

# Re-engineering Excellence: The impact of an inefficient public service on competitiveness

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*WITH THANKS TO DR. KERON NILES*

# Outline

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- Why is an efficient public service important?
- Impact of an inefficient public service on competitiveness- Global Competitiveness Report, World Bank's Doing Business Report and Worldwide Governance Indicators
- History of the Public Service
- Being Solution Oriented: The McKinsey 7S Framework
- Recommendations: Proposed Shared Values

# Why is an efficient public service important?

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- In T&T, the State is the largest employer;
- Responsible for providing services that enhance the lives of citizens;
- Business and Investment facilitation;
- formulating policy to drive national development .

Moreover, the public service has a key role to play as it pertains to the distribution and provision of state resources to the citizenry at large.

# Impact of an inefficient public service on competitiveness

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# Global Competitiveness Report

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## ○ Global Competitiveness Report (GCR)

➤ 83<sup>rd</sup>/138

➤ Determinants of poor competitiveness: weak institutions, an inefficient goods market, an inefficient labour market and low innovation capacity and performance.

➤ Most problematic factors for doing business: poor work ethic in the national labour force, corruption, inefficient government bureaucracy, crime and theft and access to financing.

➤ Corruption Perceptions Index (CPI): 35<sup>th</sup>/100; below global average score 43

# World Bank's Doing Business Report

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Topic	T&T rank (out of 190 countries)	T&T score (out of 100)	LAC average (out of 100)
Dealing with construction permits	149	59.21	65.68
Registering property	150	47.51	54.91
Paying taxes	145	57.33	58.63
Trading across borders	123	62.6	68.26
Enforcing contracts	168	36.55	53.65

- T&T ranked 91<sup>st</sup> (2017)
- Dealing with construction permits, time: 2 ½ months longer than LAC average
- Cost to export, documentary compliance: 250 USD vs 111 USD (125% higher)

# World Bank's Worldwide Governance Indicators

Indicator	Country	Year	Number of Sources	Score (-2.5 to +2.5)	Percentile Rank (0 to 100)
<b>Voice and Accountability</b>	Trinidad and Tobago	2005	8	0.60	66.35
		2010	10	0.48	62.09
		2015	9	0.49	64.04
<b>Political Stability and Absence of Violence/Terrorism</b>	Trinidad and Tobago	2005	6	-0.14	41.55
		2010	6	-0.04	44.55
		2015	6	0.27	56.19
<b>Government Effectiveness</b>	Trinidad and Tobago	2005	6	0.19	60.49
		2010	6	0.26	63.64
		2015	7	0.24	62.98
<b>Regulatory Quality</b>	Trinidad and Tobago	2005	7	0.60	67.65
		2010	6	0.50	68.90
		2015	7	0.15	57.21
<b>Rule of Law</b>	Trinidad and Tobago	2005	8	-0.08	51.20
		2010	10	-0.22	47.87
		2015	10	-0.14	52.40
<b>Control of Corruption</b>	Trinidad and Tobago	2005	6	-0.08	55.12
		2010	7	-0.36	45.24
		2015	7	-0.54	36.06

Source: World Bank

# History of the Public Service

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- Prior to Independence, Service Commissions were established in British colonies to advise the Governor on the selection and appointment of candidates and to handle the administrative functions of the colonies.
- As a former British colony, the core features of Trinidad and Tobago's Public Service were modelled after those of the British Civil Service which were focused primarily on regulatory and administrative functions rather than promoting growth and development.
- Unlike other countries in the region, T&T's Service Commissions were enshrined in the Constitution in an attempt to solidify the relationship between the political and administrative directorate .
- Despite this, tensions still arise between the political and administrative arms due to:
  - Mistrust
  - Different motivating factors
  - Unclear communication and a lack of clearly articulated strategies to convert political manifestos into sound policies



# Being Solution Oriented: The McKinsey 7S Framework

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This model focuses on 7S's, all of which are interconnected and essential for maximum efficiency:

**Strategy:** the plan devised to maintain and build competitive advantage.

**Structure:** the way the organization is structured.

**Systems:** the daily activities and procedures that staff members engage in to get the job done.

**Shared Values:** called "superordinate goals" when the model was first developed, these are the core values that are evidenced in the corporate culture and the general work ethic.

**Style:** the style of leadership/cultural qualities.

**Staff:** the employees and their general capabilities.

**Skills:** the actual skills and competencies of the employees working for the company.

# Being Solution Oriented: The McKinsey 7S Framework

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## Shared values>Strategy>Structure

- Shared values speak to those core purposes and functions of the organisation and often serve as the foundation for the development of short and longer term strategies or organisational development plans. Strategy outlines how plans will be achieved and overall targets will be accomplished within an overarching and cohesive framework based on shared values. The structure(s) required for execution is usually articulated within the strategy.
- Fundamentally, it has been noted that the public service was originally designed to perform regulatory and administrative public processes. However, it is currently being asked to perform a wider remit of tasks and functions related to growth and development but has not been reconfigured in a manner that could effectively facilitate such a change. **This is a clear indication of a strategy and structure which do not support each other.**

This has resulted in issues such as: a lack of continuity/consistency across different administrations, an increasing number of state enterprises, the proliferation of contract employees and the centralized power of Service Commissions.

# Recommendations: Proposed Shared Values

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## ○ **Performance Based Productivity and Service Delivery**

- Contracts situation has resulted in an inefficient labour market which has resulted in low productivity.
- Centralized power of Service Commissions has resulted in inefficient government bureaucracy, seniority-based public service and an inefficient labour market which exacerbates already low levels of productivity.

## ○ **Business and Investment Matter**

- Proliferation of state enterprises has at times contributed to duplication of work and inefficient use of resources.
- Doing business score sends a message to potential investors that it is difficult to establish a commercial presence.

## ○ **Corruption Hurts Everyone**

- Issues related to low levels of public trust and slow/inefficient government bureaucracy impede economic growth and limit the intended benefits of any measures.

## ○ **Non-partisan planning**

- Lack of continuity/consistency across different administrations does not lend sustainability or credibility to development efforts

# Summary

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- Inefficiency affects competitiveness
- Current structures do not support the tasks
- What we can learn from the 3S identified
- 4 Proposed Shared Values

***Thank you***