

Regulatory staff: Compensation & career development

Rohan Samarajiva

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Legitimacy: An essential precondition for regulatory success

- Building blocks of legitimacy
 - Expertise
 - Procedural legitimacy
 - Showing results
 - Communication

What is legitimacy?

- Acceptance of the existence and the power of an entity by those who can affect it or are affected by it
- Distinguished from powers and duties set out in formal legal documents
- A subjective category that resides in the eyes of others

Legitimacy in whose eyes?

- Government
 - President's/PM's office
 - “Line” Ministry
 - Finance/Industry Ministries
 - Legislature/Judiciary
- Private
 - Incumbent/new entrants
 - Public/”opinion leaders”

Expertise

- Ex-ante, sector-specific regulation has always required expertise in technology, economics and law
 - In the current conditions of rapid technological and market change, gaining and maintaining the required knowledge is even more challenging
- Essential, but inadequate by itself
 - Because application of expertise under conditions of imperfect knowledge always involves judgment
 - No justification for sector regulation without expertise

Staff at the core of expertise

- Expert knowledge on rapidly changing technological and market trends may be obtained through consultants
 - But who will decide what questions require answers?
 - Who will write the Terms of Reference?
 - Who will assess the quality of what the consultants produce?
 - Who will ensure the answers are appropriate for Myanmar conditions?
- No substitute for capable staff within the Commission

How to get competent staff?

- Good recruitment, based on attitude to learning more than static knowledge
- Learning organization
 - More on this later
- Motivating the staff
- Understanding the limits of any single person's/organization's knowledge and using consultation to fill the gaps

Why do people work hard?

- Not just for money, but if they are not paid adequately they may be distracted/demotivated
 - In many countries regulatory staff get paid more than government officials, but this is not always possible
 - Some additional allowances, benefits?
- Non-monetary rewards
 - Some are motivated by achievement and recognition
 - Some by opportunities to learn
 - Others by travel
 - Esprit de corps
- Non-monetary rewards more effective if right kinds of people are recruited

Stability and career paths

- Technical departments such as meteorology tend to have non-transferable staff, so that knowledge is accumulated
- Should CRCM be considered such an organization?
- If this path is chosen, promotion opportunities will be constrained because of normal pyramidal structure of organizations
 - Also, new ideas may not come in, especially at upper levels
 - Poor performers will remain, and will pull the whole organization down

A regulatory service as a solution?

- Electricity, financial services, etc. will require regulation
- Common core of knowledge, especially with regard to economics and law
- Why not allow specialization and limited mobility?

Improve performance reviews?

- Within government procedures, why not innovate regarding performance reviews, increments and promotions?
- Use project model (with terms of references, timelines and deliverables) even within the organization
 - Easier to assess, using 360 reviews

Responsibility and accountability

- Much of the problem within conventional public administration is that responsibilities are not clearly assigned → no/little accountability
- When tasks are outsourced to consultants/external suppliers, we hold them accountable
 - Responsibilities have to be unambiguously defined
- To increase accountability, adapt outsourcing model for in-sourcing as well
- When staff can be made accountable, reward systems can also be improved

Regulatory tasks

- Many are predictable (e.g., license renewal, spectrum auctions) and require multi-disciplinary teams
 - Prior preparation possible
 - Writing Terms of Reference
 - Forming teams (not all have to be work full-time on project); decisions re recruiting of consultants where necessary can be taken in systematic manner
 - Setting timelines and defining deliverables
- If all (or most) tasks are handled in this manner, much higher accountability → reward systems can reflect actual performance, not seniority

Not panacea

- Not all tasks can be converted to projects
 - Pure administrative tasks which are reactive, are difficult
 - Some quick fire-fighting tasks