

Are Initial Allocation Rules Important for Public Service Delivery and the Allocation of Talent Within Bureaucracies?

Shan Aman-Rana

Department of Economics

In most developing countries civil servants are responsible for decreasing infant mortality, improving education outcomes etc. Understanding how bureaucratic systems can incentivise civil servants for public service delivery is an important yet under-investigated question in economic development. In this paper I investigate one such system i.e. the initial allocation of civil servants to varying seniority of first set of colleagues (co-workers and supervisors) and test how that shapes long run outcomes for newly recruited civil servants. I exploit a source of exogenous variation in initial placement of the new recruits induced by the Tenure/Transfer Policy of the government of the Punjab in Pakistan. I under-take a largescale data digitisation exercise to construct a civil servant - month

panel dataset from 1983- 2013. I find that as colleagues at the entry-level job become more senior, newly recruited civil servants collect more taxes on average. It, however, leads to an increase in the dispersion of the tax collection distribution, with the high ability civil servants collecting more and the low ability collecting less taxes. Seniority of the first colleagues also improves the allocation of talent within the bureaucracy. As colleagues at the entry-level job become senior in the organisation they promote and laterally move only the high ability civil servants. Moreover, these civil servants are laterally moved to jobs that are harder to perform in. A simple and inexpensive policy implication would be to maximise job rotation of new recruits on entering the organisation.