

Webinar Brief: 45 2021



Cash Poor, Perk (Plots, Privileges) Rich! Civil Service Compensation: Incentives, Dissatisfaction, and Costs

 Webinar Brief



Launch of the Report

"CASH POOR, PERK (PLOTS, PRIVILEGES) RICH! CIVIL SERVICE COMPENSATION: INCENTIVES, DISSATISFACTION, AND COSTS"

SESSION CHAIR



MRS. NARGIS SETHI
Chairperson, Pay & Pension
Committee

DISCUSSANTS



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DR. NADEEM UL HAQUE
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PRESENTER

DR. DURR-E-NAYAB
Joint Director, PIDE

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at 11:00 AM
on Zoom**

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Overview of the Report by Dr. Durr-e-Nayab

The session started with presenting the report before participants. The report quantifies all the aspects of compensation and perks to civil servants and develops a strategy to monetize all perks in line with modern practices of Human Resource Management. It provides insights into details of perks and allowances advanced to civil servants. The report also presents a comparison between perks to civil servants and those of international employees of comparable cadres. The report provides a brief history of civil services with a focus on pay structure, perks, privileges, and recruitment/promotions. The report unpacks the compensation package of the civil service and recommends the needed reforms. The study looks into some key issues within the civil services that include: cash payments, non-cash rewards, inequality in the distribution of perks, waste of precious land for housing, pay and performance disconnect, a bias between cadre and non-cadre officials, and marginalized specialized groups. Furthermore, the report looks into the public sector pension system of Pakistan and presents a comparison with the private sector compensation structure while providing international evidence. The report, finally, presents the future course of action about competitive compensation, monetization of in-kind benefits, management model, and other social welfare considerations of the public servants.

Discussant's Remarks

Dr. Jamil Nasir

- According to him, international evidence suggests that the majority of people having tertiary education are employed by the public sector and not the private sector.
- In the private sector, we can make a performance evaluation based on the sales or marketing like criteria but in the case of a public sector, there is no performance evaluation because the nature of the job makes it tough to evaluate the performance of the servants.
- The problem of tangible perks like housing leads to inequity that prevails among Civil servants. For example monetization of perks can end such inequity.
- He pointed out that the report focuses only on the higher income pay scales for reform but ignores the lower pay scales and the frontline workers who interact with the masses. They need to be provided professional training and their recruitment should be on merit. Low performance and the resultant mistrust of the public on the civil servant is the result of their ignorance. Because their service delivery is not up to the mark due to lack of performance evaluation and professionalism.
- There is the bureaucratic workload; the report should not remain confined to looking at the perks and privileges but should also look into the overload which causes deficiency. Due to overload, the senior officer remains busy with departmental firefighting which crowds out their time for real planning and management in their respective departments.
- whatever the salary is to pay should be based on two things:
 - (i) the skillset – there should be a skill-based comparison and
 - (ii) The geographical boundaries. Pakistan and Harvard can't be compared.
- Management practices compensation structure depends on frequent posting and transfers less autonomy while working are issues facing CSPs. these should be taken into account while evaluating the performance
- Pay and performance linkage: the variable for performance is the different public and private sectors. Therefore this should be considered while comparing the public sector with the private sector.

Nargis Sethi comments.

- Dr. Sethi appreciated the hard work in writing the report with the unique idea of quantifying the non-tangible perks and benefits and an enriching account of the details of the civil services compensation pattern.
- She pointed out several areas for further expansion and improvement. Also, she pointed out the lack of authentic data for some housing value assessment that was retrieved from Zameen.com. But that criticism was later rebutted by Dr. Haque lamented the absence of transparent public records of the federal government.

Wajid Rana's Remarks

- He criticized the suggestion of The New Public Management (NPM) model. He reasoned that criticism of NPM has not been taken into account while recommending NPM to the public sector of Pakistan. The authors should have studied the criticism of NPM in the last three decades that has been leveled by the developing countries for its application in the public sector. The findings of the Australian Reform Commission is that the benefits of NPM are very little, that its suggested application to the public sector should consider criticism level by European community countries about NPS application in the public sector.
- There are too many generalizations in terms of applicability of allowances to civil servants and there is a need to probe further in the right understanding of pay structure, allowances, and cost of public wages.
- Comparison with the UN system needs to be revisited because there we are not comparing apples with apples while comparing officers of BPS 22 with some cadres of UN.

On the question of whether the establishment division plays a kind of human resource manager in public services, it was conveyed that essentially it is the establishment division that calls the shots.

While responding to questions and remarks made by discussants, Dr. Haque informed that the generalization is necessary as an initial step as something needs to be started somewhere. There is however a shortcoming in the analysis due to the non-availability of data but these may improve as time passes.

Dr. Haque concluded the session clarifying that recommendation is not about curtailing the salaries rather it is recommended to monetize in-kind benefits to bring transparency to the system and bring the public sector at par with the private sector. The report is not definite, it just illuminates the subject that there must be a discussion on the economic aspects of the civil service Reforms and that there is a serious lack of data. The establishment division only provides details about wages but data on perks and benefits is missing. There should be annual reports highlighting the data to bring in transparency to win the confidence of the people over.



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