Online	Population survey frame for 15,706 civil servants in 11 central government institutions ¹²	5,742 (response rate: 37%)
Estonia	Online	Population survey frame of the civil service: 14,100 civil servants in 53 central government institutions	3,555 (response rate: 25%)
Ghana	In-person	Informal quota sampling, through chain referral	1,645
Kosovo	Online	Population survey frame of the civil service: 18,000 civil servants in 92 central government and 38 municipal government institutions	2,431 (response rate: 14)
Malawi	In-person	Informal quota sampling, through chain referral	1,232

¹¹ The 14 institutions surveyed in Brazil were: Ministry of Finance, Treasury, Tax Administration (RFB), Ministry of Planning, Social Security Institute (INSS), Ministry of Industry, Ministry of Culture, General Audit Institution, Ministry of Transport, Ministry of Social Development, Ministry for Urban Affairs, Ministry of Environment, Ministry of Science and Technology and the Attorney General. The survey focused on civil servants on Brasilia where location data was available.

¹² The 11 institutions surveyed in Chile were: Treasury, Social Security Institute (IPS), Economic Development Agency (CORFO), Civil Service Agency, National Health Fund (FONASA), Department of Planning in the Ministry of Public Works, Medical Legal Service, the Department for Archives, Libraries and Museums and the National Fisheries and Aquaculture Service.

Nepal	In-person	Informal quota sampling, through chain referral	1,014 (note: the survey was still ongoing at the time of writing of this report)
Uganda	In-person	Informal quota sampling, through chain referral	1,441

Appendix A.2. Survey measures of attitudes and behaviour of civil servants

Job satisfaction

On a scale of 1 to 7, how satisfied or dissatisfied are you with your job? (Scale: 1: Completely Dissatisfied; 7 Completely Satisfied)

Work motivation (latent measure)

How frequently do the following statements apply to you? (Scale: from 'Never' to 'Always or almost Always')

I start work early or stay late to finish my job

I am willing to do extra work for my job that isn't really expected of me

I put forth my best effort to get my job done regardless of any difficulties

Self-assessed performance

How frequently do the following statements apply to you? (Scale: from 'Never' to 'Always or almost Always')

In my opinion, I contribute to the success of my institution

Public sector commitment

Imagine that, hypothetically speaking, you had to find a new job in the next few months, in which sector would you prefer to search for a job? (Response options: Public sector // Private sector)

Public service motivation (latent measure)

To what extent do you agree with the following statements? (Scale: 'Strongly Disagree' to 'Strongly Agree')

I admire people who initiate or are involved in activities to aid my community

It is important to contribute to activities that tackle social problems

Meaningful public service is very important to me

It is important for me to contribute to the common good

I think equal opportunities for citizens are very important

It is important that citizens can rely on the continuous provision of public services

It is fundamental that the interests of future generations are taken into account when developing public policies

To act ethically is essential for public servants

I feel sympathetic to the plight of the underprivileged

I empathize with other people who face difficulties

I get very upset when I see other people being treated unfairly

Considering the welfare of others is very important

I am prepared to make sacrifices for the good of society

I believe in putting civic duty before self

I am willing to risk personal loss to help society

I would agree to a good plan to make a better life for the poor, even if it costs me money

Integrity: personal corruption intent

Public servants sometimes receive offers in the course of their work life or daily activities. Below is a list of several hypothetical offers. Please indicate how many (not which) of them you would accept.

If I were offered a public job in a region I do not know well, I would accept it.

If I were offered the opportunity to teach classes at university about my field of work, I would accept it.

If I were offered money or a personal present in exchange for helping someone through my position, I would accept it.

If I were offered a better paid job in exchange for taking on broader responsibilities at work, I would accept it.

How many of these offers would you accept?

Integrity: personal corruption

There are many more activities that public servants undertake in the course of their jobs and daily lives. Below are four lists with examples of such activities. For each list, please indicate how many of the listed activities you have undertaken. Do not tell the interviewer or anyone else which you have undertaken.

In regards to requests and opportunities in your job, how many of the following activities have you undertaken in the past two years.

You have received a gift or otherwise personally benefited from your position.

You have taken on additional tasks at work.

You have travelled abroad for your job.

You have accepted a request from your manager to represent your institution at a public media event.

Integrity: nepotism

In regards to the relationship between your work and family and friends, how many of the following activities have you undertaken in the past two years.

You have considered leaving your job to spend more time with your family.

You have discussed with friends or family how reconcile work obligations with obligations at home.

You have discussed with a friend or a family member the advantages and disadvantages of working in the public sector.

You have used your position to help members of your family or friends.

Integrity: clientelism

In regards to elections, how many of the following activities have you undertaken during the last national campaign.

You have talked about politics with friends or family

You ran for office as a candidate.

You helped the electoral campaign of a party.

You voted.

Integrity: party-directed corruption

In regards to stakeholders outside your organisation, how many of the following activities have you undertaken in the past five years.

You helped divert government resources to a party or person with political links.

You helped your manager with an important assignment for your organisation.

You helped a colleague with the completion of a task.

You helped write a report for an international organisation.

Appendix B. Job Satisfaction in the public sector

Figure b1. Proportion of civil servants preferring to work in the public sector by age

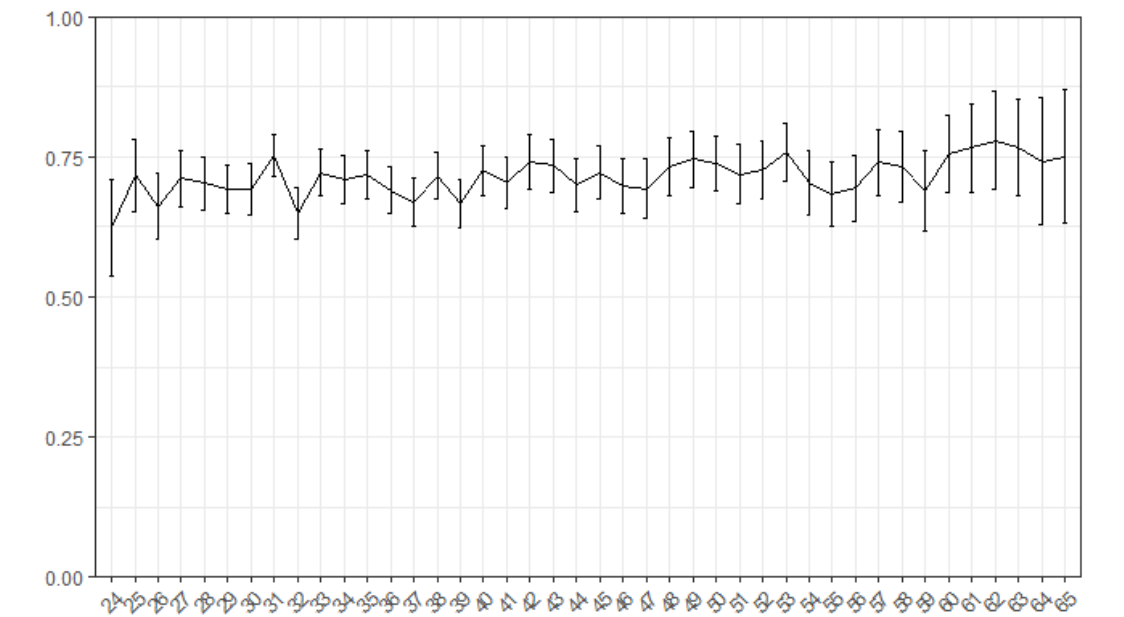


Figure b2. Job Satisfaction by years of experience in public service, by country – selection

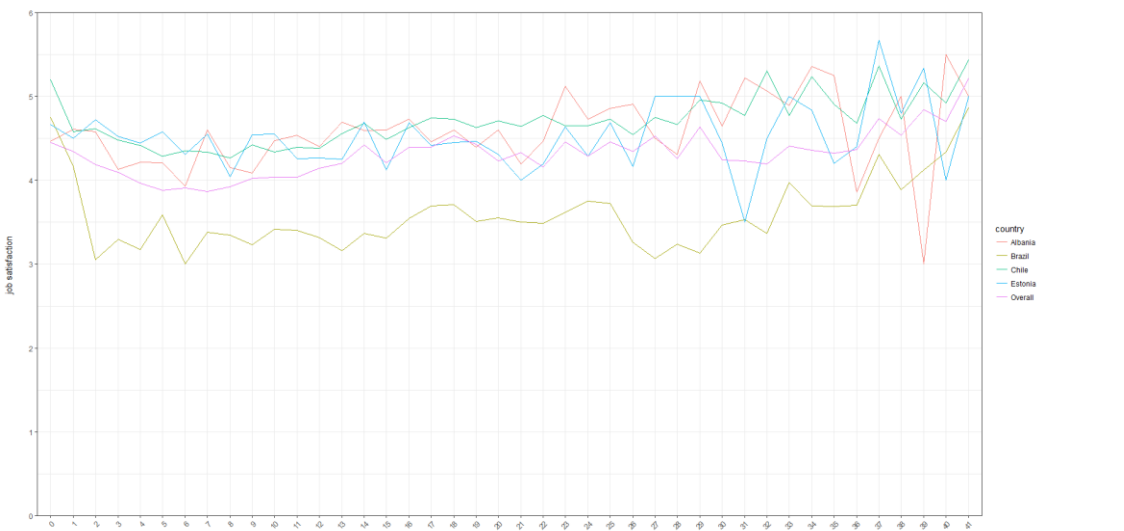


Figure b3. Job Satisfaction by country – all

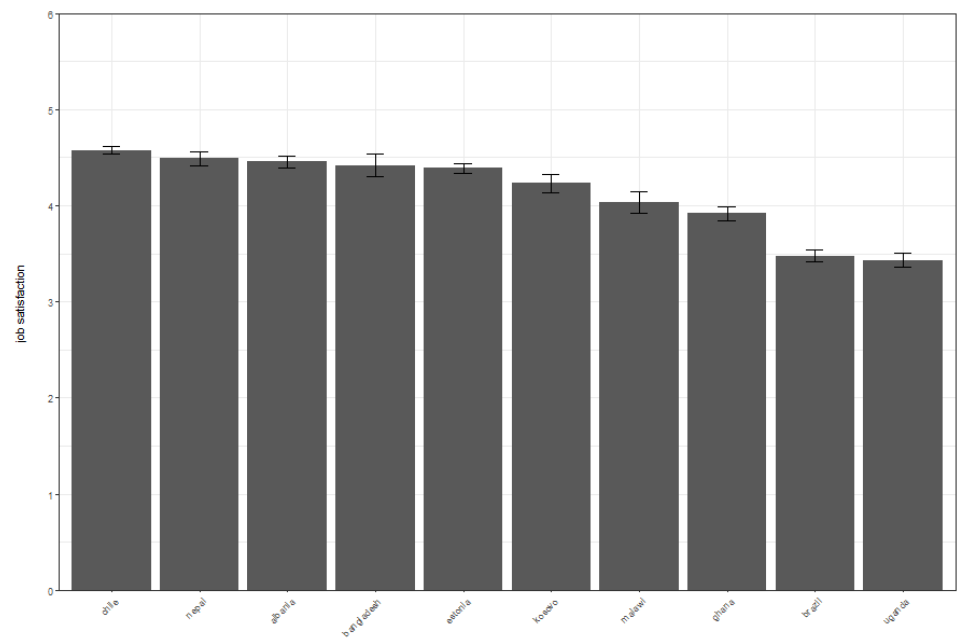
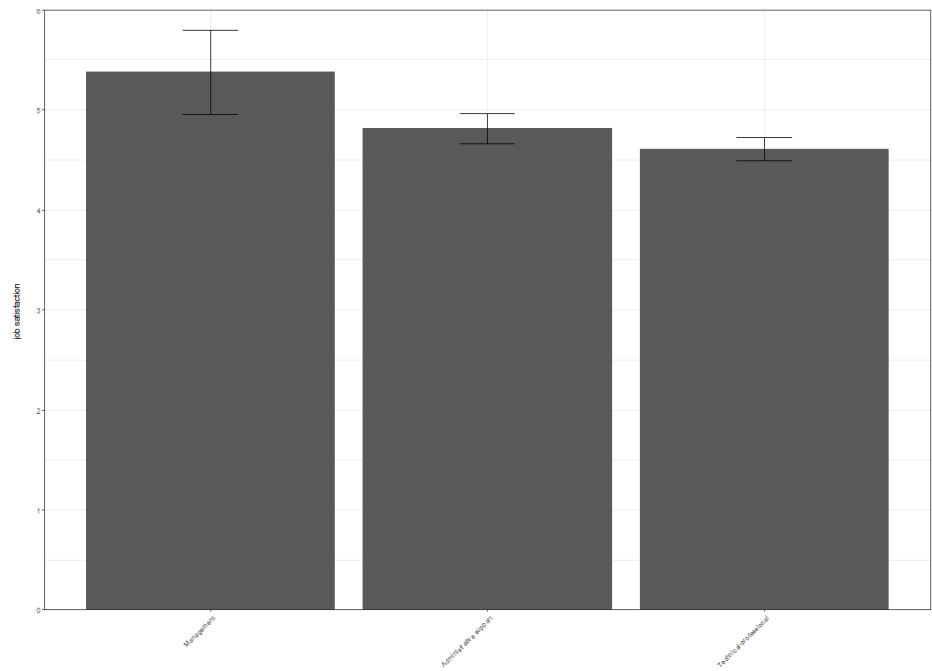


Figure b4. Job Satisfaction by Level of Hierarchy in Chile's Treasury



Appendix C: regression results

Figure c1. The negative effects of politicized promotions in the civil service

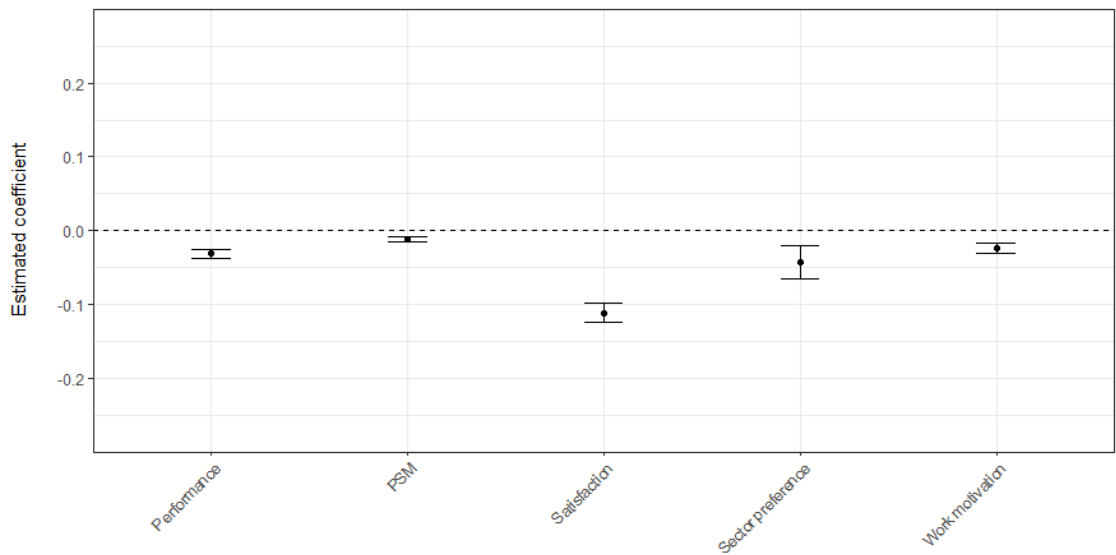


Figure c2. The negative effects of politicized pay rises in the civil service

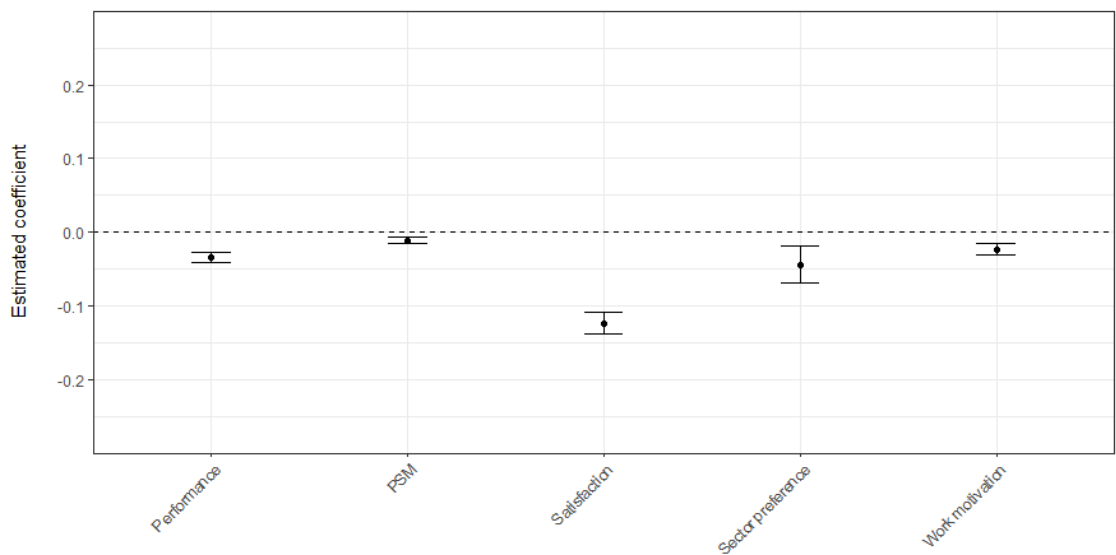


Figure c3. The effects of politicized promotions on integrity and impartiality in the civil service

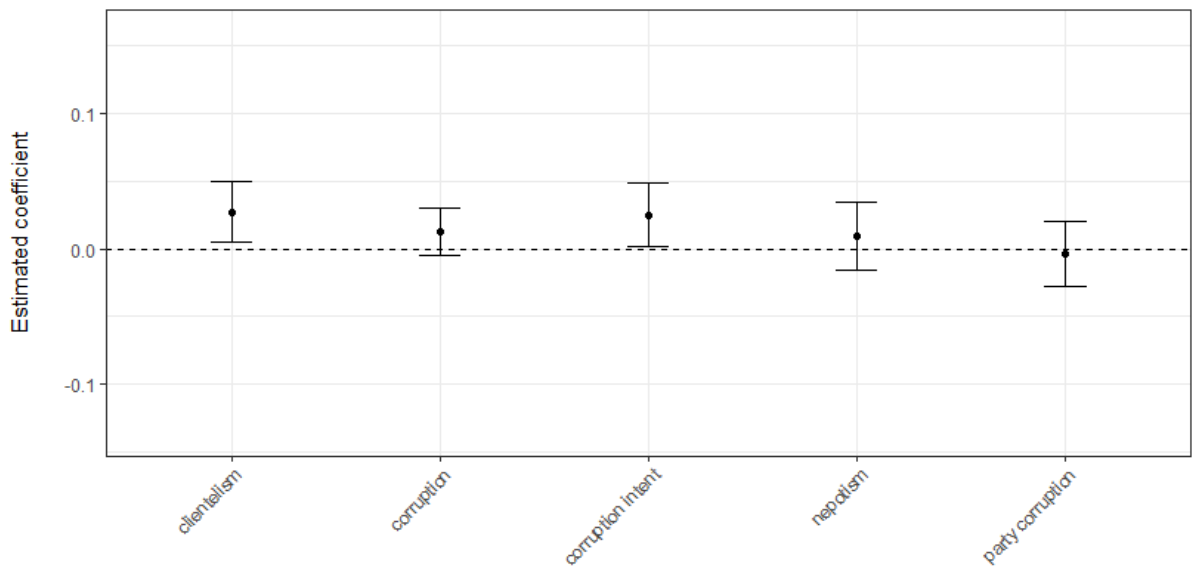


Figure c4. The effects of politicized pay rises on integrity and impartiality in the civil service

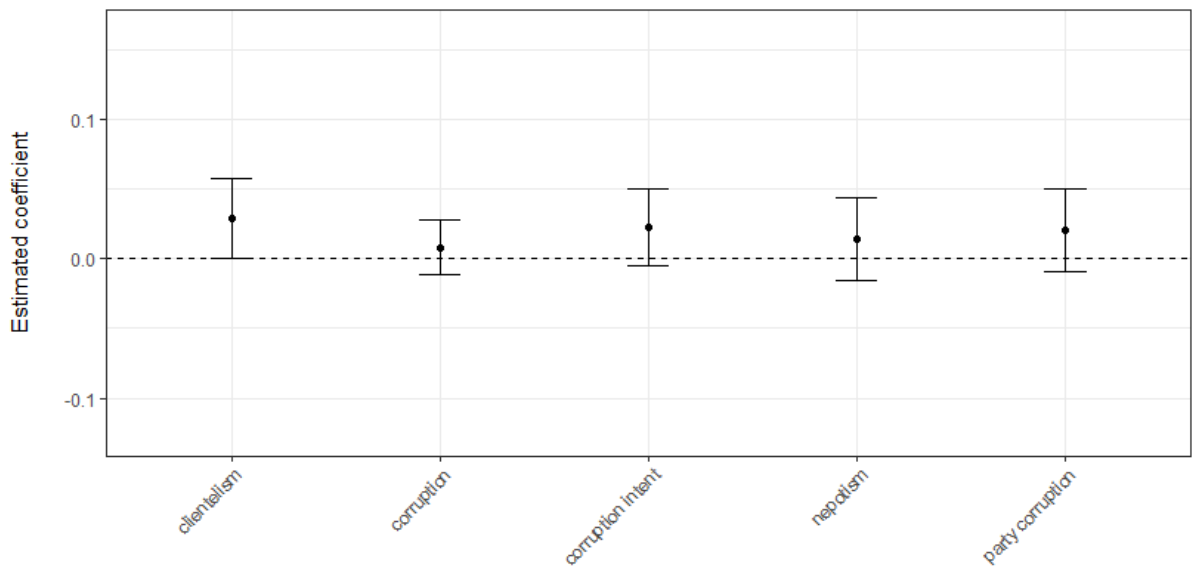


Figure c5. The negative effects of personal connection-based promotions

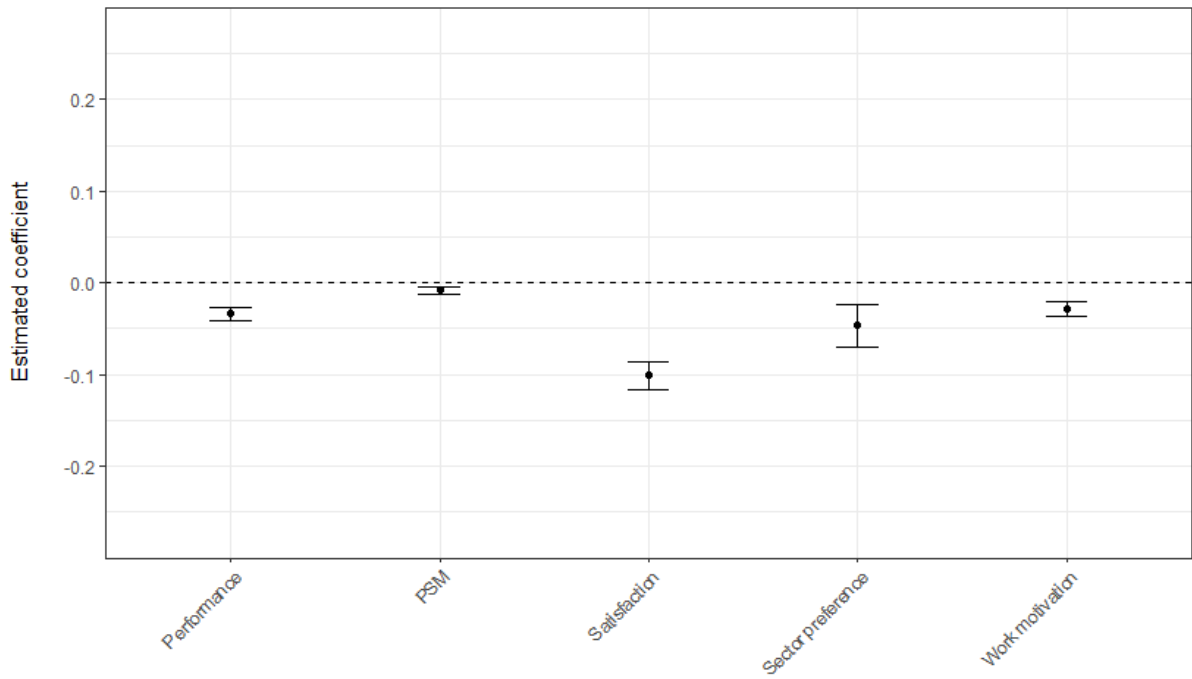


Figure c6. The negative effects of personal connection-based pay rises

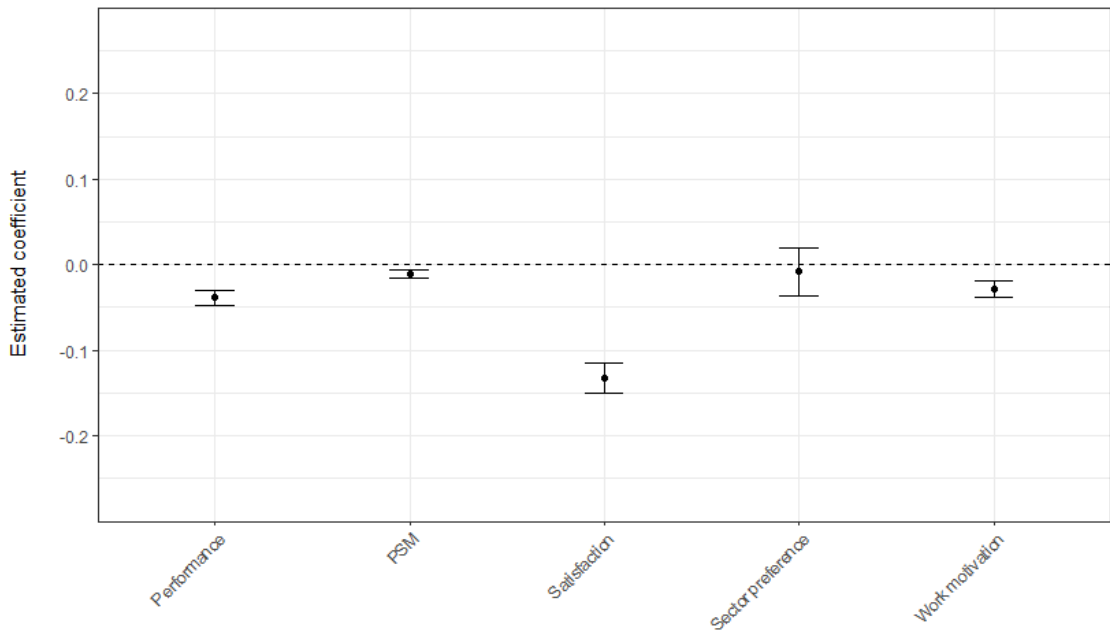


Figure c7. The effects of personal connection-based promotions on integrity and impartiality in the civil service

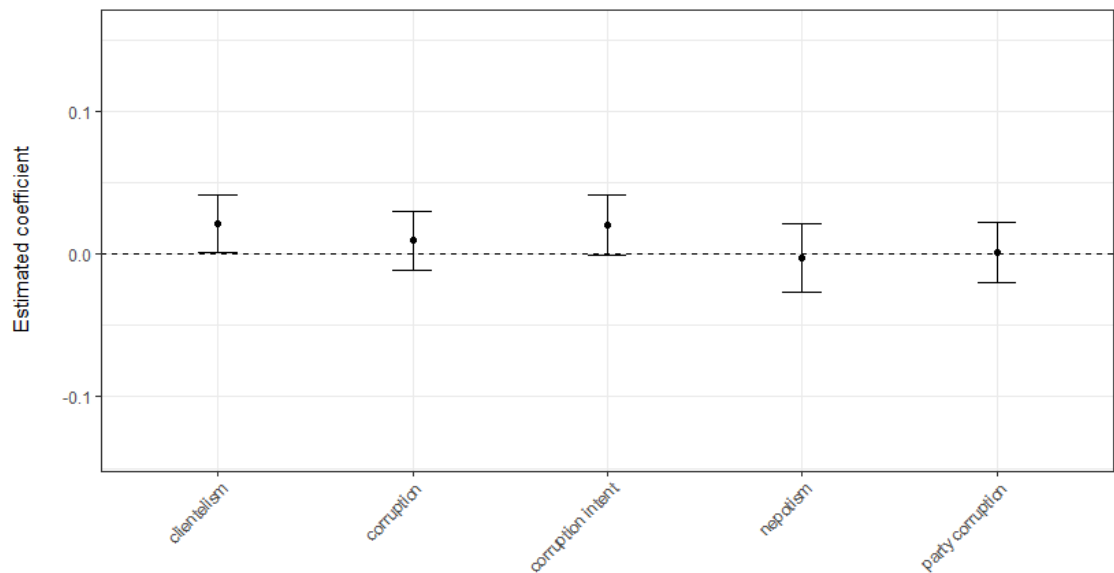


Figure c8. The effects of personal connection-based by rises on integrity and impartiality in the civil service

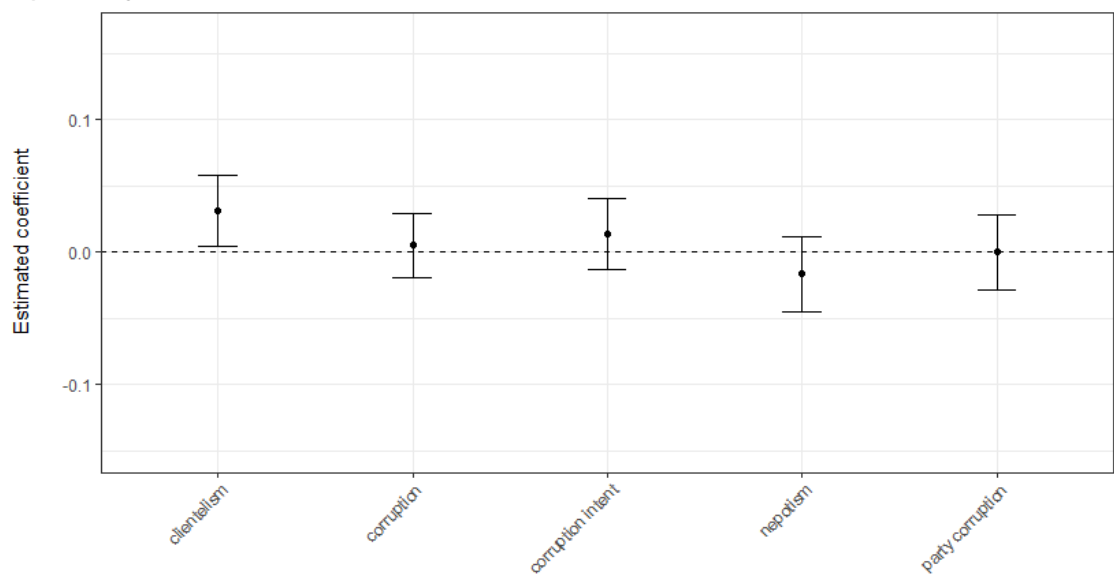


Figure c9. The effects of performance-oriented pay on civil servants

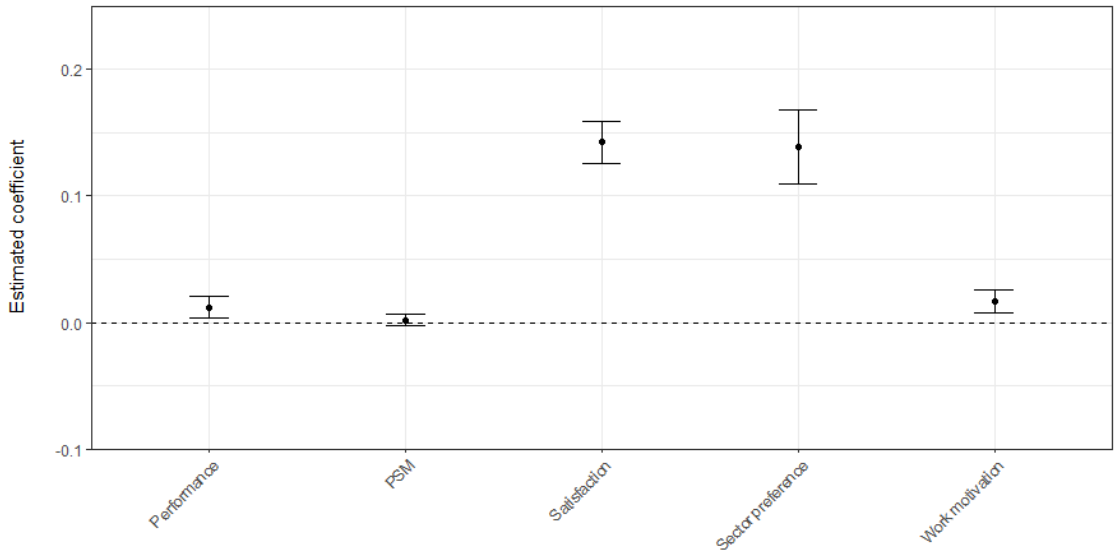


Figure c10. The effects of performance-oriented dismissals on civil servants

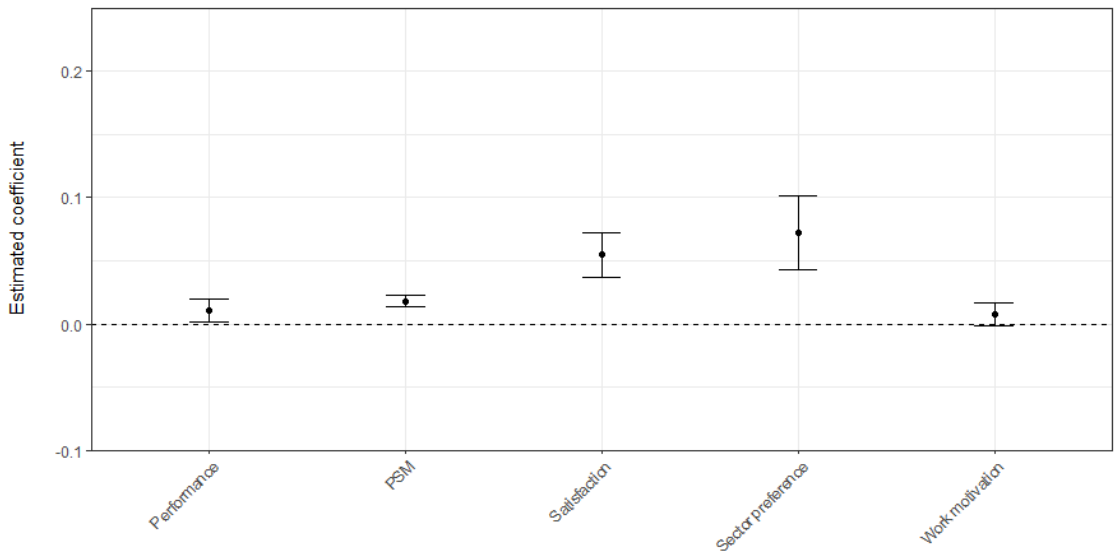


Figure c11. The effects of performance-oriented pay on integrity in public service

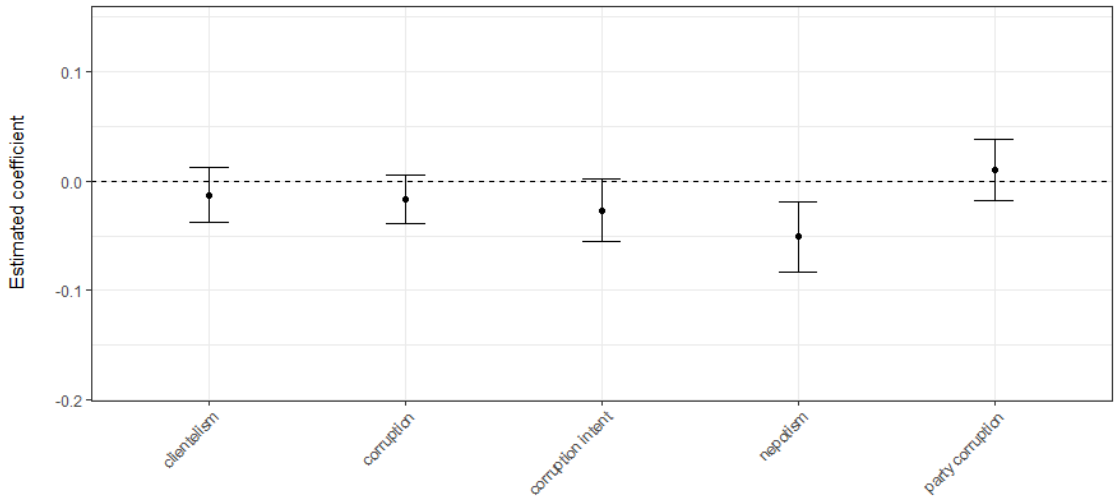


Figure c12. The effects of performance-oriented dismissals on integrity in public service

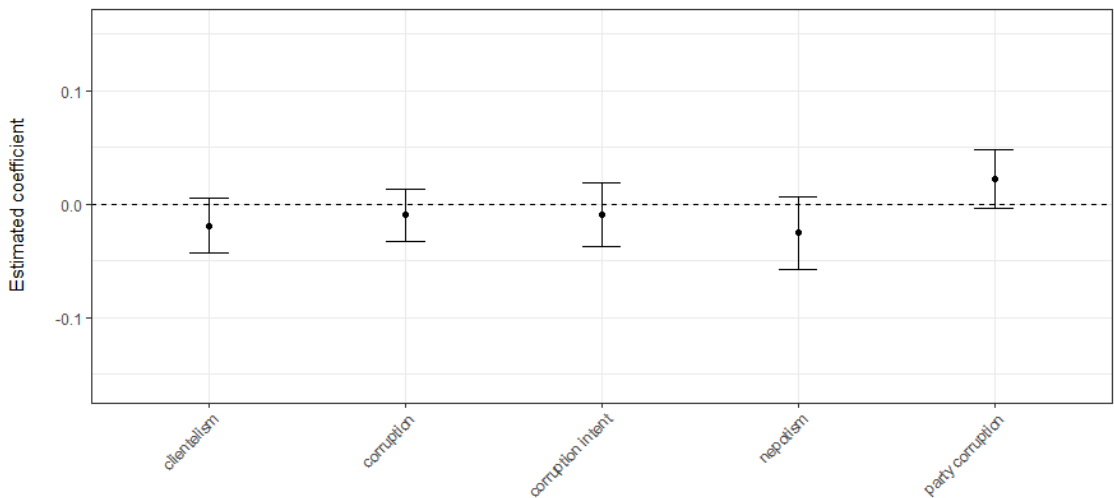


Figure c13. Reverse causality checks: effects of performance and work motivation on salary satisfaction and competitiveness, and of salary satisfaction on perceived salary competitiveness

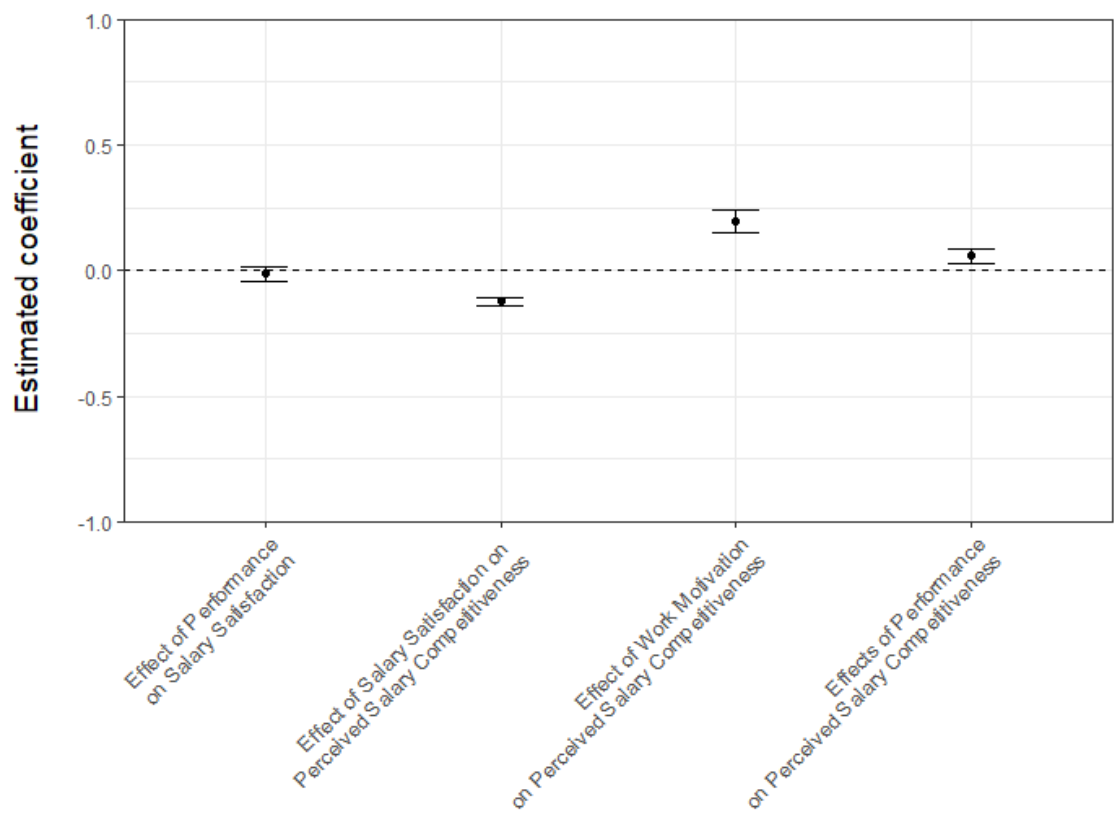


Figure c14. The effects of salary satisfaction on integrity in civil service

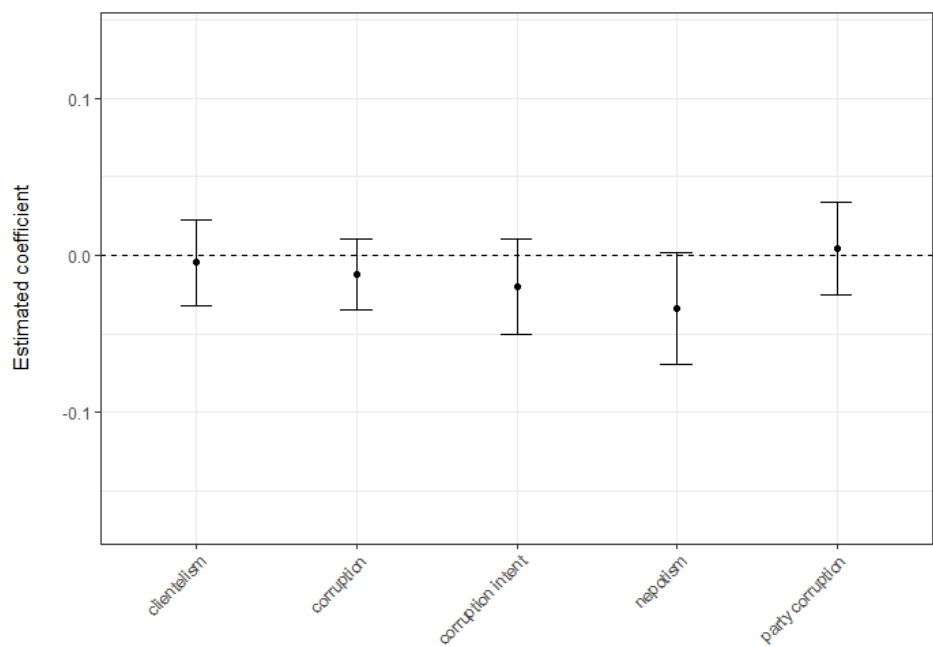
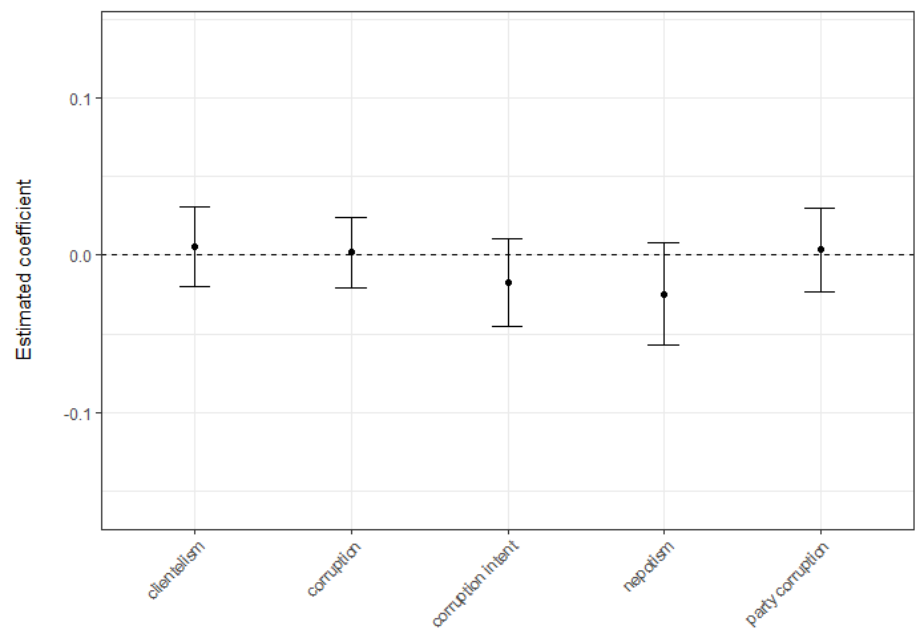


Figure c15. The effects of salary competitiveness on integrity in civil service



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