

Developing Strategies for Talent Management in Pacific Public Services: The Challenges of the Current Environment

Speech by Mr. Gane A. Simbe, Deputy Governor, Central Bank of Solomon Islands at the 7th Pacific Public Service Commissioners' Conference, held at the Kitano Mendana Hotel, Honiara, 29th September 2009

Introduction

Distinguished Public Service Commissioners, invited dignitaries, ladies and gentlemen. Thank you for inviting me to share some thoughts towards this challenging topic on your theme: "Developing Strategies for Talent Management in the Pacific Public Services". My talk will focus on *The Challenges of the Current Environment* that Pacific Islands countries face concerning brain-drain and suggest some observations to stimulate your discussions on this issue.

Definitions

In the context of my presentation, I will define the terms "challenges of the current environment" in two senses. First, is the challenge faced by Public Service Commission on how to manage, the "high flyer" individuals with talents and skills, who can choose to seek better value for their skills than working for the Public Services if their expectations are not met. This freedom to choose to leave, and seek opportunities elsewhere, renders the Public Service Commission powerless to stop and can leave shortfalls in the service delivery of the government.

The second angle of my definition refers to the question of affordability that Public Service Commissioners and their governments face in trying to compete in the skills market for the best, skilled and talented workers; those with skills and talents that a country wants to retain for its national interests. Affordability is one of the key solutions for retaining, and attracting clever and skilled professionals but affordability is one of the major problems for most Pacific Island Public Service Commissions.

Skilled and talented professionals are scarce Resources

Like all other resources, skilled and talented professionals for us in the Pacific are a scarce resource, and require proper management. Despite the fact that the training of these talented professionals are the outcomes of Government strategic planning and budgets, unfortunately, the governments or the Public Service Commission for that matter, do not have the control over how the individuals exercise their rights and freedom to market their skills and talents.

We also know that companies and organizations outside of the public service too are looking for these skilled and talented professionals. These organizations know that

success or failure in achieving their business goals and delivering of their products or services is depended on employing the right skills.

As a consequence there is competition among organizations for skilled and talented professionals. And they are prepared to pay for the skills and talent they require. So the challenge faced by the Pacific Public Service commission is to be able to compete in the skills market for the best people with the talents to enable delivery of government services, needed by the citizens.

Management of a skilled and Talented Employee is a difficult undertaking

Management of skilled and talented employees is not an easy task. As Rob Goffee and Gareth Jones in an article titled –“*Leading Clever People*” (Harvard Business Review, March 2007) observed, talented people are difficult to manage and please.

They are restless; they are easily bored, they want to solve problems and not interested in pleasing their bosses or are led by them. They resent bureaucratic bottlenecks that slow or delay them from achieving their results. Skilled and talented people know that you as an employer cannot go without them.

They know how much their skills are worth in the market; because they are members of their professional bodies that supply them with market information for their skills. They cannot be fooled too with fancy titles and positions that do not come with attractive remuneration packages. Lastly, skilled and talented employees are always hunted down by companies and organizations that are prepared to pay more for their skills than what you are currently paying them.

Our own experience in the Central Bank of Solomon Islands demonstrates the difficulties of managing clever people. For years we have been spending a good portion of our budget directly sponsoring our officers to receive Masters Degree level education from Universities in Australia to meet the skill gaps that we have identified to enable the Bank meet its legal mandate to conduct its monetary policy responsibilities.

Unfortunately, we have lost most of these individuals to organizations who offer more for their talents than what we can offer. Indeed it is not a good feeling when you have invested millions of dollars to train an officer but leaves without due regard for what you have done for him as an individual. But this is the challenge and the cost of the freedom and mobility of the educated individuals to choose the best deals for their skills.

As noted in the World Health Organization (WHO) presentation to Ministers of Health for Pacific Countries held in Samoa in 2005 that examined why Pacific Health Personnel migrate, unless the conditions are favorable, skilled professionals will leave because of low pay, poor working conditions, shortage of supplies and equipment; and lack of or limited educational opportunities for professional development and advancements.

In Solomon Islands, there is currently a Special Parliamentary Commission of Inquiry looking at the quality of health services provided by our National Referral Hospital. What is obvious from the hearings is that the shortages of skilled doctors, health professionals, equipments and instruments are the causes of our poor health service delivery and unfortunately this is directly linked to the question of affordability.

The Challenge of Affordability

This leads me to the second challenge facing Pacific Public Service Commissions regarding skills and talent management. It is the challenge of affordability. It is the ability of the public Service commission to be able to match what the market is willing to pay and attract the skills and talents that it wants to retain in its workforce.

Unfortunately, the question of affordability is not as easy an option to some, if not, most Pacific Island countries because of resource constraints of their economies. The amount of money available to governments from their tax bases is not sufficient to offer attractive remuneration packages to compete in the skills market and meet other pressing social services for the population at large.

Furthermore, the Public Service is already the largest employer in many of the Pacific Island countries, and reducing the numbers of Public Service employees in order to make savings to hire the most needed skilled workers can be counterproductive, especially if you are dealing with public servants who are members of a strong and influential trade union .

The effects of the global economic recession that countries in the region have experienced since the last half of 2008 have also compounded the difficulties faced by small island countries to the question of affordability. Until the global economy recovers, the small island economies in the region grow; there will be tremendous pressure to raise tax revenue to finance the human resources needs and other operational costs of our countries.

The Asian Development Bank (ADB) in its Pacific Monitor report released in August this year, projects that five of the Pacific economics will experience negative growth this year and one country will not grow at all. What this means is that governments in the region are continuously under pressure to raise the revenue to provide the needed social services to their population.

Economies do not grow overnight and the impact of the global economic recession and the projected negative growth will affect the affordability of Pacific Islands governments to compete for the best skills and talents required by their Public Services.

What can Public Services Commission do to manage this problem?

So, what can public service commissions in the Pacific Islands countries do to resolve this question of brain-drain which really is a question of affordability? If our governments

can pay the remuneration packages like other competitors, we might find the answer to the question. Otherwise governments in the region will need to be creative in finding ways to manage this issue.

I offer the following suggestions for your considerations.

First, Public Service Commissioners must break the rules when setting the remunerations packages for skilled and talented professionals or employees that the Public Service must employ to deliver the services needed by the community. The Public Service Commissioners and their respective governments must remunerate those with needed talent and skills equal to the market remuneration package others are prepared to pay for the same skills.

In other words, the pay structure for talent and skills identified as essential for effective delivery of government services and policy goals must be different from the general public servant pay structure. (May be a good “break the rule” option is to apply George Orwell’s famous line in his book *Animal Farm*...“all animals are equal but some animals are more equal than others.” So that we can restate it as “all public servants are equal, but some public servants are more equal than others”.) .

Whilst all this sounds possible, I must warn that it is not an easy option to take in an environment where there are strong unions representing the interests of their members and where affordability is not easy to come by. But social service delivery to the public suffers if those specialized skills are not available because the country cannot afford to pay for them.

The second consideration is for the Public Service Commissioners to be more creative in creating an employment environment that would attract skilled and talented people to want to work for the Public Service. I call these the non monetary factors, although funds must be spent to make them happen.

Public Service Commissioners must provide clean and attractive office environment for the officers to work in. This includes the provisions of proper equipments that can enhance productivity. Shorten the length of time it takes to hire successful candidates: skilled and talented people cannot wait for months to receive their letter of acceptances. They will find employment somewhere else if we are slow to process their engagement.

Ensure that your newly recruited workers do not have to wait for months before they are put on the payroll and paid for their services. It is demeaning for a professional with family members waiting months for his pay to be processed. Talented and skilled workers just cannot tolerate inefficiency that our bureaucratic procedures unfortunately require to be adhered to.

Public Service Commissioners and their supporting technical teams must continuously scan the market to ensure that the remuneration of those with talents that are required is within the market price for the skills and talents. This means actively involved in

communicating with the professional bodies that represent the interests of the public service employees to ensure that their concerns are addressed in an honest and professional manner.

Public Service Commissioners must actively ensure that their officers are rewarded for their performance, and benefit from organized trainings that would enhance the officers' abilities.

These can be challenging issues, because they will certainly mean securing more finance and changing of procedures. But if Public Services must compete for the best talents in the market these are necessary changes to tackle as part of their strategies for talent management in the Public Service.

Conclusion

In conclusion, the challenge faced by Pacific Public Service Commissioners in addressing brain-drain and managing the mobility of talented and skilled professionals is made more difficult when affordability is the key barrier.

Graeme Dobel of ABC Radio Australia sums the issue in stating that *"a free person with skills is still a free person"*. We are dealing with free individuals whose choices to market their skills to bring the maximum benefit to themselves will cause them to leave their Public Service employment.

Public Service Commissioners must therefore be creative in finding solutions for attracting and retaining talented individuals. This means we must have to make some necessary changes in the manner we handle the remuneration packages and working conditions for the skilled and talented professionals we want to attract and retain.

Thank you for listening and I wish you all success in your conference.

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