

Human Talent Management and Corruption Control: The Effect of the New Talents in Government Control Program on the Detection of Corruption in Peru

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Development Sector

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Inter-American Development Bank (IDB)

Abstract

Government oversight initiatives have demonstrated some effectiveness in the fight against corruption. However, lessons can be learned from the literature with regard to the impact of improvements in the auditors' capacities and knowledge on effectiveness. This paper seeks to present evidence on the impact on efficiency of the New Talents in Government Control (Nuevos Talentos en Control Gubernamental) program, instigated by the Comptroller General of the Republic (Contraloría General de la República, or CGR) in Peru with respect to processing citizen complaints. This program offers a rigorous training and specialization process for professionals who are recruited from outside the CGR and selected on merit (with a 1.25 percent acceptance rate), Civil servants who successfully complete the selection process and receive the training are expected to achieve a better performance. Using data from the CGR complaints system and from the specialized training, the difference-in-differences methodology was applied to evaluate the impact of the program at the regional office level. The results showed that the offices that incorporated New Talents into their team increased their success rate in dealing with complaints by 36 percentage points, and the success rate of incidents reported rose by 32 percentage points, while the success rate for warnings improved by 27 percentage points. According to these preliminary results, the program appears to be an effective initiative for improving the CGR's internal processes and contributing to the fight against corruption.¹

JEL codes: D73, I28, M53, O15

Keywords: complaints, corruption, government control, human talent, training

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1 Introduction

Research and official reports in various countries around the world have demonstrated that the public sector makes poor use of billions of dollars every year due to inflated prices and corruption. This encourages inefficient public resource allocation, breeds mistrust in political leaders and institutions, and threatens to undermine the pillars of democracy (Rose-Ackerman, 1999). Corruption is a serious problem because it implies that a bureaucrat is breaking the rules, which can disrupt the system established by the State (Banerjee, Hanna, & Mullainathan, 2012). Although the adverse consequences of corruption have long been recognized, governments have been unable to explicitly measure the costs of rule-breaking and to identify strategies for improving civil servant effectiveness in the fight against corruption.

The literature has explored possible solutions for combating corruption from different angles. One line of research emphasizes the selection, discipline, and role of politicians (Finan, Olken, & Pande, 2015; Olken & Pande, 2012). These studies analyze the impact of the interactions between politicians and people who commit various kinds of corruption on institutionality (Hunt, 2005). A second line of research focuses on the legal and fiscal institutions of countries: if the legal consequences of corruption are sufficiently severe, this can keep politicians in line (Becker, 1968; Becker & Stigler, 1974). A third branch of the literature, which has generated increasing interest in recent years, centers on government auditing and its impact on discouraging corruption through public policies (Avis, Ferraz, & Finan, 2018; Zamboni & Litschig, 2018).

In the government control line of research, Olken (2007) evaluates three types of interventions in Indonesia: audits, citizen monitoring through meetings, and permission to lodge anonymous complaints about public expenditure. The results show that the group of public works that was audited managed to reduce missing funds by approximately 30 percent, which demonstrates the power of top-down supervision. Bobonis, Cámara Fuertes, and Schwabe (2016) present another example of successful audits by studying the effect of monitoring and auditing on the levels of corruption at the municipal level in Puerto Rico in the run-up to elections. The municipalities that were subject to audits saw a reduction in corruption over the short term. They emphasize, however, that although audits have proven to be effective, they are insufficient when it comes to combating corruption over the long term unless they are carried out regularly.

Similar to the Puerto Rico study, Avis et al. (2018) analyze the impact of audits on reducing corruption at the level of political positions within the context of Brazil's anticorruption program. The study demonstrates that having been audited reduces future corruption by 8 percent and increases the chances of being legally sanctioned by 20 percent. The audit results help the electorate to punish those politicians investigated for corruption and breaking the rules. Despite this, the authors maintain that to achieve a sustainable reduction of corruption that goes beyond administrations, more capacity is required to detect and monitor cases of corruption. An agenda is needed to find ways to improve the selection of the staff responsible for evaluating and sanctioning cases of corruption, as well as to establish incentives to accompany this process.

In contrast to the above-mentioned research, which focuses on corruption in politics, Ferrali and Kim (2021) examine the factors that can help government to effectively reduce corruption among bureaucrats. The authors evaluated the careers of 275,000 civil servants within the framework of random auditing among Brazilian municipalities between 2006 and 2015. They found that even when there is strong evidence of corruption, audits did not lead to significant punishment for those involved.

However, with a view to evaluating all the effects that audits might achieve, the authors constructed a model that divides government control policy into three mechanisms: frequency,

training of monitors, and sanctions. The results revealed that audits only managed to reduce corruption by 3 percent due to the following factors: (i) the profitability of corruption, (ii) the auditors' limited capacity, and (iii) the limited effects of dismissals. Then, the authors explored ways to improve the application of these controls and found that, despite the fact that regular auditing was the most effective, having adequately trained auditors and stronger punishments led to a 25 percent reduction of corruption. To summarize, the literature shows that the effect of government control through audits has enjoyed various levels of effectiveness depending on different factors. Based on the determinants of achieving greater benefits from audits presented by Ferrali and Kim (2021), this paper focuses on the effect of staff training on improving government control.

Previous research on the civil service has focused on analyzing the effects of selection processes (Cortázar, Fuenzalida, & Lafuente, 2016; Gallo & Lewis, 2012; Gilmour & Lewis, 2006; Lewis, 2007; Lewis, 2008; Miller, 2015) or incentives (Ashraf, Bandiera, & Jack, 2014; Banerjee, Chattopadhyay, Duflo, Keniston, & Singh, 2021; World Bank, 2014). Experimental studies of the effects of training programs have centered on leadership (Seung-Ho, Meier, Bøllingtoft, & Andersen, 2019) and on training in productivity and innovation for managers (Azulai, Rasul, & Rogger, 2020). These two studies have evaluated the programs' effects on the organizational culture or on job satisfaction. They have also analyzed the effects of training on the implementation of results-based management reforms (Kroll & Moynihan, 2015). They found that training is more likely to be successful if it is designed to close specific gaps in the skills needed for successful implementation of reforms, although this effect might also be explained by the fact that training often facilitates the implementation of reforms because it explains and justifies them to public servants.

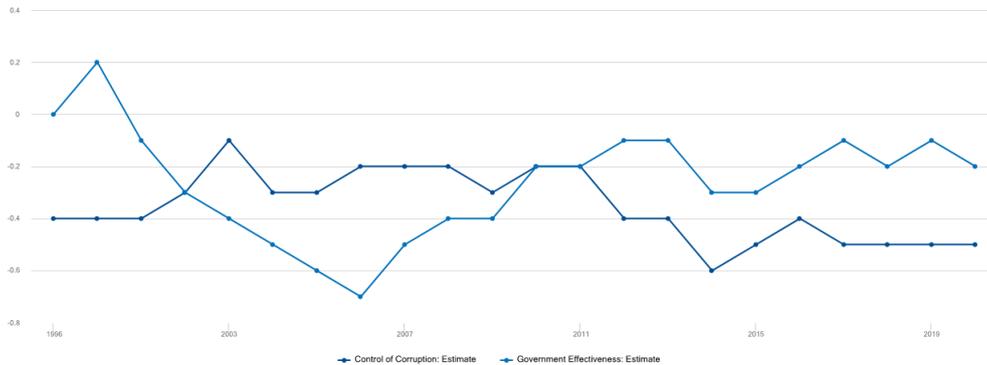
In this sense, there is a lack of research that examines whether better training for government control office staff delivers higher levels of efficiency in their interventions. Examples of studies that have examined the idea of training to reduce corruption at the government and bureaucratic levels include Mehmood, Naseer, and Chen (2021), who, after conducting sessions on pro-social ethics for ministers in Pakistan, showed that it is possible to enhance the personal characteristics that reduce corrupt tendencies. McLean, Wolfe, Rojek, Alpert, and Smith (2020) and Banerjee et al. (2021) find that holding workshops for public officials (e.g., the police) to build soft skills leads to greater adherence to legal guidelines by officials and higher citizen satisfaction with their performance. These studies reveal a gap in the literature regarding State programs that can be implemented to address selection, training, and capacity building for the civil servants responsible for applying government control. In line with the literature on the role of strengthening capacity and building the knowledge needed to apply more effective institutional audits, this paper investigates the effect of the New Talents in Control Government Control program on the efficiency of processing citizen complaints about public officials.

This program seeks to start new collaborators on the government auditor career path at the Office of the Comptroller General of the Republic (CGR) in Peru, following a rigorous process of recruitment, selection, training, and professional specialization. Given the specialization received in the program, civil servants are expected to be better prepared to identify cases of corruption and recommend application of the corresponding sanctions. The program follows a similar line to that set out by the United Nations Office on Drugs and Crime (UNODC), which highlights the critical role played by this type of training in investigating corruption-related crimes. The aim of the program is not to increase the volume of complaints that analysts are capable of processing, but rather to enhance their effectiveness in processing a complaint.

This program has been applied in the context of a country in which measurements of perception of corruption and of the way in which the government operates are unfavorable, according to

the World Bank (2021). According to Figure 1, the evolution of both indicators suggests that citizens perceive that State control is deficient when it comes to dealing with cases of corruption.

Figure 1. Measurements of Corruption and Government Effectiveness



pais : Perú
 Fuente: Indicadores mundiales de buen gobierno
 Creado el: 11/15/2021

Source: Worldwide Governance Indicators.

Note: The indicators of corruption control and government efficiency take values ranging between -2.5 and 2.5, where -2.5 represents the highest level of corruption/lower government effectiveness and 2.5 the lowest level of corruption/greater government effectiveness.

This paper presents the initial findings of the effects of the New Talents program, which has rules regarding the recruitment, selection, and specialized training to improve efficiency in processing citizen complaints in Peru. It uses the difference-in-differences methodology to evaluate the impact of the program at the regional office level. The initial results show that the offices that incorporated New Talents into their team improved the complaints evaluation process when measured by indicators of the success rate for the admission of complaints and for raising warnings. Thus, the program represents an effective initiative for improving the GCR’s internal processes and helping in the fight against corruption.

Apart from this introduction, the paper is divided into five sections. Section 2 describes and provides context to the New Talents program. Section 3 describes the data, the sample, and the quasi-experimental methodology utilized. Section 4 presents the descriptive analysis of the problem. Section 5 contains the results of the analysis. Section 6 concludes and offers recommendations.

2 Context and Description of the Program

2.1 Context

The CGR is the supreme authority of Peru’s National Control System (Sistema Nacional de Control). It oversees the efficient, effective, and economical use of the country’s resources and correct public debt management, as well as the legality of public sector budget execution and of the actions of institutions subject to control, to support the achievement of State objectives in terms of national development and the welfare of Peruvian society.

One of the CGR’s specific functions is handling complaints about suspected irregularities that may occur within a public entity in relation to the collection, use, and allocation of State resources and goods, as well as overseeing compliance with legal rules. It aims to promote social

monitoring among citizens, civil servants, and public officials with respect to the collection, use, and allocation of State resources and goods to help combat corruption and misconduct in the civil service.

Peruvian civil society participates actively in presenting complaints to the CGR to help it fight corruption. The CGR has a well-established system for receiving citizen complaints and a team dedicated exclusively to processing them and deciding how to handle the allegations. This team, however, is relatively small. Whereas the number of citizen complaints rose between 2015 and 2018, the number of investigations—administrative actions that follow on from analysis of these complaints—declined (Figure 2). This decline, which is largely explained by a higher number of complaints that were either not admitted or not analyzed, led to an increasing accumulation of complaints.

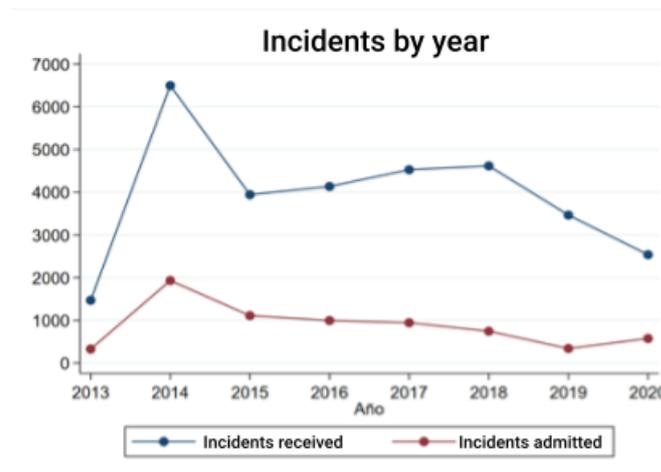
Figure 2. Trends in Complaints and Investigations



Source: Authors' elaboration.

A new directive, issued in 2020, established that the complaints admitted by the National System for Attention to Complaints (Sistema Nacional de Atención de Denuncias, or SINAD) are processed by Line Managers (Gestores de Canales or GCs), who break them down into reported incidents—approximately two incidents per complaint—and decide which are worthy of an in-depth evaluation according to the new directive. The GC thereafter assigns to each analyst the incidents they are to evaluate. When Figures 2 and 3 are compared, it becomes obvious that to evaluate the complaints in terms of the specific incidents mentioned in them, the work of manually processing these complaints is doubled, which increases the already high burden of cases per process.

Figure 3. Trends in Reported Incidents



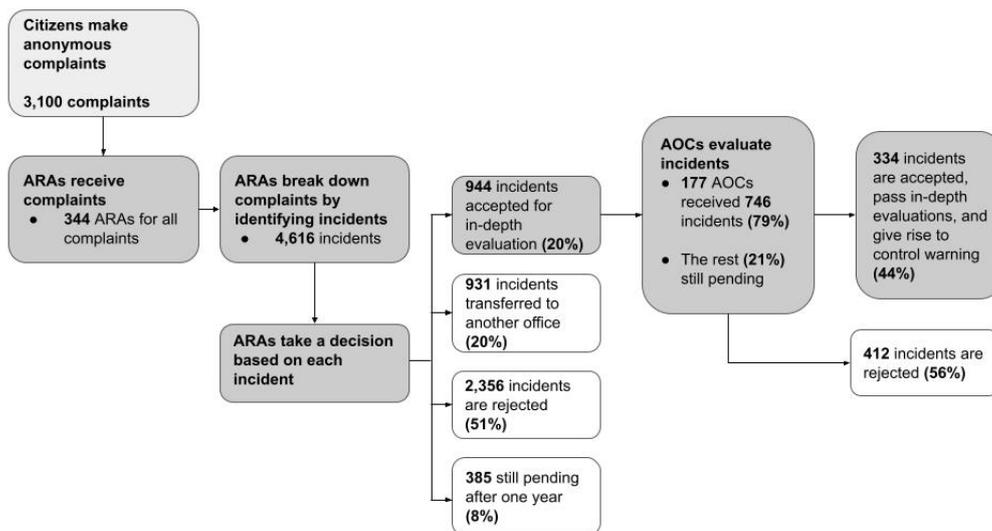
Source: Authors' elaboration.

Figure 4, elaborated using data from the Willay application for 2018, describes the process undertaken to address the 3,100 citizen complaints registered with the SINAD in this period. Complaint processing consists of two phases. The GC receives the complaints and divides them into incidents and designates a First-stage Analyst (Analista de Primera Etapa, or ARA) to examine them and determine whether they are admissible. Subsequently, the GC again verifies this resolution and, if the incident is admitted, it moves to the second stage of processing. Relatively few incidents get past this initial filter. In 2018, of the 4,616 incidents reported by citizens (contained in the 3,100 complaints), only 944 advanced to the in-depth evaluation phase. The vast majority of incidents reported were declared inadmissible because they failed to comply with the requirements of the current regulations. Furthermore, some incidents (931) for which the CGR was not competent were forwarded to the institutions of the corresponding jurisdiction, such as, for example, the judiciary or the public prosecutor's office.

After the GC has verified the admissibility of each incident, a Second Stage Analyst (Analista de Segunda Etapa, or AOC) is designated to analyze each one. In the in-depth evaluation phase, a second key decision must be made: whether to dismiss the incident or to create a warning that may give rise to corrective measures or control services (audits) by the CGR management. Evaluation Analysts (Analistas de Evaluación, or AEs) currently carry out the in-depth evaluations and decide whether to report a control warning.

Civil servants make each decision based on their knowledge of the case, the context, their experience, and their judgement. The GC and the supervisors responsible for admitting complaints, as well as the AEs who work on these cases, are a heterogeneous group in terms of career training and technical knowledge. Understanding the replicability of these decisions and the potential subjectivities and biases to which they are subject is important when proposing improvements and understanding the determinants of efficiency in the process.

Figure 4. The Complaint Life Cycle, 2018



Source: Authors' elaboration.

In this respect, the need to improve efficiency in processing complaints was observed, as much in the attention phase as in evaluation and management. To this end, the Inter-American Development Bank (IDB) collaborated with the CGR in this and other matters related to strengthening the institution through the Project to Enhance Control Services for Effective, Preventive and Enabling Control for Public Management (PE-L1240)² and a technical cooperation linked to this project (PE-T1398)³. This project helped to drive different reforms for improving CGR management. This paper reports the findings of the reforms enacted by the Program for Training and Incorporation of New Talents in Government Control in terms of human capital.

2.2 The New Talents in Government Control Program

The Program for Training and Incorporation of New Talents in Government Control is part of the CGR's new institutional strengthening strategy, which seeks to start new collaborators on the career path toward becoming government auditors. They follow a rigorous process of training and professional specialization at the National School of Control (Escuela Nacional de Control, or ENC).

The program, launched in 2018, managed to capture the interest of more than 24,000 young people throughout the country who participated in a merit-based public competition to secure a place in the program. The candidates who met the requirements and took the first places in the merit table during the selection process entered the ENC as participants of the Program for Training and Incorporation of New Talents in Government Control, which lasts approximately five months. There were only 300 vacancies in the program (that is, an acceptance rate of 1.25 percent).

During their training period, participants were given the opportunity to apply what they had learned in organizational units of the CGR, to which they would then be appointed based on merit, according to institutional needs for specific professions and the level of demand for citizen control. The program's aim is to train new collaborators (university graduates, bachelor's

²For more information, see: <https://www.iadb.org/en/project/PE-L1240>.

³More information is available at: <https://www.iadb.org/en/project/PE-T1398>.

degree holders, and professionals) with high potential with a view to joining the CGR by specializing in Government Control.

The program consists of both academic and training courses. The academic courses or workshops are on Government Control, Public Management, and Complementary Training. The training or monitoring courses consist of personal development workshops, tutorials, and employment coaching. For certification purposes, it was established that the minimum grade in the final average for the program would be 14 points (14/20); likewise, all nine main courses or workshops must be successfully completed.⁴

The program's first class was incorporated in 2019 into different areas of the SINAD. The idea was to continue the program during subsequent years, but admission to the 2020 program was cancelled due to the COVID-19 pandemic. It is hoped that the CGR program for recruiting new human capital will be relaunched when the situation becomes favorable again.

3 Data, Sample Selection, and Evaluation Methodology

3.1 Data and Sample Selection

Information from two databases was used for the purposes of this analysis: the ENC database and complaints from the Willay system. The ENC data source collects information about the GCR staff who trained at the ENC and joined the New Talents program. This database shows that the New Talents program was active in 2019, but there is no information available about this program for 2020 and 2021 due to its cancellation because of the COVID-19 pandemic. The database contains a total of 205 observations, that is, 205 participants from the program during the period of study.

Since the analysis studies the impact of the incorporation of civil servants from the New Talents program on improvements in complaints processing efficiency, it is analyzed at the regional level. In this respect, the distribution of the New Talents shows that five CGR offices incorporated New Talents graduates: Ancash, Arequipa, Cajamarca, Ica, and SGD-Lima. The other 23 offices failed to do so. With the exception of the Central Office in Lima, the rest of the teams received a limited number of civil servants from the program.

As there is wide heterogeneity in the size of the offices, only the relatively large offices, that is, those with more than 30 analysts, were considered for this analysis. Based on this restriction, a sample of nine offices was selected, of which five received New Talents and four did not. This selection ensures a better balance and comparability in the sample studied.

The next step in building the sample was to combine information from the ENC with the complaints data from the Willay system. The latter is the CGR database that contains detailed information about every complaint lodged. The database monitors complaints from the moment the case is received until it is evaluated and resolved.

The results of interest for the analysis are found in the Willay database. The following variables are considered as results of interest at the case-complaint level and the office level:

1. Success rate for incidents reported by each office: number of incidents admitted over the total number of incidents presented.

⁴These courses are: Civil Service Ethics, Introduction to Government Control, International Rules on Government Control (Normas Internacionales de Control Gubernamental, or ISSAI), Compliance Auditing, Financial Auditing, Performance Auditing, Prior Control, Simultaneous Control, and Redaction Strategies.

2. Success rate for complaints by office: number of complaints that are admitted for a higher evaluation with respect to the total number of complaints.
3. Success rate for warnings by office: number of complaints that lead to a warning with respect to the total number of complaints.

3.2 Methodology

The methodology employed in this paper compares the regional offices that incorporated New Talents with those that did not incorporate this human capital. As previously mentioned, the variables related to the attention to and evaluation of complaints are analyzed as results of interest.

Implementation of the New Talents program from one period to another gives rise to significant spatial and temporal variability. Therefore, a difference-in-differences research design was used to identify the causal effect of this policy on the variables of interest. It is important to highlight that the causal results have limitations since this is not an experimental study. However, use of a rigorous quasi-experimental methodology guarantees the soundness of the findings. This type of design can control for idiosyncratic differences in the offices that did not vary over time and for events that can simultaneously affect the treatment group and the control group.

This methodology is used, in the first place, to analyze the effect of incorporating the New Talents into the regional offices. In particular, Equation 1 is estimated as:

$$Outcome_{it} = \beta \times NewTalents_{it} + \gamma X_{it} + \theta_i + \mu_t + \epsilon_{it}, \quad (1)$$

where $Outcome_{it}$ denotes one of the result variables mentioned in the previous subsection; $NewTalents$ is a dichotomous variable that takes the value 1 if the regional office incorporates New Talents as human capital in its team; and X is a vector with control variables. In this equation, the coefficient of interest is β , which measures the effect of incorporating the $NewTalents$ on attention and efficiency in complaint evaluation. The specification also incorporates fixed effects at the office level, θ_i , and at the level of each period, μ_t . Finally, ϵ_{it} is the term of error. The sub-index t denotes the year of the period analyzed, and the sub-index i denotes the different regional offices.

Thereafter, analysis is made as to whether the program stimulated an improvement in the attention to and evaluation of citizen complaints. The offices that did not incorporate New Talents into their teams were chosen as a control group. In contrast, the treatment group consists of offices that incorporated New Talents.

To evaluate the effect of the program, the performance of the regional offices in all the previous periods was compared to provide information about the complaint evaluation process, and in the periods following the program. In this respect, the following specification is proposed:

$$y_{it} = \beta_0 + \beta \times NewTalents_i \times t_t + \theta \times NewTalents_i + \delta \times t_t + \gamma X_{it} + \epsilon_{it}, \quad (2)$$

where y_{it} denotes one of the variables of interest; β_0 is the constant and $NewTalents_i$ is a dichotomous variable that takes the value of 1 if the process belongs to the treatment group. θ is the coefficient of New Talents when it does not interact with the trend and X_{it} is a vector con

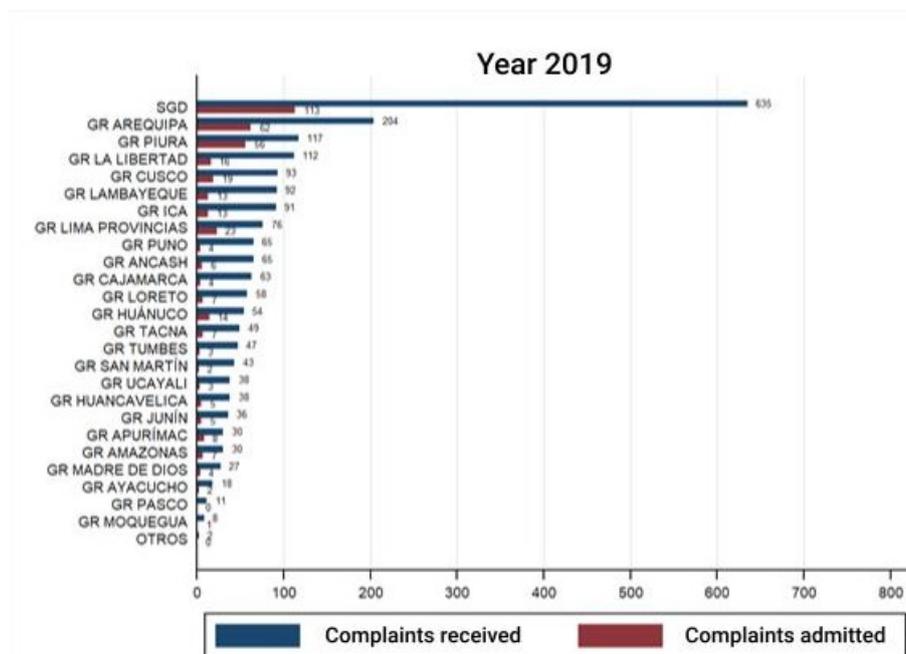
variables de control. is a vector with control variables. As a control variable for the analysis, the number of analysts per office is considered before and after the inclusion of New Talents. Likewise, as in Equation 1, fixed effects are incorporated by office. Finally, ϵ_{it} is the term de error, the sub-indices i and t maintain their definitions from Equation 1.

4 Descriptive analysis

This section describes the problems associated with efficiency and heterogeneity in the CGR complaints process. For this purpose, the study identified patterns of heterogeneity within the team of civil servants responsible for processing complaints.

Figure 5 shows the volume of complaints and warnings generated by each office in 2019. The Complaint Management Subdivision (Subgerencia de Gestión de Denuncias, or SGD) at the central office handles the highest number of complaints, followed by the Arequipa and Piura offices. However, for all offices, the volume of complaints admitted for evaluation is much lower with respect to the total number of complaints made.

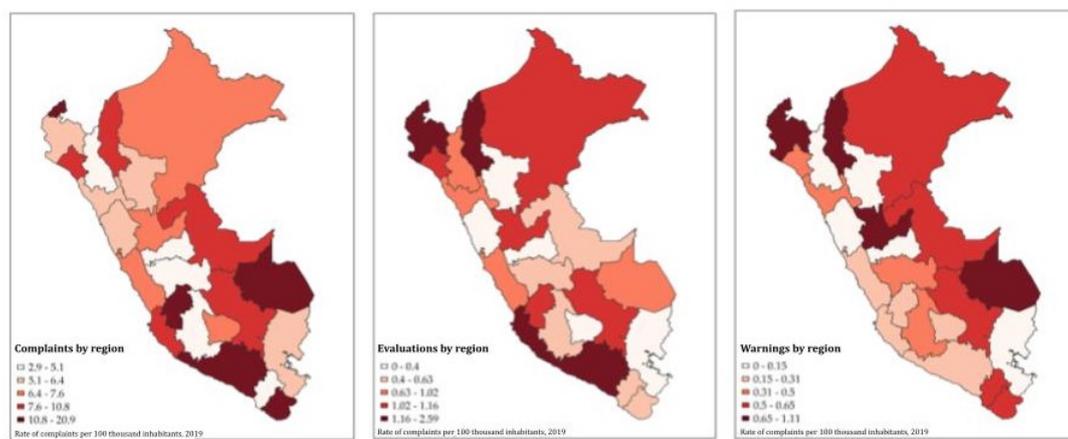
Figure 5. Volume of Complaints Reported and Admitted, by Office, 2019



Source: Authors' elaboration.

Figure 6 presents the number of complaints, evaluations, and warnings for each office adjusted to the population. It is noteworthy that the offices that handle the most complaints are Arequipa, Cajamarca, Ica, La Libertad, and Lima. When the complaints that are forwarded to evaluations and warnings are considered, a similar pattern emerges, but this also includes Piura.

Figure 6. Complaints, Evaluations and Warnings, by Office (adjusted for population)



Source: Authors' elaboration.

To better understand the information in Figure 6, Table 1 shows the description of an indicator for success by office, defined as the percentage of complaints admitted (accepted for consideration, admitted, and verified) over the total number of complaints received. During 2019, the average success rate for all of the offices was 19 percent. Moreover, not a single office managed to admit more than half of the complaints received.

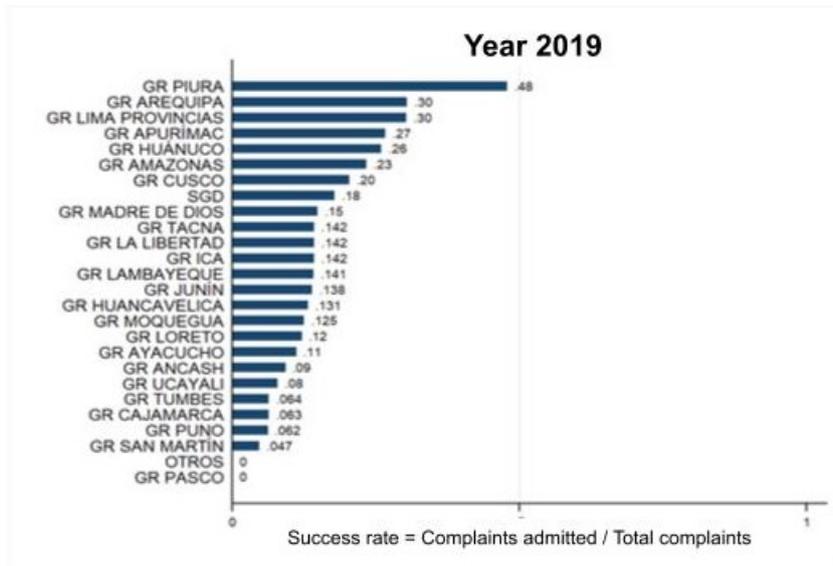
Table 1. Descriptions of the Success Rate, 2019

	Minimum	Maximum	Average	Median	Std. Dev.	Observations
Success rate	0	0,48	0,19	0,17	0,09	26

Source: Authors' elaboration.

Figure 7 shows how the success rate is distributed by office, revealing a pattern of heterogeneity that would need to be contextualized with further qualitative work. It is noteworthy that the Piura office leads the table in terms of the percentage of complaints admitted, with a rate of 48 percent, followed by the offices of Arequipa and Lima Provincias, both with a rate of 30 percent. The offices with the lowest percentage of success are Pasco, Puno, and San Martín.

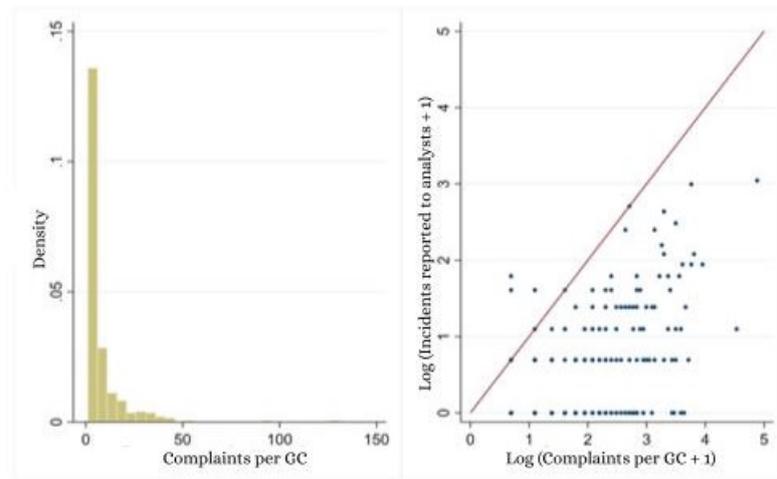
Figure 7. Success Rate by Office, 2019



Source: Authors' elaboration.

Figure 8 shows the distribution of complaints by GC in the left-hand panel. As can be seen, the majority of managers process fewer than 50 complaints individually. Each one processes on average just eight complaints, with a median of four complaints. There is, however, a noticeable deviation in the individual processing of complaints, given the case of a GC who processed a maximum of 131 complaints during 2019. This may be because, in some offices, the CG performs additional tasks.

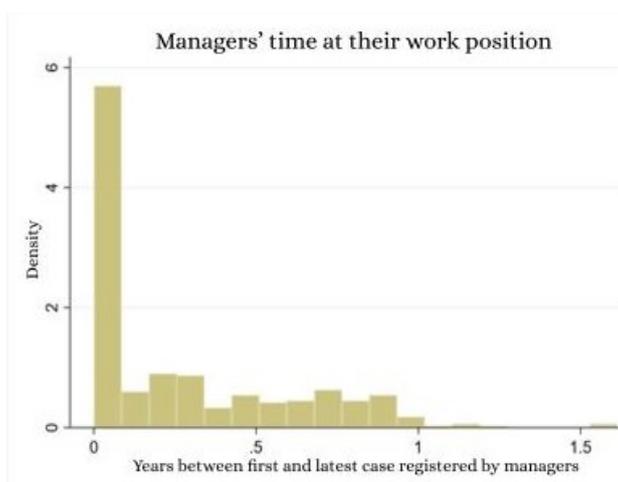
Figure 8. Complaints per GC, 2019



Source: Authors' elaboration.

The dispersion in the number of complaints evaluated by the GCs might be attributable to the fact that there is a learning lag in the evaluation of complaints depending on the amount of time spent in the job. Figure 9 shows the distribution of the length of time that the GC has been in the job. It can be seen that the majority of GCs have spent very little time in their positions, with an average of only one year. The most experienced manager has held the position for just over four years.

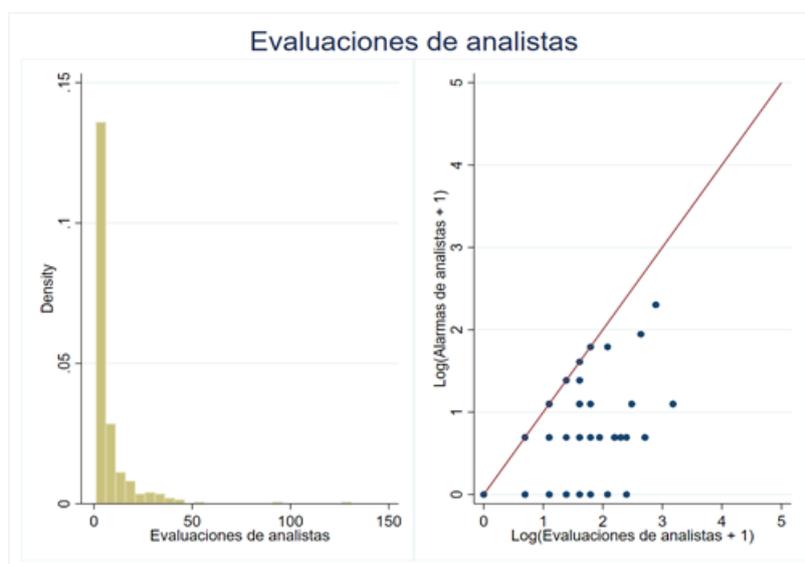
Figure 9. Time Spent in the Position



Source: Authors' elaboration.

Figure 10 shows a similar trend as that in Figure 8, but this time for AEs, the analysts responsible for in-depth evaluations following on from the work of the GC. Again, it is noteworthy that the characteristic of heterogeneity is repeated in the number of complaints evaluated by the analysts and its effect on the following stage, which corresponds to the number of warnings generated.

Figure 10. Complaints by AE, 2019



Source: Authors' elaboration.

This section revealed the problems inherent in the process of handling complaints, where wide heterogeneity can be observed in the process due to different factors. The following section explains the determinants of efficiency in dealing with complaints.

5 Results

This section presents the results of the analysis using the methodology described above to identify the treatment and control groups and the time period of the program; the estimator did was created to conduct the regression analysis and observe the effect of the program.

Table 2 shows the effect of the program on three result variables: the success rate for incidents reported, the success rate for complaints, and the success rate for warnings. It reveals that incorporating participants from the New Talents program has a positive and significant effect on the result indicators at the office level.

In particular, entry of New Talents into the regional offices is shown to have increased the success rate for complaints by approximately 36 percentage points, the success rate for incidents reported by 32 percentage points and the success rate for warnings by 27 percentage points. In this respect, it can be affirmed that the program helped the offices to become more efficient and improved complaints processing.

Table 2. Effects of New Talents on the Variables of Interest⁵

	Success rate for incidents reported	Success rate for com- plaints	Success rate for warnings
Estimator DID	0,329*** (0,0705)	0,366*** (0,0802)	0,276*** (0,0757)
Treatment	-0,218*** (0,0616)	-0,247*** (0,0619)	-0,330*** (0,0852)
Time	-0,210*** (0,0388)	-0,220*** (0,0444)	-0,303*** (0,0551)
Number of analysts	-0,000613*** (0,000043)	-0,000637*** (0,000052)	-0,000694*** (0,000042)
Constant	0,450*** (0,0452)	0,441*** (0,0413)	0,515*** (0,0769)
Fixed effects	Yes	Yes	Yes
Observations	21.887	21.887	21.887
R^2	0,342	0,409	0,596

Notes. Standard robust errors in parenthesis.

*** $p < 0,01$, ** $p < 0,05$, * $p < 0,1$

Table 3 shows the results of a subsample consisting of all the regional offices with the exception of the SGD, which is the central office. As an analysis of robustness, it was decided to limit the analysis to see whether the effects remained the same. The result was that, even in those offices where the number of New Talents was not particularly high, significant positive effects continued to be seen in all the indicators. The inclusion of New Talents boosted the success rate for complaints and the success rate for incidents reported by 19 percentage points, while the success rate for warnings rose by approximately 17 percentage points.

⁵The period from 2018 and before was compared with the treatment group, which includes the information based on 2019 onwards (when the New Talents were incorporated).

Table 3. Effects of New Talents on the Variables of Interest, Subsample

	Success rate for incidents reported	Success rate for com- plaints	Success rate for warnings
Estimator DID	0,175* (0,0915)	0,199* (0,0957)	0,174* (0,0841)
Treatment	-0,115 (0,0714)	-0,129* (0,0603)	-0,234** (0,0728)
Time	-0,208*** (0,0427)	-0,221*** (0,0493)	-0,314*** (0,0644)
Number of analysts	-0,00132 (0,00368)	-0,000200 (0,00369)	0,00388 (0,00480)
Constant	0,465*** (0,115)	0,432*** (0,104)	0,419** (0,145)
Fixed effects	Yes	Yes	Yes
Observations	11.118	11.118	11.118
R^2	0,257	0,302	0,475

Notes. Standard robust errors in parenthesis.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

From this analysis it can be concluded that the incorporation of New Talents has had a positive and significant effect on the efficiency with which citizen complaints are evaluated at the regional office level. This impact is particularly significant for the indicators of the success rate for complaints and the success rate for warnings.

6 Conclusions

This paper analyzes the impact of the CGR's New Talents program on the efficiency of citizen complaints processing at the regional office level. Taking advantage of the program's implementation and incorporation of New Talents into some regional offices, a difference-in-differences design was proposed to compare the effect of New Talents incorporation on the productivity of the regional offices. Although the number of professionals taking part in the program is not very high compared to the total, the findings of this study strongly suggest that the offices with New Talents performed better according to two main indicators of efficient complaint evaluation: the success rate for complaints and the success rate for warnings.

This paper mainly helps to generate preliminary evidence and open up a broader research agenda about government control initiatives implemented by governments with special emphasis on those that seek to strengthen human talent to drive such initiatives forward. The importance of the results lies in demonstrating that these initiatives are effective in improving the efficiency of government control. In a context in which there is a heavy load of complaints and few staff available to process them, this is of vital importance.

Since 2016, there has been increasing emphasis on training the staff directly responsible for government control in countries such as Colombia, Costa Rica, and Ecuador. This paper shows that this type of initiative can achieve significantly positive results for improving the complaints processing system, thereby creating incentives for the region to keep on investing in building the

capacities of human talent and extending the initiative to more supreme auditing agencies⁶. By dedicating more time and closely monitoring these programs, the potential that they are capable of achieving can be better explored. In this respect, other initiatives and rigorous evaluations that seek to improve the actions of government control must also be proposed. The IDB will therefore continue to collaborate with the CGR to promote evidence-based programs that can effectively help in the fight against corruption.

⁶Thanks to progress in this field of research, the IDB is currently expanding its agenda in this area. For example, it is currently carrying out similar reforms in other countries, such as Colombia, with the Program for the Digital Transformation of the Comptroller General of the Republic (Project CO-L1266) (Programa para la Transformación Digital de la Contraloría General de la República) with the aim of increasing efficiency and productivity in the exercise of government control, among others.

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