



Human Resource Systems for Regulatory Institutions

An Imperative for the Caribbean

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Introduction

- ❑ Recent concerns with economic reform, economic liberalization, efficiency, competitiveness and the role of the State in the Caribbean
- ❑ These issues have been associated with changes in the global economic and political environment and technological change (ICT)
- ❑ Need for a new regulatory framework: institutions and laws/rules/regulations


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- ❑ Caribbean response: OUR in Jamaica (1995); ECTEL in the OECS, FTC in Barbados (2001); RIC in Trinidad and Tobago (2001)
 - ❑ These multi-functional/sectoral agencies provide a range of regulatory services which require various resources – human, financial, information, etc


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- Focus of the paper – human resources needed to provide these regulatory services in an efficient and effective manner
 - Technical and investigative skills of economists, lawyers, engineers, financial analysts/accountants, administrators
 - Need for strategic human resource planning in regulatory agencies





Human Resource Needs of the Regulatory Institution

- Human Resource Planning Model links
 - ✓ The provision of regulatory services
 - ✓ Human resource needs (skills and competencies)
 - ✓ Human resource availability (especially professionals)
 - ✓ Human resource development strategies/policies
- Ability of regulatory agency to fulfill its mandate critically depends on the quantity and quality of its human resource base – to design tariffs, assess and monitor performance, enforce regulations/orders

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- ❑ Research indicates that the human resource base of regulatory agencies in small developing countries can undermine their effectiveness (i.e., regulatory effectiveness) and permit regulatory capture (i.e.. The agencies are understaffed by international standards)
 - ❑ Main challenge for the regulatory agency: given financial constraints can it attract and retain persons with the requisite skills/competencies?

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- Range of skills/competencies needed by regulatory agency (see page 8 of paper) – technical (economics, engineering, etc), investigative (research, monitoring), communicative (report writing/advising), interpersonal (teamwork)
 - Human resources features of Caribbean Regulatory Agencies:


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- ✓ Salaries linked to public sector scales which are lower than comparable private sector scales
 - ✓ Very small professional staff in multi-task jobs
 - ✓ Periodic training in a technically challenging environment
 - ✓ Outsourcing of some activities to consultants
 - ✓ High turnover/inability to fill some posts (insufficient work experience in regulatory matters)
 - ✓ Problems of human capacity-building

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- ✓ Questions of worker motivation
 - Small scale survey of workers in a regulatory agency indicates that the main motivators are:
 - ✓ Doing meaningful work
 - ✓ Career growth, learning/development
 - ✓ Fair pay and benefits
- [see Table 1]



3 *Human Resource Availability in the Caribbean*

- ❑ Lack of provision of professionals with the requisite skills/competencies in the region by tertiary institutions (novelty of these types of institutions, absence of courses)
- ❑ General lack of professionals in the region to meet needs of national development (under 15% of population in post-secondary education)

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- Agencies have used external expertise to supplement available staff (case of the OUR in Jamaica, FTC in Barbados)
 - Absence of ‘special premium’ for the idiosyncratic work of the regulatory professional constrains the supply of such persons (e.g., lecturer in economics in UK university gets less than an assistant)





economist in a regulatory agency. This situation is reversed in the Caribbean)


- Commissioners and full-time staff of regulatory agency must be able fully trained (given the nature of the hearings on regulatory matters)


4 *Towards the Development of HRD Strategies and Policies*

- Problems with regulatory agencies in the region
 - ✓ Inadequately funded (barebones budget)
 - ✓ Under-staffed
 - ✓ Poorly designed (lack of organisational economies of scope)
- Consequences
 - ✓ Possibility of regulatory capture
 - ✓ Poor decision-making which can be costly in the long run

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- Commissioners/staff of regulatory agencies need to be at the cutting edge of regulatory matters – a step ahead of the service providers
 - Human Resource Systems for Caribbean Regulatory Institutions:

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- ✓ Recruitment of trainable and adaptable professionals (attitude and aptitude)
 - ✓ Focus on institution as a 'learning organisation' – knowledge creation and sharing, job enrichment
 - ✓ Provision of challenging work in a team-oriented system
 - ✓ Development on a reward system based on performance/competencies
 - ✓ Relevant and stimulating training programs (at the cutting edge) – NARUC, PURC, IP3, ITU, etc

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- ✓ Linkages with tertiary level institutions – UWI, UTech, UG, etc – guest lectures, research projects, internships, scholarships/fellowships
 - ✓ Use of external attachments to other agencies and consultants
 - ✓ Periodic reviews of work via retreats, staff seminars, etc

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- ❑ Human resource systems should build capacity, enhance the image and reputation of the agency, build confidence of staff, etc. This can be a strategy for attracting more financial resources to the agency.