

## The challenges to sustaining public sector reform in Samoa

Desmond Uelese Amosa

School of Management and Public Administration, The University of the South Pacific

Since the mid 1990s, public sector reform has been a major part of the economic reform process in Samoa. Leading the reform were senior officials from the central departments (Ministry of Finance and the Public Service Commission) and eventually foreign assistance, mainly from the Australian Government in the form of financial resources and expertise (Amosa 2003). This foreign assistance was necessary for two main reasons: the reform was costly to implement, and it required extensive experience to manage its complexity.

At the turn of the century, the rhetoric about the reform slowed, signaling the end of the financial assistance from donors and the departure of expatriates. The enthusiasm, momentum, focus and language are no longer the same. Much of what is said now is about sustaining the reform. Interestingly, this stage does not attract as much publicity and energy compared to the earlier years—yet it is of equal importance. Hence, this paper examines how authorities of central ministries in Samoa can sustain the public sector reforms by focusing on mechanisms that are now in place, as well as suggesting several courses of action for improvement.

### Sustainability and public sector reform

The term 'sustainability' is one of the most discussed concepts in many disciplines. Its move to centre stage is largely due to the study of ecology, conservation, environment and development (Baker et al. 1997). Nowadays, the concept even features in discussions of public sector management. This is largely due to the attempt of critics of the New Public Management (NPM) model to assess its long-term role in the public sector as a substitute for the traditional approach to public administration. Sustainability in this context is usually examined in terms of institutionalising NPM ideology in the public sector (Ferlie and Fitzgerald 2002). This mainstream view also incorporates attempts to fine-tune and filter various dimensions of NPM reforms for feasibility reasons. It is consistent with the context of continuous improvement and is prevalent in small developing countries and certainly in the case of Samoa.

While sustaining the reform is critical, especially when it targets improvement in service delivery and economic performance,

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the act of doing it is no easy task. That said, several influential models could provide useful guidance. Kurt Lewin's (1951) model, which incorporates the three stages of 'unfreezing', 'moving' and 'refreezing', is widely recognised, mainly because of its simplicity. The refreezing stage captures how changes should be sustained or reinforced by ensuring that new behaviour is congruent with the individual's set of beliefs. Organisational development, which emerged in the 1970s, is another approach used in transforming and sustaining organisational culture. It suggests numerous measures for reinforcing change such as: survey feedback, sensitivity training, team building, inter-group development, and process consultation (see French and Bell 1999).

Kotter's (1995) eight-step model is highly regarded as an approach for reinforcing change. For effective institutionalisation of changes, the links between new behaviours and organisational success should be clearly articulated, coupled with sound leadership development. These suggestions are reflected in the plethora of contemporary techniques on sustaining changes. Two, in particular, are prominent. One emphasises the use of a comprehensive performance management approach that rewards desired behaviour whilst reducing old habits and mindsets through negative recognitions. The other stresses sound leadership in the form of establishing credibility; vision sharing; competencies and formulating milestones and indicators for success (for more details, see Whetton and Cameron 2005).

### **An overview of reforms in Samoa**

Public sector reform in Samoa, which was mainly funded by AusAID, has the same objectives as most other states that have undergone extensive reforms: an efficient,

effective and accountable public service with a clearly defined role. The inception of the reform was marked by the adoption of the performance budgeting model in 1995 by the Ministry of Finance, followed by an extensive reform of human resource management under the control of the Public Service Commission in 1999. Numerous initiatives were implemented by both agencies in pursuit of the objectives.

For the Ministry of Finance, changes such as performance budgeting, devolution of several financial management controls, use of output managers, six monthly budget reviews, and strategic planning were prominent features. As elsewhere, the reform aimed at improving the performance of line departments by ensuring accountability for achieving efficient and effective program results that meet social demands and expectations and contribute significantly to sound economic performance. These objectives inevitably require (amongst other things) a much stronger focus on productivity improvement throughout the public sector.

The Public Service Commission undertook an extensive human resource management reform program as an integral component of its institutional strengthening project in 1999, mainly in an attempt to shift the management of human resources in line departments to an emphasis on performance. Part of this initiative was to redefine the role of the Public Service Commission so that it became a strategic adviser on the contemporary management of human resource policies and practices to the government and line ministries (AusAID 2004). Like the financial management reform, several changes were introduced to address this performance-oriented initiative including corporate plans, fixed-term employment contracts for second-level officers, performance agreements and half-yearly performance reviews for these officers.

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### Sustaining reform in Samoa

Obviously, the reform is a quantum shift from the previous people and financial management practices in Samoa's public service. Importantly, the sustainability of these reforms demands extensive changes to the way line ministries are managed. This makes the line ministries the focal point for the success and long-term sustainability of the reform. As stressed earlier, the attention is focused on mechanisms established by central agencies as the champions of the reform to assist line agencies sustain changes. Several mechanisms are inevitable, including, capacity building, political stability, sound economic performance, education and training, ownership of the reform and continuous support.

#### Capacity building

Following the sweeping changes, several line ministries have undergone institutional strengthening projects in collaboration with the two central agencies for two main purposes. One is to advance the capacity of each ministry to recognise the fundamentals of the reform and the other is to revisit core ministry functions and to make amendments where necessary in order to minimise waste of resources, and importantly to acquire a clear direction on how the Ministry contributes to the broad objectives of the government. These projects were primarily funded from abroad (mainly Australia) and have targeted various areas such as legislation, project management, personnel management, structure, technology and information, management systems, policies, and procedures. The main purpose is to arm line ministries with the capacity to command their new roles effectively, with the ultimate intention of improving public services.

As a result, several ministries have amended their regulations, altered their

structures, reviewed their policies and procedures, and conducted extensive training for staff. These include the ministries for Agriculture and Fisheries, Customs and Inland Revenue, Health, Public Works, and Education and Justice. Some of their operations are now modified and display vast differences, but not necessarily improvement. In fact there is rarely any evidence to suggest that line ministries have consistently performed their roles above satisfaction following capacity building. A report by the Asian Development Bank (ADB 2002) on hardships, identified public services such as education, health, communication, roads, and water supply as the poorest in terms of quality of delivery (ADB 2002:10). In addition, a World Bank report on governance identifies a decline in government effectiveness (which incorporates public service delivery) from around the 70th percentile in 2000 to the 60th percentile in 2006 (World Bank 2007). Perhaps what has been established so far is a sound knowledge of the reform's underpinning principles but whether it is being put into practice is unclear. The situation in Samoa reflects the words of Whetten and Cameron: 'The problem, of course, is that what is known is not always the same as what is demonstrated' (2005: 2).

#### Education and training

In the attempt to ensure conformity and acceptance of key principles of the reform, both ministries leading the reform have conducted extensive training and educational activities with line ministries. The Ministry of Finance, for instance, provides training to raise the awareness of line departments about the scope and content of changes and anticipating the impacts on the management of financial resources. This training is normally in the form of 'budget refresher workshops' and a series of circulars from the Ministry of

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Finance. In addition, a Chief Accountants' forum has been established to facilitate discussions between the Ministry and the chief accountants of line ministries regarding ways to improve management of budgetary allocations and other performance and financial requirements.

The Public Service Commission has pursued similar avenues. One focuses on developing professionalism and the potential of senior and middle managers to use the concept of 'action learning'. This training is addressed by several initiatives but in particular the Executive Development Program (EDP). The EDP is scheduled over 12 months with the primary objective of enhancing professionalism among the top echelon of the civil service. The other measure concerns the development of a 'capability plan' that identifies critical skills that are needed by the ministry and ways sought to redress these skills. In addition, line ministries are now in control of the design of their own training programs to address their specific needs; a series of seminars for CEOs is also in place; and the establishment of a Professional Development Centre is underway.

While the efforts of central agencies are commended, there have been indications at times that the bulk of civil servants at lower ranks have yet to abandon their old habits and beliefs. Two beliefs that are entrenched in the minds of many public officials are, first, that they are the supreme authority and therefore are superior to the members of the public and other stakeholders and, second, that their jobs belong to the government of the day, as do resources and equipment. These beliefs apparently lead to several problems such as undermining the quality of the service provided to stakeholders, including the public, the abuse of government assets (vehicles in particular), and the negligence of duties. For

instance, 106 irregularities, including abuse of government vehicles, theft of government property, misappropriation of government funds, and misconduct were registered in 2001 (Samoa, Public Service Commission 2001). In addition, a major investigation was conducted at the Ministry of Health, Dental Division, regarding fraud. In 2002, the number of irregularities that reached the Public Service Commission increased by 16 per cent and two major investigations were carried out in the Ministry of Internal Affairs and the Ministry of Agriculture regarding the misuse and the misappropriation of government assets and funds (Samoa, Public Service Commission 2002). These irregularities indicated that the emphasis was on changes in organisational structures, systems, procedures, and legislation, but little attention was directed to transforming the beliefs and values of officials in ministries in order to conform to the desired behaviour recognised by the reform.

High turnover in central ministries also severely stalled efforts to sustain reform through training. This was clearly acknowledged in a report by AusAID.

High staff turnover is a problem...and has limited the impact and sustainability of all five projects. Recruitment of good staff is problematic. There is high level of emigration, particularly by professionally qualified staff (AusAID 2004:61).

The development of a pool of talented locals as counterparts to the expatriates, to have them running the show once the advisers left, was an important part of the reform process. The more expertise this group inherited from their foreign counterparts the more marketable they became, both in the private sector and abroad. As a result, most of them have left the service for lucrative offers, either in the private sector or overseas.

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### Political and economic stability

Samoa has enjoyed a lengthy period of stable government, without the severe political instability suffered by many of its neighbouring states in the region. The Human Rights Protection Party (HRPP), which championed the economic reforms begun in the mid 1990s, has been in power since 1982. One manifestation of its commitment to the reforms was its incorporation of the fundamentals of the reform in its election manifestos in general elections in 2000 and 2004. Another manifestation of its commitment has been the allocation of funds to the implementation of reforms. This can be illustrated by the government's decision in 2004 to increase salaries of civil servants by 42 per cent. A promise made at the early stage of the reform.

Perhaps the 'acid test' of government support came in 2004 with the recommendation to reduce the number of ministries from 28 to 18. This was a politically unpopular decision. Nonetheless, the government gave its endorsement and the result was unfavourable to some, as expected. Ten CEOs were made redundant, together with a number of senior civil servants.

Besides its political stability, Samoa's economic performance since the late 1990s has been one of the best in the region (Table 1). Its good economic performance has sustained

the commitment to reform, providing considerable confidence to the government to press on with its effort. Further, it removed any lingering doubt amongst the cynics of reform and to some extent attracted their needed cooperation. Importantly, it proves the claim that sound economic performance is central to implementing and sustaining public sector reform, especially in the absence of foreign assistance.

### Ownership of the reform

'Ownership' has been the dictum of the reform since its inception for a number of reasons. In particular, it is proven that the success of reforms in developing countries elsewhere largely depends on the local authorities having a sense of total control and ownership of ideas underpinning the reform. Such an approach engenders them with the commitment to go to any length to be successful, mainly because they perceive the initiative as their own creation rather than that of a foreign party. This is a lesson learned from failed reforms in some parts of Africa that were mainly driven by external expertise and financial support (for more details, see Baker 1994; Nunberg 1989).

Fortunately, Samoa took notice of this critical aspect at the initial stage of its reform. The Public Service Commission's reform in particular highlighted this issue by creating a steering committee and a number

Table 1 GDP growth, 1999–2005 (per cent)

|                 | 1999 | 2000  | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------|------|-------|------|------|------|------|------|
| Samoa           | 2.2  | 6.1   | 7.0  | 1.0  | 3.5  | 3.7  | 5.2  |
| Fiji            | 9.2  | -1.4  | 1.7  | 2.9  | 1.2  | 5.6  | 1.7  |
| Tonga           | 2.3  | 5.4   | 2.6  | 3.0  | 3.2  | 1.4  | 2.3  |
| Vanuatu         | -3.2 | 2.7   | -2.7 | -4.9 | 2.9  | -    | -    |
| Solomon Islands | -0.5 | -14.2 | -8.2 | -2.7 | 6.5  | 8.0  | 5.0  |

Source: Asian Development Bank, 2006. *Key Indicators of Developing Asian and Pacific Countries*, Asian Development Bank, Manila.

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of sub-committees. The former, which had a strong representation from line and central ministries, cabinet, the private sector, and trade unions, oversees the reform and screens the recommendations from sub-committees prior to submission to Cabinet. The latter are responsible for researching and re-engineering various policies and processes pertaining to human resource management and development in order to incorporate the theme of the reform. It seems that there has been wider consultation and participation from key stakeholders in the human resource management part of the reform.

### **Continuous support and monitoring**

Both the Ministry of Finance and the Public Service Commission are continuing to support and monitor the progress of line departments with respect to the changes implemented. Aside from education and training, both agencies are empowered under their respective Acts to intervene in the affairs of line agencies should there be a notable breach of reform principles and changes in place. This is evident in the attempt by Public Service Commission recently to re-centralise the disciplinary function as CEOs of line ministries were uncomfortable in using it. Indeed, the approach is considered valuable and carefully crafted as authorities of neighbouring states that have undergone similar changes encountered difficulties in keeping their line ministries within the boundaries of the reform—as in the case of the Cook Islands.

While this institutional provision is considered necessary for the reasons discussed earlier, some concerns are noted from line agencies. In particular, it confuses the logic of devolution in which line ministries are supposed to assume entire control of their personnel activities. Such provision encourages both central agencies' final endorsement to continue to feature in some processes in the name of monitoring,

although it is unnecessary. For instance, salary increments, salary entry points, promotion, working conditions, and other entitlements are still subject to Public Service Commission approval. Most line agencies stated that there have been no major changes, except for the fact that there is now a proliferation of operational activities to attend to as a result of devolution.

In terms of support, a unit called the Public Sector Improvement Facility (PSIF) was established in 2005 within the Ministry of the Prime Minister and Cabinet following deliberations between the central agencies. Its main purpose is to provide financial support for agencies that need capacity building at any level in order to underline changes in place. To date, more than ST\$4 million has been received from Australia and New Zealand to serve its purpose and more is expected over the next three years. A Public Administration Plan launched recently also provides directions for sustaining the reform and stresses the need for sound coordination between the central agencies. Steering committees and sub-committees were also part of the supporting initiative; however, these only lasted while funding was available from the main donors.

### **Suggestions for improvement**

While there are notable efforts to sustain reform in Samoa's public service, it is evident that more is needed to fill in some of the gaps. These include the need to reward desirable behaviour, commitment from senior managers, sound leadership from central agencies, support for reformers, a learning environment, and continuous feedback.

### **Rewarding desirable behaviour**

With the exception of CEOs and Acting CEOs, there is yet to be a formal performance

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management approach that identifies and rewards desirable behaviour by the bulk of public servants. This means 80 per cent of the workforce could be in the 'wilderness' about their performance and how it is linked to the overall objectives of their organisations. This is a concern, mainly because employees choose and adopt behaviours that are rewarded. As Stettner (2000) puts it, 'managers get what they reward not what they want'. One effective way of ensuring this process is to execute a comprehensive performance management framework that requires managers to clearly link the desired behaviour from subordinates to the consequent rewards in a timely manner. While formal rewards such as bonuses and promotion are restricted in the public service, managers could take advantage of the myriad of informal rewards such as praise, encouragement, and recognition, as they also carry weight in influencing employees' behaviour.

**Commitment from senior managers**

The visible support of the reform from senior managers in line agencies' sends a message that the changes are important. They are in powerful positions to influence the behaviour and perceptions of junior staff as their actions are constantly screened by subordinates. Any deviation from expected behaviour sends a contradictory message about the reform. Hence it is imperative for senior managers to behave and manage according to the key principles and changes in place, especially with respect to visible fundamentals such as fairness, equity, honesty and support.

According to qualitative evidence, those at middle and lower levels have noted profound discrepancies in some of their senior managers' decisions. Of particular concern are subjective decisions about human resource matters. Hence, favoritism, nepotism, inconsistent decision making

and unfair treatment of employees are some unfortunate outcomes. Whether these claims are genuine is difficult to determine. However, they should not be entirely dismissed. These behaviours certainly featured in Samoa's public service in the past (Controller and Chief Auditor 1994).

Perhaps what is important is to ensure that checks and balances are in place to deter senior managers from abusing the discretion delegated to them. There are appropriate mechanisms in place such as the procedure for handling grievances by the Public Service Commission; the investigation unit in the Ministry of Finance that deals with complaints of financial abuse; and the Ombudsman who deals with complaints about administrative matters. While these measures are considered adequate, incumbents of junior posts should be educated about their rights to use these mechanisms when necessary and granted protection from intimidating actions of senior managers. Whistleblowing should also be encouraged under the Public Service Commission Act. In essence, the current performance review for senior managers should be changed into a 360 degree performance appraisal approach that incorporates conditions such as fairness and equity. This would give junior employees the opportunity to voice their concern without fear of intimidation on these matters.

**Sound leadership from central ministries**

Both agencies that championed the reform are expected to show sound leadership in terms of leading by example, providing support, and illustrating competency where necessary. This is important as most of the concepts and principles, although not unheard of, were relatively novel in the way they were integrated into the daily operations of the public service. Leading by example requires both agencies to uphold the underlying principles of the

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reform. While this was the practice for both agencies at the outset, unfortunately some of their actions and decisions have fallen short at times. In the case of the Public Service Commission, several appeals have been launched to institutions such as trade unions, the Ombudsman, and the courts for unfair dismissal and favouritism with respect to the appointments of second-level officers since the introduction of the system in 1999. For instance, in 2001 six second-level officers disputed the termination of their contracts—most were settled out of court and one had his contract reinstated. In 2005–06, four cases were settled out of court and one is currently before the court. Major discrepancies have also been detected in the appointment process, especially with respect to inconsistency in selection criteria. The outcome is disruption of their efforts to sustain the reform, with line ministries questioning the true intentions of the reformers and the fundamentals of the reform.

In terms of support, both agencies are continuing to offer technical and financial support to line ministries as discussed earlier. However, there is an urgent need to deliver training and education to the lower levels of line ministries. The champions of the reform are also required to illustrate competency at this stage by taking a leading role in tidying up loose ends and fine tuning some of the details of the changes made. This would create the impression that they are well versed in key concepts of the reform and that they are no longer dependent on foreign expertise. This is critical in generating and maintaining the trust and commitment needed from their counterparts in line agencies as the latter perceived the changes as local inventions.

Without doubt, both agencies handled the reform diligently and intellectually from the beginning. The vast experience and knowledge of senior staff at both ministries

on the domestic environment were soundly blended in a number of changes introduced. However, it is inevitable that since the absence of foreign expertise the momentum is fading, despite some unfinished business. For instance, there was a lot of interest in introducing forward estimates for the budget in the heat of the financial reform, yet this is unaccounted for at the moment. A formal performance appraisal with rewards was also prominent in the Public Service Commission's reform, yet it is still missing.

### A supporting environment for reformers

The reform is a mix of pleasant and unpleasant changes, and undoubtedly senior officials in central agencies kept a 'psychological distance' in order to make changes possible. The result is isolation and emotional stress; however, there seems to be a lack of emotional support for them except for their close relations. If the reform is to be successfully sustained, there needs to be systematic support for the reformers, otherwise responsible officials could be overwhelmed and give up at this critical stage. Reformers need to create a network of people they trust, especially work colleagues and local consultants who are capable of providing conceptual and emotional support. In addition, the efforts of responsible officials in central and line ministries should be acknowledged and rewarded financially or by other means. Samoans are well known for their short interest in things, especially if they don't benefit from it. Rewarding these contributions will maintain the momentum for sustainability.

### A learning environment

The high complacency rate at lower levels of ministries in Samoa is a notable feature. Junior officers follow instructions and procedures without questioning the underpinning logic. While this is prevalent

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elsewhere in the region, it is worse in Samoa mainly because one of its traditions forbids individuals questioning the decisions of chiefs. Such a belief will not help employees learn new behaviours and values and therefore needs to be discouraged from the workplace. One way of doing this is for senior managers to create a learning environment that encourages junior officers to question the *status quo* (Samson and Daft 2005).

In the main, senior managers in the civil service could create a learning environment by empowering employees. This concept involves power sharing between managers and employees in order for the latter to experience senses of competency, trust and autonomy. This will encourage junior officials to challenge existing and new behaviours and generate a better understanding of what is expected from them under the new regime. Teamwork is also central to the learning environment. Those in charge of ministries should encourage teamwork to allow employees to interact intellectually on what is expected from them under the new organisational culture. This will give subordinates better insights into the reforms.

### Continuous feedback

Feedback is a significant factor in sustaining reform and while it features in Samoa's reform, it is perceived to be lacking the 'firepower' required for effective sustainability. With respect to financial matters, the Ministry of Finance is conducting six-monthly reviews to ensure that departments are providing the agreed outputs; meeting agreed performance measures, and doing so at a minimum cost. For its part, the Public Service Commission provides six-monthly performance reviews of second-level officers with respect to their progress towards achieving outputs specified in their performance agreements.

While these measures are providing feedback for line agencies, more is needed. For instance, the Ministry of Finance needs to provide a comprehensive analysis of the performance of line agencies with respect to the efficient and effective delivery of their outputs and, importantly, acknowledging the success of ministries with respect to these conditions. Such useful feedback is being overlooked despite enormous efforts on the part of line agencies to provide information on their achievements as a requirement for budget screening and the six-monthly reviews. The Public Service Commission should also acknowledge the behaviours of second-level officers that are desirable and link them to rewards. Those below this level should be given the same treatment. These individuals also need to acquire clear knowledge of the results of their activities in order to appreciate the reforms.

### Conclusions

Public sector reform in Samoa has contributed significantly to the sound design of structures, systems, and procedures in the civil service. This reform, coupled with solid economic progress over the past decade or so, has attracted a lot of attention and praise from within the country and abroad. That said, people management in terms of changing mindsets and behaviours according to the themes of the reform needs urgent attention if the reform is to be sustained. Creativity is needed in order for the reform to capture the hearts of the majority of public servants, especially those at the front line of service delivery. The courses of action suggested above should help in filling these gaps. Some are very simple acts and this probably accounts for their being overlooked.

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