

# AMIDEAST امد ياست

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**ACTIONS TO STRENGTHEN  
CIVIL SERVICE ADMINISTRATION  
IN THE  
PALESTINE NATIONAL AUTHORITY**

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## EXECUTIVE SUMMARY

The Palestine National Authority (PNA) formally requested that AMIDEAST assist government ministries and agencies in strengthening their administrative structures and performance. Early and continuing attention is to be provided the cross-ministerial civil service system and the Civil Service Administration (CSA) that is the central government unit assigned responsibility for this staff function.

Gaza and the West Bank have been operating under separate personnel systems for nearly 30 years, if not longer. The PNA will unify the two systems in the course of strengthening the CSA. Preparing a unified Personnel Procedures Manual (PPM) is one means to achieve this objective.

AMIDEAST's program of assistance is provided through its USAID-funded Institutional Development Project. **Institutions are increasingly viewed as structures of incentives built on and shaped by laws, regulations and enforcement mechanisms.** This perspective on institutions is especially relevant to the PNA, for it is essential for this new **democracy based on the rule of law** to establish by law its government personnel system; the roles, responsibilities and authorities that different agencies and ministries will have under the law; and the basis for structuring the civil service by position and grade level. This structure and its related salary scale define a structure of incentives.

PPMs are regulations that help maintain the structure and move employees through it. These regulations (standards, rules and procedures) cover the vast majority of employee "personnel actions" -- for example, appointments, sick leave, and separation from the service. Sanctions listed in the PPM are positive and negative incentives and, therefore, crucial components of the civil service as an institution.

Personnel manuals can be overly elaborated. (The Federal Personnel Manual recently scrapped by the U.S. Government had over 10,000 pages that were supplemented by added procedures imposed by separate federal agencies.) When process dominates substance, personnel management no longer serves the purposes for which it was created. To help avoid such a development, the PNA's civil service system must be built on widespread understanding of the purposes that personnel administration are to serve.

This report contributes to the development of this understanding in two ways:

- 1) **An institutional assessment of the existing system(s) suggests that the PNA can best improve government performance by placing high priority on:**
  - a) **Recruiting highly-qualified technical, professional, supervisory and managerial personnel,**
  - b) **Introducing simplified performance-evaluation procedures for these same employees and the departments they head, and**

- c) **Developing training programs** for these civil servants.
- 2) In order to accomplish the above objectives, a number of basic institutional features must be introduced, including:
- a) **A legal basis** for the civil service,
  - b) **Laws that establish and protect merit principles** in the recruitment and management of civil servants,
  - c) **A unified Personnel Procedures Manual (PPM)** that specifies the standards, rules and procedures for implementing civil service laws and processing personnel actions relating to them,
  - d) **An organizational structure** that clearly assigns roles, responsibilities and authorities to government agencies charged with personnel administration actions, and
  - e) **Standards, rules and procedures for creating the occupational and hierarchical structure** of the civil service work force.

Specific substantive and procedural steps are recommended on how to develop and implement each of the above objectives and tasks. This specificity and the institutional analysis in which they are placed and justified helps explain the length of the report. The Annex to this report provides a quick overview of the report's major recommendations and the questions they address.

Individual chapters can be taken as stand-alone implementation plans. Experts on personnel systems and governance more generally are advised to read the entire report. Everyone should be aware of the larger institutional structure and the problems that individual chapters address.

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## **ABBREVIATIONS**

<b>AMIDEAST</b>	<b>America-Mideast Educational &amp; Training Services, Inc.</b>
<b>CSA</b>	<b>Civil Service Administration</b>
<b>ILO</b>	<b>International Labour Organization</b>
<b>MOE</b>	<b>Ministry of Education</b>
<b>MOF</b>	<b>Ministry of Finance</b>
<b>MOJ</b>	<b>Ministry of Justice</b>
<b>MPIC</b>	<b>Ministry of Planning and International Cooperation</b>
<b>PNA</b>	<b>Palestine National Authority</b>
<b>PPM</b>	<b>Personnel Procedures Manual</b>
<b>USAID</b>	<b>United States Agency for International Development</b>

## CHAPTER 1

### BACKGROUND, CHALLENGE AND PURPOSE

#### A. PURPOSE OF THE CONSULTANCY

On May 22, 1995, The Ministry of Planning and International Cooperation (MPIC) informed all ministries and Palestine National Authority (PNA) institutions that AMIDEAST would be assisting them in developing the "administrative areas," including a new procedures manual and job descriptions for different ministries. On June 13, 1995, MPIC requested AMIDEAST to provide specific assistance to the Civil Service Administration (CSA) and two ministries in preparing their organizational structures, functional charts, job descriptions, authorities, job requirements, and both policies and procedures.

AMIDEAST commissioned the preparation of the present report with instructions to survey existing documents and manuals relevant to personnel administration in order to assess the current status of procedures used in the West Bank and Gaza. Supplemented by interviews with PNA personnel officials, this assessment was to identify issues that need codification in a procedures manual. And based on a review of the documents provided for the assignment, a work plan for the development of new materials was to be prepared.

This report covers the above requirements and much more.

#### B. PURPOSE OF THE REPORT

This report has two purposes:

- 1) Chart a program to assist the Palestine National Authority (PNA) in designing and implementing a single unified civil service personnel administration system.
- 2) Propose items to be included in a national personnel procedures manual (PPM).

#### C. A STRATEGY TO DESIGN AND IMPLEMENT AN INSTITUTIONAL DEVELOPMENT PROGRAM FOR THE PNA'S CIVIL SERVICE

The PNA and its ministries are in their very early stages of establishing themselves. However, neither the functions performed by ministries nor the forces behind current developments are new. Routine personnel administration was directed by the Israelis for nearly 30 years under separate systems and Palestinian staffs in the West Bank and Gaza. It is to be expected that the differences between these two inherited systems and their administrative staffs will occasionally surface during the PNA's transition to self-rule. Not only must policies, standards and procedures be unified; a new culture of administration must be installed, a culture consistent with unified democratic self-governance, transparency and accountability to Palestinians, not the Israelis.

Institution-building is a difficult challenge. The PNA designated AMIDEAST as its lead source for technical assistance on the institutional development of public sector ministries. Development of the cross-ministerial civil service personnel administration system is central to this effort.

AMIDEAST and its cooperating ministries had hoped that the present consulting assignment would help lower communication, personal, and organizational barriers to cooperation between the separate personnel administrations in the West Bank and Gaza. Cooperation in turn would help to clarify roles and responsibilities for the development and operation of a unified civil service system.

Although the present report was unable to benefit fully from this new spirit of cooperation and openness, the report should help move forward the development of this spirit and the unified personnel system that will be designed and implemented.

Three weeks of field work and interviews beginning on June 11, 1995 led to the following preliminary conclusions:

- 1) **Preparation of a unified Personnel Procedures Manual (PPM) should proceed along with other even higher priority tasks.**
- 2) **The legal basis for a civil service law should be put in place as soon as possible.**
- 3) **Roles, responsibilities and authorities of key ministries and the two (West Bank and Gaza) Civil Service Administrations (CSA) need to be defined, established, and firmly enforced.**
- 4) **Criteria underlying the civil service structure (positions, grades and salaries) need to be specified and made widely known.**
- 5) **Expertise on and understanding of the broader roles and responsibilities of a civil service system need to be enhanced. Institution-building requires an understanding of the institutions involved, not just the daily processing of paper in accordance with accepted written-procedures prepared almost 30 years ago.**
- 6) **The creation and management of a civil service system is not a secondary function of little importance to the PNA. Acknowledgement of this should be reflected in the selection of highly competent leadership that can immediately help to transcend nearly 30 years of comfortable use and advocacy of different personnel procedures in Gaza and the West Bank.**

One anticipated task for the present assignment called for item-by-item comparisons between specific regulations contained in the two PPMs now in use. Only one of these manuals was made available, and this was done unofficially. (A copy of the other manual was obtained after the

present report was drafted.) However, this one PPM, other written materials obtained from both Gaza and the West Bank, and personal interviews indicated **significant gaps in PPM coverage; a frequent lack of clear, simple, reader-friendly language; procedures were rarely if ever questioned as to their need or appropriateness; and personnel specialists were not adequately aware of the requirements of a civil service system and how their own work related to these requirements.**

All eleven chapters in the present report address constraints to the development of the PNA's unified civil service system; specific recommendations are made on high-priority actions that need to be taken, as well as on items to be included in a unified PPM; and a strategy is proposed to draw on and build the competencies of existing personnel specialists to allow Palestinians themselves to prepare this PPM and to administer a world-class civil service system.

#### **D. PURPOSE OF A CIVIL SERVICE SYSTEM**

Government civil service personnel systems are means to achieve higher-level public administration purposes that in turn are to help achieve still higher-level national goals.

National goals will be further defined in the course of national elections, the installation of an independent legislature, and the continuing refinement of a constitutional framework. This framework and national goals should be distinguished from the goals of individual political parties that may differ in their proposals to achieve these goals. The national charter (constitution) will provide the rules that parties must follow in pursuing their respective agendas.

Public administration refers to government's organization and its use of human, financial and technological resources to achieve its objectives.

Civil service systems typically limit themselves to only one "input" into public administration: The appointment of government employees (civil servants) and the systems supportive of these employees. "System" includes but is not limited to defining and grading positions (jobs); relating grading to salary scales; procedures to recruit and appoint employees assigned to different positions and their associated grades; management of fringe and supplementary benefits, such as health insurance and pensions; establishing rules and procedures for separation from government service; etc.

Two features of civil service systems should be emphasized:

- 1) **From the perspective of ministries delivering services to citizens, a civil service personnel system is an overhead expense. This system provides core services that are central to the performance of all government agencies, but the costs of providing the services should be minimal, and the civil service administration should not become an obstacle to a ministry's own performance.**

Any civil service system should be:

- Clear and easy to understand (**transparent**),
  - **Simple to administer**,
  - As low cost as possible,
  - **Contribute to the successful performance of government agencies, and able to**
  - **Hold employees, their supervisors and ministries accountable.**
- 2) Civil service systems are concerned with the quality of government personnel, not with how this single important input (personnel) is combined with other inputs (finance, commodities, technology, management) to affect the performance and outputs of government departments. Although it is generally agreed that "effective civil service reform cannot be disassociated from the issues of improved governance as they affect accountability, rules of laws, and transparency" (Dia, p. 5), the management of government personnel in combination with other resources are best addressed by mechanisms outside a civil service agency responsible for personnel administration. Recommendations on organizational dimensions of performance are made later in this report.

#### **E. PNA'S CHOICE OF A CIVIL SERVICE MODEL**

The PNA appears to have made three basic decisions relating to its civil service system:

- 1) **There will be a single system.** This will require that West Bank-Gaza differences in systems, procedures and standards be unified during the transition period. This does not preclude, however, more than one national system. For example, police and security personnel may have their own system, as might employees of local government. Judges, court personnel, and legislative staff members often have their own systems to emphasize their status independent of the executive branch of government.
- 2) **A merit personnel system will be adopted.** Principles of merit typically include protections against outside political pressure and the promotion of measures to encourage the professionalism of the public sector work force. For greater specificity, see recommendations 201 and 203 in Chapter 2, as well as recommendations in Chapter 8.
- 3) **Positions, rather than individuals, will be graded.** Countries that emphasize an elite civil service (e.g., France, or the U.S. Foreign Service) base their system on "rank-in-person" whereby an employee's grade (and salary) remain the same regardless of the position that the employee occupies. In contrast, the PNA will develop (generic) position descriptions. Based on the duties, responsibilities and qualifications established for the position, the position (not the occupant) will be graded. The employee's salary depends on the grade of the position he or she occupies.

## F. PROBLEMS AND CHALLENGES

There is an immediate need to develop a single, unified national civil service system. There are also serious obstacles that must be overcome to do this.

According to the World Bank, the PNA must address the large backlog of physical and social infrastructure needs that accumulated under the Israeli occupation. "This is a function to be undertaken mainly by the public sector." The PNA faces this challenge with "limited institutional capacity." (World Bank, Developing the Occupied Territories, p. 23) Developing this capacity will require that Government **recruit and manage a sizeable number of new qualified employees**. A civil service system adequate to this challenge must be put in place as soon as possible.

As noted earlier, two civil service systems are already in use. This is both an advantage and a disadvantage. The advantage is that government employees are familiar with such systems and they know how to operate them. The disadvantage is that the **systems differ from one another**; each system has its advocates; there are **gaps within the systems**; and the **systems are not used in ways supportive of transparency and accountability**.

Jordan had incorporated the West Bank under the Jordanian constitution and established a common civil service to administer the Palestinian and Jordanian regions of the state. Rules 20 of 1955, 36 of 1956, and 23 of 1966 (but not the 1988 and 1995 updates) structure the West Bank's civil service system.

Egypt administered Gaza as a trusteeship under Egyptian civil service rules.

Israel added its own military decrees on top of these two different legal and operating systems. Furthermore, Israeli officials held the top decision-making and policy positions in the West Bank civil service (with its 22,000-plus civil service work force) and in Gaza (with its 10,000-plus civil service work force). The people and government of the two halves of the country, according to the World Bank, have "little experience in self-government." (World Bank, Developing the Occupied Territories, p.20)

These differences and challenges are not limited to public administration and the civil service. They also characterize Gaza-West Bank differences in education, health, commercial law and other sectors. Differences between the Egyptian and Jordanian labor laws also could have significant implications for the substance and practices of the PNA's civil service law and PPM. All these systems and legal differences will need to be reviewed in the course of formulating a new civil service law, structure, and operating procedures.

International experience with civil service reform programs calls for caution. **World Bank programs that included civil service reforms have not fared well.** (Dia) There is little precedence for the success of wholesale reform. If the PNA is to manage less but manage better, then the civil service program to make this possible must have **clear priorities, be realistic, and**

**not overly ambitious.** The present report and its recommendations are based on these lessons of experience.

## **G. SUMMARY**

Given the limited experiences and resources of the PNA, it is advisable that the civil service system focus its development program on high-priority, do-able tasks. The system that is developed **should be easily understood, simple to administer, and constructive in how it enables ministries to improve their performance.** This system will be single national one based on merit, position descriptions, and grades. Although the West Bank and Gaza differ in their civil service traditions, it is possible to built on them and the politically-neutral technologies they employ.

Technological fixes, however, are not likely to be sufficient interventions to develop a civil service that meets the objectives set by the PNA. As a World Bank study concluded, **"If fundamental changes in attitude and behavior are required, for example in relation to decision-making or systems of delegation, merely resketching organograms and procedures may have little impact."** (Dia, 11, emphasis added.) Both the Egyptian and Israeli approaches to governance in general and civil service administration in particular in the Occupied Territories were based on a combination of mistrust of and close control over government employees and the general population. Some of the technologies and procedures the Israelis introduced certainly have value. **It is the cultural and legal basis of the system that needs to be changed, along with changes in attitudes and behavior on the part of government employees.**

Chapter 2 will provide recommendations on responsibilities that different government entities would have for personnel administration, where the central personnel office should be organizationally located, and how personnel administration should be incorporated in the PNA's evolving constitutional framework.

## CHAPTER 2

### LEGAL AND ORGANIZATIONAL FRAMEWORK FOR THE PNA'S PERSONNEL ADMINISTRATION

#### A. PURPOSE

This chapter has four purposes:

- 1) 1) Indicate how each of three different objectives of a civil service system affects decisions on where the central personnel administrative office should be organizationally located in a government's structure.
- 2) 2) Recommend which government agencies should have what responsibilities and authority on personnel-related matters.
- 3) 3) Recommend where the central civil service administrative agency should be placed within the national government structure at this time.
- 4) 4) Identify roles and responsibilities that non-government agencies might have in the area of personnel administration and government's use of its work force.

Only the major recommendations relating to these recommendations are provided in this chapter. Other chapters provide additional proposals.

Recommendations in this and subsequent chapters are numbered. Many recommendations go beyond features to be included in a PPM. They refer to technical assistance that AMIDEAST might provide to help develop a particular recommendation. These items are denoted by bold type and an asterisk (\*).

#### B. CONFLICTING OBJECTIVES FOR CIVIL SERVICE SYSTEMS

Decisions on the legal status, degree of independence, and organizational home of civil service administrations are influenced by the objectives established for the systems. **There are three major contending objectives:**

- 1) **An emphasis on merit.** Advocates for this objective argue that recruitment, employment and tenure should be based solely on merit. Strong protections are needed to isolate the government's work force from patronage and from outside political, economic and other interest-group pressures on how civil servants meet their responsibilities. To assure the professionalization of the civil service, governments often create independent civil service commissions with multiple, tenure-protected commissioners appointed by the chief executive but approved by the legislature.

- 2) An emphasis on responsiveness to the elected government and its policy agenda. Advocates for this position argue that freely-elected political leaders must have considerable authority over the civil service in order to pursue the policy agenda on which the leaders were elected. An independent civil service commission withholds this resource from elected leaders, and such a commission fails to provide strong leadership in personnel management. Instead of such a commission, proponents for this objective argue that the head of the central personnel administration office should be appointed by, serve at the pleasure of, and report directly to the head of government. Merit principles could still be preserved, except for those serving at senior levels of the civil service structure.
- 3) Hold civil service systems and procedures to rigorous fiscal discipline. Governments in some countries have become the employer of last resort and the dumping ground for politically-influenced appointments. The resulting bloated work force places unsustainable burdens on the state's budget. Many countries are significantly reducing the size of their public sector work force as part of their structural adjustment programs. Whether or not their work forces are too large, governments recognize that personnel costs account for a very large proportion of the government's budget. To provide fiscal discipline over those responsible for making personnel decisions, some governments place the central civil service administration under the Ministry of Finance (MOF). Others assure that this Ministry plays a significant role in personnel policy and administration.

**There is no consensus in the Arab world on how to handle personnel administration and public administration more generally. According to a 1992 report (based on 1985 information):**

"... public service commissions and agencies vary in terms of their organizational status and affiliation, ranging from an administration within a certain ministry (as in Qatar where the Personnel Affairs Administration comes under the jurisdiction of the Minister of Finance and Oil), to a board affiliated directly to the prime minister (as with the Civil Service Board in Kuwait), or attached to a Minister for Administrative Affairs (as with the Central Agency for Organization and Administration in Egypt). Sometimes there is a minister for administrative affairs without an affiliated central agency (as with the State Scribe [Minister] for Administrative Affairs in Morocco).

"Furthermore, while some Arab countries -- such as Egypt -- have adopted the principle of a unified agency in charge of all activities of administrative development, most other countries have gone for a multiplicity of agencies, possibly under the influence of the French or the American model (e.g., Lebanon and Tunisia, Saudi Arabia and Kuwait). The jurisdiction of such agencies also ranges from a narrow brief related to conventional personnel matters, to a much broader one (as for instance in Egypt) where most matters of administration and organization within the state are involved.

"Then, in addition to personnel bureaus and civil service commissions, some countries also create 'higher committees' whose titles imply that particular emphasis is attached to development and reform, such as in the higher committees in Saudi Arabia and Kuwait. The later case is particularly interesting as the term 'modernization' is actually included in its title, while the title of the Algerian equivalent is equally fascinating since it speaks of 'administrative innovation.'

"This variance in titles and affiliations reflects, among other things, diversity among the Arab countries in terms of how comprehensive their strategies of reform are: Most countries have opted for an incremental, piecemeal approach, experimenting with various methods at different stages. The rational-comprehensive approach has received a great deal of academic and rhetorical support but has not been adopted by

anyone other than the Egyptians, and only partially by them." (Ayubi, pp. 34-37)

Based on the World Bank's experience in assisting countries in reforming their civil service systems, **greater centralization of civil service functions is desirable for most developing countries.** A recent Bank study found:

"Two basic models of CSM (civil service administration) organization predominate in developed administrations. One is a model of centralized control allowing a limited degree of deconcentration. The other is a system with increasing decentralization, flexibility and delegation of CSM authority to the line level. For the cases studied, the Asian countries, France, Germany, the Netherlands, and (to a lesser degree) the USA and Canada conform to the first model, while the U.K., Australia, New Zealand, and Sweden either now fit or are moving toward the second.

"In addition to a high degree of control and professional standardization, **centralized systems of civil service management display a number of common traits. First, for most modern administrations, centralization implies not a single, central monolithic organ controlling all system personnel movements, but rather some degree of shared personnel authority exercised by several entities at the central level.** The arrangement is often tripartite, usually with powers divided among a policy guidance body, an oversight agency which helps ensure fair and meritorious practices, and a financial control *cum* monitoring organ. Such systems create checks and balances, serving redundancy and fairness, and they curb excessive concentration of authority for civil service management. **They work best when limited to a very few organizations with clear division of labor and good mechanisms for coordination.**

"Successful centralized models elevate the status of the personnel function in government by making key CSM organs directly responsible to political authority, often with designation as principal agents for major system reforms...

"In the interest of bureaucratic flexibility and more rapid operations, some centralized systems delegate selected personnel management authority to decentralized levels. For

example, routine personnel information management, especially for lower-level staff, might be handled by departments, subject to central policy guidelines and safeguards. Still, the hallmark of this model is the retention of close, central supervision of functions with crucial implications for the financial soundness of the service, such as establishment control and planning." (Nunberg, pp. 15-16, emphasis added.)

The Bank concludes that, "As a general principle, centralized organizational models probably represent the prudent course of developing country administration, typically characterized by serious skill shortages below high bureaucratic levels." Furthermore, the Bank's lessons include:

"The advantages of centralized civil service management organization -- enhanced control, coordination, capacity for longer-term strategic planning, and generally greater political access for the personnel function -- probably favor such arrangements in many LDCs, where civil service management lacks just these attributes, and questions of flexibility and responsiveness are important but secondary concerns...

"Stability and coordination is often achieved through a triumvirate of personnel organs which can check each other, allowing for sufficient system redundancy and backup of key functions....

"Strong, centralized systems exhibit some degree of deconcentration or delegation to personnel units within line ministries. The degree of delegation depends on two variables: the importance of the function and the technical and institutional capacity at the deconcentrated level." (Nunberg, p. 19)

Based on interviews and reviews conducted in the course of preparing the present report, it is **recommended that the PNA follow the more centralized approach to civil service administration.** Even to make this possible, however, will require significant upgrading of personnel and offices with civil service administrative responsibilities. **Particular early attention should be given to the selection and training of the chief officer in charge of the central office, as well as other senior officers responsible for personnel functions indicated below.**

### **C. RECOMMENDATIONS ON THE LEGAL STATUS OF THE CIVIL SERVICE**

There currently are two separate, uncoordinated drafts of a new civil service law, one prepared by the CSA in Gaza, the other by the CSA in the West Bank. Although it is reported that the Directors of both CSAs are lobbying on behalf of their drafts, copies of them (and the PPMs currently in use) were not available for the present study. However, the chapter titles for the Kuwaiti-based West Bank law covers many of the topics discussed in the present and subsequent chapters.

The West Bank draft law includes sections on employees covered by the law, positions, the CSA, personnel offices within individual ministries, grading and classification, appointments, promotions, employee rights and responsibilities, training and scholarships, disciplinary actions, investigatory procedures, separation from the service, grievance procedures and authority, time of

employment, performance-evaluation, allowances, types of leave, and selected other topics. Without access to this and other documents, it is not possible to assess the degree to which the law includes specific personnel procedures, regulations and standards more appropriate for a PPM than for a law. Nor is it possible to comment on substantive issues covered under each chapter of this draft. It would appear, however, that a commitment to merit principles may be assumed rather than specified, and that other features recommended below may be absent.

**200.0 The PNA should adopt laws that establish the civil service and the civil service administration. The laws should clearly specify:**

**200.1 Which appointive positions are to be covered under the law. (Similar laws will be required for the police/security, and, perhaps, the courts and personnel working for elected representatives in the PNA legislature.)**

**200.2 Which categories of officials or their designees can make appointments to the civil service. (Director Generals for Administration and Personnel might be designated with this authority, subject to the clearances noted elsewhere in this report.)**

**200.3 Which, if any, appointments require confirmation by the elected legislature.**

**200.4 Which agencies have what jurisdiction for enforcing actions and matters related to personnel administration.**

**201.0 The PNA should establish merit principles as the basis for the civil service system. The law establishing these principles should state that:**

**201.1 Recruitment shall be from qualified individuals from appropriate sources.**

**201.2 Selection and advancement shall be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition that assures that all receive equal opportunity.**

**201.3 All employees and applications for employment shall receive fair and equitable treatment in all aspects of personnel administration.**

**201.4 Equal pay shall be provided for work of equal value.**

**201.5 All government employees shall maintain high standards of integrity, conduct, and concern for the public interest.**

**201.6 Government's work force shall be used efficiently and effectively.**

201.7 Employees shall be **retained on the basis of the adequacy of their performance**; inadequate performance shall be corrected; and employees shall be separated who cannot or will not improve their performance to meet required standards.

201.8 **Employees shall be provided effective education and training** in cases in which such education and training would result in better organizational and individual performance.

201.9 Employees shall be:

201.9a **Protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and**

201.9b **Prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.**

202.0 The law establishing the civil service should also set forth **basic obligations of public service and forms of disciplinary and corrective actions** relating to these obligations, including but not necessarily limited to:

202.1 Gifts from outside sources.

202.2 Gifts between employees.

202.3 Conflicting financial interests.

202.4 Impartiality in performing official duties.

202.5 Seeking other employment.

202.6 Misuse of position.

202.7 Other activities.

203.0 Additionally, the law should state the **practices that personnel officers and others are prohibited from using**, including but not necessarily limited to:

203.1 **Forms of discrimination**, including discrimination on the basis of sex, religion, place of birth, marital status, or political affiliation.

203.2 **Use of information in a personnel action** other than information based on the personal knowledge of records of the person providing the information

concerned with the work experience and suitability of the employee or applicant (that is, a prohibition against political recommendations).

- 203.3 **Coercion** to engage in political activity.
- 203.4 **Obstruction** of the right to compete for employment.
- 203.5 Exercise of **influence to secure advantage** of one candidate over another.
- 203.6 **Nepotism**.
- 203.7 **Reprisal for lawful disclosure** of information about violations of law or mismanagement.
- 203.8 **Reprisal for exercising appeal rights**.
- 203.9 **Adverse judgements on the basis of conduct that does not adversely affect the work performance** of the employee or others (e.g., private conduct).
- 203.10 **Actions that otherwise violate laws or regulations implementing merit principles**.

**D. RECOMMENDATIONS ON THE LEGAL STATUS, RESPONSIBILITIES, AND ORGANIZATIONAL HOME OF THE CIVIL SERVICE ADMINISTRATION (CSA)**

- 204.0 **The Director of the CSA should be appointed by and report to the President for fixed, renewable two-year terms** during which time he or she may only be removed for reasons of violating criminal or civil law and for engaging in behavior contrary to the merit principles on which the civil service is based.
- 204.1 **During the transition period required for the firm establishment of personnel policies, standards and procedures, the Director of the CSA shall take guidance on policies, standards and procedures from a Steering Committee consisting of the Ministers (or their designees) of Finance, Justice, and Planning and International Cooperation.**
- 204.2 **The Steering Committee and the Director of the CSA are to draw for technical assistance and advice relating to policies, standards, procedures and other implementation matters from a Technical Committee whose members are Directors of Administration and Personnel (or their designees) of each PNA ministry and other appropriate government agencies, as the Steering Committee may determine. The Steering Committee, with the advice of the Director of the CSA, shall appoint the chairperson of individual working sub-committees within**

the Technical Committee. The Technical Committee and its Sub-Committees are advisory only, and the rules for their internal workings shall be determined by the Steering Committee. Decisions by the Steering Committee may be made on a simple majority vote.

- 204.3 To allow the Director of the CSA to meet his or her multiple leadership and policy responsibilities, a **Deputy Director shall be appointed with responsibility for the daily operations of the CSA.**

**E. RECOMMENDATIONS ON THE FUNCTIONS AND ROLES OF THE CSA**

205.0 The CSA shall have the following responsibilities:

- 205.1 Through the Director of the CSA, **provide national leadership on government personnel policy and management matters.**
- 205.2 Through the Director of the CSA, be the **President's chief advisor on government personnel policy and related management matters.**
- 205.3 To meet the above responsibilities, the CSA shall **develop legislation, policies, standards, administrative systems, and programs** that support human resource management and human resource development in the public sector. Further to this end, the CSA shall:
- 205.4 **Administer the testing program** for the selection of appointees under the merit system.
- 205.5 **Establish minimum standards** of education, experience, knowledge, skills and abilities of the various grades and positions in the civil service system.
- 205.6 Develop and administer an **automated human resource management system** (data base on members of the civil service).
- 205.7 **Estimate future personnel needs** of the PNA with regard to the number of different types of positions and grades, demographics of the potential work force, training, and (under the leadership of the MOF) compensation, benefits, and related trends affecting human resource management issues in government.
- 205.8 **Group and grade** all positions with similar duties, authorities, qualifications, requirements, and levels of responsibility.

- 205.9 Cooperate with the MOF in proposing a salary schedule that ensures internally equitable and externally competitive salaries for government positions.
- 205.10 Establish **procedures for announcing government job opportunities** so that a broad exposure to potential applicants is assured.
- 205.11 Cooperate with and assist government ministries, as requested, to **review applications on file** that were received within a specific time period for particular openings.
- 205.12 Also, cooperate with and assist the Ministry of Finance in formulating its recommendations to the President on benefits, grading and other budget-related changes that affect civil service employees. (Also see Recommendation 205.9.)
- 205.13 Issue **criteria and conditions of employment**.
- 205.14 Define expected **standards and criteria of performance**, and assist ministries in evaluating employees on the basis of goals and objectives established for employees by and in cooperation with their supervisors.
- 205.15 **Conduct job audits** to determine if the duties and responsibilities of individual positions coincide with the standard job descriptions and grades to which the position are assigned.
- 205.16 Develop **procedures for changing an employee from one grade of work to a different grade** of work at a higher salary level.
- 205.17 Cooperate with ministries in **increasing employee competence** at all work levels through **formal training programs, on-the-job training, seminars, post-secondary school courses, and through other community or office-based learning sources**.
- 205.18 With the cooperation of the Ministry of Justice and the Ministry of Labour, develop procedures that allow **formal review of employee/supervisor conflicts** by a higher outside level of authority.
- 205.19 Establish clear **dates and ages for retirement** from the civil service.
- 205.20 Provide advice and assistance to the government-authorized agencies responsible for administering **employee retirement programs**.

- 205.21 Provide advice and assistance to the government-authorized agency responsible for administering **insurance programs** covering injuries and illnesses of civil service employees and their families.
- 205.22 Exercise **oversight responsibility for assuring that government agencies comply with all personnel policies, standards and procedures.**
- 205.23 **Provide government-wide services**, such as background and reference investigations, examinations, and general government-wide training programs.
- 205.24 Help obtain for government agencies the technical assistance and training they will need to develop their capabilities to manage the PNA's new civil service system.
- 205.25 At the specific request of ministries just starting their own personnel offices, assume for the ministries for a specific time certain basic personnel administration functions.
- 205.26 Cooperate with ministries in proposing model structures and staffing patterns for the offices that will have responsibility for personnel administration within ministries.

Again, note that, during the initial transition period, the Steering Committee, with the technical assistance and advice of a Technical Committee, will play a significant role in the development of the policies, standards and procedures specified above. The Steering Committee shall determine the time and mode of assigning these responsibilities to the CSA.

#### **F. RECOMMENDATIONS RELATING TO THE MINISTRY OF FINANCE (MOF)**

As the agency assigned primary responsibility for government's budget and expenditures, the MOF has an important role to play in the PNA's personnel management system.

Among its other responsibilities, the Ministry of Finance shall be responsible for:

- 206.0** Providing ministries and agencies with **instructions on how to prepare their annual (and periodic or special) personnel budgets.** These budgets shall include payments to all classes of employees and personal services (tenured, temporary, and part-time employees, consultants, and others). **These budgets also shall set aside a minimum of three percent of all personnel costs for investment in human resource development programs (training).** The Ministry of Finance shall be responsible for analyzing and commenting on/approving the budgets prepared by ministries. It is also responsible for certifying that all relevant guidelines, standards and procedures have been followed by ministries in preparing these overall personnel budgets.

- 206.1** With the advice of the CSA, MPIC and other concerned ministries, the Ministry of Finance shall **develop policies and standards that ministries must use in justifying new positions and the grades set for them.**
- 206.2** The MOF must **provide a funds-availability certification** prior to a Ministry and/or the CSA may appoint a new employee.
- 206.3** With the advice of the CSA and other concerned ministries, the **MOF shall design and ministries shall use all forms relating to the financing of personnel.** (This includes attendance, leave, and salary records.)
- 206.4** With the advice of the CSA and other concerned ministries, the MOF shall develop a **simple computer model for analyzing the budget and the fiscal impacts of alternative salary schedules and government work force patterns.**
- 206.5** The MOF shall submit to the President an **annual report** on government and individual ministerial personnel, position and grading changes, and the impacts these changes have on the government budget. The Ministry shall provide the data base used for this analysis and report to individual ministries for their own further ministry-specific analyses purposes.

#### **G. RECOMMENDATIONS RELATING TO OTHER MINISTRIES AND GOVERNMENT AGENCIES**

During the initial transition period and the institutionalization of a national personnel administration system, individual ministries will be responsible for developing their own personnel departments as quickly as possible. To assure that ministries are adopting and completely complying with national policies and standards, ministries must obtain CSA concurrence in the position descriptions they use and the grades assigned to them. As noted earlier, the MOF also will have clearance authority over budget-related personnel matters.

On the other hand, ministries will have an important advisory and development role through the Technical Committee working under the three-minister Steering Committee to the CSA. And ministries will assume as many administrative responsibilities as soon as possible in the immediate future.

- 207.0** Ministries shall use criteria developed by the CSA to prepare their position descriptions and grades suggested for the positions. The CSA must concur that these descriptions and grades are justified by and in compliance with CSA policies, standards and procedures. MOF concurrence regarding the salary level and availability of funds is also required.

- 207.1 All ministries (and the CSA) are responsible for completing (filling in) their own payroll and leave reports on forms designed by the MOF, and ministries shall submit the completed forms directly to the MOF, not indirectly through the CSA.
- 207.2 Ministries shall deal directly with the Ministry of Health on sick-leave and health-related issues, as well as with the MOF on retirement and separation matters. The Ministries shall send the CSA copies of completed forms relating to these personnel actions.
- 207.3 With the assistance of the CSA and appropriate outside groups, **each ministry shall develop and then implement its own training and human resource development plans.**
- 207.4 Each ministry, with the advice and consent of the CSA, shall **establish a grievance and appeals program** in accordance with standards and procedures established by the CSA. (See Chapter 8, Recommendation 801.)
- 207.5 Ministries may request the CSA to assume personnel administration responsibilities in accordance with a definite time schedule that indicates when the requesting ministry will assume its full responsibility for all personnel administration matters. (See Recommendation 205.25 above.)
- 207.6 Ministries shall assume the **primary responsibility for recruiting and appointing staff members.** Announcements for the positions must be approved in form and substance by the CSA, and by the MOF for grade and salary. Ministries shall pay for their own advertisements; applicants will send their required materials directly to the hiring ministry. (Responsibilities for other phases of the appointment process are covered in Chapter 6.)
- 207.7 Although the Ministry of Education will retain its current responsibilities for recruiting and appointing teachers, the systems used for these purposes must be approved by the CSA, and the CSA shall conduct a quarterly review of MOE procedures as a means to assure that relevant guidelines and standards are applied. The MOE shall follow the same procedures required of other ministries in all personnel matters relating to non-teaching personnel.
- 207.8 The Ministry of Health shall follow the same procedures specified above in Recommendation 207.7 with regard to physicians and nurses.

## H. RECOMMENDATIONS REGARDING THE USE OF NON-GOVERNMENTAL AGENCIES

Internal controls are built into the personnel administration system through the roles and responsibilities assigned the CSA and MCF. Prompt, accurate use of these controls will be especially important during the early transition to a fully institutionalized personnel system.

These internal controls, however, have two gaps in them:

- 1) As noted earlier, the system discussed to this point deals with the input of personnel, not with the results that the personnel have on ministries and their departments. **Job-design (position descriptions and grades) is different from the design of organizations.** Both position and organizational design contribute to organizational performance, but no mechanism exists to assure the latter nor to evaluate the impact of personnel practices on the performance of the employees working in ministries.
- 2) There is no **mechanism to monitor the integrity of the merit system and the role the CSA and MOF have in it.** It would be a conflict of interest to have these government entities evaluate themselves. Experience elsewhere, however, suggests that these entities and the entire personnel administration system becomes overly process-driven and subject to management solely by regulation. When the triumph of techniques over purposes arises, personnel systems and the agencies responsible for them become part of the governance problem, not part of the solution.

To address both gaps, it is recommended that:

- 208.0 Each ministry and agency (including the CSA, MOF, MPIC, and MOJ) shall draw, as needed, on outside experts to develop **annual organizational performance-improvement programs** for the ministry. **Special emphasis will be placed on the responsibilities that specific managers and supervisors have for implementing the improvement programs.**
- 208.1 Each ministry will make arrangements with outside experts for **independent audits and evaluations of organizational and management-improvement programs.**
- 208.2 The CSA will be responsible for certifying and reporting annually on compliance with this requirement and the results of the audits/evaluations.

## I. SUMMARY

At least during the initial transition to a unified, national personnel system, a number of key functions for the development of policies, standards, and procedures will be centralized in the

CSA. The CSA will also have responsibility for assuring that ministries comply with national requirements. The personnel administration system would be merit-based, and to help assure that the CSA has some independence in protecting merit principles, the Director of the CSA will have a two-year, tenure-protected renewable term appointment. At least during the early start-up phase, the CSA would be located under the Office of the Presidency, and the President would appoint the Director of the Agency.

The Director of the CSA would directly advise the President on national public service manpower and personnel-management policies and issues. However, a Steering Committee of Ministers from Finance, Justice and Planning and International Cooperation will provide direction and give approval to the standards and procedures to be used by the CSA. Both the Steering Committee and the CSA will draw for advice on Technical Committees composed of Directors of Administration and Personnel from each of the PNA's separate ministries.

Because personnel costs account for the single largest component of government's budget, and because fiscal discipline is so important to the PNA, the MOF is assigned an important role in the personnel administration system. The Ministry provides guidance on the preparation of personnel budgets and the justification of positions. It also must certify that funds are available for new positions and the appointment of new employees.

Individual ministries will assume major operational responsibilities for personnel matters. The CSA will be responsible for assuring that the ministries comply with national policies, standards and procedures in discharging their responsibilities. The CAS may provide technical and staff assistance to ministries during their gearing-up to assume their personnel administration responsibilities.

Ministries (including the CSA, MOJ, MOF and MPIC) will draw on independent outside resources to monitor the integrity of the merit system and the performance-improvement programs established for ministries and their individual departments. CSA will be responsible for assuring that this program is implemented and that the lessons of experience are made known to all ministries.

This chapter established the legal status of the civil service and the responsibilities of key participants in it. Before proceeding with procedures to be followed in handling personnel actions (a PPM), it is necessary to establish the actual structure of the personnel system and government's work force. The PPM indicates how particular actions are to be handled as they relate to this larger structure.

Chapter 3 addresses positions and grades. These define government's work force structure. Chapter 4 addresses the compensation package associated with this structure.

## CHAPTER 3

### STRUCTURE OF THE CIVIL SERVICE: POSITIONS AND GRADES

#### A. PURPOSE

This chapter has three purposes:

- 1) Define the tenure status of civil service employees.
- 2) Propose a program to develop a limited number of narrative position descriptions based on a common set of criteria.
- 3) Propose a program to develop and then apply criteria to grade/classify positions.

#### B. DISCUSSION

Position descriptions and the grading or classification of them:

- Introduce order in the work place.
- Denote a hierarchy of authority and responsibility, thereby assigning supervisory and management responsibilities.
- Help ministries to justify hiring particular individuals and the salary requirements for them.
- Establish a uniformity of skills across similar positions and thereby facilitate recruitment and training programs.
- Help assure equal pay for equal work.

The PNA has decided to build its civil service system on rank-in-position, not rank-in-person. An employee will be paid according to his or her position and its responsibilities, not according to the rank that the employee has independently of the current position and grade he or she occupies. This choice of rank-in-position requires that boundaries be defined that distinguish one position from another, and that there be clear criteria for hiring, placing, evaluating, and rewarding employees. Both position-descriptions and their grading are the underpinnings of the PNA's personnel management system.

According to those interviewed for the present report, clear written guidelines are not readily available on how to prepare position-descriptions and then grade them. Computer print-outs for West Bank personnel show grade levels assigned by Israelis, but the basis for the grading was not known. Job announcements appearing in newspaper provide only minimal information on positions; grade and terms of employment are not mentioned. One ministry reported that the CSA downgraded a proposed new position without an explanation for this action. The ministry that proposed the grade level had no written guidance to follow.

Such guidance and skills in using it will help make the operations of the civil service system transparent and hold participants in the system more accountable. They will also allow ministries to justify to the MOF new positions and the budget impacts they would have.

The PNA should be aware that **preparing position descriptions and their grading are labor-intensive, time-consuming, expensive technical operations.** Furthermore, experts have questioned the success of civil service programs built around the "job concept." One expert wrote in 1995 that:

"A decade and a half now has elapsed and to the best of my knowledge most of the position classification systems that were so enthusiastically welcomed around the world have collapsed entirely or been honored more in the breach than the observance."  
(Zimmermann, pp. 122-23)

Position descriptions and grading are needed. Programs to prepare and use them must focus on realistic priorities. Systems must be easily understood and simple to use. These considerations guide the recommendations in this chapter.

### **C. TENURE STATUS OF CIVIL SERVICE EMPLOYEES**

There are no doubt apparently compelling reasons why government agencies need to add personnel outside the career civil service. For example, temporary workers are employed to meet short-term, unplanned staffing needs. Such needs might be in response to special short-term projects. Or they may respond to seasonable fluctuations in work loads.

**Each new category of appointment adds complexity** to civil service administration -- for example, requiring supplementary benefits, leave days, and a multitude of rules and procedures specific to each type of appointment. Proliferation in types of appointments also confuse fiscal planning and budgetary discipline. Furthermore, it can lead to workers with the same responsibilities being treated very differently. Therefore, **the number of types of appointments should be as limited as possible.**

### **D. RECOMMENDATIONS ON TYPES OF APPOINTMENTS**

300.0 There should be **three types of appointments:**

- 1) **Permanent** (what is now called "indefinite"). This appointment leads (after successfully completing a probationary period) to career status. Permanent employees are eligible to receive the full range of benefits offered under the civil service system.
- 2) **Temporary Not-to-Exceed One Year**, with an option to renew for a second year (after concurrence by the MOF on funds availability). Benefits would be limited. It would be advisable to hire an employee under a contract for specific work rather than under this temporary arrangement. In either case,

the full costs of personnel (whether funded out of special projects or out of the regular personnel budget of a ministry) should be reported to the MOF.

- 3) **Temporary Indefinite** (without time limit). These positions typically offer full benefits. **They seem to allow ministries to avoid some civil service regulations** -- e.g., on open competition and qualifications required for the position. To discourage such appointments, hiring **ministries must provide the MOF with compelling reasons for using this option.**

PNA appointment options today include probationary, daily indefinite, daily only, and contractor categories of employees. Temporary assignments and transfers are also included. Part-time possibilities are or could be provided as well, with benefits appropriately pro-rated. The present focus is only on tenure.

**301.0 Daily-based and daily-indefinite categories should be excluded from the civil service system. Instead, they (as well as unskilled and most skilled workers) should be placed under a separate system that the PNA would define and develop over the next two years.**

301.1 Ministries should budget for all types of appointments and report the numbers and costs for each in their consolidated budgets submitted to the MOF.

## **E. POSITION DESCRIPTIONS**

Civil service agencies typically group jobs into what are considered to be somewhat homogeneous series. Homogeneity refers to duties, responsibilities, and required qualifications.

One proposal from the West Bank is reported to call for four series: (1) managers, (2) professional/technical, (3) skilled, and (4) unskilled. Other countries call for somewhat different descriptions -- for example:

- **Professional**, e.g., attorney, medical officer, biologist;
- **Administrative**, e.g., personnel management specialist, budget analyst, general supply specialist;
- **Technical**, e.g., forestry technician, accounting technicians, pharmacy technician;
- **Clerical**, e.g., secretary, office automation clerk, mail clerk; and
- **Other**, e.g., fire fighter, various law enforcement occupations.

Sub-series within each of the major categories provide further definition, but at a price of time and money.

A common format is adopted in preparing position descriptions for each series, sub-series and specific positions within a sub-series. As noted earlier, this format should be consistent with the criteria used to grade the positions.

**F. RECOMMENDATIONS ON POSITION DESCRIPTIONS**

302.0 Position descriptions shall be in **narrative form and refer to full-performance** (i.e., journey) levels of work.

302.1 Narratives shall be limited to **no more than three pages**.

302.2 Narratives shall cover at a minimum **four separate sections**:

- 1) **Introduction** -- a statement of the primary purpose of the position and its relationship to the organization.
- 2) **Major Duties and Responsibilities** -- a statement of the important, regular, and recurring duties and responsibilities assigned to the position;
- 3) **Controls Over the Position** -- a statement of how the work is assigned, the kind of supervision and guidance received, and the kind of review given to work in process or upon completion; and
- 4) **Special Qualification Requirements** -- a statement of any valid knowledge, skill, education, certification, etc., required by the position if it is not readily apparent from reading the description, such as level of typing skill, foreign language proficiency, or licensure.

302.3 Information provided under these categories shall cover the criteria used in grading the position.

**303.0 The Technical Committee consisting of Director Generals of Administration and Personnel, with the assistance of outside experts, should:**

- **Collect, compile and analyze job titles** currently in use in different ministries and government agencies.
- **Estimate the number of employees** having these titles, and estimate the relative numbers of new employees with specific titles to be added to the civil service over the next two years.
- **Agree on a maximum of five series** of positions.
- **Select approximately three positions/job titles in each series** (or more, if certain series will account for a disproportionately large share of new appointments over the next two years). **Priority should be given to:**

- a) Secretaries
- b) Administrative assistants
- c) Personnel officers
- d) Accounting and finance
- e) Lawyers and legal experts
- f) Engineers
- g) Medical doctors
- h) Nurses
- i) Supervisors (separate from managers)
- j) Managers

**303.1** The Technical Committee, with the assistance of outside experts, should:

- **Prepare instructions on items to be included** in a position description, recognizing that grading the positions must rely on these descriptions.
- **Prepare the approach to be used to obtain the information** required to prepare a description -- e.g., investigating what is currently done by those in these positions (a position audit) and interviewing people who are experts on the position. Again, the descriptions should refer to full-performance levels of work.
- **Prepare a description of a personnel specialist** (or two or more employees responsible for personnel administration).

**303.2** Sub-committees within the Technical Committee should be assigned the responsibility of cooperating with outside experts in preparing the remaining (approximately 14) position descriptions.

**303.3** In addition, **position descriptions should be prepared for grade levels D through A1.**

**304.0** The Technical Committee, with the assistance of outside experts, should **prepare examinations** for each position or position series so that job-applicants can be ranked according to their qualifications for a particular position.

**305.0** With the assistance of experts on overseas and local universities, the Technical Committee should recommend standards and guidelines to **compare university degrees** and the competencies they measure.

**306.0** At this time, the criteria for preparing descriptions, the descriptions themselves, and the examinations should not be incorporated in a formal Presidential or Legislative Decree that would be difficult to amend during the present transition

and learning period. Instead, they should be issued as CSA regulations, but only after they are formally approved by the three-member Steering Committee.

## G. GRADING POSITIONS

The "structure of a civil service" typically refers to the arrangement of positions, lines of promotion, and policies governing an employee's move from positions of lower grade, responsibility and salary to positions of higher grade, responsibility and salary. The existing grade structure in the West Bank and Gaza does not seem to anticipate career movement within a grade, although mobility is possible (after four years in a position, according to one account). Instead of career mobility, there are automatic annual step increases based on the number of years an employee has spent in the service. Other countries -- e.g., Japan -- have successfully adopted this same model. (Japan, however, also has a mandarin or elite senior executive cadre built on rank-in-person rules. The PNA is following the grade-in-position model.)

The PNA recently revamped its grading system, adding new grades. Formerly there were 12 regular grades (running from 12, the lowest, to 1, the highest). The newly adopted system adds five new grades on top of the four existing supergrades that stand on top of the 12 regular ones. The five additions include Director General "in" a Ministry, Director General "of" a Ministry, Assistant Under Secretary, Under Secretary, and Minister. It is not clear whether these five (or at least the three top grades) are considered part of the tenured civil service or are "excepted" -- that is, political appointees without tenure.

Countries differ in the number of grades provided in their civil service structures. Egypt, for example, cut from 12 regular and three supergrades in 1964 to six regular and the same three supergrades in 1975. (This 6-plus-3 structure was in place in 1984.) Some of the more developed nations are currently attempting to reduce the number of grades they have by combining two or more in a single band ("broad-banding").

Individual positions in today's PNA system are given a two-grade range. That is, an incumbent can be recruited at either the lower or higher grade.

As noted earlier, the personnel specialists interviewed for this report were unfamiliar with the criteria the Israelis used to grade positions in the current PNA civil service. Nor did the specialists know what criteria (if any) are currently being used. This lack of specific written criteria can lead to over-grading (grade creep), significant intra- and inter-ministerial differences in grade levels for the same position (i.e., for the same position description), salary inequities, differences among ministries in their ability to recruit the best talent, and unjustified burdens on personnel budgets.

**Grading positions can be more difficult than preparing them.** For example, how does one differentiate among degrees of difficulty, complexity, and responsibility among and within clerical, financial, social services, medical, and administrative positions? How can higher-level substantive specialists in professional and technical positions be graded to recognize their equivalence to

managers and supervisor? (Should a highly-qualified specialist in medicine be graded at the same level as a mid-level manager?)

Grading is not a science. It is an art that can lead to lack of uniformity because it relies on subjective judgements.

The recommendations below recognize this problem and attempt to address it by (1) proposing the development of specific, written instructions and examples to be used in assigning grade levels, and (2) requiring that the grade levels assigned to specific positions be reviewed and approved by experts who did not assign the particular grade. (This is another responsibility of the Technical Committee.)

## **H. RECOMMENDATIONS ON GRADING POSITIONS**

**307.0** The Technical Committee consisting of Director Generals of Administration and Personnel, with the assistance of an outside expert, should develop a **list of criteria to be used to grade positions**. The criteria might include, among other items, degrees of complexity, difficulty, responsibility, and required knowledge.

**307.1** Based on these criteria, the Technical Committee should provide **concrete examples** for up to at least four different grades/levels for each of the approximately 15 positions for which descriptions will be prepared (see 303.0 above). The Committee might begin with three positions, and then assign sub-committees the responsibility of working with the outside expert in preparing concrete examples for the other positions.

**307.2** Based on these specific examples, the sub-committees should **prepare overall grade levels for each of the approximately 15 positions**.

**307.3** Special attention should be given to **grading higher-level positions**, including the supergrades, including grades D through A1.

**307.4** With the assistance of the outside expert(s), the Technical Committee shall provide instructions on how to use the array of position descriptions and grades assigned the approximately 15 positions covered above to describe and grade other positions in the future.

## **I. SUMMARY**

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**Position descriptions and position grades provide the structure of a civil service system. This structure has to be in place before many important procedures can be formulated for processing personnel actions relating to individual employees.**

International experience points to a number of challenges involved in building a structure based on positions and grades. These challenges were addressed in this chapter by proposing that the PNA

not proliferate a large number of different tenure and appointment types. Instead of preparing a large number of position descriptions using a complex classification system, streamlined descriptions would be prepared for the numerically most populous positions.

And instead of developing a complex numerical scoring scheme using subjective judgements to grade positions, an abbreviated scheme with specific examples describing different grade levels would be used.

Because of their influence on ministerial and departmental performance, **special attention would be given to position descriptions for the newly approved supergrades and those included in the older grade structure.** Individual performance evaluation efforts will focus on these same positions, as described later in Chapter 7.

The approach to **preparing descriptions and assigning grades will yield written guidelines in ways that develop the capabilities of personnel specialists to perform these functions on a continuing basis.**

## CHAPTER 4

### ECONOMICS AND THE COMPENSATION STRUCTURE

#### A. PURPOSE

Grade levels are based on position descriptions, and the salary structure is based on the structure of grades. Salaries, however, comprise only a part of the total compensation package. Fringe benefits (e.g., health insurance and pension coverage) and salary supplements (e.g., bonuses and adjustments for family size) can easily double the total value (compensation) of civil service employment. The total value will vary even within a particular grade and step according to the individual circumstances of an employee -- e.g., the size of the employee's family and the use that the employee's family members make of their health insurance coverage.

It is beyond the scope of the present report to analyze the structure and components of the PNA's current compensation system or refinements that might be made in it.

The present chapter is limited to three purposes:

- 1) Raise issues to be considered in establishing and changing a salary and compensation structure.
- 2) Suggest a program to evaluate and annually update this structure.
- 3) Suggest an approach to address potential problems in two supplements (health insurance and pensions) in the total compensation package.

#### B. ISSUES

The three purposes are linked to issues that have been identified in compensation systems in other countries.

- 1) Negative Consequences Attributed to Lagging Salary Scales

Few if any governments have procedures in place to keep civil service salaries in line with high rates of inflation. Annual adjustments may not compensate for high weekly inflation rates.

Perhaps because of equity and other politically-sensitive concerns, some governments create a parallel payment system consisting of inflation bonuses, family allowances, and in-kind benefits (e.g., health care, subsidized food stores, housing and transportation). The basic salary structure remains the same; administratively complex and fiscally burdensome parallel compensation schemes are created. Because they are complex and involve a number of offices to

administer them, such systems are open to fraud, waste, abuse and mismanagement.

A World Bank report on Managing the Civil Service concluded that

"for many developing countries a powerful rationale for traditional, unified, fixed-increment classification and pay systems is that they appear to require less administrative intensity to install and maintain. Administrative simplicity is an important, perhaps overwhelming consideration for developing country public sectors with extremely severe human resource constraints. Nevertheless, the reality in most LDCs is that unified classification and pay structures are undermined and distorted by a range of circumventions (including allowances, grade creep, double employment, etc.)..." (Nunberg, pp. 32-33)

Although the PPMs now in use prohibit employees from taking second jobs unless specific authorization is provided, an inflexible salary scale under pressure from high inflation could open the door to "moonlighting." Allowing two jobs may help a government resolve its immediate budgetary problems, but the result can lead to low morale and productivity, to the use of one's office to charge personal-service fees to process paper, etc.

Because the PNA is reported to have a large pool of qualified people to recruit from, and because Palestinians are idealistically committed to their new country status, the above problems have yet to surface. The PNA and its inherited civil service systems are also new. Serious challenges arising from high rates of inflation may not have been seriously experienced as yet. (Inflation will likely be imported from Israel, as Gaza and the West Bank use the Israeli currency. The PNA should examine the approach the Israelis take to adjusting civil service salaries in the context of that country's inflation.)

It is not clear whether mechanisms are in place to enforce disciplines that are now in place. If problems arise and the CSA takes on a heavy role in investigating and disciplining civil servants for their outside employment, the Administration will suffer in the eyes of government employees, and it will also need to divert staff and resources from core responsibilities to those with a police-type function. Certainly the PNA does not wish to

substitute an Israeli control culture by one directed and administered by the PNA itself.

For these reasons, governments are encouraged to have small, well-paid civil service work forces that manage less but manage better.

Compensation structures, therefore, involve much more than technical matters covered in the present report.

2) Salary Compression

Salary scales are incentive structures that affect the recruitment, retention and motivation of employees. Flat or compressed salary structures provide minimal salary increments between one grade and the next higher one. As a result, there is little motivation (reward) for an employee to seek out more responsibility and the opportunity to contribute to the development and welfare of the nation. Salary compression is typically most serious at the senior management level, the civil servants the PNA most needs during and after the transition period.

3) The Financial Viability of Fringe Benefit Programs

Governments that are able to discipline their basic salary scales can at the same time endanger the integrity of their entire compensation package. This is because components of the entire package are partially funded by employee contributions that are deducted from salary payments. Employees' contributions (for health insurance and pensions) remain the same, but the cost of providing benefits increases along with inflation. This can have disastrous budgetary implications for government. In turn, this may require significant changes in the compensation package by increasing employee contributions for insurance and pensions. Many employees would consider such increases a tax and a work disincentive.

In summary, compensation packages are not side issues. Nor should the components of the structure and problems associated with them be viewed in isolation from one another. Although it is beyond the scope of the present report to propose specific solutions to compensation-related problems, attention needs to be drawn to the problems. They are central to the entire civil service.

Each of the three issues above will be examined below as they apply to the PNA. Partial approaches to addressing the problems also are suggested.

### **C. SALARY STRUCTURE**

The Israeli grade and salary structure only covered employees responsible for implementing policies established or approved by the Israelis. No position, grade, or associated salary structure existed for the PNA leadership that replaced the occupation forces. For this reason, the PNA added the previously noted five new supergrades. It appears that some changes were made elsewhere in the salary structure. These are seen at the higher grade levels.

It is not known if a mechanism is in place to periodically review and adjust this scale.

There are two "technical" solutions to adjusting salaries in response to inflation: (1) salaries are tied to the consumer price index (CPI), and (2) non-government employers are surveyed on salaries the offer for positions comparable to those in government.

Use of the CPI results in cost-of-living adjustments (COLA). Pay-comparability information can provide COLAs, but perhaps more importantly, can adjust the size of the salary gap between adjoining grade levels. These surveys lead to market-based (market-driven) salary structures.

CPIs are relatively expensive to conduct, and they only address one part of the salary problem. The PNA does not have a CPI. Fair-comparison salary surveys are relatively inexpensive operations and can be conducted with minimal outside technical assistance.

### Recommendations on Salary Structure

- 400.0** With the technical assistance of an outside expert, the MOF should arrange for an **annual fair-comparison salary survey** and recommend to the appropriate authorities salary adjustments based on the results of the survey.

It is anticipated that the sample universe for the survey would include donors and embassies, UNRWA, NGOs, banks, and larger private firms -- that is, employers with positions and grades comparable to those found in government. Excluding local government and smaller private firms will, of course, provide an upward bias to salaries.

- 401.0** With the assistance of an outside expert, the MOF should develop and use a **simple computer model that estimates the budget implications** of alternative salary and compensation structures (as already noted in Recommendation 206.4).

This model must be built on a **civil service data base and associated computerized payroll system**. This data base, as noted earlier, must be able to distinguish among types of appointments (tenure, temporary, contract), age structure, family size, benefits, etc. That is, a **data base and an analytical capability are important to compensation and personnel administration**.

- 402.0** The PNA is advised not to adopt changes in fringe benefits (in-kind or cash) until the above analysis is completed.

- 403.0** The PNA should **not allow donors (or NGOs or donor-funded contractors) to "top-up" civil servant salaries** and thereby create an alternative labor market, set a precedent that civil servants should be paid extra for work to be covered in their position descriptions, create a conflict of interest whereby employees are responsible to both the PNA and an outside agency, and make it difficult to re-absorb these employees into the civil service at their regular salaries.

#### **D. SALARY COMPRESSION**

The salary information provided for this study does not have a date on it and does not have explanations for increments or the underlying rationale for the salary structure.

It appears that salary increments (in percentage terms) between adjoining grades are not equal throughout the structure. Preliminary calculations show differences ranging from a little over 5% to as much as 14%. The largest increase (80%) is between Under Secretary and Minister. Grades C (low) through A.1 (Under Secretary) have special allowances attached to them.

The ratio between highest and lowest salaries under the old Israeli structure varied from around 2.2 to 2.5, depending on the step (years of service) level used. The following figures are based on comparisons at the same year-of-service level.

If the Director General "of" the Ministry is considered the highest level career civil servant in the Ministry, then the ratio of highest to lowest-paid employee is 3. If the Minister is substituted for the Director General, the ratio is about 6.4. By international standards, this reflects a good deal of salary compression. (Viewed differently, it also reflects a high value placed on equity.)

According to 1985 information for 28 developing countries, the ratios at that time ranged from 3.8 (for Tunisia) to 40.0 (for Ethiopia). Only six of the 28 (Angola, 5.5, China, 6.0, Egypt, 6.2, Mauritania, 5.0, Morocco, 4.7, and Tunisia) had ratios more compressed than today's PNA ratio between Minister and the lowest grade civil servant (Grade 12). Eleven developing countries had ratios from 10 to 19; four had ratios in excess of 20.

These figures are suggestive only; some seem to exclude higher-level political appointees not in the civil service; others include allowances and COLAs.

Some very tentative conclusions (or, more appropriately, hypotheses) are that:

- The PNA inherited from the Israelis a compressed salary structure, one that perhaps helped minimize the cost of administering the occupied territories.
- In creating higher-level positions to replace the top Israeli decision-makers and administrators, the PNA retained the general approach to equity and the resulting salary compression.
- The apparent irregular pattern of inter-grade increments suggests that the overall structure lacks an underlying rationale.

As in some other countries, such a structure is unlikely to attract quality candidates for some very important positions. This is one of several reasons why many countries have an entirely different salary structure for judges.

## Recommendation Relating to Salary Compression

**404.0** As part of the analytical agenda covered under Recommendations 400 and 401 above, the MOF should prepare budget estimates based on alternative salary structures that differ with regard to inter-grade salary differences, structures that decompress salaries for the higher levels of the civil service, and structures that follow increment rules used in what are judged to be best-practice compensation programs in other countries.

### **E. FINANCIAL VIABILITY OF THE HEALTH INSURANCE AND PENSION PROGRAMS**

Palestinian employees under the Israeli Civil Administration participated in a social insurance scheme that provided old-age pensions, paid vacation, sick leave, maternity leave, workman's compensation, survivors benefits, and disability insurance. They were also required to join the government health insurance program. It is unclear how many of these programs were adopted by the PNA. Two of them were: health insurance and pensions.

Both represent important components in the PNA's compensation package and, therefore, their financial viability is important to the civil service. Both programs appear to be facing challenges to their financial health.

Health insurance premiums seem to have a static base. Employee premiums are 5% of base salary, up to a maximum of 75 shekels (NIS) a month. It appears that there is one plan only. Coverage includes the employee, employee's spouse and children. It is reported (but not confirmed) that coverage includes parents and other extended kinsmen as well. Premiums are not adjusted to the family structure of the employee.

An admittedly cursory review of what appears to have been expenditures under the health insurance program for the first quarter of 1995 indicates that employee premiums only paid approximately 27% of the health costs incurred. If premium amounts due from the police/security, obligations incurred on behalf of the Ministry of Social Affairs, and co-payments (from the uninsured) are included, government general revenues are needed to cover an estimated 49% of expenditures related to health insurance.

This may not be too out of line from what more developed countries' civil service health plans provide, but these countries typically adjust premium payments to keep up with rising costs. The PNA will need to adjust salary schedules in order to generate premium payments sufficient to control government's fiscal obligations for a small proportion of the country's entire labour force.

Government's pension plan faces a similar problem, plus others. **First, West Bank civil servants contribute 2% of their base salary to the retirement fund, whereas civil servants in Gaza contribute 10%, five times the amount paid by West Bankers.** Second, because contributions are calculated on base pay, this pay must increase to keep up with inflation-induced increases in medical care. Third, civil servants are likely to expect benefits to keep up with (indexed to)

inflation and actually become more generous. For example, West Bank payments are based on a 1966 Jordanian law that calculates pensions as follows: {Number of months worked x the final month's salary} divided by 600. Jordanians are now dividing by 300 rather than 600. Will West Bank civil servants expect a similar change?

Fourth, according to an August 1994 report prepared for USAID, Israel was withdrawing money from the pension fund for Gaza civil servants to cover the shortfall of payments by Gaza municipalities for electricity provided by Israel. This practice could quickly de-capitalize the fund and add still another burden on government general revenues.

In summary, two components of the civil service compensation structure may not be in good financial health. Whereas civil servants are and will be making significant contributions to national development, the financial infrastructure supporting the civil service could adversely affect government's ability to use its civil service to implement needed development programs. Instead, a disproportionately (but unknown) large share of government's budget could be required to support government personnel some time in the future.

It is well beyond the scope of the present assignment to suggest specific solutions for what could be possible financial crises in the intermediate future. Perhaps a donor agency or the World Bank is already addressing the insurance and pension issues.

## **F. SUMMARY**

From the perspective of AMIDEAST and its PNA partners, the civil service is part of an overall institutional development program. Institutional development, however, is more than technical assistance, training and commodities, as well as new structures, regulations, standards and procedures.

Compensation structures provide the economic incentives that influence worker behavior. These incentive structures and the rules that create them are "institutions." Issues and deficiencies relating to this structure of incentives were identified with regard to effects of inflation and effects of salary compression. Fringe payments (supplements) in the form of health insurance and pensions are another part of the overall structure of incentives. While the value of these incentives to employees is probably holding steady if not increasing in relative importance, maintenance of value is at the expense of financial viability, even in the fairly near term.

This chapter attempted to identify the character and size of the problems associated with the PNA's compensation structure. Modest steps to provide the analytical base to begin to address the problems were suggested.

## CHAPTER 5

### WORK HOURS AND LEAVE

#### A. PURPOSE

Chapter 2 addressed the legal authority and organizational home of personnel administration functions. Chapters 3 and 4 covered the structure of the civil service. Structure refers to positions, grades and salary.

The present and subsequent chapters move away from the "big picture" and toward the kinds of rules and procedures covered in PPMs currently in use in Gaza and the West Bank.

This chapter has a single purpose:

- To suggest a limited number of rules and procedures that should be considered for adoption under a PPM's sections on (1) work hours and (2) different types of leave.

Emphasis is placed on rules and procedures that represent a departure from what is known about existing practices.

#### B. RECOMMENDATIONS ON WORK HOURS

500.0 The MOF shall require ministry annual personnel budgets to include and justify estimated levels of premium pay (e.g., evening and shift work, hardship assignments, etc.). The estimates shall refer to the number, position, and grade of those expected to receive such pay.

500.1 The MOF shall require ministries to practice good management regarding worker assignments and salaries so that overtime pay is minimized and not used as a hidden salary supplement. To this end, the MOF shall require ministry annual personnel budgets to include and justify estimated amounts of overtime pay and who will receive it.

500.2 Overtime pay rates (e.g., time and a half) should be specified, if they are not already done so.

500.3 ~~Those in Grade C and higher shall not be qualified to receive extra pay for overtime work.~~

500.4 Director Generals or their designees shall be required to **pre-authorize overtime** and certify that funds are available for this purpose.

500.5 Each department within a ministry shall have a **designated time keeper** responsible for preparing reports on hours worked, leave time taken, and absences.

### C. RECOMMENDATIONS ON LEAVE

Current rules and procedures list a number of types of leave, including annual (regular), sick, pilgrimage, maternity, compassionate purposes, etc. Various leave forms are used, each listing the responsible authorizing officials.

It is not clear what, if any, West Bank-Gaza differences exist on leave policy. Unification of the two PPMs should consider the following concerns:

501.0 The PNA should **cancel or change leave requirements and forms that serve no useful purpose.**

This recommendation, of course, applies to the entire PPM.

There are two examples of requirements that may be inappropriate today. Both reflect a culture of control and distrust. (NOTE: These examples are based on incomplete information and, therefore, are subject to revision.)

- (1) **Annual leave:** Two application and reporting forms are required. The application form requires the employee to state where annual leave will be taken. Upon return from this leave, the employee must complete another form that includes information on where leave was actually spent. The second form can be dropped. The employee's time keeper can report the date that work is resumed.

While it may be appropriate to know where and how to contact some employees in case of an emergency, this probably applies only to a relatively few essential workers. The place where annual leave is to be taken was collected for police security purposes and has no place in a new democracy.

- (2) **Sick leave:** Three separate doctors plus a Doctor-Administrator must sign sick leave papers for employees absent from work beyond a certain number of days or for those being separated from the service for medical reasons. According to personnel specialists interviewed for this report, it was argued that it is easy for employees to obtain one doctor's collaboration in deceiving government. This view of malingering, deceit and distrust applies to the medical profession and civil servants alike. The PNA might consider limiting approvals to two doctors only for more serious cases, and one doctor only for routine sick leave.

- 501.1 **Sick-leave days should be based on the number of hours (or days) earned per pay period.** (Annual- leave days are based on this principle. However, the **number of annual-leave days is excessive** (see Recommendation 501.7).

The present leave system seems either too restrictive (e.g., sick leave) or too open-ended (e.g., mourning and pilgrimage). One current formula for sick leave provides full pay for the first two days of leave, 75% for the next 15 days, 50% for the next 15, and 25% for the next 30, after which the employee does not receive any pay. The proposed alternative would allow employees to earn a certain number of leave hours per pay period (e.g., 10 hours per full month). The employee could carry forward the unused sick leave to subsequent years. **Employees would draw down on these hours of sick leave at full pay. No payments would be made after all such hours are used.**

**A maximum number of days should be established for mourning, compassionate and other similar leave purposes, thereby helping to prevent abuse of this privilege.**

- 501.2 Employees shall be allowed to **carry forward up to a maximum of 150 unused annual leave hours** from one year to the next. Hours in excess of 150 shall be forfeited.
- 501.3 Except for long-term training and separation from the service, **approvals for employee leave shall be delegated to the employee's immediate supervisor.**

As recommended in 500.5 above, designated time keepers shall report actual leave hours taken. Time keepers shall provide this information in their regular records sent to the MOF for inclusion in employees' salary and leave statements provided employees each pay period.

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- 501.4 Supervisors shall require their subordinates to submit their **annual leave plans**, updated every three to six months. Supervisors shall use this information to assure that critical office functions will be covered and that employees not be required to forfeit leave at the end of the year.

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- 501.5 **No provision shall be made to provide advance leave.**

- 501.6 It is prohibited to substitute sick or other forms of leave for regular annual leave.

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- 501.7 **Employees in Grade C and higher should be allowed a maximum leave of 28 work days (four work weeks) a year.**

The current allowance of 42 days signals that these employees are not essential workers; 42 days is too generous.

501.8 Employees on training of six months or longer shall be contractually required to return to government employment for a least twice the amount of time in such training.

**D. SUMMARY**

Current PPMs in use in both the West Bank and Gaza appear to include a large number of requirements relating to work hours and leave. A number of these requirements will no doubt be included in the PNA's new, unified PPM.

The PNA will now be using PNA budgetary resources (rather than Israel's) to pay civil servants. This places a responsibility on supervisors to exercise greater fiscal discipline and to reduce unnecessary bureaucratic approvals and procedures.

This chapter suggested a number of regulations and changes to provide this discipline, reduce paperwork, and offer clearer standards for both employees and supervisors.

## CHAPTER 6

### RECRUITMENT AND APPOINTMENTS

#### A. PURPOSE

Consistent with the merit principles mentioned in Chapters 1 and 2, the PNA will adopt and implement civil service regulations and procedures that assure that government ministries and agencies will recruit, appoint and promote the best qualified individuals available.

To date, the most visible evidence of this commitment to merit principles is reflected in newspaper announcements of various vacancies for professional and technical personnel. This emphasis on higher-level manpower should be continued and refined. In support of this emphasis, a World Bank report concluded that "Many countries currently perceive the most urgent task to be that of filling higher level management and policy positions with qualified professionals." The Bank also recognizes that "induction of good staff can compensate for numerous other system deficiencies; conversely, the absence of qualified cadres is difficult to overcome later." (Nunberg, p. 24)

The present chapter has two purposes:

- 1) Recommend policies, regulations and procedures that ministries should use in creating new positions.
- 2) Recommend policies, regulations and procedures for the recruitment and appointment of the best qualified candidates for vacant positions.

Again, this discussion of "position management" will cover items largely new or not clearly specified in current PPMs.

#### B. RECOMMENDATIONS ON CREATING NEW POSITIONS

Earlier chapters covered several of the following recommendations. They are somewhat elaborated here and placed in a time sequence that indicates who does what at particular times in the recruitment and appointment process.

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**600.0** The MOF shall require ministries to include in their annual personnel budget proposals estimates of new positions and their levels that are to be created, as well as a justification for the new positions.

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Of course there will be unanticipated needs. Requests for positions to meet these needs must be justified as well.

It is anticipated that the CSA will be assisting ministries to estimate their manpower needs and that the CSA will, in the near-term future, prepare rolling

three-year government manpower plans based in part on the submissions of individual ministries.

- 600.1 Individual ministries may prepare their own position descriptions and grades proposed for them based on guidelines issued by the CSA. Ministries may also request the CSA to assist in this work.
- 600.2 The CSA shall approve position descriptions and proposed grade levels for them.
- 600.3 Ministries may appeal CSA decisions on positions and grade levels. Within 10 days of the CSA decision on descriptions and grade levels, the Ministry must submit its appeal to a three-member committee consisting of personnel officers from three different ministries. The ministry making the appeal, as well as the CSA, shall be non-voting participants expressing their respective agency positions.

The Steering Committee shall issue a directive on how members of the appeals committee will be appointed. The CSA shall make logistical arrangements for the appeals committee and shall also provide administrative support for it, including the drafting of the committee's decision for submission to the ministry submitting the appeal.

If a decision is not issued within three weeks of its submission, the Ministry's recommendation shall be effective.

## C. RECOMMENDATIONS ON RECRUITMENT

- 601.0 Ministries shall obtain (a) a funds-availability approval from the MOF and (b) position and grade approval from the CSA (as qualified in 600.3 above) prior to publicly recruiting for a position.
- 601.1 Since a position description implies an organizational structure in which the position is placed, Ministries shall **include the relevant organizational chart along with the position description for clearance purposes.**
- 601.2 Ministries shall seek recruits through such means as placing advertisements in widely-distributed public newspapers and publications, the use of rosters of applicants who applied earlier for similar positions, employee referrals, requests to professional associations, educational and training institutions, and employment agencies.
- 601.3 **Application deadlines** shall be for a minimum of two weeks beyond the first public announcement appearing in a widely-distributed newspaper.

601.4 The ministry seeking applicants shall cover the costs of announcing the position, per 601.1 above.

**601.5 Position announcements shall include basic (abbreviated) information on:**

- The employing ministry, office and duty station.
- Duties, responsibilities and required qualifications.
- Factors to be used in evaluating applicants.
- Whether a physical examination will be required.
- Grade and salary range for the position.
- Information to be included in applications.
- Where and how to obtain a full position description.
- Where to send the application.
- Closing date for receipt of applications.
- Expected date selection will be made.
- Expected starting date for employment.

601.6 Applicants shall be informed in the full position description what information they are to provide in their application, including **factors to be used in evaluating candidates.**

601.7 Application forms shall be sent directly to the personnel office of the recruiting ministry.

#### **D. RECOMMENDATIONS ON SELECTION PROCEDURES**

**602.0 Applicants shall be required to take a test especially designed for the vacant position.**

Such tests are likely to be especially important because educational credentials held by Palestinians may be difficult to rely on.

As noted earlier (Recommendation 304.0), outside technical assistance would be provided the Technical Committee to design the tests, establish scoring standards, and determine the cut-off point (score) below which applicants will be considered not qualified for a position.

**602.1 A three-person selection committee shall be created according to criteria specified by the Steering Committee. One member shall be from the ministry recruiting for the vacancy; the other two members shall be from two other ministries and should be technically qualified in the subject requirements of the vacant position, and should be from a position at a higher grade level or at the same grade level as the vacant position. A representative of the CSA shall convene the committee, provide it necessary logistical and administrative support, and assure that personnel actions are in compliance with all standards, regulations**

and procedures. The **CSA representative shall not have a vote in the selection of qualified candidates.**

- 602.2 Within three weeks of the closing date for the submission of applications, all required test examinations must be completed and the selection committee shall have **selected the four most qualified candidates** for the vacant position.
- 602.3 Within two weeks of this first-round selection, the CSA will (a) **check the references** of the candidates according to criteria approved by the Steering Committee and (b) **interview all four candidates** according to formats and guidelines approved by the Steering Committee.
- 602.4 The selection committee shall forward to the hiring ministry the names and files of the **three most qualified candidates, along with the suggested entry grade level for the new appointment. Candidates shall not be ranked.**
- 602.5 **The hiring ministry shall select its preferred candidate**, providing a written justification for its choice.
- 602.6 Concurrence of the MOF is required if the ministry proposes a higher grade level than the one proposed by the selection committee. (Positions will normally be given a two-grade range.)
- 602.7 The hiring ministry shall arrange with the Ministry of Health for the selected candidate to take a medical examination, if such an examination is required. If the candidate does not pass the examination, the hiring ministry shall arrange for its second (or third, if required) candidate to take the medical examination.

The Steering Committee, with the advice of the Ministry of Health, must approve the items to be included in the medical examination.

#### **E. RECOMMENDATIONS RELATING TO FORMAL APPOINTMENTS**

- 603.0 The CSA shall issue the new employee his or her **official appointment papers**. They shall include the terms of the appointment (position, grade and starting salary), starting date, probation period, and an annex covering duties, standards and ethical behavior required of all government employees.
- 603.1 An appointment shall not take effect until the CSA, a representative of the employing ministry, and the new employee sign the appointment papers. The Technical Committee, through the Steering Committee, shall provide the CSA a standard form to be used for this purpose.
- 603.2 The CSA and MOF shall immediately enter the new employee's personal, position, and related budget information in their respective data bases.

**F. RECOMMENDATIONS ON A NEW EMPLOYEE'S INITIAL ORIENTATION AND TRAINING**

**604.0** Each ministry shall provide its new merit-selected employees with a **basic orientation** to the ministry, the ministry's purpose, its organization, the particular office to which the employee is assigned, the work of the employee, and other information helpful to the employee and ministry.

**604.1** **Employees newly assigned to either supervisory or management responsibilities are required to participate in a mandatory training program** on supervisory and management skills. (See Chapter 7 for further information on this and other human resource development requirements.)

**G. RECOMMENDATIONS RELATING TO SKILLED AND UNSKILLED EMPLOYEES AND DAILY WORKERS**

**605.0** The CSA shall develop a roster of qualified potential candidates for skilled, unskilled and daily workers.

**605.1** Ministries shall obtain from the MOF funds-availability concurrence before recruiting and hiring skilled, unskilled and daily workers.

**605.2** With the assistance of outside experts, the Technical Committee will develop standard forms covering the appointment of these workers.

**605.3** **Individual hiring ministries shall assume full responsibility for selecting and appointing these workers.**

**605.4** The CSA and MOF shall enter into their respective data bases sufficient information on these workers to permit the CSA and MOF to prepare their annual reports and other analyses on personnel and budget matters.

**H. RECOMMENDATIONS ON POLITICAL APPOINTEES, EMPLOYEES IN THE PRESIDENT'S OFFICE, AND GOVERNMENT EMPLOYEES NOT COVERED UNDER THE CIVIL SERVICE LAW**

Information was not available on how higher-level political, policy and managerial appointments are to be handled, whether or not they are to participate in the civil service benefit programs, and which civil service regulations apply to them.

**606.0** The President's Office and its ministerial nominees are encouraged to seek AMIDEAST's assistance in preparing a PPM covering the responsibilities and benefits applicable to these "excepted" employees.

## **I. SUMMARY**

The quality of the PNA's human resources will significantly affect government's performance and successes. This is especially so for professional, technical, supervisory and managerial personnel.

To help assure that employees meet the highest quality standards, it is essential to have rigorous merit-based standards, regulations and procedures in place to define positions, recruit the most qualified candidates for them, and quickly and efficiently select and then appoint the best qualified person for a position.

This chapter listed actions to be taken in a time-sequential order, indicating who is responsible for particular actions.

Management of the civil service (personnel management) does not stop with the appointment of a new employee and the employee's first week in a ministry. Chapter 7 will consider different ways to further enhance the skills and contributions of government civil servants.

## CHAPTER 7

### PERFORMANCE MANAGEMENT

#### A. PURPOSE

Once employees are hired, how does government motivate high performers and deal with poor ones?

One response to this question is to devise and install performance-management programs that have a single objective: To improve individual and organizational performance.

According to a recent U.S. Government report of the (Vice President's) National Performance Review, "...informed observers ... agree that **(1) there is insufficient empirical evidence that pay for performance programs are effective, and (2) variable pay or bonuses are superior to base pay adjustments for improving employee performance.**" (National Performance Review, p. 36, emphasis added.)

An OECD study found "that **the majority of countries do not rely on performance factors for determining public managers' pay rates, and few countries require a formal linkage between pay and performance.**" (Wise, p.216, emphasis added.)

Closer to the PNA, a 1985 report found that "**In no Arab country do there exist systematic performance and productivity standards in the public service to which a system for individual and organizational incentives can be related.**" (Jreisat, as reported in Ayubi., p.34, emphasis in bold type added.)

A recent World Bank study reported that "the practical argument against performance pay stems from its costliness and management-intensiveness." (Nunberg, p.36)

Given the above, it is not surprising that some successful (as well as unsuccessful) civil service systems do not stress performance in determining employee pay. Furthermore, many countries (e.g., Spain, Italy and Denmark) do not provide much opportunity for individual career mobility from one tier of the civil service structure to another.

Existing PNA civil service procedures seem to assume there will be little career mobility, and no written procedures apparently exist on how actually to evaluate performance. Employees on initial probationary status are to be evaluated, and provisions allow for employees to be dismissed. Written regulations and procedures for handling both cases may exist, but they are certainly not well known either to personnel specialists or to the civil servants interviewed for the present report.

Merit systems can, unfortunately, protect employees from performing even at a minimally satisfactory level. Civil servants have life-time tenure. They have little incentive to assuming

greater responsibility, improving their performance, or doing anything other than take up space. Instead of being dynamic learning organizations, civil service systems can be costly, static forces that become part of a country's development problem rather than part of its solution.

If this appears to be a dismal assessment of the opportunities and success of performance management programs, the alternatives can be even worse. **Appointments, promotions and awards could be based on seniority, patronage, cronyism, and nepotism.**

The PNA (as well as other countries) needs something to protect the integrity of its merit system and to encourage improved individual and organizational performance. To this end, the present chapter has two purposes:

- 1) Propose simple, easy-to-manage procedures to evaluate employee performance and to identify those to be selected out of the civil service.
- 2) Building on simple performance-evaluation systems, to propose a human resource development program that will help improve organizational performance through monitoring and improving the performance of managers and supervisors.

## **B. RECOMMENDATIONS FOR A PERFORMANCE-EVALUATION SYSTEM FOR PROBATIONARY, TECHNICAL AND PROFESSIONAL EMPLOYEES**

**700.0** Each immediate supervisor of an employee on probation shall rate the employee half-way through the probationary period and three weeks prior to the end of this period. **The evaluation form shall include two categories: (1) met expectations, (2) unmet expectations.** The expectations refer to the duties and responsibilities laid out in the employee's position description, as well as other specific duties as may have been assigned.

**700.1** The supervisor shall **counsel the employee at the mid-term**, providing directions and assistance on how the employee may improve his or her performance.

**700.2** The supervisor's own immediate supervisor must concur in and comment on both the mid-term and final evaluations.

**700.3** **Employees rated as not having met expectations at the end of the probation period shall be separated from the civil service. This management decision is not subject to appeal.**

**700.4** A ministry's Department of Administration and Personnel shall be responsible for assuring this rating is completed on time and in accordance with procedures and standards. The evaluation forms, to be designed by the CSA through the Technical Committee and Steering Committee, are to be placed in the employee's official personnel file.

- 701.0** Each immediate supervisor of a tenured employee in a technical or professional position shall rate the employee annually. The evaluation form shall include two categories: (1) met expectations, (2) not met expectations. The expectations refer to the duties and responsibilities laid out in the employee's position description, as well as other specific duties as may have been assigned.
- 701.1** Whether or not an employee is rated as having met expectations, the employee's immediate supervisor shall counsel the employee at least twice a year on how the employee can improve his or her on-the-job performance.
- 701.2** The supervisor's own immediate supervisor must concur in and comment on the yearly evaluation given to employees in their division.
- 701.3** Any technical or professional employee evaluated as not having met expectations for any two out of any four consecutive years shall be separated from the service.
- 701.4** A ministry's Department of Administration and Personnel shall be responsible for assuring this rating is completed on time and in accordance with procedures and standards. The evaluation forms, to be designed by the CSA through the Technical Committee and Steering Committee, are to be placed in the employee's official personnel file.

### **C. RECOMMENDED PERFORMANCE-EVALUATION SYSTEM FOR SUPERVISORS AND MANAGERS**

Performance evaluations will be implemented by and for those with responsibility for assuring both the performance of employees and the organizational outputs and performance of an office.

**All supervisors and managers will have their performance evaluated annually; all except first-line supervisors will be rating officers and reviewers of ratings prepared by supervisors and managers who report to them.**

This evaluation process will involve only a minority of all government employees, but the targeted cadre have the greatest responsibility for the success of government in general and their ministries in particular.

As noted earlier (Recommendation 604.1), **all supervisors and managers would receive training to help them meet the expectations set for them.** The content of this training and how it relates to the criteria used in performance evaluation will be addressed below.

**702.0** With the assistance of outside experts, the Technical Committee shall design a program that will on a continuing basis provide **training to improve supervisory and managerial skills** of employees with such responsibilities.

**702.1** All supervisors and managers are required to attend at least one such training course per year.

**702.2** It is expected that the training will cover such topics and skills as:

- Scheduling office and one's own time and work.
- Team-building.
- How to run meetings and appointments.
- Use of administrative and other office support staff.
- How to manage for performance, including establishing office and individual employee output targets.
- How to assess and measure performance.
- Knowledge and skills in dealing with poor performance.
- How to give to and receive feedback from subordinates and colleagues.
- How to award and discipline subordinates.
- How to deal with other ministries and the public.
- How to develop other skills relevant to the criteria used in the performance evaluation system for supervisors and managers.

**703.0** The CSA shall be responsible for obtaining the training to be provided supervisors and managers.

**703.1** CSA's budget, supplemented in part by each ministry's own training budget (see Recommendation 206.0) shall include funds for this training.

**703.2** To help assure that training is demand-driven and relevant (rather than primarily reflecting the interests of institutions and experts supplying the training), the Technical Committee, with the assistance of outside experts, will instruct the CSA and personnel officers in individual ministries on how to identify and describe skill and performance deficiencies, how to formulate learning objectives, how to design curricula and specify the most appropriate pedagogical approach to achieving objectives, how to incorporate the above considerations in a contract for training provided by trainers either inside or outside government, and how to manage a training course and evaluate the results that it has had on the supervisors and managers taking the training.

**703.3** The CSA, in cooperation with the MPIC and Ministry of Education, shall identify and make widely known relevant skills-training opportunities for all civil servants (not just supervisors and managers).

**704.0** With the assistance of outside technical experts, the Technical Committee shall develop a **simple form to evaluate the supervisory and managerial skills and performance of supervisors and managers**. Along the lines of topics covered in Recommendation 702.2 above, it is expected that the performance evaluation form will include two categories, met expectations or not met expectations, relating to relevant position descriptions and specific assignments, and topics such as:

- Develops and implements departmental goals, programs and projects.
- Develops administrative and control budgets.
- Assists supervisors in formulating programs and policies.
- Assigns and supervises subordinate personnel.
- Selects, evaluates and trains subordinate personnel.
- Communicates and coordinates with other departments and with other ministries.
- Communicates and coordinates with the public and outside groups.
- Prepares and presents oral and written reports.
- Assures maintenance and care of facilities, equipment and supplies.
- Develops, applies and enforces work policies, rules and procedures.
- Attends work regularly and is punctual.

**704.1** The supervisor's or manager's immediate supervisor shall complete the performance evaluation. The next higher manager or supervisor (as appropriate) must concur in the rating.

**704.2** Ratees will have the opportunity to present a written response to their ratings.

**704.3** Supervisors or managers receiving "not met expectations" ratings on any one-fourth of the evaluation criteria in a single year shall be counseled on how to improve performance and also be required to participate in training programs to improve the identified deficiencies.

**704.4** Supervisors and managers receiving "not met expectations" ratings on any one-fourth of the evaluation criteria in any two out of any four continuous years shall be demoted or separated from the service, based on recommendations of a panel organized in the same manner described for selection committees.

#### **D. AWARDS AND PRIZES**

**705.0** On behalf of the President, the CSA shall develop a **national awards program** that provides medals of excellence to supervisors and managers who placed within the top 10% of ratees two years in a row. Supervisors of these award winners are excluded from the decision on which employees will receive medals.

## E. SUMMARY

Merit principles apply not just to the recruitment and appointment of employees. They also apply to evaluating their performance

Recruiting the best and brightest does not assure that these employees will perform well. **Performance in government is an organizational trait, not just an individual one.** Although it is not feasible to assess organizational performance on a regular basis, it is possible to **evaluate how well supervisors and managers organize and work with their subordinates on team or organizational tasks and objectives.**

Given the limited resources and skills available for a performance-management program, it is essential that the evaluation system be simple to administer and easily understood. It is also essential and fair to provide training to employees on the skills for which they will be evaluated. Even without a skeleton performance management program, such training can make an important contribution to human resource development in the PNA civil service.

Very simple rating schemes will be developed and implemented for probationary, technical and professional staff, as well as for supervisors and managers. The minimal performance management approach proposed in this chapter will help assure the integrity of the merit principles on which the PNA civil service is based.

## CHAPTER 8

### INVOLUNTARY SEPARATIONS, GRIEVANCES AND APPEALS

#### A. PURPOSE

The PNA will need to replace the culture of control and distrust that characterized some portions of personnel administration during nearly 30 years of occupation. The new culture must include regulations and procedures that **protect employees under merit-based appointments against arbitrary actions** by supervisors and managers. Civil servants will need to have their rights as well as their responsibilities specified, but these **rights must be stated in ways that protect the public and preserve management's ability to meet its responsibilities**. Rights are mutual.

The present chapter has two purposes:

- 1) Clarify employee and management rights and protections.
- 2) Recommend grievance and appeals procedures that protect employees and preserve merit principles.

#### B. RECOMMENDATIONS ON DISCIPLINARY PERSONNEL DECISIONS

Management should not have to wait for a series of simplified annual performance evaluations to take personnel actions supportive of the civil service. The PNA should recognize that **management has the right and obligation to penalize, transfer, demote or dismiss errant or poor-performing employees**. Civil servants do not have an unrestricted right to lifetime employment.

Civil service personnel procedures need to **specify what negative actions against employees can be taken** and the conditions under which such actions are authorized. Equally important, it is necessary to design a system, including an appeals process, that **reduces to a minimum the bureaucratic obstacles to management's use of sanctions exercised judicially, fairly and with dispatch**.

The current PPM in use in Gaza partially addresses these matters. However, definitions of "disciplinary contraventions" seem overly vague, and it appears that only the employee's supervisor has the authority to create a committee to investigate cases involving an employee's dismissal. (More complete information from the PPM may show that this is not the case.) While again recognizing some redundancy with the existing PPMs, it is recommended that standards and procedures be more clearly stated.

**800.0** No removal shall be made from any tenured (regular) position under the merit civil service, except for **just cause and upon written charges** filed with the relevant ministry's appointment (personnel) officer-in-charge. The accused employee shall

**have full notice of the proposed action and an opportunity to make defense against it.**

800.1 The basis for dismissal and other negative personnel actions include:

- Poor performance, per Recommendations 700.3, 701.3, and 704.4.
- Failure to meet general requirements applicable to all employees, per Recommendations 201.5 and 201.7.
- Engaging in other prohibited actions, as set forth in Recommendation 202.
- Evidence of fraud, waste, abuse or mismanagement.
- Actions that adversely harm the efficiency of the civil service.
- Conviction of a criminal offense.
- Providing false information relating to the employee's recruitment and appointment.
- Engaging in a strike, work stoppage, or a work slowdown.
- Taking any five days of unauthorized leave during a single calendar year.

800.2 Supervisors must justify the adverse personnel action with **written documentation providing substantial evidence** on the subject employee's deficiencies.

800.3 Supervisors must **give employees charged with poor performance 25 days to correct their deficiencies** before any disciplinary action takes effect.

800.4 Supervisors must provide employees to be punished with **20-days notice of intent to demote, dismiss or to be subject to other punishment.**

800.5 Supervisors may reprimand their subordinate employees, but only an authorized ministerial personnel officer may authorize a negative personnel action.

### **C. RECOMMENDATIONS ON GRIEVANCES AND APPEALS PROCEDURES**

The PNA must harmonize its labor and civil service laws. It must also assess its obligations, if any, under the right-to-organize provisions in the ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), as well as the ILO's Labour Relations (Public Service) Convention, 1978 (No. 151).

801.0 An employee making an appeal on a personnel action must **first submit the appeal to the Director General of Administration and Personnel within the employee's ministry.** The Director must act on the appeal within 15 days of receiving it.

801.1 With the approval of the Steering Committee and the advice of appropriate legal advisors and the Technical Committee, the CSA shall establish an **Appeals Board**

**with standards and procedures governing employee appeals** to both the employee's own ministry and to the Appeals Board.

801.2 Hearings before the Appeals Board and the report of the Board shall cover, at a minimum, a statement of the issue being appealed, a statement of the facts involved, positions (charges and defenses) of the parties involved, and the Board's decision.

801.3 **The Appeals Board may override or modify a proposed disciplinary action** and also reinstate an employee.

#### **D. LAWS SUPPORTIVE OF A REDUCTION IN FORCE**

Given the large backlog of infrastructure and service needs in the West Bank and Gaza, it is likely that the PNA will be adding new employees to its civil service. However, the lack of predictable levels of revenues could force an occasional reduction-in-force (RIF) -- i.e., involuntary separations. This possibility may require that the legal basis for such actions be adopted in the near future. (The Gaza PPM section on "termination due to curtailment" is unclear regarding RIFs. If that section is relevant, then it warrants elaboration, as recommended below.

802.0 A legal basis should be established to handle unexpected budget shortfalls to cover PNA personnel costs. This basis should include provisions for, among other things:

- Mandatory hiring freezes.
- Mandatory unpaid leave.
- Early retirement incentives.
- Involuntary separations.

#### **E. SUMMARY**

Some civil service procedures used during the occupation may not be appropriate under a new democratic, self-government order. Certainly the top-down control mentality with which personnel administration was handled does not fit well in today's PNA. A top-down, control culture allows for arbitrary behavior that can weaken the merit principles on which the PNA is establishing its civil service system.

Today's new evolving democracy calls for clarifying mutual employee-management rights and the establishment of procedures to protect employees against arbitrary actions unrelated to merit principles. The suggestions provided in this chapter do not, of course, address the detailed design and implementation of these procedures. The separate PPMs being used today in the West Bank and Gaza provide many of these details. The next chapter provides suggestions on how to reconcile the two sets of PPMs, fill gaps in them, reduce regulations, and build a civil service system that helps ministries to meet their objectives and responsibilities.

## CHAPTER 9

### STEPS IN PREPARING A PERSONNEL PROCEDURES MANUAL

#### A. PURPOSE

This chapter has a single purpose:

- Recommend steps the PNA should take to prepare a unified PPM that is based, as appropriate, on reconciling differences between the PPMs currently used in Gaza and the West Bank.

It was anticipated that the present report would include a draft, unified PPM. This was neither possible nor appropriate. It was not possible for three reasons:

- 1) Roles, responsibilities and authorities have yet to be clearly specified with regard to the two independently operating CSAs. Working and authority relations with client ministries also need clarification.

Good working relationships and a sense of common ownership of a unified PPM will contribute to the creation and successful operation of a civil service system.

- 2) The form and language used in the current PPMs (at least the one for Gaza) are not reader and user-friendly. They seem to have been written by lawyers for lawyers, not for supervisors and managers who must understand the rules, employees who need guidance on personnel matters, and personnel specialists responsible for the daily processing of personnel actions.
- 3) The existing PPMs assume that an appropriate legal base exists for a merit civil service and, also, that there are rules defining the creation of the structure (positions and grades) of the service. The present report provides recommendations on creating this legal and institutional infrastructure.

This does not mean, however, that the development of a unified PPM should be delayed. Work on the PPM can identify issues to be considered in building the institutional infrastructure.

#### B. RECOMMENDED STEPS IN DEVELOPING A UNIFIED PPM

The strategy proposed to develop a draft, unified PPM will build the competencies of ministry personnel specialists and a sense of their ownership of the manual through the following sequentially-ordered steps.

- 1) The PNA needs to resolve the apparent confusion over the leadership of the new civil service administration. It would certainly help to have a dynamic

leader who is respected by all participants in personnel administration, is able to forge good working relations with these participants, is not seen to be an advocate of the current or proposed approaches of either the West Bank or Gaza CSAs, and is able to address the many, larger policy and management issues covered in the present report.

AMIDEAST or USAID might wish to arrange a short observation tour for this important official so that lessons can be learned from other countries.

- 2) **Create both the Steering Committee and the Technical Committee**, as recommended in Chapter 2.
- 3) **Prepare the first of two charts, each with five columns:**
  - Col. 1 lists headings and sub-headings for the categories of actions covered in the separate PPMs currently in use in the West Bank and Gaza, as well as perceived gaps in coverage (including those identified in the present report).
  - Cols. 2 and 3 include the actual wording used in the respective PPMs for these headings.
  - Col. 4 clearly state the differences, if any, between the two sets of wording.
  - Col. 5 would be filled-in later with the proposed new wording and, as appropriate, the justification for it.
- 4) **Prepare Chart 2 using the same cols., but:**
  - **Simplify the language used in the current PPMs.** Clarity is needed in order to identify exactly what is being compared in cols. 2 and 3.
  - **Use charts and flow diagrams** where appropriate -- e.g., to how the full array of leave days for the full array of different tenure categories of employees; a flow chart that displays the steps required for an action -- who does what and when with a particular personnel action or piece of paper.
  - In addition to simplification and rewording, the expert(s) should provide some **model examples of how a completed section in the PPM might look.** The section might include, for example, (1) a statement on the purpose of the section, (2) legal authority for the section, (3) definitions, (4) action officers, etc.
  - AMIDEAST could immediately initiate the work called for under Steps 3 and 4.

5) Provide members of the Technical Committee (and appropriate staff members from the two CSAs) a **minimum one-week training course** covering, among other topics, the following:

- The purpose of civil service systems and administration.
- Policies and management issues related to these purposes.
- Purpose of and different ways to structure a PPM.
- Criteria to determine whether to exclude or include an item in a manual.
- How similar technical committees operate in other countries.
- How to work in and contribute to a team.
- Appropriate wording of procedures to be included in a PPM (e.g., use of simple imperative statements).
- Operating procedures and individual responsibilities for the Technical Committee and sub-committees within it.

6) At the first working meeting of the Technical Committee, appropriate sub-committees would be formed and specific sections of the manual assigned to them. Each sub-committee would:

- Receive an orientation on the purpose of their particular section.
- Sub-committee members would report/document their experiences with the particular items, as well as interview colleagues on their experiences with them. Attention would be given, for example, to how the paperwork for the items flow, what use is made of the information, and how this information/action is relevant to the overall purpose of the civil service. Also, lists of personnel actions would be prepared in response to questions, such as: What do you do when ...?
- Evaluate the items in the Chart created in Steps 3 and above according to criteria established by the larger Technical Committee.
- Do the same for items that fill gaps in the Chart (along the lines suggested elsewhere in this report).
- Recommend alternative wording for items to be retained, and recommend items that should be dropped. It would also be helpful to estimate the number of civil servants affected by the items and which forms involved in particular procedures should be computerized.
- Recommend what technical assistance and training should be supplied to help implement the proposed procedures.

- 7) **The Technical Committee as a whole would review, revise, approve or reject the recommendations of the sub-committees. Individual sub-committee reports would be reviewed as they are completed.**
- 8) **The final PPM would be presented to the Steering Committee for its action and subsequent adoption by the PNA.**

## CHAPTER 10

### IMPLEMENTATION SCHEDULE

#### A. PURPOSE

This chapter has one purpose:

- Provide a time line for the initiation of technical assistance programs to help the PNA implement the recommendations set forth in chapters 2 through 9.

Note that the purpose only refers to the "initiation" of programs, not their duration, significant milestones and deliverables. The life of a program will depend on how fast PNA cooperating agencies are able to complete their tasks and how many of these tasks the Steering Committee wishes AMIDEAST to complete in draft form. AMIDEAST could assume a fair amount of technical staff responsibilities as a way of helping the two committees complete their work in a timely fashion.

In order to provide the most appropriate assistance, it will be necessary for AMIDEAST to prepare clear, complete and targeted scopes of work, and then to identify experts to execute these scopes. Brief note will be made to how AMIDEAST should structure these scopes.

#### B. SCHEDULE OF TECHNICAL ASSISTANCE STARTS

Although these starts are listed in chronological order, some can be initiated simultaneously and quickly.

##### 1) Help Establish and then Assist the Steering Committee

With instructions provided by members of the Steering Committee, **AMIDEAST could prepare a draft agenda for the Committee's initial meeting.** This agenda would include:

- a) Acceptance of and comments on the present report.
- b) Acceptance and establishment of a work program and mode of operations for the Committee, the Technical Committee, the CSA, and the participating ministries.
- c) Appoint the members of the Technical Committee, set the time for its first meeting, propose its agenda, and propose AMIDEAST's role with regard to the Steering and Technical Committees.

2) **Familiarization Tour for the Director of the CSA**

This could be initiated as soon as the Director is appointed. It is proposed that the itinerary and program be organized by the National Association of State Personnel Executives (NASPE), an organization associated with The Council of State Governments, a U.S.-based group that also has an office of international affairs.

Both NASPE and the Council could be important sources of technical expertise for AMIDEAST's Institutional Development Project.

AMIDEAST would work with the NASPE in setting the objectives of and schedule for this learning program.

3) **Begin Drafting Laws on the Civil Service**

It is anticipated that the members of the Technical Committee will wish to review these draft laws as quickly as possible. But the **Committee members are unlikely to be experts in drafting legislation**. On the other hand, legal experts are unlikely to have policy expertise relevant to the purposes of the laws that are to be developed.

The Steering Committee would be invited to establish a working (**drafting**) **group consisting of legal advisors** from ministries and from outside government to work with the Steering Committee and AMIDEAST on drafting laws that:

- Establish the civil service (200).
- Establish merit principles (201).
- State the basic obligations of employees (202) and prohibited personnel actions (203).
- Establish the CSA (204 and 205).
- Provide permissible negative personnel actions against employees (800) and a process allowing employees to appeal such actions (801).

To facilitate this work, AMIDEAST would:

- a) Obtain copies of comparable laws used in other countries and model laws used by state governments in the U.S.
- b) Retain for the Steering Committee and its working group an outside legal expert on such laws.
- c) Retain a Palestinian lawyers to work with the outside legal expert, the working group and the Steering Committee in completing different laws (that would, in due course, also be reviewed by the Technical Committee).

4) **Chart Differences Between the Two PPMs, and Prepare a Draft Simplified, User-Friendly, Unified PPM**

This work should begin immediately (or as soon as possible) so that the Technical Committee can begin its work.

AMIDEAST would retain an expert to complete this work as soon as possible. To this end, it may be necessary to translate the manuals into English. And for the benefit of the Technical Committee, AMIDEAST could obtain copies of model manuals from other states and jurisdictions (again drawing on the NASPE and similar professional associations).

5) **Help Establish and then Assist the Technical Committee**

The Committee could be initiated as soon as Step 4 is completed.

The Steering Committee members would attend this first meeting and provide the Technical Committee with its terms of reference, procedures, and overall agenda and schedule. This would be done on the first day of a week's workshop organized by AMIDEAST and covering the topics mentioned in Chapter 9, Step 5.

Subsequently (and for as long a time as needed) the Technical Committee and its sub-committees would:

- a) Prepare a unified PPM, following the steps described in Chapter 9.
- b) Develop criteria for preparing position descriptions, and then draft such descriptions according to Recommendation 303.
- c) Develop criteria for assigning grade levels, and then make actual assignments according to Recommendation 307.
- d) Develop tests to examine applicants for positions (Recommendations 304 and 602).
- e) Develop and test the performance evaluation systems and forms mentioned in Recommendations 700, 701, and 704.
- f) Building on these systems, develop guidelines for counseling employees (e.g., Recommendation 700.1).

AMIDEAST would provide the Technical Committee with a technical expert for these various tasks.

**6) Develop and Implement Training Programs for Supervisors and Managers**

Although this is listed as the sixth start, it could be initiated much sooner. AMIDEAST would draw on international experts for the design and implementation of a model pilot program within the next four to five months.

As noted in Recommendation 703.2 (also 604.1 and 702.0), a needs assessment (looking at required occupational skills and organizational deficiencies) should precede the design of the course.

There are Arab-speaking, private-sector management-consulting and training firms who have completed similar assessments and program designs for USAID missions in the Middle East (e.g., Yemen), and these firms have training methods and materials that could be readily adapted and adopted for the present training.

Members of the Technical Committee would observe the training and build on its results in supporting a continuing program of PNA-wide training.

**7) Other Tasks:**

The above six starts do not exhaust the work to be initiated in response to recommendations in this report. For example, as time and circumstances allow, the Steering and Technical Committees, assisted by AMIDEAST, would:

- a) Begin work on the analytical agenda and computerization of data bases on personnel (CSA) and financial information (MOF). For example:
- Computerization of the data bases mentioned in 205.6 and 206.4.
  - Design and implement a fair-comparison salary survey (400).
  - Design and implement the financial/economic models covered in 401, 404 and 605.4.
  - Assist in preparing different forms (e.g., 206.3, 603, and 605.2).
  - Develop standards and procedures to determine the equivalence of different university degrees (305).
  - Develop the clearing house for information on relevant training opportunities (703.3).
  - Design the procedures to appeal decisions that the CSA makes on position descriptions and grade levels (600.3).
  - Design and test programs that Ministries would use to orient their new employees (604), an activity that could begin early in the development process.
  - Design and test an organizational performance audit (703.3).
  - Develop laws and PPMs for employees excepted from the civil service (606), and skilled, unskilled, and daily workers (301).

- b) Finally, but very importantly, develop and implement programs to assist the CSA and MOF in meeting their new personnel administration responsibilities.

### C. STRUCTURE OF A SCOPE OF WORK

It is beyond the terms of the present assignment to prepare the many specific scopes of work for the technical assistance AMIDEAST would provide for each of the six steps above, as well as the other tasks included in the overall program to strengthen the civil service system.

The quality of technical assistance relies heavily on the definition of the problem being addressed, the tasks to be performed, and the qualifications required of the technical experts. Some international development agencies specify the structure to be used in preparing scopes of work. AMIDEAST should consider using the following format and to seek the Steering Committee's comments on the completed scope before retaining an outside technical expert.

- 1) **Background:** A brief description of the PNA, the Institutional Development Project, and civil service administration in the PNA. (This can be boilerplate common to all scopes of work.)
- 2) **Problem:** Identify the problem that the expert is to address.
- 3) **Objective (or Purpose):** What the expert is to accomplish to help solve (part of) the problem -- e.g., a law that clearly states the roles and responsibilities of a particular government agency.
- 4) **Specific Tasks:** If possible, intermediate steps, outputs, approach, or components should be identified -- e.g.,
  - a) Criteria to be used in grading a position will be described.
  - b) At least four position-specific examples per position will be provided.
  - c) Three examples will be provided on how to grade positions that fall between two already-classified positions.
- 5) **Deliverables:** For example, how many copies of a report and in what language will be delivered to whom; frequency of briefings; prepare draft report before departing the country.
- 6) **Relationships:** For example, the consultant shall take technical directions from Mr. Smith, and will work closely with the Steering and Technical Committees.

- 7) **Qualifications:** For example, at least 10 years experience preparing simplified position descriptions for a government agency; wide familiarity with the approaches to preparing such descriptions in other governmental jurisdictions...
- 8) **Term of Assignment:** When expected to start, and length of assignment.
- 9) **Logistical Support:** Support services AMIDEAST and the PNA will provide, and where the expert will work.
- 10) **Budget:** Should be as detailed as possible in order to facilitate salary negotiations with the technical expert.

## **CHAPTER 11**

### **SUMMARY OF REPORT**

This report recommended specific actions to:

- 1) Establish a civil service law (Recommendation 200.0)
  - Based on merit principles (201.0),
  - Basic employee obligations (202.0), and
  - Prohibited personnel actions (203.0, 800.1 and 801.0).
- 2) Legally define the roles, responsibilities and authority of a unified CSA under the Office of the President, Ministry of Finance (MOF), and client ministries of the CSA
  - Providing the Presidentially-appointed Director of the CSA with a tenure-protected two-year renewable term (204.0),
  - Centralizing oversight and other responsibilities in the CSA (205.0),
  - Assigning budget-related clearance, guidance and analytical responsibilities to the Ministry of Finance (MOF) (206.0 and 401.0, 404.0), and
  - Shifting basic operational responsibilities to line ministries (207.0).
- 3) Create temporary mechanisms to guide the CSA in meeting its important responsibilities, to firmly establish its legitimacy, and to gain the cooperation and support of the ministries it serves through
  - Appointing the Ministers of Justice, Finance, and Planning and International Cooperation to a Steering Committee (204.1), and
  - Establishing a Technical Committee of personnel specialists to advise the Steering Committee and the CSA (204.2).
- 4) Establish the structure of the civil service through a program to prepare position descriptions and assign them grade levels (302.0 through 307.0).
- 5) Help the PNA to use well-accepted fair-comparison surveys to update and adjust the civil service salary structure (400.0).
- 6) Provide fiscal discipline over personnel budgets, the creation of new positions, new appointments, work hours and regulations on leave (206.0, 500.0, 501.0, and 600.0).

- 7) Efficiently, effectively and quickly manage the recruitment, selection and appointment of the large number of new civil service employees who will be hired in the years ahead (600.0 through 606.0).
- 8) Improve organizational and employee performance, especially the performance of supervisors and managers (208.0, 700.0, and 705.0).
- 9) Establish and protect the mutual rights of employees and management (800.0 through 802.0).
- 10) Specify steps to be taken in preparing a unified PPM through a mechanism that improves the technical capabilities of personnel specialists who will have daily responsibility for processing personnel actions (Chapter 9).

These and other recommendations are organized under major headings in the annex to this report. Chapter 10 suggested a schedule for implementing the recommendations.

Much more could have been included in the report. However, the lessons of international experience guided the recommendations. They are realistic, modest, and based on priorities explained in the body of the report. The length of the report is deceptive, for it includes the institutional analysis on which many recommendations are based.

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## ANNEX

### SUMMARY OF RECOMMENDATIONS

Numbers in parentheses refer to the specific recommendations in the body of the main report.

- 1) **HIGH ORGANIZATIONS HAVE WHAT PERSONNEL ADMINISTRATION RESPONSIBILITIES?**
  - 1.1 A strong central **Civil Service Administration (CSA)** is established under the Office of the President with responsibilities for establishing personnel policies, standards and procedures, as well as responsibility to provide important government-wide services to all ministries. (205)
  - 1.2 The **Ministry of Finance (MOF)** has parallel responsibilities for assuring fiscal discipline, including instructions on preparing personnel budgets, justifying new positions, designing payroll and other forms, requiring a funds-availability clearance before a new employee can be hired, and controlling overtime and premium pay. (206, 500 and 600)
  - 1.3 **Individual ministries** will have significant operational responsibilities, including the preparation of position descriptions and designing their own training programs. All such actions must be in accordance with **CSA guidelines**.
- 2) **WHO WILL SUPERVISE THE CSA AND THE DEVELOPMENT OF THE CIVIL SERVICE SYSTEM DURING THE TRANSITION PERIOD?**
  - 2.1 A **Steering Committee** consisting of the **Ministers of Justice, Finance, and Planning and International Cooperation** will direct and approve civil service development activities and the CSA until such time as the Committee decides that the CSA should assume its full responsibilities under the new system. (204.1)
  - 2.2 A **Technical Committee** consisting of the **Directors of Administration and Personnel** within individual ministries, as well as CSA personnel specialists acting on an equal basis with the other committee members, has major responsibility for developing new rules, standards and procedures. This **advisory committee** to the Steering Committee will develop the skills and capabilities of personnel specialists in the course of addressing the recommendations in the present report. (204.2)
  - 2.3 **AMIDEAST** and other outside specialists will provide the **technical assistance and training** the Steering and Technical Committees will need over the next three years.

3) WHAT LAWS ARE REQUIRED TO LAY THE BASIS FOR THE NEW CIVIL SERVICE?

- 3.1 One law will establish the civil service and indicate which employees are covered under it.
- 3.2 Other laws will state that the civil service is based on **merit principles**, these principles will be defined; **basic obligations** of civil servants will be listed; forms of **disciplinary actions** and the basis for them will be stated; and provisions will be provided to **protect civil servants** from personnel actions contrary to merit principles. (201, 202, 203, 800 and 801)
- 3.3 The **CSA** and its roles, responsibilities and authority will be established in law. The **Director** will be appointed by the President but given some independence through receiving a **two-year, tenure-protected renewable term of office**. The Director's responsibilities are specified. (204 and 205)
- 3.4 The personnel-related roles, responsibilities and authorities of the **MOF**, other ministries and government institutions will also be stated in law. (206)

4) WHO WILL PREPARE THE UNIFIED PPM AND HOW WILL IT BE DONE?

- 4.1 The **Technical Committee**, assisted by **AMIDEAST** and other outside experts, will prepare a chart comparing specific features in the existing manuals, fill-in gaps, and use a format that will produce a single, simplified, reader-friendly manual. (Chapter 9)

5) WHAT AND HOW WILL POSITION DESCRIPTIONS AND GRADING SYSTEMS BE PREPARED?

- 5.1 With the assistance of outside experts, the **Technical Committee** will define **standards and formats** for simple **narrative descriptions**, and the Committee will prepare descriptions for 15 of the most heavily-populated positions, as well as descriptions of supergrade positions. Very detailed steps for this work are provided. (302 and 303)
- 5.2 The same process will be used to define **standards and procedures for grading positions**, and then the newly prepared narrative position descriptions will be graded. (307)

6) HOW WILL PERSONNEL AND ORGANIZATIONAL PERFORMANCE BE IMPROVED?

- 6.1 Priority attention will be given to **recruiting and appointing** new employees. Ministries will use an approved format for their announcements of vacant positions; **selection committees** will use specific standards and follow required steps in recommending **three unranked names** to a ministry for the **ministry's own selection of its preferred candidate**. (600, 601 and 304)
- 6.2 Very simple **performance-evaluation** forms for **technical and professional employees** will be completed and acted upon annually, including decisions on separation from the civil service. (701)
- 6.3 **Performance-evaluation efforts** will focus primarily on employees with **responsibility for the performance of offices and ministries**. Simplified evaluation forms (with the items proposed for them) will be completed annually for **supervisory and managerial employees** as the basis for designing training programs to improve their performance, to re-assign them to other positions, or to separate them from the service. (702 and 704)
- 6.4 Supervisors and managers will be responsible for preparing and implementing annual **organizational improvement plans** for their particular departments. (208)
- 6.5 **Training programs** will be initiated, including orientation programs that ministries will provide their new staff members, and, most importantly, courses on **management and supervision skills** for those with these responsibilities. (604, 702 and 703)

7) WHAT NEEDS TO BE DONE TO IMPROVE THE CSA'S AND MOF'S ANALYTICAL CAPABILITIES AND REPORTING ON GOVERNMENT PERSONNEL MANAGEMENT?

- 7.1 The CSA will be responsible for developing a **computerized personnel-information data base** and for **reporting annually** on the structure, trends and problems of government's civil service work force. (205.6 and 208.2)
- 7.2 The MOF will develop its own **financially-related personnel data base**, **report annually** on the financial status, trends and problems of the service, implement **fair-comparison salary surveys**, and develop **computer-based models to assess the implications of alternative salary scales and structures**. (206.4, 206.5, 400 and 401)