Civil Service Reform in Ukraine:

Patterns of Success in Reforming Institutions

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Foreword

The Report is prepared as an effort to analyse the progress of the institutional reform of civil service launched in 2015. Since then, the Government introduced an ambitious plan to improve policy-making and strategic planning within the Ministries. This resulted in the large-scale pilot reform which implies introduction of the new units, or so-called Directorates, within the 10 Ministries and 3 state agencies.

With the reform ongoing, there is a need to evaluate the intermediary results it brought to life. Our task was to trace the success patterns and identify key areas for improvement. We dedicated particular attention to the change of policy-making practices as we believe that for reforms to succeed, they should become embedded in the everyday life of an institution.

We observed the reform from a distance, critically engaging in some of the more complex choices one has to make in any reform of civil service. At the same time, it is worth noting that the research is aimed at capturing the perspective of insiders on the impact of the first period of functioning of Directorates. The perception of civil servants is key for understanding the change in processes and practices within the civil service.

While the task of the report is to create a realistic vision of the civil service reform progress, we have also identified a number of important considerations for the future continuation of the reform. Those reflect on the perceived effectiveness of the Directorates, both by civil service within those structures and from the rest of the ministries. We also tried to bring in the international experience to project possible directions of change. We invite you for a discussion of our outputs to further improve our findings and, hopefully, put some thought-provoking ideas on the table.

We sincerely hope the report can serve the purpose of continuous improvement of state capacity by presenting a critical appraisal of what has been achieved in the past 4 years of civil service reform.

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Many bright individuals within the state apparatus were involved at the various stages of preparing the Report. We hope that our work will result in more thought-provoking research projects that contribute to well-informed decision-making. We would like to thank all of those civil servants who took part in the research – without you this endeavour would have been impossible.

Particular thanks are due to a number of current and former civil servants who were involved in the work of civil service within Directorates and Departments and agreed to be interviewed for this project. We are sure that most of them would not have minded being named, but we have chosen not to disclose their identities, for those who preferred to remain anonymous. Without the contributions of the civil servants – both the older generation who observed the change of institutional culture from within, and those who joined the civil service more recently – we would not have been able to get such a clear and impactful vision of what are the success stories and the main challenges ahead.

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We are also indebted to the writings of earlier scholars in public management and public administration, on whose works we have drawn in preparation of our analytical framework. Amongst many brilliant scholars, the seminal work of Emeritus Professor Christopher Hood has left a major mark. Finally, the reports on the progress of civil service reform in the UK, one of the flagship countries informing the reform agenda of civil services worldwide, particularly those published by the Institute for Government provided a helpful guidance for us.

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**Research Summary**

We are developing this research in response to a number of issues that shape the political landscape in Ukraine. First of all, the research is a direct response to the lack of actionable policy advice on civil service reform progress. This comes on top of the fact that reform evaluations have high risk of playing into a hidden political agenda and thus lack credibility. The current research ensures the high-quality of contributions by linking the theory and practice, discussing the outputs with leading experts in the field and gathering data to provide an unbiased assessment.

Moreover, under the conditions of very high politicisation of social life, the demand for successful reforms is so high that pointing out imperfections can be life-threatening both for political appointees and for the reforms. The research contributes to establishment of a much-needed tradition of critical assessment of reform that is not threatening and not penalising to any of the parties involved. In Ukraine, a few reports aimed at evaluating the public administration reform. In the UK, the function of delivering unbiased evaluations grounded in academic research is implemented by the Institute for Government. It is our hope that academics, practitioners and philanthropes will support a similar line of work in Ukraine in the future.

In all fairness, two reports on public administration and civil service in Ukraine stand out. The first is prepared by the Secretariat of the Cabinet of Ministers of Ukraine (CMU) and Reforms Delivery Office of the CMU¹. The Report provides the details on Government’s plans and deliverables, as well as a starting point for a more detailed discussion on the impact of the reform so far. The second report was commissioned by SIGMA and OECD and reviews the set up and performance of public administration in Ukraine². While both documents provide useful insights, neither of them focuses specifically on the introduction of Directorates within the ministerial hierarchy. Publications on the newly introduced divisions within the government were appearing on web-sites of leading think-tanks and NGOs such as the Reanimation Package of Reforms³ and Vox Ukraine⁴, as well as in popular media outlets. However, those publications did not attempt to address systemic issues and ground the discussion on a solid theoretical foundation.

Finally, this research links Ukrainian policy reforms to international discussions on political management and innovative reform practices. Among other things, a special attention is paid to the structure of incentives within the civil service, gaming effects and collective action challenges that inevitably affect every reform within the public domain.

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³ Soroka, Serhii, 2018. Reforma Derzhsluzhby: Chy spravdi zarplata vyrishue vse? Available at: [https://rpr.org.ua/civil-servic/](https://rpr.org.ua/civil-servic/)
While the risks of discreditation of the state are still high, we hope our research contributes to an establishment of a well-reasoned conversation around public policies in action. We understand that any criticism of policies resonates with a general criticism of power that is especially strong under the conditions of war combined with economic hardship. At the same time, we seek for a recognition of a simple point: every reform in public management today promises to change the system once and for all but all of such promises fail to meet the high expectations. The conclusion that should be taken from this is not that the state is inherently inefficient – because each form of management can be criticised for something at every point in time. Instead, it means that the state should work on managing the expectations as well as to welcome unbiased assessment in an attempt to gather more information on policy design and implementation challenges. Only by doing so, the state can fulfil its broader mission of convening the expertise of all stakeholders to design effective policy interventions.

The goals of the reform ranged from incredibly ambitious, stated in the official documents, to relatively modest, discussed behind the scenes. The set of publicly communicated goals can be summarised as follows:

- Renewing civil service
- Addressing corruption
- Creating independent civil service
- Improving policy-making capabilities
- Introducing competitive pay (advertised as 1000 people x $1000 salary)

At the same time, the minimal expected input was socialised as “bringing new people to make sure that young bright people understand the workings of the state.” The importance of educating the top-performing individuals about the value of state institutions, regardless of their limitations, should not be underestimated.

The reform has a strong focus on policy analysis and strategic planning. In the course of the research, we identified the following design options used to achieve the stated goals:

- Merit based recruitment with focus on problem solving and critical thinking capabilities
- Performance management indicators (KPIs, target setting, pay-for-performance)
- Less formalised vertical relations
- Horizontal cooperation between civil servants (CSs) in Directorates
- Promoting new culture within Directorates

The research questions we are putting forward are as follows:

(Q1) What are the intermediate outcomes of the reform?  
(Q2) What is the variation in practices adopted across Ministries?  
(Q3) What works and what doesn't?  
(Q4) Has the decision-making process changed since the start of reform?
To address these questions, we conducted more than 20 interviews with civil servants working within the Directorates (treatment group) and Departments (comparison group). The questionnaire for the representatives of both of those groups is attached (Annex 2).

The research attempts at preliminary evaluation of the reforms based on the perceptions of the “old” and “new” civil servants (Q1). On the face value, the reform has succeeded. By the start of our work on this report in January 2019, 10 Ministries and 3 agencies joined the reform. Overall, more than 500 people were recruited into Directorates to date. We have evidenced improved regulations, updated recruitment system, introduction of performance indicators and individual performance reviews and many other core elements of modern civil services. Equally, both “old” and “new” civil servants recognise that the reform had a positive effect on the workings on their ministries. While “old” civil servants are frequently dissatisfied with the higher pay within the Directorates and seem to be more sceptical about Directorates overall, most still noticed improvements within civil service in the past year.

At the same time, our analysis showed the presence of side effects from the introduced changes within the ministerial system. The main side effects include the gaming (including disincentivizing performance of “old” civil service) and opposition within Ministries. Another typical side effect of civil service reform – the emergence of patrimonial and corrupt networks within the new system – was not reported either by “old” nor “new” civil servants. Given the overwhelming evidence of corruption in public sector reforms in third countries, this is a major achievement of the reform. Finally, while we did not find gender disbalances, we found some evidence of possible age discrimination towards people older than 35 years old.

The heart of the report lies in uncovering the diversity of practices within Ministries (Q2). We summarised key academic and policy conclusions in this report. The key academic finding can be summarised as follows:

- New Public Management (NPM) measures affect the culture rather than output
- The most effective directorates apply process-driven problem solving and have a flexible approach to NPM measures
- Stronger horizontal relationships between Directorates built as a part of the reform increase the efficiency of those divisions; vertical relationships within the hierarchy of the civil service are mostly unaffected by the reform (with some exceptions, mainly where process-driven problem solving was applied)
- Independence and policy-making capabilities largely depend on individual leadership rather than structural changes

The research also identified what works and what doesn’t (Q3). For that purpose, we looked into practices of the directorates that are more successful compared to others. The research showed that the Directorates that demonstrated the following features were more successful:

- High degree of ownership over certain functions or policies
- Clearly defined functions of Directorates and Departments that do not overlap
- Adopting new approaches to public service delivery
• Flexibility in interpreting Key Performance Indicators (KPIs) and Payment by Results (PbR) systems
• Group culture and shared values

Research also outlines the reasons behind the reform success. The key to a successful civil service reform is in the combination of the following factors:

• Less hierarchical structure of civil service
• Ensuring inflow of able and ambitious people
• Making performance of civil service more transparent
• Stronger sense of personal responsibility and accountability for delivery
• Better recruitment practices
• New ways of working
• Lower administrative workload within Directorates

Moreover, we were able to identify the key challenges that have to be considered at the current stage of the reform. Of primary importance for the future success of the reform are the following:

• Ensuring political support
• Communicating a clear vision of the reform future
• Improving management of Directorates
• Actively improving the implementation practice
• Addressing ageism
• Maintaining high level of motivation
• Critical analysis of the progress

(Q4) While decision-making process experienced some improvements, it is not finalised. Looking at the differences across ministries, of major impact is the individual leadership style of the Minister. At the same time, even within one Ministry Directorates would perform differently in those terms. Most civil servants (both “old” and “new”) agree that the reasons for variation is within the individual leadership style, competence and motivation of the Head of a particular directorate. Equally important are the nature of tasks and policy area. Where a directorate works on service delivery and can adopt process-driven problem solving, the process of decision making is considered to be much less institutionalised, more informal and less hierarchical, civil servants report much easier communication patterns and are more confident about their ability to affect policy-making.

Further investigations are needed to provide a more detailed guidance for the future reform efforts. We aspire for this report to be a conversation starter for further contemplation over reform enhancement and future directions.
Research Frameworks

Design options for civil service (public management) reforms can be summarised under the two main umbrella frameworks:

1) New Public Management (NPM) framework was developed in the 1970s as an attempt to improve management practices within public sector by introducing business practices of management. NPM is a theory of public management that has developed many of the instruments employed in public sphere until this day.

2) Delivery approaches were introduced by Tony Blair’s government in the UK in order to address the bottlenecks in the delivery of better public services.

The most typical form of a delivery approach has become the establishment of a president or a prime minister’s “delivery lab/unit” which is dedicated to key priorities of the head of the state. In different countries, the delivery approach was liberally adopted by separate ministries or applied within the government as a whole. This means that a separate division aimed at service delivery could be placed within a single ministry or a number of them, or that a president or a prime minister could launch multiple “delivery units” - both at the central level and locally. Today, the delivery approach does not necessarily imply that there will be a “delivery lab/unit” within the head of a government institution launched. At the same time, it is still a prevalent practice that the approach is institutionalised within a particular institution(s) or division of the Government and/or civil service, and possibly extended to local authorities.

In the current paper we analyse qualitative data on the effectiveness of the recent civil service reforms from the perspective of the two theories – NPM and DAs. Using these two frameworks is predicated upon the fact that the research identified the design options present within both of those frameworks as de-facto a part of the discussed civil service reform.

New Public Management

NPM came up with a set of administrative doctrines with the objective of improving civil service and public service delivery. Inspired by several theoretical perspectives such as public-choice theory, management theory, classical and neo-classical public administration, and principal-agent theory, these doctrines included specific functions such as objectives, targets, performance management, and accountability (Gruening, 2001).

NPM uses a variety of tools or design options (also labelled as “functions” in the academic literature). All of those are discussed as having side effects but can be useful to achieve change within the structure of incentives and promote better performance. The design options are as follows:
Target setting
Individual and organisational KPIs
Pay-for-performance
Results-based financing

The problem-solving/convening function or signalling was not alluded to in early writings on NPM. More recent works in public management, however, focus on the value of a problem-solving/discussion function for performance management. For example, Moynihan (2005) conceptualises an ‘interactive dialogue model of performance measurement’. He argues that in addition to measurement and monitoring, an equally important process is establishing routines to ‘consider and discuss data’. Assumptions which are central to his model are that performance information in itself is incomplete and subjective, and the ability of performance data to create organizational learning and provide potential solutions lies in how performance-related information is used through the dialogue.

Delivery approaches

Another approach to improving public management practices is to use the so-called “delivery approaches” (DAs) (Martins et al, forthcoming). They are summarised as a variety of public management approaches that focus on public service delivery and were packaged in the earlier writings as “deliverology” (Barber et al 2011, Lindquist 2010).

Delivery approaches emerged following the spread of “deliverology” from the UK to over 40 countries since early 2000s (Scism et al. 2015). DAs are used as an innovative process or structure that is designed to catalyse a set of functions or principles of effective delivery to shift the focus of service delivery on key outputs and outcomes rather than inputs. DAs are innovative approaches aimed at strengthening the role of centre-of-government in delivering public services.

While delivery approaches vary in scope and shape, they have some common features. They are typically introduced using a top-down model but can be conducive by bottom-up or dispersed decision-making. They also involve an element of focusing on prioritisation of certain policies, restructuring the horizontal and vertical relations within the government and civil service, and better data gathering (including on NPM measures) and monitoring of service delivery. Sometimes, delivery approaches also introduce process-focused decision-making which attempts to optimise the process of service delivery, identify the most problematic stages and diagnose the problems in order to localise the issue and design a response.

Essentially, delivery approaches make the process of public service delivery much more flexible by restructuring the work in order to resolve the key issues that are of a top importance to the government.

Barber at al. (2011) lay out a set of six key functions of deliverology:
1) setting direction and context;
2) establishing clear accountabilities and metrics;
3) creating realistic budgets, plans, and targets;
4) tracking performance effectively;
5) holding robust performance dialogues; and
6) ensuring actions, rewards, and consequences.

We define a delivery unit as an approach which bundles key functions/design options together and centralizes them into a single unit in order to focus on improving outcomes for citizens in a limited number of priority areas (Ghostaket al 2014). In practice, delivery approaches may bundle not all but some of those functions together.

For the purposes of this research we understand delivery approach not in terms of the combination of design options (which rely heavily on the NPM functions discussed above), but as a principle whereby the institution is set up to improve the policy outcome as opposed to generating enhancements in procedural and regulatory terms. Delivery approach exists in so far as there is a particular division that has improved service delivery as its key priority. Prioritisation of public service delivery means that it is manifested in personal and institutional targets and used as an organising principle of work of a given division.

**Challenges of NPM and DAs**

The imperfections or failures of political systems directly affect the ability of NPM and DAs to make a difference to policy-making and service delivery. Functioning within the same political context and overall setup NPM and DAs are essentially subject to the very same failures. Failures and imperfections typically result in lowering the quality of government services, contribute to poor access to services and inequality and marginalisation of some groups. It appears that striking the right balance between centralisation and decentralisation and a drive to bring the culture of accountability are key in the process of addressing the imperfections that led to an emergence of delivery approach in the first place (as discussed in Lindquist 2010).

Political market imperfections, policy incoherence, collective action challenges as well as moral hazard constitute the key challenges for civil service and other public management reforms (Chambers et al 2012). We review them briefly.

Political market imperfections is embedded in the political setup that leads to distorted policy-making. They include information asymmetries, credible commitment challenges, and other inefficacies (North 1990, Keefer 2008). Examples of those imperfections affecting public management are multiple. For instance, the centralisation of decision-making can result in political patronage and competition that attract political market imperfections. At the same time, lack of government unity can be equally challenging (Cirone 2003). Moreover, there is evidence to suggest that providing public services that generate potential “political returns” can be converted into political support. Hence, in case of top-down approach, service delivery becomes a very competitive field for political elites.
Political imperfections are particularly contentious in societies with high degree of political, social and ethnic fragmentation. Delivery units represent a top-down model of decision making. For fragmented societies where power is concentrated in the hands of particular groups, this has the potential to reinforce the existing social clashes. Even if the majority of the population gets better access to services, or access to higher quality services, it does not mean that the situation improves for all the social or ethnic groups equally (as discussed in Keefer and Khemani, 2005). Inequality in access to or quality of public services essentially reinforces the social divisions. That could equally apply to other than ethnic divisions in a society, for instance, those created by the rural/urban divide, income levels, and other factors.

Policy incoherence is associated with inconsistent policy framework, including suspension of elections, failings of the rule of law, and other systemic political failures. It can also be linked to the inability of the government to prioritise and coordinate its activities strategically. Policy incoherence is often driven by multiple incentives and motivations for state (in)action, e.g. multiple incentives and complicated structure of accountability -- to donor community, citizens or particular groups of citizens, trade partners etc. Policy incoherence makes delivery approaches particularly susceptible to vertical and horizontal failures.

Collective action challenges are also linked to a plenitude of issues deeply imbedded in policymaking. The risk for collective action challenges emerges when the capacity for joint action on the part of key stakeholders is undermined or ignored. The veto player-related challenges are related to the anticipated reaction to certain policy changes or maintaining the status-quo. Understanding the behaviour, influence and interest of the veto players is key to anticipating collective action problems.

Imperfect information about performance of political appointees and politicians is another factor undermining the efficiency of NPM and DAs. While we can measure the performance of institutions, it is much harder to understand how politicians perform. At the same time, political systems (both democratic and not) are prompted to respond to the public demand for such information. This creates a situation whereby (a) politicians are in the business of creating an image of their performance and (b) general public and institutions are often keen to endorse solutions that make the performance of politicians more palpable. To resolve both, politicians would exploit innovative policy solutions such as KPIs, performance reviews or setting up delivery labs/units in order to increase their perceived effectiveness and engagement in resolving the cut-through policy issues.

Finally, there is a rich academic and policy literature evaluating each of the design options of the civil service reform. For instance, KPIs, targets, performance reviews and pay-for-performance (all currently adopted in some shape and form in Ukraine) were noted to have caused a variation of gaming and strategic behaviour within public institutions. Hood (2006) discusses 3 types of gaming and strategic behaviour in response to target-setting:
• **Ratchet effect**: when one can expect target setters to fix next year's targets as an incremental advance over last year's results. This causes limiting performance to well below their production-possibility frontier;

• **Threshold effect**: when a uniform output target is applied to all units. This gives no incentive to excellence and may stimulate top performers to reduce the quality or quantity of their outputs to match the formal requirements of the target.

• **Output distortion or the manipulation of reported results**: when the reported results match the expectation on paper but fail to stimulate better policy outcomes, also labelled as "hitting the target and missing the point."

Hood (2006) suggests designing antidotes to target gaming which well may be applicable for many of the current debates in Ukraine. They include:

• Tightening the rules and data definitions,
• Refining the targets,
• Conducting audit investigations,
• Threatening to discipline errant admirals,
• Using “mystery shoppers” to check on service delivery.

Moreover, close monitoring of performance reinforces a transactional approach to the executed functions. Kelman (2006) suggests that close monitoring, particularly mixed with appraisal, creates resentment. He contends it can be self-limiting: if close monitoring was not expected at the point when civil servants joined a given organisation, it can be perceived as a violation of a social contract at work. Finally, punishment (typically in a form of loss of rewards) and extrinsic rewards tend to reduce intrinsic motivation, particularly where a certain level of personal commitment to the organisation’s mission is expected. Thus, reward systems can counteract the positive effects of incentives (Deci et al 1999). All of those factors often lead to reducing morale, motivation, and commitment. Such dynamics, in turn, inevitably depress performance.

Looking at the possibilities for systemic change as a result of public management reforms, one has to also consider the long-term effects and sustainability of the design options. Lindquist (2006) discusses some of the reasons why delivery units can be seen as controversial in this sense. The conventional norms and hierarchies typically present within the ministerial structure can be challenged by the newly created public management approaches – without offering a coherent system to deal with the transformation of the behavioural code.

Hence, the added value of these insights is in acknowledging that while policy formulation and implementation challenges are present objectively, NPM and DAs have to be applied upon critical reflection, and they do come with their own challenges. This is not to discredit both approaches/frameworks, but to suggest flexibility in reviewing the design options/measures and the way they are applied within the system. Revisions of such kind are necessary to achieve more efficient public management.
Conceptualising Policy-Making Capacity within the Civil Service before the Reform

The project aims at investigating the patterns of success in the civil service reforms in Ukraine. The organisation and management of civil service was inherited from the Soviet Union. Throughout the period of independence, there were multiple attempts to change the institutional culture within the civil service. As a part of those efforts, Ukraine saw the introduction of new regulations as to the work of civil service. First large-scale reform came in 1993 when the civil service saw many structural changes. The ongoing regulatory reforms gradually contributed to the formation of a new quality of civil service in Ukraine.

However important, regulatory changes could not deliver the deep-rooted change that would enable civil servants provide the independent advisory to the Ministers. They also had limited impact on the practices of decision-making process. Policy-making was largely outside the scope of activities of civil servants within Ministries. While their role was instrumental for the development and introduction of policies, the choice of policies was driven by political appointees. Evidence suggests that most civil servants employed at the Ukrainian Ministries felt uncomfortable raising positions that disagreed with their superiors. Besides, procedurally, there weren’t opportunities for civil servants to develop and represent a position in respect to policy formulation.

As a result, policy formulation was largely the responsibility of the Prime Minister and Ministers. Effectively, this implied that policy advice and in-depth evaluation of policy options was often lacking. As research shows, that does not mean that civil servants within Ministries were not trying to affect policy outcomes (despite a common misperception). Civil servants in the closed decision-making system often use certain caveats to disclose their policy considerations. We found two main types of alterations of policies after they were communicated to the Ministries:

**Type 1. Bureaucratic discretion**

In most cases, bureaucratic discretion allowed civil servants to design small adjustments or solutions that, in the opinion of Departments working on a given policy, would better address problems or provide additional control over risks at the implementation stage (for instance, by introducing minor corruption barriers). Inevitably, those policy design considerations were not necessarily discussed (due to the perceived threat of such policy initiative) publicly and often failed to achieve the predicted result.

**Type 2. Principal-agent problem**

Since the policies were typically communicated using a top-down approach, a principal-agent problem came into play at the stage of policy formulation within Ministries. Given a limited policy expertise, not uncommonly carefully guided by concentrated interests in the areas of particular economic appeal, there was also
little guidance in terms of policy design. Details of the policy design were decided within Ministries, especially at the stage of legal analysis. Hence, policies were often reinterpreted, both on purpose and not, due to the principal-agent problem, namely a divergence in understanding and policy intent between the “principals” (or top officials publicly announcing or requesting the policy to be designed) and the “agents” (or bureaucrats responsible for policy formulation and enactment).

Both of those errors emerge inevitably in every civil service. Their effects, however, were exacerbated under the conditions of (1) lack of direct involvement of civil service in the generation of policies, and (2) absence of a critical discussion about the policy mechanisms to implement the suggested change. In such a closed system, civil servants affected policies in less direct ways. They still have direct responsibility for developing policies (including drafting laws) and implementing them. The expected end results of the reforms were mainly communicated from the top-down. In this process the political leadership did not request any critical input from civil servants (and nor civil servants initiated it). So, essentially, they applied their creative understanding to package their ideas within the generic reform guidelines communicated to them.

The policy response to the issue of lacking policy analysis and strategic planning was much needed. At the same time, it was perhaps lacking a certain degree of complexity. In the first years of reform, many Directorates are still struggling to find a way of productively affecting political decision-making. That leads to a situation where a lot depends on individual leadership and there are no known ways of making a difference if that is lacking.

Interestingly, we found evidence of the common ways to block change within the civil service. These common ways include:

(1) referring to the fact that the norm does not comply with existing legislation;
(2) referring to the fact that the suggested norm does not currently have budgetary allocations (“it is impossible to include in a budgetary programme”);
(3) referring to the fact that the norm does not correspond to the formal requirements for legislative drafting;
(4) referring to the fact that the norm does not currently fall under the Programme of activities adopted by the Ministry. Those ways are routinely used by the civil servants within Departments, especially if there is a pronounced tension between Departments and Directorates.

We see that the problems of bureaucratic discretion and principal-agent problem still manifest themselves and will continue to do so. At the same time, that does not mean that all of the manifestations of this problem are inevitable. Developing better policies cannot happen only by introducing Directorates, however good they are. It requires systemic changes. One of such changes is creating collaborative networks within civil service. These networks should glue policy areas back together – combining different stages of policy cycles from policy analysis, implementation, and monitoring to evaluation. This is partially achieved by the expert groups (i.e. groups of civil servants that specialise on particular issues across ministries and agencies).
At the same time, not only expert groups need facilitation, but also expert groups alone are unlikely to resolve some of the more systemic issues. Further efforts have to be directed in that area. There is a need to institutionalise policy advisory of civil service. For instance, there could be a process of disapproval of policies on the part of the civil service. This could help offset populist policies and defend the integrity of institutions regardless of the electoral cycle.

The report dwells on the body of evidence from academic and policy literature to put forward recommendations. Those can offer a useful summary for guiding the thinking about those fundamental issues of public management.
Key Elements of Reform

Starting from 2015, the process of institutional reforms has intensified with the new law on civil service. One of the important components of the reform were improvements in human resources and performance-oriented management. In 2017, the Government launched a pilot reform project to introduce the new ministerial divisions, Directorates, within the formal structure of the government agencies. Directorates were seen as one of the core drivers for long-awaited reforms to improve policy analysis and strategic planning within Ministries.

The Government defined the goals of the public administration reform as “improvement in efficiency of the Government and capacity of Ministries” (Cabinet of Ministers of Ukraine 2017:7). Unfortunately, the stated goals and their components demonstrate that the logic of evaluation was not taken into account when developing the reform. For instance, the efficiency of the Government is a very broad concept. While there are discussions as to the contributing factors to such efficiency, there is no way to trace efficiency as one of the indicators of the success of the public administration reform.

Overall, there are 3 ways to address the issue. Firstly, large organisations often rely on the self-perceived efficiency and its dynamics. Secondly, we could measure the government efficiency by government outputs. Government outputs can be analysed across a number of functions – from the budgetary to risk management and service delivery. Thirdly, we could imply that efficiency improves if the Government experiences less inefficiencies (including political market imperfections, policy incoherence, collective action challenges, informational deficiency, moral hazard, etc.)

As one can see, the first approach is more straightforward and builds on the information from the first hands. It was the one adopted in the current study. Given the focus of the civil service reform that we evaluate – introduction of Directorates – we also paid special attention to performance monitoring and oversight, which is closely linked to the third approach to evaluating the government efficiency. The latter two approaches (evaluating government outputs and success in addressing common challenges and inefficiencies) could be the subject of further studies. It is worth noting that such research would require longer time span – and longer period after the introduction of policy changes.

The second stated goal of the public administration reform is the improvement of the capacity of Ministries. The Ministerial capacity was defined as a combination of four core components:
(1) higher quality of government decisions;
(2) better professional capacity to formulate policy within the ministries;
(3) no duplication of functions across ministries;
(4) more horizontal cooperation between ministries.
The first two – higher quality of decisions and policy-making capacity – are the hard ones to trace. We envisage future research to shed more light on this, while for now the report focuses on the latter two of those components – duplication of functions and horizontal cooperation between ministries.

Finally, the report analyses the challenges and opportunities of the current reform and aims to expose the machinery of the most recent civil service changes. We analyse all the Directorates introduced within the following Ministries to understand patterns that lay behind their success:

- Ministry of Agrarian Policy
- Ministry of Culture
- Ministry of Education and Science
- Ministry of Energy and Coal Production
- Ministry of Finance
- Ministry of Health
- Ministry of Infrastructure
- Ministry of Justice
- Ministry of Regional Development
- Ministry of Social Policy
- National Agency of Ukraine for Civil Service
- Secretariat of the Cabinet of Ministers
- State Agency of E-governance

These Ministries and Agencies are the pioneers of the civil service reform, and their experience is often admired and viewed as something to replicate further. Together with the review of the successfulness of the reform, we developed a framework for understanding civil service reform and identified key factors that lift or drag reform at the current stage.

Key elements (design options) of the reform included an introduction of performance management systems, focusing on the delivery of public services (where applicable), and improving cross-ministerial cooperation. Each of those elements is analysed further in relation to academic literature and policy debate.

The stated goals of the reform ranged from incredibly ambitious, stated in the official documents, to relatively modest, discussed behind the scenes. The set of publicly communicated goals can be summarised as follows:

- Renewing civil service
- Addressing corruption
- Creating independent civil service
- Improving policy-making capabilities
- Introducing competitive pay (1000 people x $1000 salary)

At the same time, the minimal expected input was communicated as “bringing new people to make sure that young bright people understand the workings of the state.” While this might seem like a rather modest expectation, it does go in line with
research on civil service reforms internationally. With more and more transparency of the state apparatus, its failures and/or inefficiencies and limitations are also becoming increasingly clearer to the population. In light of this, people often become intolerant to such challenges and expect them to be addressed by the incoming government “once and for all”.

Especially under the conditions of social and political polarisation and high salience of civil service reforms (typically unobserved in other countries), the value of educating the top-performing individuals about the value of state institutions, regardless of their limitations, is important for renovating the system of state apparatus. It also has the potential to build a better understanding that is often lacking behind the claims about corruption. The inferred inefficiency of state institutions, including Ministries, often rests on the perceived high levels of corruption. Such reputation demotivates civil servants and counteracts their productivity and aspirations to contribute to positive change. It also further discredits the state in the eyes of citizens, ruining the very foundations of a credible commitment of politicians. Hence, having a critical mass of highly educated and productive individuals that can challenge those circumstances, bring new energy, but also understand how the state works – is critical for states with fragile political climate.
Research findings

On the face value, the reform has succeeded. By the start of our work on this report in January 2019, 10 Ministries and 3 agencies joined the reform. Overall, more than 500 people were recruited into Directorates to date. We have evidenced improved regulations, updated recruitment system, introduction of performance indicators and individual performance reviews and many other core elements of modern civil service.

Our analysis showed the presence of side effects from the introduced changes within the ministerial system. The main side effects include the gaming effects (including disincentivizing performance of “old” civil service) and the emerging opposition to the reform and individuals who embody it within Ministries. Another typical side effect of civil service reform – the emergence of patrimonial and corrupt networks within the new system – was not reported either by “old” nor “new” civil servants. Finally, while we did not find gender discrimination, we identified some evidence of age discrimination towards people older than 35-40 years old.

Our research findings fall under two broad categories: theoretical and policy-oriented ones. The theoretical findings relate to the earlier discussion on the New Public Management (NPM) and delivery approaches (DAs). The research found evidence on the effectiveness of those frameworks, as well as identified the limitations they face.

Our findings are organised as follows:

- How does Ukrainian civil service reform relate to the literature on NPM and DAs?
- What does success look like?
- Why do some Directorates succeed?
- Why do civil service reforms succeed?

The combination of those questions is meant to deliver a more complex vision as to what kind of inputs, critical reflections and actionable recommendations can be useful to move forward the civil service reform.

How is Ukrainian civil service reform connected to the literature on NPM and DAs?

From a theoretical perspective, we found evidence to suggest that the measures of new performance management had a mixed effect on the Directorates. We also find that some of the frustrations with the reforms from within the civil service come out not because of design failures, political environment, low state capacity to impose reforms (or other hypotheses often expressed in popular media and within the expert community). Rather, those are tightly linked to the typical frustrations that come out of the implementation of targets, performance indicators and other NPM measures. This should not be taken as a statement about any kind of redundancy of such
measures, but rather as a point for deeper understanding of the process of their implementation and the side effects that they create.

This understanding should in principle lead to a more flexible perception of the measures employed. What it means in practice is that while NPM measures are important, particularly for changing or improving the culture of civil service, they are less useful as elements of systemic change. In principles, NPM measures should be changing depending on the nature of a problem that exists within the division and there should be a reasonable degree of informal flexibility in the way of applying and controlling the NPM. This is to avoid the situation of “hitting the target and missing the point”. Essentially, if NPM measures are applied in a more rigid way, are more standardised and formalised, they often create disincentives for civil servants to perform well in a meaningful way (beyond the set targets and indicators) and/or better over time. They also create gaming effects and depreciate the intrinsic value of civil servants’ work.

The second theoretical conclusion we arrived at has to do with the well-discussed delivery approach to public services. We identified two Ministries where Directorates followed the logic of delivery approaches to public service delivery. They performed much better against a number of indicators, including in self-assessment of progress of the reform and the performance of their Directorates. They were also cited by civil servants from other Ministries as the most efficient implementers of reforms. Interestingly, they typically had a fairly flexible approach to using the NPM tools, including the KPIs. All in all, while this does not demonstrate the need for introducing delivery approaches universally (as it would not match many of the functions of civil service), there is an argument to make about the benefits of concentrating on delivery-focused problem solving.

What does “success” look like?

The introduction of Directorates within the Ministerial hierarchy is seen as a success, albeit to different degrees. This is mainly because it was a targeted attempt to improve the quality of decision-making. This task requires a long-term commitment and policy continuity. That said, even within a short span of time that Directorates have worked, the research finds positive evidence as to their contribution to improving efficiency of procedures and practices involved in decision-making within the Ministerial structure. Whether reform makes a final mark in the history of Ukrainian civil service is yet to be seen. This will be judged based on the ability to introduce beneficial changes that survive beyond an electoral cycle, and live through a period of leadership change, with the rise and fall of leaders, teams and programmes that were implemented as part of the reform.

From today’s perspective we identified the following areas where public service reform was seen to have left a positive impact by those whom we interviewed within our research:

**1. Decreased importance attached to the hierarchical structure of civil service** – both in policy analysis and advisory, and communications between civil servants of
different ranks. This drives a gradual (albeit limited) simplification of communication across Departments and across Ministries.

2. Inflow of ambitious people who are dedicated to delivering positive transformation of government and civil service. This drives the change of institutional culture within Ministries.

3. The use of objectives, performance indicators and measurement to make progress transparent makes civil servants consider the impact of their work in everyday activities.

4. With a higher salary and a team of motivated colleagues, civil servants within Directorates report stronger sense of personal responsibility and accountability for delivery – whether of policies, projects, programmes or services. Other civil servants that work across the Departments also expect the “new” civil servants to conform to those values. It is also linked to the wording of “awards” that contribute to the higher salaries in Directorates. In Directorates the awards are assigned for the importance of work which emphasises stronger commitment to achieving results.

5. Improved recruitment practices across Ministries, but especially in Directorates, introduced open competition for positions within the civil service. This played a role in selecting top candidates but also indirectly signalled that civil service is capable of recruiting the most able individuals.

6. Learning and adapting to new ways of working has intensified with the emergence of Directorates. This created a push for civil servants to develop the required skills, but also had other indirect effects. Those include creation of informal cross-ministerial networks between Directorates, as well as strengthening of the common identity of the newcomers to civil service.

7. The majority of those interviewed from the newly created Directorates agree that they experience a lower administrative workload compared to the Departments. This means they experience lower administrative burden, and the simpler tasks such as answering the information requests are more likely to be done by a cheaper workforce. That said, some Directorates do not have enough publicly available information about their sphere of expertise and responsibilities. Civil servants from such divisions often report experiencing a higher number of information requests (which in turn results in their dissatisfaction with their responsibilities).

One of the possible reasons for the overall lower administrative intensity of tasks in the Directorates is the fact that their functions are not yet clear to a broad audience. This can explain the lower turnout of administrative workload, especially in relation to requests from MPs and citizens. However, this situation is likely to change when the public becomes more aware of the work of the Directorates. If the information about Directorates’ responsibilities and outputs is only partially available online, that is likely to result in more information requests from deputies and citizens. In such a case, the administrative intensity should be revised to ensure that the government is spending resources efficiently. The main consideration here is that the government
8. **Ensuring that the functions of Directorates and Departments are not duplicated.** Currently, some projects and programmes are delivered by both types of ministerial divisions. This creates unhealthy competition, especially where the tasks and professionalism of civil servants are the same and the remuneration is very different. It is inevitable that some projects fall under the overlapping remits of multiple governmental bodies because of their cost, complexity, political sensitivity and priority. But the reform should aim at drafting the clear boundaries of responsibility for specific areas of such projects and developing the process for defining such boundaries.

**Why do some Directorates succeed?**

Looking at the cases where Directorates are perceived as efficient by the outsiders and are inclined to think they are improving the overall efficiency within the civil service, certain takeaway messages stand out. The first one is that group culture and shared motivation are of primary importance. Where there is a clear understanding of the overall reform logic and objectives as well as an appreciation of a personal role in planning of the reforms – we can see higher level of commitment. In practice, this results in the group of highly-motivated civil servants playing a role of gatekeepers. The performance-oriented systems appear less efficient in achieving their ultimate goal than the invisible incentives set out within informal groups.

Along with a strong group culture and a presence of a common identity typically comes flexibility in applying some of the crucial regulatory innovations for Ukrainian civil service. **Flexibility in interpreting KPIs (Key Performance Indicators) system are also contributing to better effectiveness.** The KPI system (namely, setting, managing and reviewing individual and institutional performance indicators) was applied in Departments and Directorates to improve performance-oriented evaluation. The effects of KPIs differ across Directorates and Departments. KPIs played the role of a stimulus for the majority of civil servants to start thinking about their day-to-day duties from a perspective of their individual impact on the processes and decisions. However, we found that most successful Directorates had a tendency to use KPIs rather liberally at an individual level. They also tend to revise and amend institutional and individual KPIs informally. This means that the actual performance of civil servants was not directly driven by KPIs. Mutual trust between subordinates and their managers often played a key role in stimulating better performance.

Thirdly, **PbR/P4P** (Payment by Results/Payment-for-Performance) systems were introduced on paper, but not de-facto. The current reward system was improved for Departments since the start of reform. This is seen in the gradual increase of the wage component of the total salary. Major improvements have been made in the process of individual performance review.

The salary in directorates is (de-facto) fixed. It worked well for Directorates, which is evidenced by the ability of Directorates to attract high-profile employees, the fact
that employees report better motivation etc. Moreover, interviews suggest that civil servants from the Departments also recognise that Directorates work more intensively, due to the (de-facto) fixed salary.

Also, there is a clear connection between high degree of ownership over certain functions and the success of the venture. This implies that such Directorates tend to have less shared functions with other divisions within the Ministry – or across the Government. Where Directorates were introduced to take on a new area of work, they tend to be much more efficient. This does not mean that Directorates in such cases function in isolation from the rest of the Ministry. Typically, they require a lot of assistance and facilitation from their colleagues across the Ministry. However, if they have a full sense of ownership for a certain direction of work, both their motivation and their ability to drive change increase.

Innovative projects or, in the case of current reform, new approaches to service delivery typically generate better and more long-term results. Our research on the types and functions of Directorates found that (perhaps unsurprisingly) Directorates that were responsible for new areas of work had a tendency to overperform. Essentially, this confirms that where Directorates were given the green light and where there was a vacuum of ideas on how things “should” or “could” be done before the formation of Directorates, they had more freedom and required more creativity.

Civil servants often explain that they were driven by the idea of “having to push forward” or “change the status quo beyond the point of no return.” In such cases we observe that the level of perceived individual responsibility rises, and we notice more rigorous management (including recruitment, better prioritisation of tasks within the Ministries, better coordination), and better performance. This is not to suggest that projects that are standing out should be managed within Directorates in the future, but to present decision-makers with an observation that Directorates can be a good platform for the take-off stage of new large-scale innovative reforms. “New” civil servants are driven by their ambition to deliver change. This is a useful set of expectations for top management to take note of and it can open some new opportunities for reconceptualising the further reform agenda.

Finally, there is some evidence to suggest that where functions of Directorates and Departments are clearly defined and do not coincide, there is a higher sense of ownership over the final results. This often drives better performance as well as simplifies the perception of individual responsibility for certain tasks.

What are the challenges?

Maintaining a high level of motivation is seen as one of the key challenges. There is a lot of uncertainty about the future of the reform which undermines the trust of civil servants in their mission and future within the civil service. Secondly, newcomers appear to be highly sensitive to their ideas being rejected. Perhaps due to lack of experience within public institutions, newcomers see each case of their policy recommendation not going forward as a “defeat” and a sign of the inefficiency of the system. This underlines the situation where the demand for rapid change is
clear not only within the society, but also at the heart of government operations. While it may seem as a desirable feature of a stagnant system, it also has fairly toxic consequences. Measures aimed at improving the communication on the future of the reform and those directed at creating more reasonable expectations among the “new” civil servants are highly recommended in this regard.

Where the system of KPIs was applied with stringency, this has led to some challenges for performance management. As discussed earlier, KPIs have earned a rather controversial reputation amongst public policy scholars. In the context of Ukrainian civil service and beyond this has often led to a very prescriptive and formalistic view of one’s tasks – whereby a civil servant considers that their job is done after a set of formal indicators is achieved.

Tracking actual impact of a civil servant is often hard – if not impossible – particularly in the area of policy-making, not least because of the intertwined responsibilities across civil service. KPIs can help protect less efficient but possibly more loyal civil servants by assigning to them the KPIs that are easier to achieve. On the contrary, they can also be used with an opposed goal – to put an additional stress on some of the more initiative civil servants. This can have particularly harsh repercussions in a situation where civil servants pay is attached to their ability to fulfil the agreed upon KPIs.

The system of performance-based rewards has already manifested its relative impotence to drive better performance within civil service prior to the recent reform. In principle, the P4P/PbR system was applied within Ukrainian civil service since the Soviet times. The practice of using the system diverges across Ministries and divisions. The total income (core salary and award) received in the Departments is not fixed and not the same across ministries (even for the same grades). The comparison of award components of salaries suggests that there can be a considerable gap between salaries in Departments and Directorates. The minimal salary for civil servants is approx. £100-300 depending on the grade, with the intensity rewards being assigned on top of that at the discretion of the line manager.

In the past, the formal requirements were used to determine the size of the award component of the total salary for the Departments. This included the system (previously used in Britain and Germany) where a large portion of the “award” is dependent on the years served in civil service. Thus, the system discriminated against the newcomers as a side-effect of the pay-for-performance. The reward system also allowed for discrepancies across ministries and agencies. In the interviews conducted as part of this study, some CSs reported that particular institutions can apply excessively high awards (reportedly up to 600 times of core salary in particular months) with little control and oversight from (other) regulators. This is in line with previous research on the structure of civil servants’ income across Ministries with and without Directorates. The Office for Financial and Economic Analysis at the Verkhovna Rada (2019) revealed that the award component of monthly income of some groups of civil servants exceeds 100%, and sometime fluctuates at the level of 200-300% of their nominal salary.
<table>
<thead>
<tr>
<th>Size of rewards*</th>
<th>Departments</th>
<th>Directorates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core salary (wage)</td>
<td>1.65 – 4.12 of the minimum wage in Ukraine; currently amounting to UAH 3,170-7,910</td>
<td>2.3 – 4.12 of the minimum wage in Ukraine; currently amounting to UAH 4,420-7,915</td>
</tr>
<tr>
<td>Reward for certain categories of work</td>
<td>Not applicable</td>
<td>400-700% of the core salary, regulated at the level of UAH 30,000-40,000</td>
</tr>
<tr>
<td>Reward for the intensity of labour</td>
<td>Unregulated, discretion of the head of the government body</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Grade-related reward</td>
<td>Set at the level of UAH 200-1000</td>
<td>Set at the level of UAH 200-1000</td>
</tr>
<tr>
<td>Years-in-service reward</td>
<td>3% of the core salary but no more than 50% of the core salary Estimated at UAH 90-3,955</td>
<td>3% of the core salary but no more than 50% of the core salary Estimated at UAH 130-3,958</td>
</tr>
<tr>
<td>Other rewards</td>
<td>Unspecified</td>
<td>Unspecified</td>
</tr>
<tr>
<td><strong>Estimated minimal total</strong></td>
<td>up to UAH 12,865</td>
<td>UAH 34,750 – 52,873</td>
</tr>
</tbody>
</table>

* Based on the minimal salary from 01 July 2019

**Source:** Authors’ compilation (based on legal regulations and interviews).

The recent regulation from the Cabinet of Ministers was meant to resolve the issue of wage to award ratio by introducing the maximum coefficients across public institutions (entered into force 01/01/2019). Now the years-in-service component still applies but it cannot exceed 50% of the salary. For the Directorates, awards are set and are assigned for “the importance of work” regardless of the Ministry. Essentially this means that for some Ministries “new” civil servants received much higher salaries than ministry average, while in others the actual difference is more marginal. Further reforms are needed to set an appropriate salary level and that would be

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5 In Ukrainian, this is phrased as a “reward for the importance of work”. This does not build onto the existing “categories” or “grades” within the civil service system. Rather, it was introduced with an instrumental goal of separating Directorates (which are meant to do policy-making and strategic planning) from the rest of the Departments (which are meant to do implementation). In practice, many Departments deal with policy-making but do not have access to this type of rewards. The Cabinet’s Framework for Introducing Reform Experts from 2016 is regulating this (Regulation of the Cabinet of Ministers from 11/11/2016 No 905.)

6 With some exceptions for senior officials and civil servants who work on “strategic policy priorities” within ministries.

7 Rewards are assigned by the Minister, upon the consultation with the HoDs. The amount of the actual rewards largely depends on the institutional funding available and varies across the government.

indicative of the level of seniority and contribution of civil servants. At the moment, the system of bargain and rewards is going through a turbulent period and needs more of a strategic input.

Rewards for the intensity of labour and rewards for certain categories of work were introduced in 2016 for stimulating better performance of civil servants. The system of flexible rewards within the Departments allows Ministries to mimic market prices for labour. At the same time, reward for the intensity of labour (for Departments) can fluctuate and depends on the funds available within the ministry budget. For some Ministries this means that the difference between the “old” and “new” civil servants’ pay is negligible or negative. Those are the ministries that found it hardest to recruit capable individuals to the newly formed Directorates.

Secondly, PbR/P4P system is not free from inefficiencies within the newly created divisions. Alike to the situation in Departments, there is also a misuse of pay-for-performance measures within Directorates. While the situation within Directorates is formally similar (receiving core and award), de-facto everyone within Directorates across all Ministries receives the same salary.

In case of Directorates, such equalisation of pay across Ministries often leads to an overestimation of price and quality of labour. In academic and policy literature, there is a longstanding debate on the appropriate levels of civil service pay. While some consider appropriate to pay salaries that are higher than average (World Bank 1993), others stand in favour of the position that civil servants’ pay should not exceed what is representative of incomes of those they govern (Hood and Jackson 1991).

Interviews demonstrated that particularly coming from within lower-paid professions, some of “new” civil servants complained of their pay being not adjusted for inflation and having not increased since 2016. The pay gap between themselves and “old” civil servants was not perceived as sufficient, as they were comparing themselves to top-of-the-field business professionals, including CEOs. While such a position is admirable, it demonstrates a lack of understanding of public finance – and the role of civil servants in society. In practice, not all the professions are similarly highly priced on the market in a way that they are within the Directorates. We understand that this is done to create the “celebrity identity” of the Directorates, promote their efficiency and self-perception of their mission. At the same time, it can be disruptive in the long term. It can also be difficult to implement on a larger scale – both for the state budget and for building long-term relationships within the system. Further research is needed to determine more detailed recommendations.

One side of this debate in theory of public management is attached to an empirical observation that performance-based rewards have a tendency to depreciate intrinsic motivation to act. Particularly at the time of a large-scale reform of civil service aimed at reviving the benevolent motivation to act in a public good with the interests of citizens at heart, this can hit the reform agenda with its own bullets. Combined with the KPIs, PbR systems often reduce the motivation to deliver among civil servants, as well as in other spheres. We have found evidence of civil servants
developing attitudes that largely support this theory. This is aggravated by the fact that civil service often requires involvement of people from multiple divisions and the more competition the less cooperative people tend to be to those outside of their informal networks.

The other strand of arguments in relation to PbR systems’ limitations is linked to the **gaming effects** created as a result. Not only the KPIs serve as a way to improve accountability and manage performance, they are also becoming a source of the monetary value of one’s work. This means that competition for maintaining “good relations” with your line manager becomes more and more intensified. Even more so if the line manager has a perception that his task is to differentiate the level of effort invested by civil servants and ensure that the reward scheme serves this purpose.

We cannot ignore the fact that in any large organisation we are dealing with people. Civil servants are likely to be demotivated by the sign of any perceived injustice to an extent that the exercise of PbR can defy the purpose. PbR puts an additional psychological pressure on people and focuses them on achieving better informal relations with the line manager as opposed to provoking their independence and creativity. As a result, we often observe increased levels of stress and uncomfortable work environment.

Interestingly, our research has not identified gender discrimination as a potential problem for the overall success of reforms. While women constitute 48% if economically active population in Ukraine, they take up 50% of all the positions within the Directorates. Women constitute 40% of the managerial positions (director, head of expert group). Women are also equally represented in the positions of heads of Directorates. However, we noticed some evidence of **ageism**. People aged 35 and over amount to 64% of the economically active population in Ukraine. However, they are largely underrepresented within the Directorates.

Our research findings fall in line with other recent research on the civil service reforms. The research by the Reform Office of the Cabinet of Ministers of Ukraine (2019)\(^9\) finds that more than 50% of the civil servants within the Directorates are 35 or younger. Even more shocking is the fact that less than 25% of those in Directorates are 40 or older (with this group representing 50% of the economically active population).

We understand that there are objective factors contributing to the stereotype of older civil servants being viewed as more centred on loyalty at the expense of professionalism. However, ageism is something Ukrainian civil service managers should further reflect on. While it is true that young people are often more dynamic and have less appreciation of authority (which is helpful at this stage), we also would like to underline that some Directorates are more inclined to hire people with no prior experience at all over older people – both within and outside the civil service. This creates an atmosphere of discrimination, often exacerbates conflict between “old” and “new” divisions and underlines unnecessary economic injustice between those

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\(^9\) Summary findings available at: [https://rdo.in.ua/article/spravzhni-slugy-narodu-portret-novogo-derzhavnogo-sluzhbovcy](https://rdo.in.ua/article/spravzhni-slugy-narodu-portret-novogo-derzhavnogo-sluzhbovcy)
employed in Departments and Directorates. Such change also challenges the existing public service bargains within the civil service system (Hood and Lodge 2006). An alternative can be seen, for instance, in establishing the fast track for graduates willing to join civil service. A good example of a working recruitment scheme for capable graduates can be found in the UK\textsuperscript{10}. This is not to say that reform has set a precedent that is impossible to reverse, but this is something to consider going forward.

Fourthly, there are reasons to suggest that Directorates are not equally endowed in terms of management. While in some cases we have seen a lot of positive remarks about the role of Heads of Directorates (HoDs) in the overall activity of Directorates, there are cases where civil servants report disinterest, lack of initiative and direct involvement in decision-making on the part of HoDs, particularly in areas where functions of Directorates are intertwined with those of Departments more directly.

We admit that favouritism was not something that raised the flag, which is undoubtedly something to congratulate the reformers on. However, we appreciate that there are things to improve, particularly on the managerial side and in terms of the recruitment of Heads of Directorates. Partly, this concerns a complicated choice between a new Head of Directorate without prior civil service experience and someone who switches from Department to Directorate.

In our research, the latter often seemed to be perceived as one of the triggers for intensified conflict between “old” and “new” civil servants. This typically resulted in less cooperative attitude towards the Directorate under such leadership. There were cases where such negative evaluation of the role of Heads of Directorates came not only due to untoward feelings from the colleagues, but also due to a lack of push for change.

In principle, the culture of civil service that came in together with the old Head of Directorate seemed to dis incentivise the newcomers, especially when they did not see the expected excitement and support from their line manager. In this regard, our best advice would be to consider involving more “old” civil servants within the Directorates, however, making sure that positions of heads of Directorates are allocated to the most able and dynamic people. There might be a process of anonymous evaluation by colleagues from within Directorates that might assist in making the right decisions on the leadership of their unit. Such evaluation could be considered on a yearly basis during this stage of reform. This would reduce the imminent pressure on the Head to be likeable in the view of subordinates, as well as reduce the gaming effects under the PbR system.

Finally, building on the need for improved management of Directorates, we have observed that both Directorates and Departments across all the Ministries receive conflicting information and guidance on the prospects of future reform within the civil service. The majority of civil servants have little certainty in the way things will move forward. The ambiguity around this is not as poisonous at this stage but could

\textsuperscript{10} Civil Service Fast Stream, 2019. Available at: https://www.faststream.gov.uk
be dangerous in the longer term. Among other things, it can stimulate disinterest and apathy towards civil service both within the cohort of newcomers and more seasoned professionals. It is our understanding that such situation is caused by the objective factors shaping Ukrainian political landscape. At the same time, it is impossible not to warn that the best and brightest of today’s civil servants are often career-driven individuals and there is a limit to their interest in a position without having clear prospects for their future progression.

Why do civil service reforms succeed more generally?

We thought it might be helpful for decision-makers to consider the implementation of civil service reform more broadly. The issue of civil service reform has been discussed and debated over pretty much in every country around the globe. This provides an opportunity for us to create a (hopefully) helpful summary of what are the main issues to look out for at the different stages of civil service reform implementation. Here are some of them that we thought can be particularly helpful when thinking about the progression of the institutional reform discussed.

During the project take-off, political support is indispensable. Civil service reform can generate an easy buy-in from the citizens. In other words, if framed and presented with the best intentions, and given the public demand for anti-corruption reforms in general, civil service reform can add a sense of credibility of the political power.

Particularly in between electoral cycles there is a strong sense of ambiguity and uncertainty about the destiny of reforms. Showing continuous support for civil service reforms, as well as encouraging critical engagement with civil servants to generate optimal solutions to the current challenges is important at this stage. The danger here is to make consultations so broad that the expertise is not necessarily present. Instead, we would advise in favour of independent evaluation, or possibly – an independent institutionalised team that could work with civil servants in a confidential and non-penalising way. It is important to maintain critical engagement with researchers who can (and should) be able to provide useful steering of the reform without an external bias. Civil servants, both “old” and “new”, should be able to confine to those team members. In this case, personal leadership within such a team (if created) cannot be underestimated.

Secondly, there should be a clear way to generate improvements to the operation of civil service and possible amendments in the course of institutional reforms as a result of the analytical engagement of the experts. Having both of those components should be sufficient not only to support meaningful change, but to gradually build stronger and more efficient civil service. In practice, this implies the need to think through the processes to ensure that whoever does the evaluation for the government in the future is capable not only of generating advice but also of driving positive change.
Policy Recommendations

The main policy recommendation is that civil service reforms should continue. While there are things to work on for perfecting the civil service system, future steps should build on the existing progress. In line with this, we have identified changes that should be maintained (“things to keep”), those that should be further advanced (“things to improve”), and those that require some further consideration (“things to develop”). We very much hope this can provide some useful preliminary guidance for policymakers.

Things to Keep

In some areas, the developments have been very positive. Creating new divisions works well and there are reasons to suggest that this is a good course of action. Taking on board new capable people most of whom have little to no prior experience of working within the Ministries also contributes to creating a critical force that pushes for change within Ministries. Finally, we found multiple accounts of the “new” civil servants reporting easier patterns of communication with their superiors within Directorates. Many reported that their superiors are open for policy suggestions. Increased informality of decision-making can be seen as another good development, although one has to assume that the top management has a good grasp of policy issues and has the capacity to supervise. For now, the areas that work best are:

- HR management (recruitment procedure, trainings for civil servants, socialising between “new” civil servants across Directorates).
- General push towards creating a civil service that provides input on policies.
- Working to improve the image of a civil servant in the society.

We believe that the Government should continue supporting the reform in these directions, in consultation with advisors and experts in the field.

Things to Improve

- Make use of the professionals entering civil service

Multiple issues came up under this section. The most general suggestion we want to put forward is reconceptualising the reform. In the pursuit of the end goal – improving the policy-making and strategic capacity of the civil service – the chosen path seems to require some adjustments.

Namely, policy implementation would gain from closer ties with policy formulation. Having a say in the design of implementation would be highly rewarding for employees of directorates. Currently, civil servants perceive the difference between Directorates and Departments as a difference in their functions: Directorates deal with policy or strategy formulation, while Departments take on the
actual implementation. This distinction is widely perceived as one of the successes of the reform. In practice, the division between policy formulation and implementation does not always work.

There are multiple accounts of situations where it creates a certain degree of disinterest in the pursuit of policies within the Directorates. Their function is perceived as forward-looking. Both strategy and policy divisions put forward documents but sometimes have less interest (often predicated upon the defined functions and KPIs) in taking things forward. In other words, the division between policy-making and implementation results in increased disinterest or inability to affect policy outcomes. This demotivates the most capable and ambitious “new” civil servants as well as creates reasonable doubts as to their ability to “drive change” on the part of the “old” civil servants.

One way forward is to actually take a step back, understand the positive effects generated by the pilot reform, and reformulate the design of the civil service reform. Concentration on policy outcomes has worked in the past for some of the most successful Directorates. Examples include the introduction of better services, improving procurement practices, launching new service delivery systems etc. Hence, using the newly joined civil servants to launch new initiatives and drive the change (including at the implementation stage) could help cement positive change within Ministries.

- **Think about flexible design options**

We advocate for introducing a more delivery-centred approach (where applicable) whereby new divisions concentrate on policy outcomes and drive the reforms that are priority of the Minister. Evidently, this requires some understanding of the key priority areas, as well as builds on the policy suggestions from policy analysts and strategic planners within Directorates. At the same time, there should be a flexible option whereby the policy suggestions are reviewed, prioritised and assigned ownership for among the professionals from the new divisions. Otherwise, the reform would in time stimulate countless generation of policy suggestions that defies the purpose of the reform.

We also advocate for a revision of functions and responsibilities of divisions. In the course of this revision, one has to take into account the process of decision-making. There is a pressing need to ensure that functions of the new divisions – whatever those are – are not decided on by those who are planning or have already joined these new divisions. The natural bias is unavoidable and decreases the value of the reform.

Another critical issue is to avoid duplication of functions. Some Departments and Directorates share similar policy areas, and some have the same functions. Both cases have negative repercussions. If policy areas are shared, the most important aspect is to establish clear ownership for fulfilling the functions or achieving the policy outcome. If functions are shared, they have to be repackaged and necessary
amendments have to be introduced in the legal framework\textsuperscript{11}. While reviewing functions of Departments and Directorates is a tedious exercise, it can be done by an independent consultant or an internal commission with the help of civil servants. At the moment, \textit{shared functions result in reverse competition among “old” and “new” civil servants} (competition for not doing something). The duplication also leads to the gaming effects whereby people only take on functions that look good on their performance reviews.

Creating more horizontal links between departments and directorates and streamlining the decision-making process on policy issues are possible under the current design. In this process, Directorates and Departments should be able to identify the most problematic areas and suggest alternative arrangements with the help of expert consultants. The solutions could be easy to implement without a major revision of the current system. For instance, introducing working groups with clearly defined ownership for a certain policy could help identify and eliminate bottlenecks in decision-making process.

Many of the \textit{strategic departments are reportedly struggling to establish their identity and understand their purpose} past generating conceptual frameworks, programmes and other intermediary documents broadly describing their vision of the future in a given policy area. Since analysis of the legislative changes and other policy-specific issues is seen as a responsibility of policy analysis divisions, strategic divisions are left with idea-generating tasks.

With very few exceptions, in most ministries strategic directorates are only seen as responsible for generating strategies. As a response to this, they are generating new policy documents – strategies and conceptions of public policy in particular areas. Their activities finish at the point of developing a finalised document and submitting it for further approval. \textit{De facto}, this leads to strategic Directorates being formally cut out from the process of “driving change”. Some of those Directorates are very proactive, but the biggest determinants of their role in policy change are the individual ambitions of CSs and their ability to create coalitions. For now, it has been working for many of those Directorates, but it could lead to prolonged tractions within Ministries if that continues to be the case. On a systemic level, strategic directorates are poorly integrated in the policy cycle and have lower workload and less connections with other divisions within ministries as a result of this.

- Change the salary structure to eliminate opportunities for misuse

The salary scheme \textit{requires reconfiguration based on a more in-depth research}. Currently Ministries apply the division between core and award part of the salary, formally adhering to pay-for-performance mechanism. This works both for Departments and Directorates. We found evidence that this system has some good components, both within Departments and Directorates, but is not free from inefficiencies (as discussed on pp. 24-28). Large discrepancies in pay exist across Ministries as a result of the current divergent practices of assigning awards in Departments. In Directorates, other issues arise, including total equalisation of the

\textsuperscript{11} That would imply changing the regulations on particular ministries and their subdivisions.
salary where award is considered to be the norm. Thus, not awarding the “award” is perceived as a violation of the work contract and there is no flexibility in terms of salaries at all. The salaries for civil servants in Directorates are also the same regardless of the specialism which goes against the logic of the market. Many issues of great magnitude arise out of those inefficiencies and further studies should suggest more detailed directions for change within the remuneration system.

- **Improve management of the divisions**

There are cases of low involvement of Head of Directorates and Departments in the work of their unit. Equally, some people in the management are less capable and less motivated to make a change comparing to their subordinates.

**To avoid this, one needs to improve recruitment for heads of divisions**, possibly by making it more public within the civil service. Heads of divisions should feel some pressure to perform. This includes pressure from their superiors, political leadership but also enacting some measures of individual responsibility for lack of achievements (including monetary).

Finally, conduct **more tailored and better-quality trainings on management** – the management of the divisions (both Departments and Directorates) is not always aware of the best ways to design the organisational and individual performance indicators and targets, career plans and pay-for-performance mechanisms. Some design elements applied as a part of the reform need further clarification and their efficiency depends on the understanding of the different options within the model. This stands for pay-for-performance, target-setting, KPIs and performance reviews all of which can be applied in multiple ways.

- **Lay out a clear vision for the future remuneration scheme**

**Review the remuneration scheme for Departments and Directorates** at the next stage of reform. Salaries’ discrepancy between “old” and “new” civil servants does not always correspond to the difference in workload, responsibility or quality of candidates. The same applies to experts and specialists within Directorates who oftentimes perform up to a similar standard with similar functions.

Salaries can become a very contagious issue for a reform of public sector institutions. Pay-for-performance, despite being prematurely celebrated as an innovative solution that puts direct pressure on officials to perform, has often had disruptive effects on the reforms. Civil service requires cooperation and trust – properties that are easily destroyed in the presence of a harsh monetary incentive. Likewise, at the current stage, a difference in salaries between “old” and “new” civil servants is not always conducive of cooperation. Hostility leads to multiplication of bottlenecks in the process of decision-making.

Most importantly, once the vision for remuneration schemes within civil service is generated, it has to be socialised within the Ministries so as to **manage expectations**. For now, we observed differences in expectations: while some civil
servants expect all the salaries to go up to the level of Directorates, some expect all of them to go down after the Government faces the need to cut funds. All of this contributes to unhealthy competition and creates a conflict-prone environment.

- **Recruit the best but not necessarily the youngest**

Review the recruitment scheme to ensure that it is not skewed towards recent graduates and people with little to no relevant experience. Most importantly, it should not demise the value of professional civil service that employs people with relevant work experience. Evidence suggests that currently the recruitment campaign favours recent graduates, and even graduate students. This is instigated by the popular expectation that young people should be in charge of institutions for them to perform better. In practice, it means that for recent graduates joining civil service presents a very lucrative opportunity and often offers salary higher than available for the same level of candidates on an open market.

While in principle this aspiration to recruit young people is admirable (as well as the change in perceptions about civil servants it manifests), the highly paid positions should attract professionals with somewhat similarly high value on the market. Our research indicated that this is not always the case. Moreover, people who are older than 35 and/or have work experience are likely to be labelled as “old” and/or from within the system. This generalisation is very harmful as it prevents civil service from making use of the highly paid seasoned professionals, employing mostly fresh graduates who have to acquire multiple work skills and basic knowledge about the internal workings of civil service entirely from scratch.

**Relevant experience should be put forward as a strict requirement.** This does not necessarily have to be an experience within the public sector, but candidates have to clearly demonstrate how their previous work experience prepared them to fulfil the job functions. Otherwise, the recruitment practices depreciate the value of relevant employment history: within the civil service, it appears that having no experience on the issues one is to regulate is better than having some.

One caveat has to be noted here. Given that there is also a push to attract people from business to civil service, HRM has to take into account the likelihood of regulatory capture. The situation of regulatory capture can occur when those who worked within a particular industry (say, energy) join the civil service and act as regulators for that same industry. In such case, their decisions can be “captured” by business interests (either directly or indirectly). Regulatory capture exists in some form in most countries, due to the need for expertise that is typically accumulated within the industry. A critical approach during the recruitment process (at the discretion of the recruitment committee or manager) and a framework laying out the CS’s responsibility for failing to act in the interest of the public are typically combined to address this.

**Ageism should be put on the agenda.** Recruiters, civil servants and broader society should recognise that the demand for young generation is symptomatic for Ukrainian politics and governance in the past 20 years. Merit-based recruitment
means that recruitment does not translate popular stereotypes but provides a well-rounded evaluation of all candidates. The overwhelming presence of very young professionals within the new divisions is often limiting their ability to operate within the system and slows down the reforms. Directorates and “new” civil service recruits within the departments in general should have a combination of expertise and experience that makes the divisions stronger. Civil service should not transform into another educational programme for young people. Having said that, it is also worth noting that before the reform civil service system had somewhat similar “social function”. Civil service was a place to “quietly retire” with minimal work load, or seen as a “job of last resort” for those who could not find employment in private sector. While it is not clear whether civil service still delivers those social functions, it should not take on an additional caretaking function over recent graduates.

Things to Develop

- Develop a Blueprint for further Reform of Civil Service

Focus on consensus-building around the reform: to offset the current tensions between “old” and “new” civil servants and ensure that the reform does make a difference for all the divisions – old and new.

Do consult with the top specialist in the area – management science has moved a long way since the introduction of NPM in 1970s and there are lots of knowledge transfer that could shorten the process of experimentation around the institutional design to a minimum.

Socialise your plans within the civil service. Predictability of career paths and reasonable expectations about the civil servants’ professional development is key to success. If those conditions are not met, the most capable people will leave cutting the reform short of achievements. Instead, socialising the reform plans demonstrates value of civil servants for the political leadership and generates trust.

Remember that things might not work as planned – so work out a flexible layout of “design options” and allow for some decisions to be imposed on a practical level.

- Collect and use targeted performance data

Data on civil service is a key instrument for improving efficiency, creating more transparency and accountability. When data is made available and to civil servants, policy-makers and citizens – it can truly guide and motivate change. We would like to prompt the Government to invest more effort in data collection and reporting on civil service and its performance in order to trace and track the successes and failures of interventions – but also to generate evidence on the way institutions work.

For performance data, carefully consider what to do with it. Recording fewer performance indicators often has a higher capacity to generate change within institutions. Analysing too many indicators can lead to indigestible reporting and lack
of actionable suggestions. Instead, **concentrating on the few priorities** that are established by the government, ministry or division might be a better option.

Remember, that **indicators should also be subject to change**. Indicators should change once they stop helping guide interventions and become redundant. Data should be evolving with institutions so periodically it has to go through a revision process (although not too often).

If data collection is decentralised it can be more useful for the management of divisions. However, it can also be subject to gaming. As a response, mild checks can be introduced (drawing on the earlier discussed literature on NPM design options). For instance, there can be an opportunity to introduce selected random checks on ministerial divisions. Evaluations can be made as to whether divisions gather meaningful data and whether they act on it. The result they achieve can also be reviewed and evaluated.

Think about different functions or aims that new divisions play and design tailored processes and practices.

- **Discuss policy-making with civil servants**

One of the core goals of the reforms was declared as improving policy-making capacity of Ministries. While multiple measures are introduced in this area, there is no clarity as to the procedure and practice of presenting policy input. Questions regarding this include: (1) how is the opinion of civil service generated and presented to political leadership? (2) how do subordinates voice their concerns or formally present their policy proposals from the bottom-up? Some reforms were introduced on a formal level – mainly in terms of policy discussions between Ministers and Vice Ministers within the Cabinet of Ministers. At the same time, the contributions of the civil service often depend on the political leadership.

In the past governments, some Ministers welcomed discussions and input on policy directions from civil servants while others were mainly working within the model when policies are developed “on demand” of political leadership. Both of these models are capable but there is a need to **institutionalise the power of civil service** (e.g. introduce its representation in the Cabinet of Ministers and ensure that civil service has a true voice), as well as **ensure independence of civil service** in generating unbiased policy advice in the interest of long-term social and economic development.

- **Improve information processing and adopt e-governance**

Administrative intensity has been repeatedly mentioned by “old” and “new” civil servants as a factor contributing to their lack of engagement with more cutting-edge policy issues. There are a couple of possible solutions that can be advocated in this case:
(1) employ an administrative assistant responding to queries within Directorates (at the usual administrative rate);
(2) cement the policy-making competencies and focus of Directorates by taking the tasks such as responding to queries from citizens and MPs away from their hands; or
(3) analyse the most frequent types of queries that were received in a given period and provide sufficient information online.

The first two options are unable to address the issue: the received queries are specific to the work of a given Directorate, the response will have to go through the relevant Directorate and cannot be resolved without an input from its expert(s).

Due to the nature of queries, the suggested option is to **increase the content available online** and educate citizens and MP assistants to access the information from open sources. If done as part of the campaign, this can have additional political gains (including citizen buy-in) due to the perceived openness and innovativeness of the system.

This work is ongoing, but the progress is not the same across Ministries and even divisions of one Ministry. Many civil servants still complain that their work is less policy-oriented and more meaningless because they have to answer multiple information requests. The research suggests that this comes from the Ministries and divisions that do not provide sufficient information about their area of expertise online. **Improving internal practices and e-governance** to ensure that the main information that is requested is publicly available through the website would allow to cut down on the menial tasks currently fulfilled by the civil servants. We expect this to drive civil service to achieve better standards. The administrative burden on departments can be reduced by ensuring that central agencies coordinate information requests and share intelligence.
Conclusions

The report contributes to a meaningful discussion about the effectiveness of the current reform. It comes at a time when society is experiencing yet another wave of political polarisation. There are reasons to believe that the politicisation of Ukrainian society is predicated upon the perceived inefficiency of the public sector and civil service as one of its key components. Under those conditions, success is often hard to celebrate. The legacy of successful reforms somewhat inevitably becomes a considerable underachievement, especially if considered against the ever-more optimistic plans that lay out each new reform initiative.

Taken together, the theoretical and policy-related findings contribute to the development of a specialised and well-argued discussion on the progression of the civil service reform. We wanted to emphasise that in many ways reform did contribute to its end goal – the improvement of policy-making capacity within Ministries. Not only Directorates appeared as the main subjects of the reform, in many cases we see strong spillover effects on the Departments.

Our findings have the capacity to guide new reform initiatives as well as carefully consider the continuation of the present reform. Two main conclusions should be reiterated here.

Firstly, the success of the reform is now in the hands of the new Government. The reform requires strong signals from the new political leadership about the direction of the reform. Meaningful interventions can be of high value, while introducing any kind of one-fits-all solutions will go against the current achievements of the reform teams within ministries. Leadership emerges as a key issue not only at the level of political elites but also within civil service. Strong seasoned professionals are needed to guide the change within civil service, both within Directorates and Departments.

Secondly, we advocate changes in terms of reform’s design options. Directorates went into different directions in their practice of introducing NPM and DAs. It is important that the design changes address the challenges emerging in a particular context. The process of change should be perceived as the only constant contributor to stimulating better performance of the civil service.

Should the policy-makers require more detailed information on the reform, we have included some useful citations from our anonymous interviews at the end of the study. We are equally happy to provide more input on request.
Annex 1. Excerpts from the interviews

On the division of functions and responsibilities

“The Departments deal with legalisation of policies, our [Directorate’s - AB] direction is to form policy [not formulate but give form - AB]. […] Today Departments do implementation, such as, in our case, conducting checks and revisions. Our goal is to form the policy by determining the bottlenecks and eliminating them.”

“The sphere of our [Directorate’s] responsibility is de-facto the law that is already finalised, this is the main law that regulates this sphere […] We collaborate with others in the executive branch to stimulate the creation of new regulations and conceptual frameworks.”

“I would not say that there is a considerable difference [between Departments and Directorates] in terms of tasks. We are working on the same issue and both divisions are very result-oriented.”

“The analysis [in the Directorates] is quite good but without deep dives into calculations. I don’t expect it to improve because there is no demand for high-quality analysis. I don’t think the de-facto the goal of the reform is to do evidence-based policies, I think it is rather meant to support old coalitions.”

“Our analytical work within the Directorate is often done, so to say, using outsourcing, by recycling the analytical documents of international organisations, NGOs and analytical centres. Then those documents go to Directorates for them to analyse. We do an excerpt from analysis, some sort of simple explanation of political recommendations.”

“In our Ministry, the work of Departments and Directorates is very similar. We have very strong Departments, strong structural divisions. Our work [of the Directorate] is different in terms of tasks that are being put forward. We form and they implement, those are two very different spheres.”

“Directorates are governed by their internal regulations and KPIs. They are very reluctant to take on the more “practical functions” which are not evaluated by the KPIs. So, if I come [from a different Directorate] and suggest doing something along the lines of a discussion group to move things forward – they are typically disinterested in this. Their understanding is that Departments can take over whatever tasks come up, while they should essentially have a forward-looking perspective – always thinking about the future.”

“Directorates will not do the day-to-day activities that are crucial for the policy changes to take place. Directorates are very careful in terms of choosing the functions they want to deal with.”
On the unrealistic expectations about decision-making and management

“Very often the main obstacle is bureaucratisation, receiving permits takes too long. A simple example: I received an approval from the Ministry, the Committee has reviewed the project that I prepared; the project has to go through the process approval with one more Ministry. The approval lasted for 22 days.”

“I submitted a proposal and it did not get approved. I felt so terrible that I wasted all this time drafting the document that I almost quit my job at the Directorate. I am still thinking of that.”

On the discrepancy in salaries and behaviour

“We work with everyone [and Departments, too]. But the work is distributed equally between experts and specialists. This, too, causes tension.”

“I think there is no significant difference. Maybe I am wrong, but it definitely depends on the leadership [of division]. There is a difference in behaviour patterns but did not notice that the organisation of work is different.”

“Bureaucracy and the civil servants who worked at the same place for 20 years are openly disregarding the reform. They are fairly hostile to the new Directorates and in many cases can put spikes in the wheels.”

“We [Directorate] do not have a normal work day. In the Departments people come at 9am and leave at 6pm. We have a more flexible approach to our time. We come at 9am but we rarely leave at 6pm. It’s a different approach and thus I assume that the work is different.”

On the process of decision-making

“In our Directorate the process of decision-making is more democratic and open. [...] I used to work in the Department on the same issues, and now I’m in the Directorate and am pleased with that.”

“We can affect decision-making on all related issues because we wrote down that there is a need to receive our formal approval from any new amendments or laws to go through. So, now we can influence everything.”

On the achievements of Directorates

“I am proud even entirely because I wrote this document, but because I raise the issue on the agenda.”
“To be honest, our main achievement in the three months of our existence is that we formed a good team. [...] We are still in the process of finding our place in the Ministry.”

“Our achievement so far is probably containing some of the measures, preventing some decisions on public expenditure from being enacted.”

“It is hard to say whether some of the things I consider our achievements are ours. Our Head [of Directorate] contributed to the law on [anonymised], and now he is using his expertise to help other Directorates. So, you can say those laws are not our direct product, but he [HoD] sits with them and drafts the norms. It’s hard to say who contributes more but we all put in efforts into driving the positive change.”
Annex 2. Questionnaire for civil servants

1. Як проходить Ваш типовий день?
2. Що Вам найбільше подобається у Вашій роботі?
3. Чим Ви найбільше пишаєтеся з того, що вдалося зробили?
4. Чи були випадки, коли Вам вдалося вплинути на прийняття рішення, вибір політики або хід імплементації? Розкажіть про яскраві приклади.
5. Що Вам не подобається чи заважає в роботі?
6. Як проходити розподілення функцій між Департаментами і Директоратами всередині міністерства? Як Ви розцінюєте такий розподіл функцій? Як він сприймається із середини?
7. Які у Вас стосунки з колегами в Директоратах (конкуренція, кооперація)? Чи часто Ви співпрацюєте (або чи є у Вас спільні функції), як проходить така співпраця?
8. Як впливає аспект з/п на ці стосунки?
9. Як Ви бачите (чи що Вам говорять) про майбутні зміни на державній службі? Чого Ви очікуєте? (наприклад, зрівняння зарплат до рівня Директоратів, розформування Директоратів, усереднення зарплати)
10. Який процес прийняття рішень для політик, розроблених у Вашому Департаменті/Директораті?
11. Чи помітили Ви якісь нові практики розробки, прийняття рішень у Вашій роботі? Чи асоціюєте Ви це із появою Директоратів, чи можна сказати, що із людьми, що прийшли до Директоратів прийшли нова культура і нові практики?
12. Чи є різниця між Директоратами та Департаментами у якісних індикаторах роботи?
13. Як Ви оцінюєте реформу держслужби і зокрема впровадження Директоратів?
14. Чи покращується якість аналітики, якість рішень та політичних документів, на Вашу думку? Із чим це пов’язано (якщо це питання не було повністю розкрито)
15. В чому запорука успіху (чи причини провалу) реформи державної служби?