

# PRESIDENTS OFFICE - PUBLIC SERVICE MANAGEMENT

ATTRACTION AND RETENTION OF HUMAN  
RESOURCES IN THE UNDERSERVED AREAS FOR  
EQUITABLE SERVICE DELIVERY

THE GENERAL BUDGET SUPPORT ANNUAL REVIEW 2010

**7 DECEMBER, 2010**

# Outline

- Introduction and Background
- 2009 GBS AR Commitments
- Measures taken to address equitable distribution of HR
- Experiences from other countries
- Conclusion

# INTRODUCTION AND BACKGROUND INFORMATION

- Equitable distribution of scarce resources including Human Resources is an elementary requirement for improved service delivery and poverty reduction.
- Equity has been a central focus of discussions in the GBS Annual Reviews for the last three years.
- The distribution of public servants particularly teachers and health workers, and the general pattern of service delivery between LGAs is uneven and not distributed according to need.
- Areas with the lowest staffing allocations have the highest rates of poverty.

# Objectives

- Report on the progress made by the government in addressing the Human Resources equity challenge in the country since the last year 2009 GBS Annual Review.
- Stimulate discussions on the possible solutions that will help the Government and other stake-holders ensure equitable distribution of HR in underserved areas.

# Scope

- Education and Health sectors are used as an illustration.
- The rationale is the fact that these two sectors comprise a high percentage of all public servants in the country and are directly connected to service delivery.

# 2009 GBS AR Commitments

- Finalize and implement Medium Term Pay Policy and pay special attention to underserved districts
- Set and implement transparent criteria for selecting districts benefiting from the Additional Development Fund for underserved areas
- Speed up the implementation of D by D to address challenges of equity and efficiency
- Review the levels and criteria for use of allowances and apply the rules rigorously
- Give districts autonomy and flexibility to decide on the use of Special Budget funds to enhance staff attraction and retention
- Improve infrastructure as long term solution to underserved districts.

# Measures taken to address equitable distribution of HR

## **Public Service Pay and Incentive Policy**

- Experiences of the 1960s some areas classified as hard to reach led to stigmatization, hence rejection by some employees,
- It was agreed that the reintroduction of such concept required a policy decision.
- The adoption of the policy would then provide the a comprehensive strategy to address equitable staffing targeting the 'Hard to Reach Areas'.
- Newly developed Public Service Pay and Incentive Policy adopt key principles required to address the equity issues.

# Service Delivery in LGAs

‘A major factor constraining the capability of LGAs to improve service delivery, quality and accessibility in line with the objectives of the MKUKUTA and MDGs is their limited capacity to attract, retain and adequately motivate qualified personnel. Furthermore, lack of such personnel and inappropriate skill mix may also impede the decentralization process. Reasons for staffing problems in some LGAs are partly related to long-term rural development needs that they cannot be addressed, and partly related to factors that cannot be alleviated in the short to medium term. While financial incentives will assist in alleviating capacity weaknesses to attract and retain staff, required interventions have to go far beyond this level’.

# Public Service Pay and Incentive Policy cont...

**The objective of the Policy** is to attract more staff to work in LGAs' so as to ensure equitable Human Resources distribution.

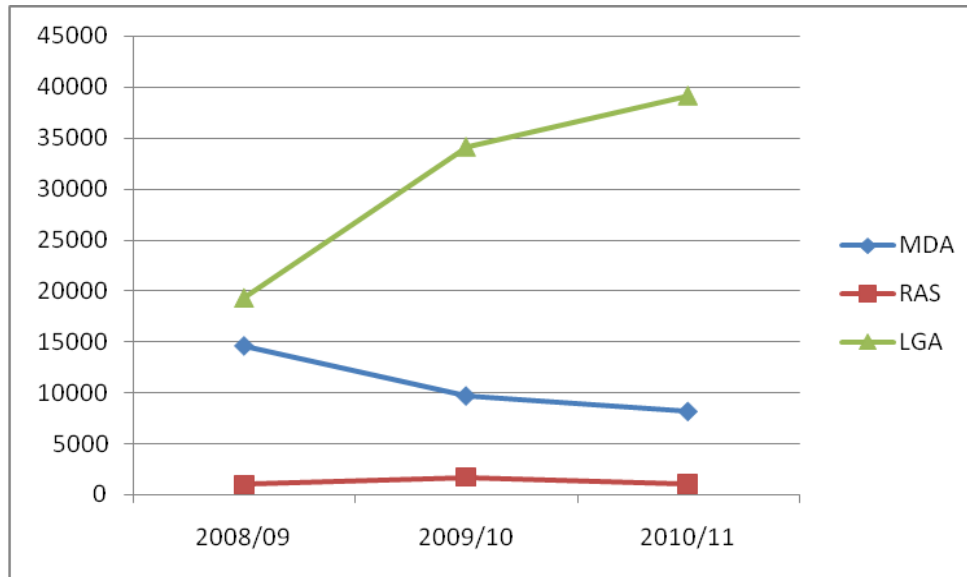
## **Policy commitments:**

- The Government shall design and develop an appropriate incentive scheme to attract and retain staff allocated in underserved areas.
- The Government shall improve the organisational environment and strengthen HRM in LGAs.
- The Government is currently working on the policy implementation strategy.

# Establishment Approvals

- Administrative decision to limit the recruitments or allocation of new employees to the areas considered to be well served and giving priority to underserved areas.

# Establishment Approvals



# Special Budget

- In FY 2009/10, Government launched a Tshs 42 billion special budget to fund development projects intended to improve working conditions in 36 LGAs considered to be underserved.
- In FY 2010/11fter, the Government increased the budget to Tshs. 45.280 Billions which were allocated to cover 126 LGAs.
- Large part (about 54.6%) of this budget used for construction of Staff Quarters that include Hostel (around community schools), Council Buildings, and special schools.

# Other Measures to deal with underserved areas

The Government has adopted other measures including:-

- Timely payment of subsistence allowances, and
- Timely entry into the pay roll by the new employees.
- Bariadi, Kigoma Rural Tabora Rural /Uyui and Mbinga District Councils, were consulted and confirmed that they were implementing this directives accordingly. The results are as shown in the following Table.

**Teachers' grade IIIA reported in LGA'S regarded as underserved areas.**

Under served	2009		2010	
	Allocated	Reported	Allocated	Reported
Bariadi	354	340	479	447
Kigoma Rural	110	84	284	262
Tabora Rural/Uyui	6	4	455	418
Mbinga	20	20	22	22

# Other Measures cont . . .

- The Average time taken to pay salaries to new employees has been reduced following the strengthening of the capacity of POPSM Pay Roll Management Section, and the implementation of Human Capital Management Information System (HCMIS).
- The HCMIS has also been enhanced by Human Resources Management Support System (HURISS) that was developed to transfer and process data of newly recruited employees between the employers, POPSM and the Ministry of Finance.
- The use of HURISS was successfully piloted in three LGAs, - Kisarawe, Bagamoyo and Kibaha, and the Government is now rolling it out to other LGAs.
- Government is working on a major upgrade of the Human Capital Management Information system through which the Lawson Software is now being upgraded from the current version 7 to version 9.
- With this developments, HR information processing, including salary administration is set to improve substantially.

# Other Measures cont . . .

## **Collaboration with NSAs for improved Health Service delivery**

- The Government collaborates with NSA to ensure provision of health services.
- The Government will contribute to the management of such facilities through special budget subsidies or attaching some of public employees to those health facilities.

# Other Measures cont . . .

- Allowances budget was cut by 50% in 2009/2010 in accordance with the Medium Term Plan and Budget Guidelines for 2010/2011
- This was confirmed by the recently concluded Rapid Budget Analysis which notes that, “it is noteworthy that the growth in allowances from 2009/10 to 2010/11 has declined from 38.3% to 13.3% in the recurrent and 12.5% to -23.1% in the development budget.
- This reflects actions taken by MDAs to reduce the budget for allowances in line with the budget guidelines”
- Policy Forum /SIKIKI (2010) report worries of the increasing trends for allowances BUT the Government has imposed some discretionary measures that require the Accounting Officers to exercise financial disciplines and apply the relevant rules governing allowances rigorously.
- With the political commitment to enforce financial discipline, the trend for increasing allowances in the Government Budget is likely to be reversed.

# EXPERIENCE FROM OTHER COUNTRIES

## Forced Transfers in Botswana and South Africa

- Compulsory transfers were used to redistribute teachers with compensatory measures such as transportation and other special allowances.
- In **South Africa**, an effort to encourage the redeployment of teachers to poorer rural areas failed badly.

# **EXPERIENCE FROM OTHER COUNTRIES cont . . .**

## **Local training and recruitment in Uganda**

- The strategy includes locating teacher education colleges posting graduates in (rural) areas of origin.
- Working close to one's extended family may provide some level of financial support and subsidy where salaries are low.

# EXPERIENCE FROM OTHER COUNTRIES cont . . .

## Schemes focused on financial allowances or increased remuneration in the health sector in Ghana and Niger

**In Ghana, the use of financial incentives, an 'Additional duty hour allowance' (1998/1999)**

- The cost forced budget cuts in other ministries, and there were tensions between doctors and nurses who had different limits on the number of extra hours they could claim per month

**A' Deprived area incentive allowance' (1999),**

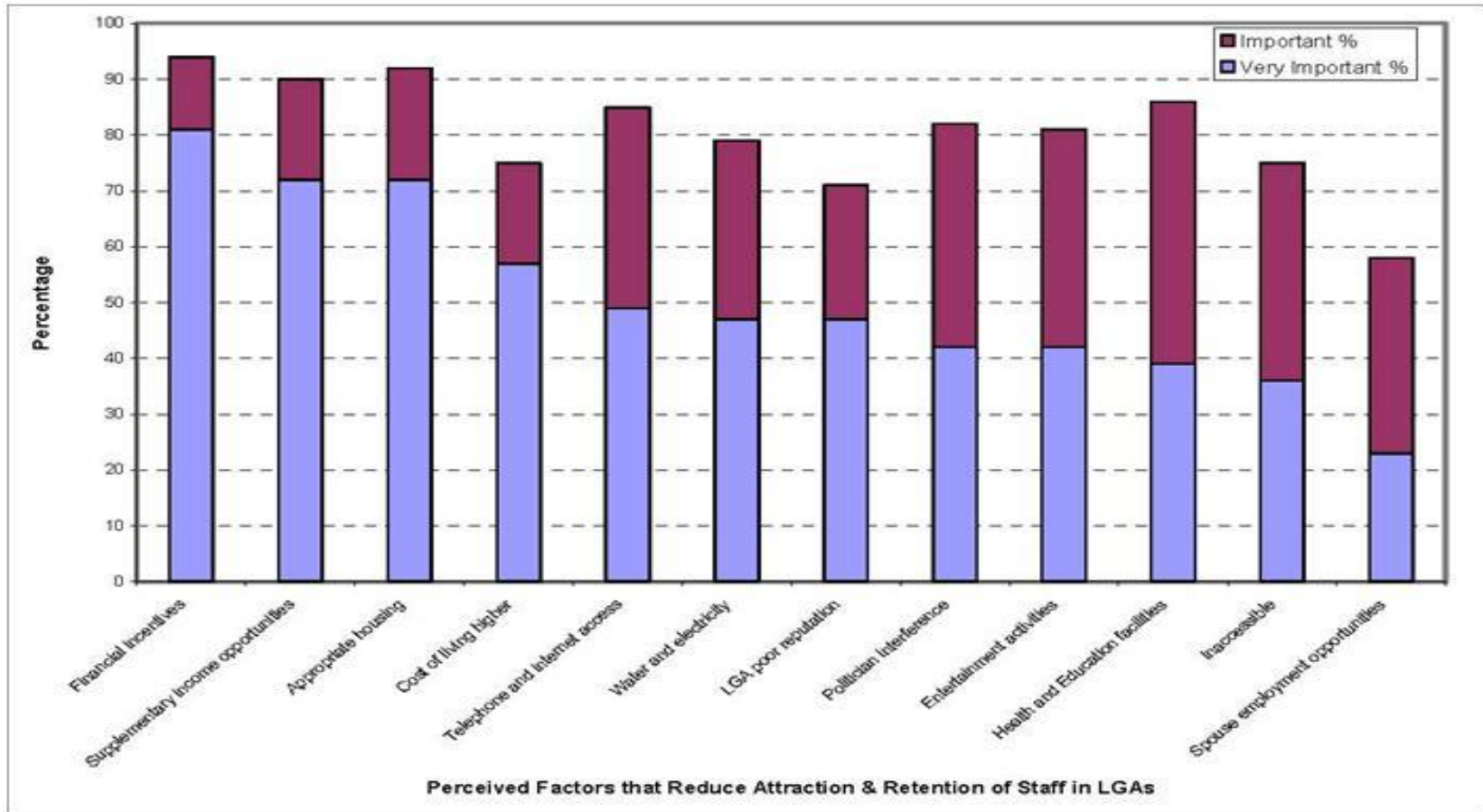
- The scheme suffered from severe funding and administrative problems, as well as problems with transparency and perceived unfairness.

**In Niger, the government implemented a financial package for doctors accepting to work outside the capital, with some limited success.**

# WHO on Attraction and Retention of Health Workers

- Most of the strategies to attract and retain health workers in the underserved areas are not aligned with factors influencing health workers choices, and are “stop-gap” measures, such as increasing wages or rural allowances.
- This type of intervention can be very costly, and may not be sustainable in long run, and has a risk of spill-over effects towards other service sectors.

## Perceived Factors that Reduce Attraction & Retention of Staff in LGAs



**Source: Tanzania Public Service Situation Analysis: Towards a Revised Public Service Pay Policy', T.Valentine, for Crown Agents Ltd, 2009**

# CONCLUSION

- The measures may not be sufficient, but shows commitment on the part of the Government, and therefore should be commended.
- Experience from other countries however, suggests that the issues concerning Hard to Reach and Stay areas are complex and require multiple approaches.

# Suggestions

## **Discussions should focus on the following issues:**

- What should be the criteria for classifying a place as underserved?
- What is the fiscal space available given the current level of the economy in the light of MKUKUTA II focus?
- What is the balance between the Government spending and private sector investment (crowding out effect)?
- Supply side issues such as training institutions and their required investment (see ANNEX 3 and South African case discussed in section three)
- Sequencing of measures into short term, medium term and long term initiatives?

Thank you for your attention