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## **COST-EFFECTIVENESS ANALYSIS OF NEW REMUNERATION PROJECT TOWARDS ACCOUNTABLE CIVIL SERVICE**

The article considers main aspects of transparency and accountability of government initiatives on the example of the project of a new remuneration system for civil servants. Therefore, the author analyzes the project's cost effectiveness in the context of a three-year period and two pilot bodies in order to develop recommendations for improving transformation processes. A special formula was developed and calculations were made taking into account the method of cost-effectiveness analysis based on the factors of the conceptual model of the author's dissertation research. Thus, in addition to the effects indicated in the media by the authorized body (the project developer) on the factor "Human capital", the study also covers a wider range of aspects, namely, factors such as "Leadership", "Strategy", "Organization", "Resources" through the prism of "Citizen Centricity". It was found that there were no significant positive changes in performance during the analyzed period. And in some areas of work (such as "Organization", "Citizen Centricity"), there is a deterioration in results. Thus, the author summarizes the activities of local executive bodies as ineffective in relation to a two-fold increase in the wage fund. Taking this into account and the identified "bottlenecks", a number of recommendations for improving the activities, including legislative initiatives, are proposed. In general, the results of the study have direct practical significance, since they build a platform for scaling the analysis to the remaining pilot bodies in order to make timely changes during the piloting of the new remuneration system.

**Key words:** good governance, accountability, cost-effectiveness, remuneration, transformation, civil service.

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### **Есеп беретін мемлекеттік қызметі үшін еңбекақы төлеудің жаңа жобасы шығындарының тиімділігін талдау**

Мақалада мемлекеттік қызметшілерге еңбекақы төлеудің жаңа жүйесі жобасының мысалында мемлекеттік бастамалардың айқындығы мен есеп берушілігінің негізгі аспектілері қарастырылған. Ол үшін автор трансформациялық процестерді жетілдіру бойынша ұсыныстарды әзірлеу мақсатында үш жылдық кезең мен екі пилоттық орган призмасындағы жоба шығындарының тиімділігіне талдау жүргізді. Автордың диссертациялық зерттеудің тұжырымдамалық моделінің факторлары негізінде шығындардың тиімділігін талдау әдісін ескере отырып, арнайы формула әзірленді және есептеулер жүргізілді. Осылайша, уәкілетті орган (жобаны әзірлеуші) «Адами капитал» факторы бойынша бұқаралық ақпарат құралдарында белгілейтін әсерлерден басқа, зерттеу, сондай-ақ аспектілердің неғұрлым кең шеңберін, атап айтқанда «Көшбасшылық», «Стратегия», «Ұйым», «Ресурстар» сияқты факторларды «Халыққа бағдарлану» призмасы арқылы қамтиды. Талданып отырған кезеңде қызметтің тиімділігіне айтарлықтай оң өзгерістер болған жоқ. Ал жұмыстың жекелеген бағыттары бойынша («Ұйым», «Халыққа бағдарлану» факторы) нәтижелердің нашарлауы байқалады. Осылайша, автор тұтастай алғанда жергілікті атқарушы органдардың қызметін еңбекақы төлеу қорының екі есе өсуіне қатысты тиімсіз деп түйіндейді. Осыны және жұмыста анықталған «тар жерлерді» ескере отырып, қызметті жақсарту бойынша бірқатар ұсынымдар, оның ішінде заңнамалық бастамалар ұсынылады. Тұтастай алғанда, зерттеу нәтижелері тікелей практикалық мәнге ие, өйткені жаңа еңбекақы төлеу жүйесін басқару кезеңінде уақтылы өзгерістер жүргізу мақсатында қалған пилоттық органдарға талдауды масштабтау үшін платформа болып табылады.

**Түйін сөздер:** тиімді басқару, есеп берушілік, шығындардың тиімділігі, еңбекақы төлеу, трансформация, мемлекеттік қызмет.

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### **Анализ эффективности затрат проекта новой оплаты труда на пути к подотчетной государственной службе**

В статье рассмотрены основные аспекты прозрачности и подотчетности государственных инициатив на примере проекта новой системы оплаты труда государственных служащих. Для этого автором проведен анализ эффективности затрат проекта в призме трехлетнего периода и двух пилотных органов с целью выработки рекомендаций по совершенствованию трансформационных процессов. Разработана специальная формула и проведены расчеты с учетом метода анализа эффективности затрат на базе факторов концептуальной модели диссертационного исследования автора. Таким образом, помимо обозначаемых в средствах массовой информации уполномоченным органом (разработчиком проекта) эффектов по фактору «Человеческий капитал», исследование также охватывает более широкий круг аспектов, а именно такие факторы, как «Лидерство», «Стратегия», «Организация», «Ресурсы», сквозь призму «Ориентации на население». Установлено, что за анализируемый период значительных положительных изменений в эффективности деятельности не произошло. А по отдельным направлениям работы (фактор «Организация», «Ориентация на население») наблюдается ухудшение результатов. Таким образом, автор резюмирует, в целом деятельность местных исполнительных органов как неэффективную по отношению к двукратному увеличению фонда оплаты труда. С учетом этого и выявленных «узких мест» в работе предлагается ряд рекомендаций по улучшению деятельности, в том числе законодательные инициативы. В целом, результаты исследования имеют прямую практическую значимость, поскольку являются платформой для масштабирования анализа на оставшиеся пилотные органы в целях проведения своевременных изменений в период пилотирования новой системы оплаты труда.

**Ключевые слова:** эффективное управление, подотчетность, эффективность затрат, оплата труда, трансформация, государственная служба.

#### **Introduction**

According to a World Bank report, the concept of Good Governance, along with “capacity and efficiency in public sector management, legal framework for development, information and transparency”, implies accountability (World Bank, 1992: 4). The Organization of Economic Cooperation and Development also notes that ability of citizens to demand accountability and more open government is fundamental to Good Governance (OECD, 2014: 7). Accountability is also important for Kazakhstan, as it allows identify “weak points” and a vector for further development. The main goal is to become one of the 50 leading countries in the world, whose distinctive feature is the presence of an innovative and accountable civil service. The core principle is that any initiatives, especially those that incur costs from the state budget, should be transparent, and the results should be reported to the population.

Thus, one of the latest innovations in the civil service of Kazakhstan is the project of a new remuneration system for civil servants based on results, which has been launched in a pilot mode since 2018. The Agency for Civil Service Affairs and Anti-Cor-

ruption (currently the Agency for Civil Service Affairs), Ministry of Justice, local authorities (akimats) of Nur-Sultan and Mangistau region, and later additionally the akimats of Shymkent and Almaty acted as pilot bodies.

The project involves not just raising the salaries of employees and thereby improving the attractiveness of the civil service as a whole. The main premise is the start of transformational processes aimed at optimizing structural units, staff numbers, creating shared service centers, digitalization of business processes, etc. (Kairgeldy, 2018: 1).

According to the management of the state body responsible for the project, the positive effect is observed mainly on personnel issues (staff retention, reduced turnover, increased attractiveness, etc.) (Shpekbayev, 2019a: 2), (Shpekbayev, 2019b: 1), (Shpekbayev, 2019c: 1), (Shpekbayev, 2019d: 2).

At the same time, the question of the project’s effectiveness in other aspects (beside human resources) remains open, as well as in relation to the main beneficiaries – the citizens, given the focus on service-oriented, innovative public administration.

What has changed in the two years of implementation of the project in the pilot bodies? What is the effect?

This research is devoted to finding answers to these questions, which involves analyzing the project's cost-effectiveness in the context of a three-year period (2017-2019) and two pilot bodies based on the conceptual model of a dissertation developed by the author in order to propose recommendations for improving transformation processes.

The object of the study are the akimats of Nur-Sultan and Mangistau region (pilot bodies) since they represent two different territorial aspects of project implementation (capital and region) with their respective characteristics that affect on human capital, management, organizational hierarchy, and other features of transformation.

The subject of the research is an activity of these akimats within three-year period of new remuneration project pilot implementation. Appropriate indicators for activity's cost-effectiveness evaluation are given in the section devoted to research methods, which based on such factors as: Leadership, Strategy, Human Capital, Organization, Resources through the prism of Citizen-Centricity.

The novelty of the study is that in addition to the assessment of human capital (as has been repeatedly stated by the authorized body), a wider range of aspects is covered. This will allow us to get a multiplicative effect, as factors will be used to stimulate transformation by involving both managers and each individual employee in the change processes, starting with the formulation of strategy and ending with structural transformations and behavioral changes.

The results of the study will be used to scale up the approved method of analysis in other pilot bodies in order to openly discuss the "true" results of the project with the public on the way to accountable and effective public administration.

## Literature Review

According to the best practices the World Bank, OECD and United Nations directly link issues of government accountability to the Good Governance (World Bank, 1992: 1; OECD, 2014: 21; United Nations, 2014: 3). At the same time, countries with an innovative civil service and smart e-government have a high level of accountability to the population (Great Britain, Canada, Singapore, South Korea, etc.). Any expenses from the state budget (taxpayers' money) must be justified. For this purpose, not only public discussions are held before the start of the project, but also hearing the results from both the implementing body and the controlling bodies.

According to Affiliated Network for Social Accountability these initiatives are possible if there

are factors such as: organized and capable citizen groups, government champions who are willing to engage, context and cultural appropriateness, and access to information. Thus, social accountability will contribute to improving the standard of living of the population and strengthening human rights.

Therefore, "it remains a big challenge for the public sector organizations to change their culture and administrative procedures towards customer oriented services, trust, shared commitments and also towards accountability" (Ken et al., 2006: 11).

"Change for transformation implies moving on to something better than before, an enhanced outcome, from better performance already achieved to win a customer to a state of excellence where the customer is delighted" (Sardana, 2015: ix). Therefore, one of the main factor for rapid change is an existence of transformational leadership within organization, which is associated with "professionals' understanding of professional quality" (Andersen et al., 2018: 107).

At the same time, each country and region has its own features, which should also be taken into account. For example, "the pattern of economic development, the nature of political leadership, the capability of the administrative system, the capacity of existing institutions, and the state of civil society are the most significant contextual factors influencing accountability practices" in South and South-East Asian countries (Ramanie et al., 2008:1).

The system of strategic personnel management assumes an integrated approach. To solve the tasks (strategic directions) assigned to the state body, it is necessary to take into account all aspects of this system. For example, to build a customer-oriented approach, it is necessary not only to train employees, increasing their competence in providing quality public services and providing explanations to the public and business, but also to consider reviewing the organizational structure, motivation system, selection and promotion, promotion and other aspects.

Therefore, in the last few decades, the role of human resources management services in organizations has significantly increased. Today, it is not a reactive personnel selection policy, but a preventive and proactive policy, including structuring and systematizing all areas and functional areas of the organization's activities.

Thus, strategic HR is an integrated approach to making decisions about the organization's intentions and plans related to the strategy, policy and practice of employment relations, search and selection of employees, training, development and management

of performance indicators, remuneration and labor relations.

However, if we consider the available theories on studying issue, a significant number of researches were conducted mainly on social projects and programs related to anti-corruption, as the most significant for the public. In turn, projects in which the direct beneficiaries would be the public sector employees themselves (such as the project of a new wage system), are less studied in terms of their effectiveness.

Over the years, many scientists and practitioners have addressed the issue of evaluating the effectiveness of public authorities. The theoretical basis for this is New Public Management approaches, which involve the introduction of corporate governance principles, KPI and SMART assessments, payment by results, etc. The issue of performance management was addressed by Moore M., Drucker P., Schumpeter J., Norton D., Kaplan R. and others scientists. The similarity of these authors' research papers is introduction of quantitative indicators (KPIs) to assess the performance of both the organization and each employee individually. And the correlation of the results obtained with the costs incurred.

Along with theoretical developments, there are country initiatives to assess the effectiveness of the state apparatus. The most well-known are Singapore's experience in applying financial management indicators (NPV), the UK's Green book central government guidance on appraisal and evaluation, as well as the Management Accountability Framework in Canada and others. These assessment systems serve as a basis not only for strengthening the accountability and transparency of public authorities, but also provide an impetus for improving many aspects, including strategic planning and management, the quality of public services, information openness, organizational transformation, etc.

Kazakhstan also has a system of annual performance assessment of public authorities, both at the central and local levels, which currently includes three main blocks: achievement of goals, organizational development and interaction with individuals and legal entities. In General, efficiency is defined as the ratio of the results achieved and the resources spent on it. However, taking into account the specifics of the civil service, efficiency is expressed in indicators, and effectiveness is expressed in budget expenditures (Junusbekova,

2015: 254), which is the basis of the cost-effectiveness analysis method.

Cost-effectiveness analysis and cost-benefit analysis are often used in such studies (Johnson, 2014: 3; Levin & McEwan, 2001: 27-28). Depending on the subject of research, a particular tool is used. At the same time, according to Levin and McEwan the first method is used if it is necessary to compare several alternatives with different units of measurement, which corresponds to the content of this article (Levin and McEwan, 2001: 27).

Thus, the lack of elaboration, both in theory and in practice, of the issue of the effectiveness of public sector projects aimed at improving the standard of living of civil servants and motivating them to work effectively for the benefit of society, was the impetus for this study.

## Methodology

The key research methodology is the cost-effectiveness analysis. It allows us to determine the effect of the initiative based on a comparison of alternatives, identifying the most profitable and effective option. The method is widely used in developed countries for evaluating programs and projects in the social sphere, infrastructure, and construction. However, according to Johnson cost-effectiveness analysis is "currently underutilised in evaluations of governance and anti-corruption reforms in developing countries" (Johnson, 2014:iv).

Since the project of a new remuneration system for civil servants in Kazakhstan has been launched in a pilot mode, a study using the cost-effectiveness analysis will determine the most effective solution and the necessary adjustments for the subsequent scaling of the project throughout the country, which will be offered to the management of the state apparatus.

To use this research method, we propose a number of aspects and assumptions:

1) as the main factors selected: Leadership, Strategy, Human Capital, Organization, Resources. Each factor has its own indicators (Table 1).

Table 1 shows the indicators related to the factors of the conceptual model, as well as their sources. The mediating factor is a citizen-centered approach. These factors are included in the conceptual model of the author's dissertation research, tested by interviews (focus groups) and surveys in pilot bodies.

**Table 1** – Indicators for cost-effectiveness analysis of the pilot project of a new remuneration system for civil servants

Factor	Indicators	Unit of measurement	References
Effects			
Leadership	Evaluation of overall effectiveness of a state body	%	Evaluation Center database
Strategy	Goal achievement	%	Evaluation Center database
Organization	Organizational development	%	Evaluation Center database
Human Capital	Net turnover	%	ACSA database
Mediating effect			
Citizen Centricity	Quality of public services delivery	%	ACSA database, MISD information
	Interaction with citizens	%	Evaluation Center database
Costs			
Resources	Budget of Payroll Fund	USD mln.	ACSA database
Note – compiled by authors			

Official data sources for calculating indicators are information of Center for evaluation of effectiveness of state bodies of JSC «Economic Research Institute» under the Ministry of National Economy of the Republic of Kazakhstan (Evaluation Center), Agency of the Republic of Kazakhstan for Civil Service Affairs (ACSA) and the Ministry of Information and Social Development of the Republic of Kazakhstan (MISD);

2) Resources factor determines the costs, and the remaining factors determine the effects (1):

$$C(f_v) \leq E(f_i; f_{ii}; f_{iii}; f_{iv}) \pm E(f_M) \quad (1)$$

C – costs of project implementation;

E – effectiveness of project implementation;

$f_i; f_{ii}; f_{iii}; f_{iv}$  – factors for evaluating the effectiveness of the project, such as Leadership (i), Strategy (ii), Human Capital (iii), Organization (iv);

$f_M$  – mediating factor (Citizen centricity);

$f_v$  – the factor that determines the project costs, namely the change in the size of the Payroll Fund for civil servants of the pilot bodies (Resources, v);

3) indicators (factors) have different units of measurement and indirect influence, so the following hypotheses are formulated:

H0: a positive change in all factors justifies the resources spent. At the same time, the value of the mediating factor is a decisive factor for assessing the overall indirect effect.

H1: if there are no positive effects on at least one factor, the project is considered as insufficient;

4) analysis will also use the methodology of the Evaluation Center, which assumes that:

90 or higher points – a high degree of efficiency;

70 – 89,99 – average degree of efficiency;

50 – 69,99 – low degree of efficiency;

up to 49.99-inefficient activity;

5) period of analysis includes 2017-2019 (2018-2019 – project implementation in pilot mode; 2017 – for comparison). However, the Evaluation Center’s information for 2019 will only be available in the second half of 2020. Therefore, two years will be compared for some indicators, which does not detract from the significance of the study;

6) analysis is carried out on the basis of two pilot local authorities – akimats of Nur-Sultan and Mangistau region.

Based on the formula above, we will calculate the effects obtained by the research objects in dynamics. Also, it is expected to identify the “bottlenecks” and strengths of each akimat, taking into account the methodology of the Evaluation Center.

## Results and Discussion

In order to evaluate the effectiveness of the pilot project “new system of remuneration for civil servants”, we used a method of cost-effectiveness analysis, which allowed us to determine how the current results of the project meet the financial resources spent. As can be seen from Table 2, the Leadership factor shows a positive dynamics in improving the efficiency of the mayor’s office of the capital. At the same time, the local executive body of the Mangystau region shows a negative trend, while being below the national average.

**Table 2** – Indicators of Nur-Sultan and Mangistau region akimats' activity for 2017-2019

Factor	Indicators	Year	Nur-Sultan akimat	Mangistau region akimat	Local authorities' average	Country's average
<i>Effects</i>						
Leadership	Evaluation of overall effectiveness of a state body	2017	67,4%	58,7%	64%	69,4%
		2018	69,2%	54,1%	69,2%	72,3%
Strategy	Goal achievement	2017	73,5%	64,4%	69,5%	74,4%
		2018	85,7%	68,6%	77,8%	82,1%
Organization	Organizational development	2017	73,3%	56,9%	68,3%	68,8%
		2018	66,3%	49,2%	68,2%	69,8%
Human Capital	Net turnover	2017	5,3 %	7,5 %	5,7 %	6,2 %
		2018	2,5 %	3,6 %	5,2 %	6,2 %
		2019	1,6 %	4,6 %	5,1 %	6 %
<i>Mediating effect</i>						
Citizen Centricity	Quality of public services delivery	2017	72,8%	23,0%	67,5%	65,9%
		2018	66,7%	38,3%	69,6%	72,4%
		2019	71,2%	74,0%	75,3%	74,8%
	Interaction with citizens	2017	59,9%	53,5%	69,4%	71%
		2018	55,5%	44,4%	61,5%	66,4%
<i>Costs</i>						
Resources	Budget of Payroll Fund	2017	6 mln. USD	8,7 mln. USD	-	-
		2018	12,9 mln. USD	17,1 mln. USD	-	-
		2019	14,1 mln. USD	18,5 mln. USD	-	-
Note – compiled by authors based on data from databases of Evaluation Center (2020); ACSA (2020); MISD (2020)						

Taking into account the Strategy factor, there is a positive change in the quality of strategic planning and budgeting in both pilot bodies, which is due to the delegation of these powers to the level of state bodies and akimats and, accordingly, to the efficiency and flexibility in decision-making.

A downtrend in the Organization factor is observed for each research object. This indicator reveals the effectiveness of both structural changes and organizational culture. If there are improvements in the latter aspect across the entire system and pilots (enhanced ethical standards, identified ethics officers, reduced processing, optimized business processes, etc.), then questions arise about structural changes.

Thus, in the Mangystau region, there were no significant changes in the structure of the local public authority during the reviewed period. At the same time, the Department of Construction and The Department of Architecture and Urban Planning have been merged, eliminating duplication of functions. Excessive management structures have

been optimized, and 24 units have been allocated to strengthen the executive level. The position of Deputy Director in small departments (for example, the Youth Policy Department – seven units, Tourism Department and Department for Languages Development, Archives and Documentation – five units each) were excluded.

At the same time, the mayor's office of the capital has carried out a large-scale transformation, in which:

- number of departments has been reduced from 30 to 21;
- all control functions are concentrated in one Department (architectural and construction control, licensing, veterinary and housing inspection);
- a unified public authority for state procurement for the capital's development budget (Assets and State Procurement Department) is established;
- unified service for personnel management and development (recruitment, adaptation, evaluation, etc.) is founded;

- Department of Urban Environment Regeneration of the capital is created (on the example of Musanada, United Arab Emirates);

- Monitoring and Rapid Response Situation Center is open and functioning.

However, the results of the akimats are equally negative. A possible explanation is the unstable moral and psychological climate due to the transformation. In regard to the significant optimization of management levels and the transfer of staff numbers to the district level, there was a reduction in staff.

In General, the trend is positive for the Human Capital factor. These regions are characterized by a competitive private sector with a high level of remuneration (oil and gas industry, trade, financial activities, etc.).

Therefore, monetary motivation by increasing wages by an average of two times allowed to keep employees inside the civil service system, thereby ensuring its stability. For example, if earlier the head of the Department received about 670 USD, currently – 2 000 USD. The same applies to executive positions. The salary of the chief specialist increased from 305 USD to 800 USD. This amount of official salaries corresponds to the median market values of the private sector.

In turn, this has led to an improvement in human resources indicators. For example, the number of

vacancies in the Mangystau region has been reduced by almost two times (72 positions have been replaced), and at the rural level – by four times. The local service has become more attractive to private sector professionals, with an eightfold increase in the number of appointments.

According to the mediation factor, Citizen Centricity (similar to the Organization factor) is characterized by a negative dynamics in pilots. Thus, the mayor's office of the capital has a negative trend in 2018, that is, during the period of transformation and, therefore, the collapse of the work of most service providers for a quarter. In the Mangystau region, the quality of public services has significantly improved (an increase of about three times), which is due to the start of digitalization of business processes and the transition to providing services mainly through the e-government portal. However, in aggregate, the region has shown a downward trend in the quality of interaction with citizens.

In General, the results of the analysis are systematized in Table 3.

As follows from Table 3, the strengths of the work of the akimats are the formation of strategy and budget planning, as well as reducing the turnover of staff. In addition, the local executive body of the Mangystau region has experienced a significant jump in the quality of services provided to the population.

**Table 3** – The final result of the analysis

Factor	Effect	
	Nur-Sultan akimat	Mangystau region akimat
Leadership	Positive	Negative
Strategy	Positive	Positive
Organization	Negative	Negative
Human Capital	Positive	Positive
Citizen Centricity	Negative	Negative
Total Result	Negative	Negative
Note – compiled by authors		

At the same time, “bottlenecks” in the activities of akimats are organizational culture and structural changes, which should be paid attention to.

Thus, returning to our formula and hypotheses, it should be concluded that none of the pilot bodies under consideration showed a cumulative improvement in performance. The results confirmed the H1 hypothesis.

In General, according to the methodology of the evaluation Center, the activities of the pilot bodies are rated as low-effective and, accordingly, the pilot project requires adjustments. In turn, there are a number of questions about the appropriateness of budget expenditures to increase wages (the size of the Payroll Fund has increased by two times) and the correctness of the transformations carried out.

Discussion of these issues allows you to develop certain recommendations.

## Conclusion

Public sector initiatives, especially those that incur significant expenditures from the state budget, should be thoroughly reviewed for their feasibility. This is the focus of this study, which was able to find answers to the questions raised. For example, over the past two years, despite attempts at transformation, there have been no significant improvements in the activities of the pilot bodies (question 1). This is evidenced by the data provided for a comprehensive assessment of the performance of akimats (tables 2 and 3). At the same time, if there is a positive groundwork for strategic and budgetary planning and staff turnover, then the remaining aspects of activity should be also enhanced (question 2). This allowed us to develop a number of recommendations before scaling the pilot project for the entire system.

First. The analysis showed a lack of a holistic approach to the ongoing changes. In particular, there is an emphasis on structural transformations of state bodies. However, additional aspects that are responsible for the success of any organization are not taken into account. Namely, capacity building on the factors of Leadership, Strategy, and Human capital in the prism of ensuring orientation to the needs and interests of the population.

Thus, the Agency for Civil Service Affairs, as the developer of the project, and the Ministry of National Economy, which is responsible for the development of the public administration system, are invited to develop Methodology on change management for state bodies and subordinate organizations. The main feature of this document is not the declarative or template nature of recommendations, but a step-by-step guide with key aspects to pay attention to.

The current legislative framework provides for a basic scheme of local government with a typical structure of akimats, as well as the recommended number of individual managerial positions. At the same time, functional reviews that were conducted by consulting companies commissioned by the Ministry of National Economy are not publicly available. Thus, local executive bodies are provided with “poor” information that does not allow for full implementation of changes in close correlation with the policy of the Central authorized bodies. Therefore, these Guidelines should become a reference book for employees of pilot bodies in matters of modernization of activities.

Second. The analysis established the need to take into account the moral and psychological climate within each organization during a period of large-scale structural changes (the “Organization” factor).

Therefore, HR services of state bodies are recommended to develop approaches not only for hiring staff (on-boarding), but also for the processes of reassignment and dismissal (off-boarding). This will help to balance the risks of “personnel starvation” and improve the image of the civil service overall.

Thus, when on-boarding a candidate with certain knowledge and competencies, it is necessary to predict the further trajectory of their career development (usually changes occur every 3-4 years) in the organization and the necessary measures to improve their skills, training, rotation, etc. You should also determine the time period when an employee will be set to leave the organization due to lack of further career growth, expansion of expertise, and other aspects. In this case, each HR specialist should have a set of tools for “parting” with the employee (off-boarding). Predicting these aspects at the initial stage of accepting a candidate will reduce the negative effect on both the system and the employee. This entire life cycle should be accompanied by a system for evaluating the effectiveness of personnel and appropriate decisions on training, promotion, rotation, and dismissal.

In general, such work should become part of the corporate culture of each state body. Therefore, the Agency for Civil Service Affairs is invited to make the necessary amendments to the Law “On Civil Service of the Republic of Kazakhstan”. In particular, article 1 of this Law should be supplemented with the definitions “organizational culture” and “individual development plan of a civil servant”, and Chapter 5 should be supplemented with articles detailing the procedure for applying the above-mentioned innovations in the practice of state bodies.

There are many definitions of organizational culture. The author proposes to understand it as a set of values and standards that determine the behavior of the organization. In turn, the individual employee development plan contains a forecast of the career path of the specialist, as well as the skills and competencies necessary for this, with a description of the type of training program or advanced training courses. At the same time, it is proposed to keep the target performance indicators in the current annual individual work plans of employees, based on the results of which decisions are made on the payment of bonuses and other personnel decisions.



Third. The issue of feedback and accountability of public authorities remains relevant. Often, in the pursuit of internal innovations, the main stakeholders are forgotten. Therefore, reports on the quality of public services and interaction with the population should be developed to improve the effectiveness of activities (searching for “bottlenecks” based on the analysis of complaints and violations, recommendations of respondents).

In general, the gradual introduction of a new remuneration system is possible under certain conditions, such as:

- reducing the budget burden with a focus on finding internal reserves (digitalization, shared service centers, optimization of the structure and managerial positions, project management, etc.);
- correspondence with organizational transformation and initiatives;
- analysis of the harmony of the positions hierarchy (the ratio of managerial and executive links);

- measuring employee feedback and taking into account their suggestions;

- surveys of the population in order to improve the performance, etc.

Together, these recommendations will improve the effectiveness of the project. At the same time, for a complete picture, the author provides a similar analysis for the remaining pilot bodies in the framework of the dissertation research.

The author hopes that these proposals and results of the analysis will be of interest to a wide range of readers who study the issues of accountability of the state apparatus, transformation, and modernization of the civil service system.

In practical terms, the results are proposed for the Audit report on the project of a new remuneration system for civil servants, conducted by the Korn Ferry Hay Group company (project developer) for the Agency for Civil Service Affairs of Kazakhstan (beneficiary).

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