

Senior Public Management System: Improving the Chilean Civil Service

There is no consensus on making adjustments to the Senior Public Management System (*Alta Dirección Pública*) in order to improve the stability and professionalism of the Civil Service and the State. The bill presented by the Executive to the Congress makes the system less susceptible to radical changes due to political alternation in the governments, and minimizes the appointments in positions where the need to be of exclusive confidence of the President is questionable. Chile cannot be a developed country with a Civil Service that lacks first-class civil servants. society, especially to the labor market.

In late August, a new bill was introduced, which modernizes the management of the public sector through new management tools and the improvement of the Senior Public Management System (ADP, *Alta Dirección Pública*). This bill aims at strengthening the Civil Service –in the line of more developed democracies like the United Kingdom- and reducing the level of political discretionary decisions associated to the appointments of public servants. Thus, the selection of candidates for the first and second hierarchical level can still be improved by a system based on professional competences and merit, thus generating more stability and professionalism, instead of an approach generating uncertainty while based on short-term political priorities of the government in office.

Alta Dirección Pública: Assessment of the Progress to Date

In June 2003, under the administration of Ricardo Lagos and following the corruption scandals derived from extra pays and the MOP-

GATE case, the Law Nr 19,882 was approved. When the law was passed, the diagnosis indicated that there were too many senior public managers appointed through exclusive confidence mechanism, to the detriment of competitive and selective methods based on merit.¹

This law basically puts forth a modernization of the State aiming at the separation of the roles of design, execution and implementation of public policies within the Executive, similar to the countries with a developed Civil

Service. Concerning the services that implement public policies, selection profiles were defined both for the first and second hierarchical level – although today the need to extend it to the third hierarchical level is being questioned- and it was established that these positions would be subject to a meritocratic selection process, in accordance with the profile defined for each case.

However, nine years later – and according to data of the 2012 integrated management assessment delivered by the National Civil Service Directorate (*Dirección Nacional del Servicio Civil*, DNSC) - by December 2012, the ADP has subjected to public competition a total of 1,118 vacancies, 942 of which are part of the system and 176 are not. Specifically, in 2012 a total of 282 vacancies were published and a shortlist with 303 names was sent to the authority; at the same time, 29 public competitions were declared void, either by the ADP Council or the Selection Committees, which means 9% of the total, maintaining the historical line.

The renovation of senior managers reached 58% and the trend is maintained for the presence of women in senior management positions; in 2012, 29% of the appointees were women.

In relation to the period of time associated to second-level public competitions, their average duration in 2012 was 85 days for positions that participate in the system and 81 for those that do not, similar to last year's average. For the first-level public competitions, 88 days for positions within the system and 128 for those not attached to it were needed, increasing the average number of days for those not ascribed to the system, since these positions are associated to the enactment of new laws which are required simultaneously (see Table 1).

Table 1

RESULTS OF THE SENIOR PUBLIC MANAGEMENT SYSTEM (ADP)
BY 2012

Level	Total ADP positions	Positions that have been filled	In-process positions	Positions to be subjected to competition
Level I	110	100 91%	3 3%	7 6%
Level II	832	650 78%	88 11%	93 11%
Not part of the system	176	110 63%	63 36%	3 2%
TOTAL	1,118	860 77%	154 14%	103 9%

Source: Informe de resultados de la Gestión Institucional 2012, Civil Service (Report on Institutional Management Results)

Progress made by the Executive

The current system dates back to almost 10 years and needed some adjustment; therefore, after a complex proceeding, where several bills were left behind in the legislative road, the Executive presented a new bill which seeks to optimize the public sector management. The legislative strategy for modernizing the Senior Public Management System includes four different bills. In this document we will deal with the first one, recently introduced, which is focused on new management tools and the improvement of the ADP system (Bulletin 9804-05).

The second bill aims at strengthening the country's regionalization process (Bulletin 7963-06), and proposes the selection of regional government senior managers through the ADP system. This initiative –also known as the bill of competence transfer- allows both the heads of division and the executive secretary of the Regional Council to be elected by the respective Regional Prefect among any one who is in the shortlist proposed by the ADP. This procedure will be similar to the appointment of Senior Public Managers of the second hierarchical level, with an expert panel of interviewers.

In relation to the third bill, which aims at the municipal level, the Executive sent a bill (Bulletin 8210-06) that envisages the creation of a selection system for municipal directors named Municipal Senior Management System. This system would be administered by each municipality, with intervention of the Civil Service, and it would be focused on selecting municipal senior managers who are of exclusive confidence of the Mayor, such as the person in charge of Administration and Finance, Project Management, Municipal Administrator, and others.

A last, already approved bill aims at the selection of positions in the municipal education area, which allows electing the Municipal Education Heads of Department (DAEM, in Spanish) and school Principals through the ADP system (Law Nr 20,501).

Bill for the Improvement of the ADP System

The bill (Bulletin 9804-05) seeks –among other things- to appoint a Presidential Delegate for Public Management who continuously informs the President of the Republic on the progress made by each Undersecretary; in addition, Undersecretaries are required to hire staff dedicated to check management and efficiency issues of these organisms, and pursue the staff's necessary qualification for this purpose.

Furthermore, it seeks to improve the management tools named Collective Performance Arrangements (CDC, in Spanish) with the aim of benefiting civil servants and offer more powerful management tools to senior public

managers. As a first objective, the bill proposes to restructure the Individual Performance Arrangements for Senior Public Managers (CDI-ADP, in Spanish) with the aim of turning them into attractive management tools for the authority. A second objective is to achieve horizontal equity among senior public managers, especially with those of the Health Services and Hospitals.

In order to comply with both objectives, the bill seeks to:

- Reduce the red tape to subscribe the arrangements.
- To liberate the CDI-ADP amount from its current linkage to the “institutional incentive” or Management Improvement Programs (PMG, in Spanish), which has resulted in confusions and excessive red tape.
- Divide the current ADP allocation into a basic portion –paid in all events- and a variable portion of moderate magnitude.
- Define that the variable portion is paid in proportion to the goals’ compliance degree and the amount of the incentive or bonus, overcoming the abrupt nature of the current pay in force.
- Concentrate the pay of the variable portion on a single annual payment.

With the aim of safeguarding the nation’s ADP investment on human capital of second hierarchical level, measures are proposed to increase its average tenure, among which we can mention the following:

- Prevent that provisional senior managers of the second hierarchical level named before or after the selection process are incorporated to the competition list which provides for the same position in a definitive way.
- Prevent the simultaneous provisional character of more than 40% of the second-level senior managers from a same service.
- Not to extend the variable portion of the ADP allocation to senior public managers with no arrangements, including the provisional senior managers.

The bill seeks to improve the ADP system in other ways, by facilitating the competitions and offering new tools to the ADP Council to control the quality of their shortlists.

In general, the bill acts upon the work system of the heads of service and senior public managers. However, three modifications affect larger groups of civil servants. The first one is the improvement of the Institutional Excellence Award; the second gives new tools to the Civil Service to boost the Personnel Management in the public sector; and the last one improves the Collective Performance Arrangements (CDC) which affects almost a hundred thousand civil servants covered by the Law Nr 19,553.

International Evidence

According to Mariano Lafuente, World Bank expert on public management, the Senior Public Management Systems help to ensure that the right people take on strategic positions, based on merit and transparency of the process. In addition to provide the leaders the skills needed for the position, which stimulates the management and leadership capacity-building, offer higher remunerations to professionals who enter and acquire these competences, thus avoiding the costs of rotation.² In this perspective, the changes proposed by the bill to upgrade the ADP system, that is, to improve remunerations, reduce rotation and increase the transparency of the process, point in the right direction.

In turn, concerning the Senior Public Management Systems within the OECD member countries, an increasing influence of individual performance results is appreciated on the continuity or revalidation of senior public managers. In addition to this individual performance, some countries incorporate long-term strategies to the individual performance measurement. In few cases accountabilities are totally based on performance evaluation.

On the other hand, the global trend of the OECD countries has been to separate the design of public policies from their execution. Thus, the OECD proposes the need to keep a transversal view that guides the heads of services. Indicators must facilitate a dialog structured between senior public managers and the view of the government center. Likewise, in order that this dialogue may succeed, it puts forth that the making of commitments has to involve both the political authority and the senior public manager, so that the two of them have clarity of purpose on the arrangements.

Concerning the performance assessment, there is a risk of conscious manipulation if sanctions and rewards are associated to it. Anyhow, since dialog is a productive tool, performance instruments also allow taking corrective actions in connection with non-fulfilled goals.³

Conclusions

The optimization of the Senior Public Management System, which includes optimizing the performance arrangements and other management measures, is a relevant and necessary step to develop the stability and professionalism of the Civil Service and the State. It allows the system to be less susceptible to drastic changes and loss of know-how when there are alternations of political coalitions in the governments; it favors the separation of the implementation and design of public policies and minimizes the appointments in positions where the need to be of exclusive confidence of the President in office is questionable. Chile cannot be a developed democracy without an excellent Civil Service that relies on public servants of world rated first class, both at central and local level.

In brief...

- The current system dates back to almost 10 years and needed some adjustment; therefore, after a complex proceeding, where several bills were left behind in the legislative road, the Executive presented a new bill which seeks to optimize the public sector management.
- The Senior Public Management Systems help to ensure that the right people take on strategic positions, based on merit and transparency of the process.
- The changes proposed by the bill point in the right direction: they improve remunerations, seek to reduce rotation and increase the transparency of the process.

¹ Lambertini, G. & Silva, E. "*Hacia un perfeccionamiento del Sistema de Alta Dirección Pública*", Consorcio para la Reforma del Estado, 2009.

² Lafuente, M. "*Experiencias comparadas en Alta Dirección Pública. Modelo de gestión de desempeño, rentas e incentivos*". In International Seminary on Senior Management Systems 2011, organized by the Senior Public Management Council and the Civil Service of Chile, 2011.

³ Ketelaar, A.; Manning, N. & Turkisch, E. "Performance-based Arrangements for Senior Civil Servants OECD and Other Country Experiences", OECD Publishing, 2007.