

HR performance

Prospects and operational approaches

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ACKNOWLEDGEMENTS

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Editorial

Two decades of public administration reform have had a major impact on budget procedures, administrative structures and relations with the public. This impact is also increasingly felt in human resources in the public sector. Human resources has now emerged clearly as a reality in the administration of European Union Member States.

The study conducted by Ernst & Young at the request of the French Presidency of the European Union provides an overview of ongoing changes in the world of HR and, at the same time, gives some hints at what lies ahead. It is based on the results of a questionnaire issued in September 2008, with answers from more than 300 public administration executives from 26 countries.

The results obtained call for some comments in the four areas which, at the end of the day, shed light on the contribution of human resource management to public service performance:

1 - HR as service provider - recognition and stability

- *Throughout the European Union, HR constantly provides basic services, including recruitment, career management, pay and training. It also includes an important legal aspect as it must guarantee fairness and ensure that laws are observed.*
- *While Human Resources Managers in the private sector see themselves as social relations experts, their public sector counterparts do not assume this role so readily.*
- *Enhancing the efficiency of processes is a constant concern, although the results obtained are not the same. Performance varies with the process and country concerned. While two-thirds of the respondents expressed satisfaction with HR process performance, five countries put it below the 50% satisfaction mark. Recruitment appears as the most efficient process, with "pay" and "skills management" processes delivering poorer performance.*
- *Many different practices are adopted to make processes more effective. They depend on the conditions within each country; there is no single solution.*

2 - An innovative upheaval in HR engineering - but with varying results

- *Respondents see the competitive exam as the main gateway, drawing attention, however, both to its advantages and drawbacks. Other recruitment methods have been thought up in an attempt to obtain greater flexibility, bring skills more in line with departments' real requirements and appeal to profiles that*

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are less readily available. One-third of respondents use selection methods similar to those found in the private sector.

- *Remuneration system is seen as contributing to the reduced appeal of the civil service. On the whole, senior executives and specialists are paid less than their private-sector counterparts for 60% of respondents, with some particularly significant local situations.*
- *Skills development is one of the key factors in adapting human resources to the current and future requirements of public administration services. 90% of respondents see continuing education as a strategic investment. Skills development engineering methods are highly advanced in the European Union.*
- *Adopting a more individual approach is one way to stimulate personnel commitment and attract certain profiles. The choice of more individualised human resource management varies according to the country and process studied. The pay and promotion system still has little to do with individual performance and individual assessment suffers from the lack of management by objectives. Within each core activity, competence is the yardstick used to drive individual management of employees.*

3 - A hesitant contribution to strategic processes

- *The definition of HR strategies is not developed systematically in the Member States. 43% of respondents declare that they have seldom, if ever, adopted this approach.*
- *Three-quarters of respondents consider that human resource management is related to public administration strategic objectives. In the minimalist stance, top management will consider the opinion of HR professionals in matters of project feasibility. HR professionals rarely have any say, however, in defining strategy.*
- *While indicators are used to keep track of HR process performance in operational terms, management scorecards are rarely used. Of the 28 indicators tested, only one - used for training - obtained a utilisation score above 50%. Indicators are not always related to strategic objectives and do not link up causes and effects.*
- *The relevance of scorecards is challenged. Of the 28 indicators tested, only 15 reached a score above 50% as far as relevance is concerned. There is no single, perfect system for measuring performance. All management systems must make allowance for the operational environment and be compatible with the strategy implemented.*
- *In spite of this, a quarter of respondents are aware that this type of tool is useful and have plans to develop one.*

4 - The first signs of a new stance: supporting change

- *Restructuring public policies and organisation is regarded as the major challenge facing HR for 90% of respondents.*
- *As a result, HR professionals have developed forward-looking management systems. 57% of respondents use forward-looking human resources management initiatives for the purposes of reform and restructuring. Nonetheless, these are more to do with transformation operations than long-term HR policy. Only 13% of respondents make systematic use of forward-looking human resources management for sensitive activities and skills.*
- *"Change management" needs to be structured as part of human resources function.*
- *There is no uniform distribution of HR roles among European administrations. While HR general strategic management is centralised, all the other functions may be either centralised or decentralised. Managers at the local level are not recognised as front-line HR players in areas such as recruitment or career management, where the notion of proximity is important for making the right choice.*

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Preamble

Within the context of the French Presidency of the European Union, Ernst & Young was asked to conduct a comparative study on human resources performance in public administration services in the European Union. This study was conducted by EUPAN (European Union Public Administration Network), an informal network of European public administrations, based on the principle of subsidiarity: each Member State is free to organise its civil service as it sees fit.

The network was set up to allow EU Member States to share knowledge and experience of public governance, identify ways to strengthen and reform administrations and build up practices and strategies to address the future challenges facing them all.

Created in 1987, the Human Resources Management Group (HRWG) is EUPAN's oldest working group. It addresses all issues related to personnel management policies in public administration as well as some general administrative matters. It is highly active and has produced many comparative studies under each Presidency.

A study for an ambitious knowledge management project on HR performance

The study was conducted between September and November 2008 as part of a broader project aimed at developing a knowledge management tool concerning Human Resources function performance.

In this respect, the Research, Survey and Intelligence Watch Department of the Institute for Public Management and Economic Development (IGPDE) conducted a preliminary "human resources function performance" study in 2007. The results of this study are based on qualitative interviews and documentary analysis used to define the conceptual framework of HR performance. The study also identified very concrete practices in the six HR processes studied: recruitment, vocational training, individual assessment, skills management, career management, remuneration and senior executive management.

During the HRWG meeting in September 2008, group members made a further contribution to the initiative by proposing amendments to the definition of performance in the recruitment process and preparing a list of performance indicators.

This study provides an analysis of major changes in the world of HR and, at the same time, gives an overview of HR performance indicators in use or considered relevant. Technical data sheets with HR practices and performance indicators for each HR process can be found in Appendix 2.

These different milestones have marked the first steps towards organising the knowledge management tool. Its flexibility will allow

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forthcoming Presidencies to develop it further and add to it as times goes on. Once the tool is available, Directors and/or HR Managers will be able to use the results of the different studies performed to measure their practices against those studied. They will also be able to build on their HR performance measurement system (adopting a process-based method or using an HR management scorecard) with the suggested practices and indicators.

Methodology and sample

The results of this study come from a quantitative survey conducted in September 2008 in 26 of the 27 European Union Member States, targeting a sample of 306 public administration HR Directors and HR Managers.

The number of respondents varied from 3 to 20 depending on the country. With regard to the sample profile, it should be stressed that countries with small populations and those that joined the EU further to the 2004 and 2007 enlargements are overrepresented (see sample details in Appendix 1). There is some diversity among respondents in terms of reporting structure (central government, ministerial, interministerial), age and seniority.

During the first two weeks of October 2008, qualitative interviews were carried out with a number of people who had agreed during the quantitative survey to be contacted again at a later stage. The purpose of this was to take a closer look at certain trends. The additional interviews were carried out in the following countries: the Czech Republic, Denmark, France, Germany, Italy, the Netherlands, Poland, Spain and Sweden.

The qualitative interviews are presented as quotations, giving the name of the country concerned and the structure in which the interviewee works.

Appendix 1 includes a more elaborate description of the methodology and sample.

The notion of Human Resources function

The HR (Human Resources) function is made up of all professionals responsible for mobilising and developing human resources to support the strategy of an organisation (e.g. public administration) through increased effectiveness and efficiency. HRM (Human Resources Management) professionals work either in central services or at the local level. They include the line managers.

For each line, each responsibility identified, the HR function is defined as the guarantee of the best, leading and supporting process of employment in terms of skills, training, mobility, career and strategic management throughout the career.

Performance indicators: the first operational milestone of the future knowledge management tool

The IGPDE's preliminary study and additional research work has resulted in a list of 28 HR performance indicators. The list is an initial tool for HR performance measurement and could be improved during future studies (e.g. through working groups, further surveys, etc.).

Definition and methods for identifying indicators

The term indicator refers to a quantified variable used to gauge the efficiency of all or some of a process or system in comparison with a standard, plan or objective.

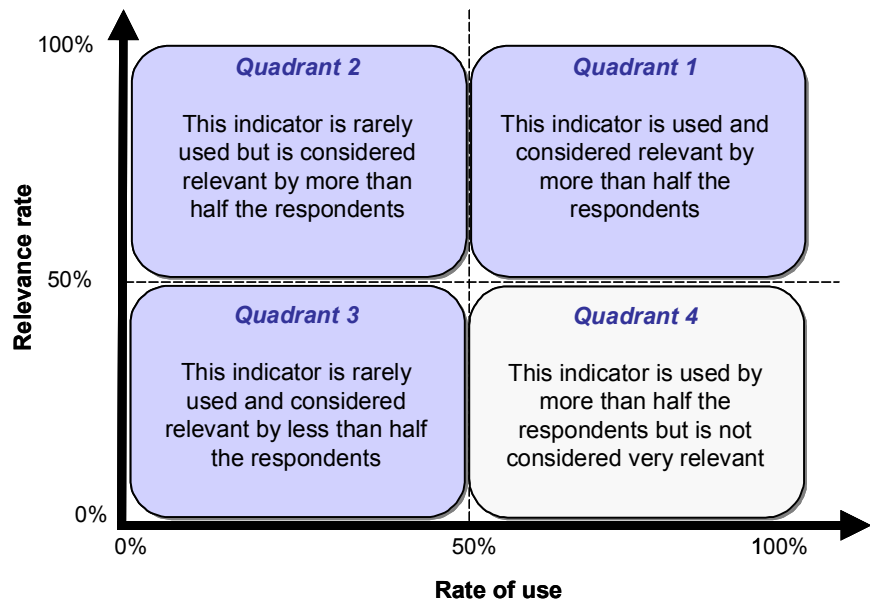
The indicators have been based on each definition of performance found in the IGPDE study.

For example, the definition of performance in recruitment *"An effective pay system is one that attracts and motivates employees, creating loyalty among them and enhancing productivity, while promoting equality"* can be used to determine several objectives.

One objective might be: *"To close the pay gap between the public and private sectors in a given activity to attract certain profiles that are less readily available."* An indicator must make it possible to determine whether or not this objective has been met or measure the efficiency of the system through the *"Change observed in the difference between salaries in the private sector and public administration for an equivalent position"*. This indicator is then regularly analysed to gauge progress towards the defined objective.

During the survey, these indicators were presented to the respondents, who were asked to comment on the use and relevance of each one. In this way, the study looks at general HR trends compared with performance measurement tools.

Results relating to indicators are given for each HR process in the body of the study and in an overall analysis on page 53. Each indicator is systematically positioned on a chart. The horizontal axis shows the indicator's rate of use and the vertical axis its relevance rate. The following diagram shows the four possible indicator positions. No indicator is listed in the bottom right-hand quadrant.



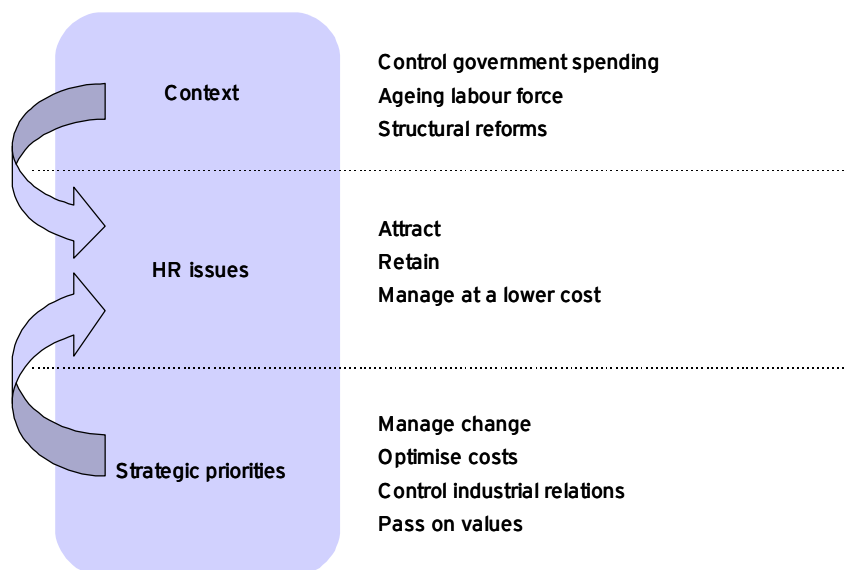
The six colours used for the indicators represent the HR process to which each indicator refers (e.g. all "pay" indicators are yellow, "continuing education" indicators are red, etc.).



0. In spite of a joint context, HR strategic priorities diverge

The purpose of this preliminary section of the study is to consider the context surrounding HR strategic priorities in the different Member States and the issues facing them.

It identifies **ways forward for all 26 Member States** concerned as well as **points specific to each one.**



0.1 The need to control government spending and the ageing labour force – two tidal waves that will impose structural reforms

The context surrounding the action of the different EU Member States is the same.

The first thing is to **control government spending**. This point, regularly highlighted in studies devoted to EUPAN¹, is confirmed in this survey. The survey results by Member State point to a **perfect consensus on this point**. More than 9 out of 10 respondents see controlling government spending as a major issue. It is also the issue most often placed at the top of the list.

Next comes the issue of the ageing labour force. For 83% of respondents, **the demographic issue**, including the problem of the numbers of people reaching retirement age, is the second biggest challenge. Only six Member States give differing results, with negative answers varying between 30 and 50% of respondents.

Taken together, these two phenomena will compel countries **to undertake far-reaching changes in terms of public policies and overhauling public service provision systems**. Of those questioned, 90% recognised this issue as a major challenge for their national Civil Service.

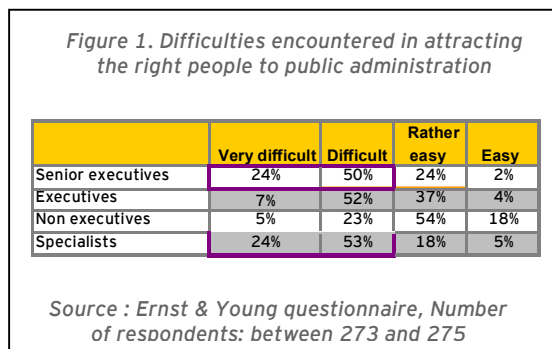
¹ One recent example: European Institute of Public Administration, directed by Demmke Christoph, "Are civil servants different because they are civil servants?", Maastricht, 2005

0.2 The resulting issues for HR are identical: attract, retain and manage at a lower cost

0.2.1 Renew staff, attract the right skills

In a broad context of ageing populations and massive retirements, many EU Member States are contemplating the need to overhaul their Civil Service in terms of both quantity and quality.

The survey shows the difficulties that the Member States encounter in rising to the demographic challenge.



Problems of appeal vary, however, with the profile. 74% of respondents consider it difficult or very difficult to attract senior executives.

The difficulties in hiring personnel, however, decrease with skill level. Only 28% of respondents consider it difficult to attract personnel for non-executive positions.

The talent war is fought more fiercely when it is a question of filling specialist positions. At a time of increasing demand for high-level, specialised skills, 77% of respondents consider it difficult or very difficult to attract specialists.

Contrary to all expectations and despite the perceived recruitment difficulties, **the average recruitment time for a top executive is relatively short**. 49% of respondents consider that they can recruit a top executive in four months or less. 83% consider it takes less than eight months. Only 17% of respondents consider it takes more than eight months.

In relation with the pressure to control government spending, the ageing labour force presents an opportunity to try new methods for achieving more financial leeway.

0.2.2 Build staff loyalty

Building staff loyalty - especially among certain categories such as top executives and experts - is another major issue. An effective recruitment system serves little purpose if there is no loyalty among high quality personnel. Strategies for building loyalty are well known: optimising skills, good prospects and clearly identified career path, working conditions, management system, dynamic organisational structure, etc. While action in this area seems to have received more attention in the private sector with, for example, the creation of an internal and external HR marketing plan and talent management systems, it is also tending to develop in the public sector.

In France, for example, health and medical-sanitary structures have acquired a reference system for the development and self-assessment of their policy to attract and build loyalty among paramedical professionals² (the system was set up in June 2008). The reference system provides an inventory of the principal levers for attracting staff and building loyalty among them (e.g. Setting up and implementing concrete advantages or rewards, Supporting career developments, Initiating discovery by avoiding routine, etc.). Actions are proposed and illustrations given for each lever. Medical-sanitary structures can now use this tool to carry out self-diagnostics and define an action plan accordingly.

0.2.3 Enhance efficiency

The third issue identified in the survey is the question of **HR efficiency**.

Delivering an HR service at the best cost is closely related to the two issues already mentioned (attracting the right skills and building staff loyalty).

- Attracting and retaining the right skills minimises the need for contract employees, whose salaries are generally higher, and reduces the time positions are left vacant.
- Building loyalty avoids uncontrolled turnover, which is particularly important in positions where the cost of training is high.

Other levers can, of course, be used to combat absenteeism and low productivity.

² *Agence régionale d'Hospitalisation Ile de France - DRASS Ile de France, Attracting and building loyalty among paramedical professionals in health and medical-social structures, 2008.*

0.3 National strategic priorities concerning these challenges and issues diverge

According to the quantitative survey respondents, strategic priorities can be defined in the following order:

- 1 Manage change
- 2 Optimise costs
- 3 Control industrial relations
- 4 Pass on values

Figure 2. Classification of strategies in order of priority

| | Breakdown of answers by priority (relative value) | | | | Comments |
|------------------------------|---|----------------|----------------|----------------|---|
| | Priority no. 1 | Priority no. 2 | Priority no. 3 | Priority no. 4 | |
| Manage change | 47% | 22% | 16% | 15% | Overwhelmingly quoted in 1st or 2nd place |
| Optimise costs | 15% | 24% | 26% | 26% | Answers divided among the 4 positions |
| Control industrial relations | 13% | 27% | 31% | 26% | Not quoted often in 1st place |
| Pass on values | 25% | 27% | 27% | 33% | Answers divided among the 4 positions |
| Total | 100% | 100% | 100% | 100% | NA |

Source: Ernst & Young questionnaire, Number of respondents: 265

Supporting public administration reform through HR function emerges as the top priority of the countries taking part in the survey. There is a consensus on change management, with 70% of respondents putting it first or second on their list of priorities. The rest of the study will determine whether HR tools are up to the task.

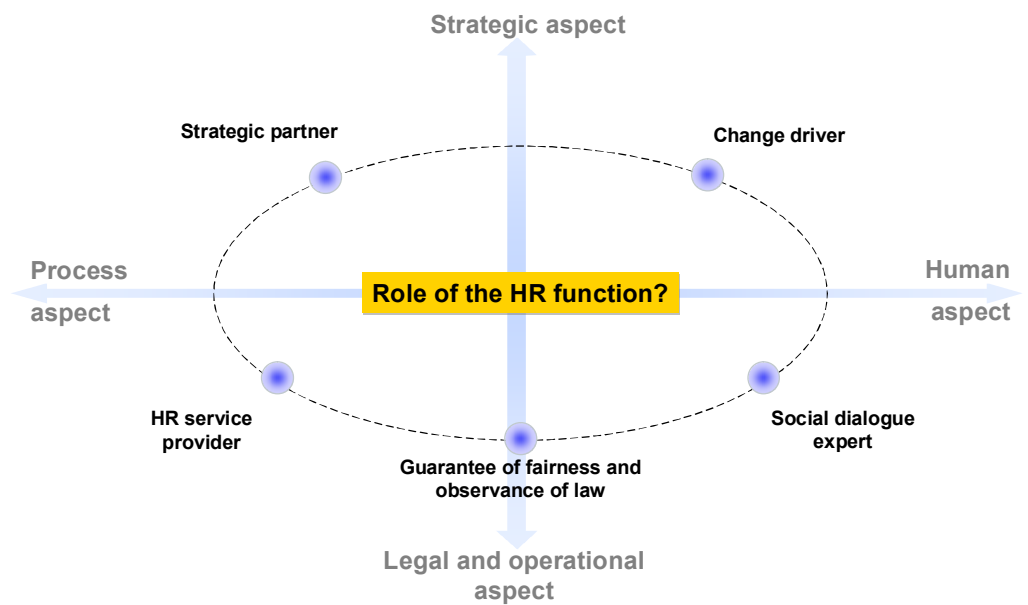
Optimising HR costs also emerges as an important factor, although no agreement is reached as to how high on the list of priorities it should be. Only 16% of respondents put it first, while the others put it in 2nd, 3rd or 4th place.

More generally speaking, it can be seen that all the strategies proposed in the questionnaire were given a high score, which reflects a certain heterogeneity among respondents as far as strategic approaches are concerned.

1. Traditional management functions: recognition and stability

During the survey, respondents were asked to define the current role of HR within their services.

Five proposals were put to them:



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The role of HR in public administrations in the EU is constantly adapting to the changing prerogatives of public service and the specific conditions prevailing in each Member State.

The survey shows that it is perceived most clearly as HR service provider and a guarantee of fairness and observance of laws.

The other aspects are given a lower score. This substantiates a dual notion:

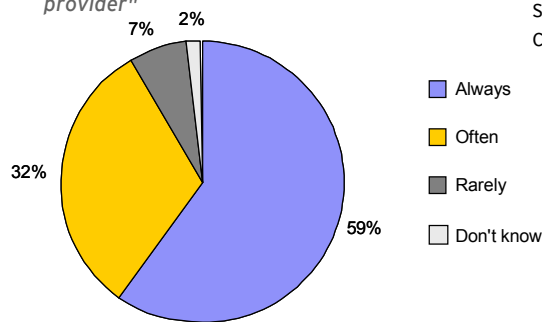
The HR function is primarily seen in terms of its core activity: managing and providing traditional HR services (recruitment, pay, staff administration, etc.):

- In spite of the strategic objectives it sets itself, HR is not fully recognised as a strategic partner and driver of change.
- Nevertheless, there are signs that new prospects are beginning to emerge for the HR function, with the possibility of a new role within public administration.

1.1 Providing HR services, guaranteeing fairness and ensuring that laws are observed: these are the chief tasks of HR

Nine respondents out of ten clearly see HR's primary role as one of HR service provider and staff manager.

Figure 3. The HR function as "HR service provider"

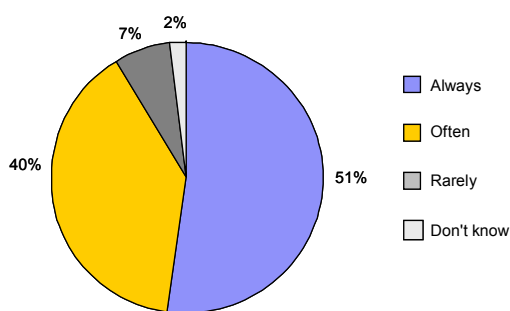


In three countries, this view stands out even more clearly than elsewhere:

- France (9 out of 11 respondents),
- Denmark (8 out of 11 respondents),
- Belgium (4 out of 5 respondents),

Source: Ernst & Young questionnaire,
Number of respondents: 270

Figure 4. The HR function as "a guarantee of fairness and observance of laws"



The second major role of HR revealed by the survey is its guarantee of fairness and observance of laws (82% of respondents).

For some countries, particularly the most recent EU Member States, this should be related to the war on corruption, which is considered as a challenge for 60% of respondents.

Source: Ernst & Young questionnaire,
Number of respondents: 270

1.2 A less important role in the field of social dialogue

In spite of 56% positive answers, opinions are divided from one country to another and even within the same country as to the role of HR function as a social dialogue expert.

- France is the only country that clearly sees it as an expert in this field.
- Spain, Denmark, Austria, Ireland, Italy, Lithuania and Slovakia only see it fulfilling a minor role in this area.
- Greece and Poland do not see it in this role at all.

And yet, in some countries, social dialogue is seen as a key factor in achieving higher levels of performance.

Illustration

The Dutch government, for example, has placed significant emphasis on social dialogue as a means of supporting change in a positive and trusting atmosphere. It placed social dialogue at the centre of a project aimed at relating strategic and individual objectives. The use of performance-based agreements provided a stimulus for discussions and considerations of the career paths of experienced civil servants within their ministries. The performance-based agreements included detailed quantitative targets as well as more qualitative and subjective goals. This process reflected a genuine integration of industrial relations in the introduction of a performance measurement system.

In their answers, the EU Member States show that their practices are quite different from those in the private sector, where 97% of Human Resources Departments are seen as fulfilling the role of social dialogue experts at the heart of the company - a responsibility that has long been delegated to them by General Management³.

³ Cap Gemini - Ernst & Young, Baromètre de la fonction DGRH (Human Resources Barometer), 2007 - http://www.ey-avocats.com/global/content.nsf/France_Tax/observatoire-directions-RH-services

1.3 A joint effort to achieve more efficient processes but with varying results

Optimising the operational management of management tasks emerges as a constant concern for the countries that took part in the survey. For this purpose, systems have been set up to measure:

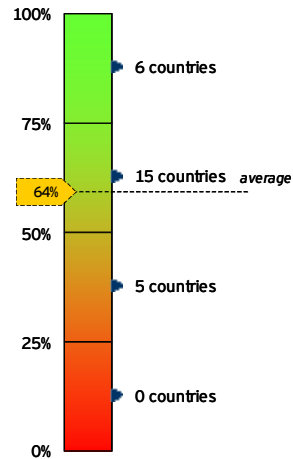
- either the effectiveness and efficiency of the processes implemented,
- or the quality of the services provided.

The survey has identified six processes:

| | | |
|-------------|---------------------------------|-----------------------------|
| Recruitment | Continuing vocational education | Individual assessment |
| Pay | Skills management | Senior executive management |

1.3.1 General assessment of process performance

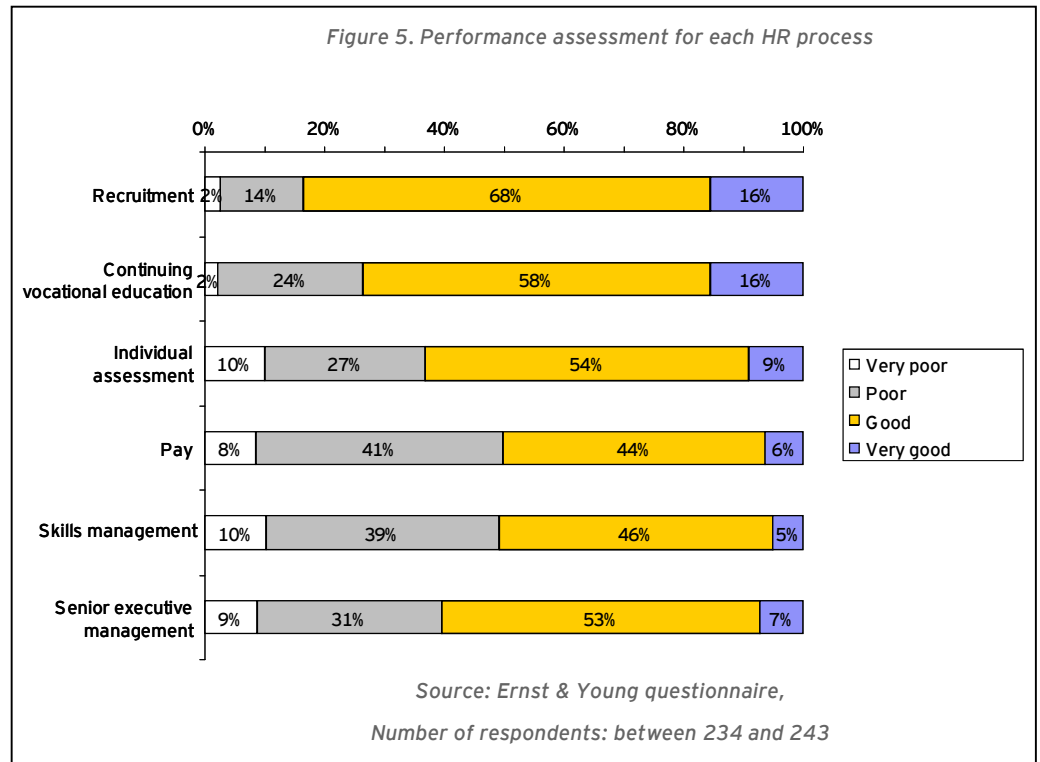
On the whole, respondents tend to be satisfied with their HR processes performance.



Aggregate answers on satisfaction by process reveal a satisfaction level of around 64% (addition of "very good" and "good"). It is quite hard to classify countries in groups at this stage, although countries in Southern Europe (Greece, Portugal, Spain and Italy) do appear particularly critical of their HR processes performance, as do Belgium and Poland.

1.3.2 Performance assessment by process

Analysis of results for the six processes mentioned above does, however, reveal some disparities in the respondents' degree of satisfaction.



The performance of the **recruitment** process is without doubt the most widely acknowledged:

- 84% of respondents consider performance in this area "very good" or "good".
- More than 70% of respondents gave this answer in 20 of the countries taking part in the survey. Countries with the lowest satisfaction levels (those where more than 50% of respondents expressed dissatisfaction) are all in Southern Europe (Greece, Italy, Spain and Portugal).

The **continuing vocational training** process also received its share of positive opinions:

- 74% of respondents consider that this process performs well.
- In 16 of the countries taking part, the performance satisfaction level is above 70%. As for the recruitment process, the lowest satisfaction levels are to be found in Southern Europe (Italy, Spain and Portugal).

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Performance in the **individual assessment** and **senior civil management** processes, however, is not viewed so favourably: individual assessment only obtains a satisfaction level of 63% (11 countries above the 70% positive opinion threshold: Bulgaria, Denmark, Germany, Lithuania, Romania, etc.), while senior civil service management obtains a score of 60% (8 countries above the 70% positive opinion threshold: Ireland, Italy, Malta, Slovakia, etc.). In addition, the individual performance assessment process obtains more than 60% negative opinions in 7 of the countries taking part in the survey (Italy, Luxembourg, Portugal, etc.). This proportion concerns six countries for the senior executive management process (Belgium, Estonia, Spain, etc.).

Opinions concerning the performance of the **skills management and pay processes are very lukewarm:**

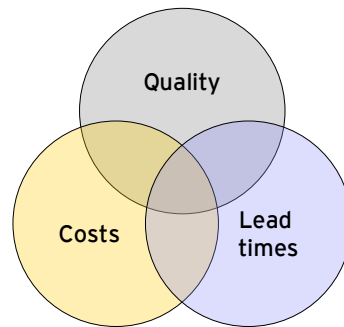
- Only 51% of respondents consider the performance of the skills management process to be satisfactory.
- Only one in two respondents considers that the pay process performs well.

Opinions of performance in the pay and skills management processes vary significantly from one Member State to another:

- For skills management, opinions are very divided, not only among different countries but even within the same country (Bulgaria, Denmark, France, Germany, Hungary, Spain). Opinions are more positive in Austria, Estonia and Ireland.
- As far as the pay process is concerned, the Scandinavian and Benelux countries, like Cyprus, Germany and Ireland, tend to be satisfied with performance. Internal opinion is deeply divided in countries like Austria, Bulgaria, France, Hungary, Italy, Slovenia and Spain.

1.3.3 Operational performance indicators

Several types of operational performance indicator can be distinguished:



- Quality indicator: for measuring satisfaction based on qualitative surveys,
- Cost indicator: giving the total cost of an action (e.g. recruitment, training time, etc.), ratio of staff managed to HR professional work force, etc.
- Lead time indicator: time needed to recruit a top executive, etc.
- A set of indicators was presented to those taking part in the survey. The results are shown in the summary chart in Part 3.4, page 53.

Redesigning HR functions (business process reengineering, modernising HR information systems, outsourcing, etc.) **aims chiefly at productivity** (HR as cost centre) and **the satisfaction of HR service users**. This type of activity is therefore within the scope of operational activities of the HR function (i.e. staff administration).



2. Human resources, a key factor in creating public service value

As a result of the restructuring of public policies and organisations, considered to be a major challenge for HR by 90% of respondents (see above), public administrations are focussing on their core activity.

Some sectors are outsourcing certain activities for which they were responsible until now, i.e. the management of water, transport, or waste, etc. Henceforth **refocused on more immaterial activities in their capacity as commissioning bodies, public administrations must enhance their expertise and gain in competency in their role as guarantors of the quality of public service. This role involves supervision, steering, monitoring, inputting expertise and help with decision-making.** In this context, they are becoming more services-driven and beginning to make significant changes to the grade pyramid.

The demographic issue is also a source of tension as regards certain skills.

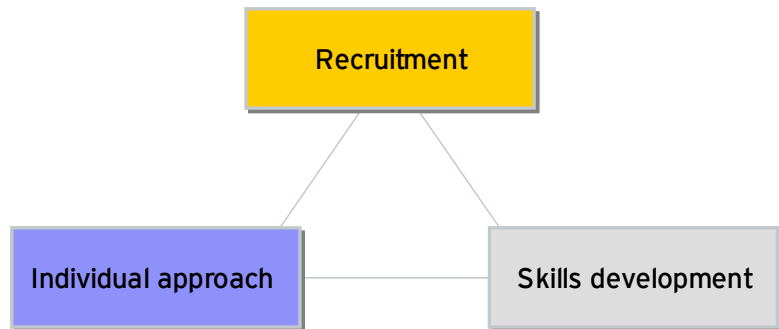
Given the situation, public service quality is increasingly dependent on the value of the men and women who implement the core activity processes. While the scope of action is changing and organisations need to be considerably altered, skills remain the building blocks that must be integrated to ensure continuity of service and to adapt resources to the new state of play.

That's why HR functions are required to develop new policies in order to recruit and retain the necessary skills to provide a high-performance public service.

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To adjust the resources to public service needs, the human resources function is adjusting its organisation and processes in 3 areas:



2.1 Recruitment methods adapted to the profiles sought and their market availability

Reference is often made to a certain number of **key principles that structure the civil service to justify the specificities of HR management** in this sector:

- The need to ensure the continuity and mutability of public service,
- The need for public sector employees to be unbiased and neutral in the performance of public service,
- The need for equal access to the status of public sector employee.

These structuring principles are relied upon to justify the particularity of the protective statuses and the guarantees from which public sector employees benefit. All of these principles form a key factor of appeal in terms of recruitment. Be that as it may, these specific features have an impact on all HR processes, as attested, for instance, by the use of competitive examinations to enter the civil service⁴.

The partial or total recognition of the features specific to the civil service would thus justify maintaining specific processes. This idea runs counter to the theses of "new public management" and to the principle of bringing public management into line with private management.

However, although the very existence of the civil service and its structuring principles are not fundamentally challenged, the extent to which those principles are applied has changed. This has been shown by several studies⁵ which point to the development of mixed recruitment methods, combining models using competitive entry examinations and

⁴ 64% of survey respondents say that competitive entry examinations are the main method of recruiting public service employees.

⁵ See in particular: IGPDE, *La performance des fonctions « ressources humaines » (Performance of "Human Resources")*, Research, Studies and Intelligence department of the Institute for Public Management and Economic Development, Paris March 2008 - European Institute of Public Administration, under the supervision of Demmke Christoph, "Are civil servants different because they are civil servants?", Maastricht, 2005.

other models⁶ (this partly ties in with the distinction between a career-based civil service/job-based civil service)⁷.

One point that would appear to be unquestionable is the key role played by recruitment in the quality of human resources. Now, while entry examinations may still be the most frequent recruitment method used, the way they are organised is changing and new recruitment methods have been developed to attract the skills sought. Furthermore, in order to optimise the performance of this function, recruitment has been partially decentralised.

2.1.1 Entry examination - a recruitment method recognised for its qualities

The competitive entry examination is the recruitment method used as a rule. Two thirds of respondents state that the principal selection method consists of competitive entry examinations specific to the public sector.

Such examinations are appreciated for the neutrality and objectiveness they provide in the selection of candidates.

For two thirds of respondents, there is a logical connection between:

- The use of an examination-based recruitment method and the intention for recruitment to pave the way to a career within the public sector.
- And the use of an interview-based recruitment method, as in the private sector, and the intention to target recruitment on a specific job.

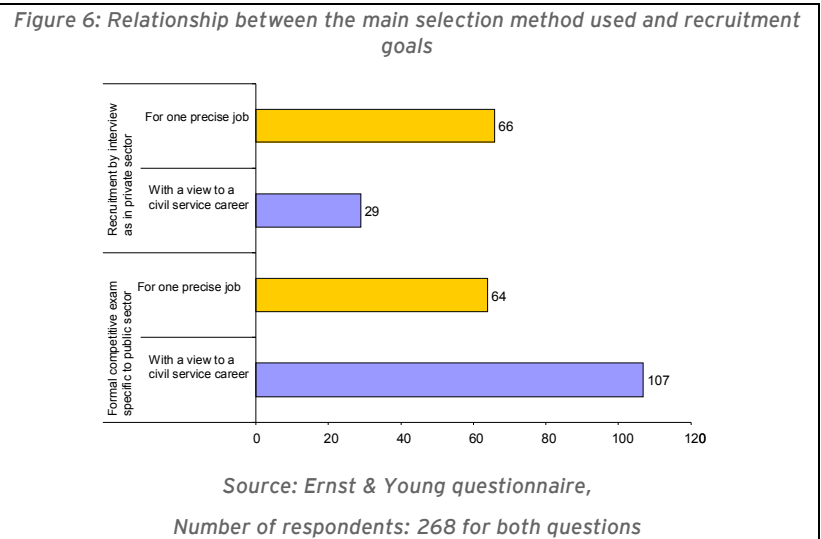
The status of "incumbent" still has primacy over all the various statuses or contracts submitted to the participants in the survey. One third of respondents favours the "incumbent" status to recruit executives; this demonstrates the supposed importance lent to the protective status of public sector employee (and 69% of respondents include the public sector employee answer in their multiple answers).

The answers reveal a divide between countries which place the emphasis on careers (Spain, Germany, France, Hungary, Lithuania, Romania, Ireland) and those which, on the contrary, organise their

⁶ 51% of survey respondents think that recruitment is primarily career-oriented whereas 49% think that it targets a given position

⁷ OECD "Trends in human resources management policies in OECD countries, an analysis of the results of the OECD survey on strategic human resources management", 2004.

recruitment as a means of satisfying a specific need (Cyprus, Latvia, Estonia, Slovakia, Slovenia, Sweden). Furthermore, it transpires that, for certain positions, the competitive entry examination may no longer be a pre-requisite. However, for positions truly specific to the civil service and its public service objectives, the examination could be maintained.



For all that, it is interesting to point out that a third of respondents who select employees using an interview-based process see recruitment as paving the way to a career in the civil service and not solely as access to a given job. Conversely, the third of respondents who mainly use entry examinations do so to recruit candidates for a given position.

2.1.2 Entry examinations, a criticised, adapted and challenged recruitment method

It would appear that recruitment by entry examination does not sufficiently allow for the core activity dimension. The content of the exams is often too general, making this recruitment method insufficiently suited to the needs of the departments.



"The competitive exam is a part of public service culture. In fact, it is the traditionally used recruitment method. It is too general and is not suited to finding the specialists needed for specialist positions."

"Good people can be hired through the public recruitment system. The only problem is that they're mainly good at theory and are lacking in the practical side of things."

Ministry of Justice - Spain

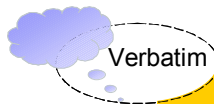
- Many HR directors would like to see greater **diversification in recruitment methods**: more professionalised entry examinations (with suitable tests, regard for experience), apprenticeship, etc.



"Recruitment is by competitive exam. There is a rather general competitive exam for all the Ministries. The Ministries of the Interior and Foreign Affairs have their own specific competitive exams to ensure that their staff have the exact profile required for the position."

Prefecture of Turin - Italy

- One third of respondents recruit using a **selection process similar to the private sector**. Difficulties in hiring certain new or highly technical profiles can result in an interview-based process (more targeted) being preferred.



"An open recruitment system (rather than one based on a competitive exam) makes it easier for the organisation to draw experts from the private sector or NGOs. There is a risk, however, that staff will not be fully committed to public service and will be easily attracted to the private sector, especially for the pay conditions (example quoted for technical and accounting positions)."

Ministry of the Interior - Netherlands

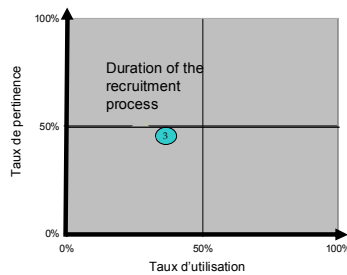
HR performance

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Respondents alluded to various forms of contracts:

- Fixed-term mandates,
- Temporary commissions,
- Appointments,
- Permanent contracts with right to termination at any time.

For specific needs, recruitment officers must be increasingly precise in their search for candidates and also highly responsive to ensure continuity of activity.



Indicator focus⁸

The duration of the recruitment process is furthermore an indicator that is monitored and considered relevant by almost half of the respondents (indicator reference: 3 on the chart in part 3.4, page 53).

New processes are emerging and particularly recruitments among private sector executives for certain jobs. Moves between the public sector and the private sector are regarded as rewarding but use thereof is still insufficient (set up by only 32% of respondents.)

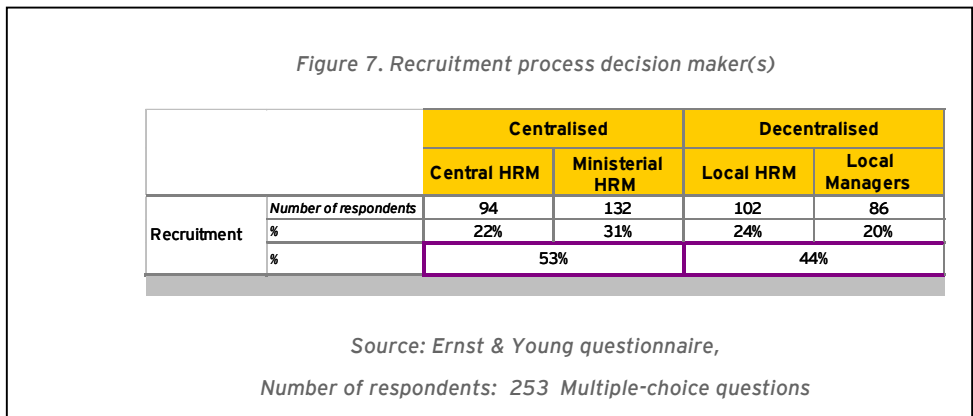
⁸ The matrix positioning is explained on page 12

2.1.3 Moving towards decentralised recruitment

The answers indicate that recruitment-related decisions tend to be made slightly more by central decision-makers: 53% of respondents said that the decision-makers in the recruitment process are positioned at central or ministerial level.

Among the decision-makers involved in the recruitment process, HR professionals at ministerial level would appear to prevail, accounting for 31% of total decision-makers. Unlike pay-related issues, recruitment and career-management processes seem to be relatively more decentralised.

Line managers play an appreciable role (20% of decision-making authority). This must be related to the fact that 50% of recruitments currently aim to hire a person for a given job, whereas the other half targets a career within the civil service. For such targeted recruitments, it is necessary to be closer to the field, to identify more easily the right profile for the actual requirements.

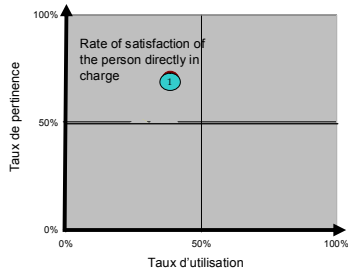


"Each Ministry has its own HR Department, which, while following instructions, has some room for manoeuvre in some areas (selection in recruitment, training, social action, etc.)."

Ministry of Justice - Spain

HR performance

Prospects and operational approaches



Indicator focus⁹

Furthermore, out of the recruitment process performance indicators, the line manager's satisfaction rate (immediate superior) obtained the highest number of positive opinions: 70% of respondents consider it relevant but only 40% currently use it (indicator reference: ① on the chart in part 3.4, page 53).

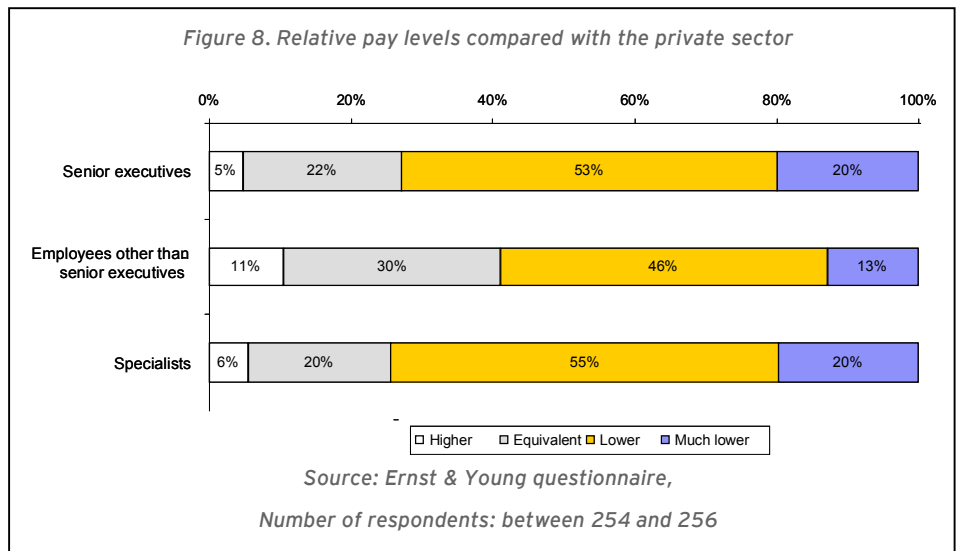
⁹ The matrix positioning is explained on page 12

2.2 Pay policy - lessening the appeal of the public sector



"Recruiting is harder than it used to be because salaries are lower than in the private sector."
Ministry of the Interior - Netherlands

The salaries of executives and experts are, on the whole, lower than those paid in the private sector. To 60% of those polled, the relative level of pay of executives is lower (43%) or even much lower (17%) than the private sector. Only 4% of respondents believe it is higher than private sector conditions and 19% say it is the same. This observation is particularly true in Austria, Spain, Hungary, Portugal, Slovenia and Sweden where more than 75% of respondents consider the pay of executives to be "lower" or even "much lower" than that of executives in the private sector.



Whereas the results of executive pay levels are equivalent to those obtained for experts, the relative pay level of employees is slightly better: 34% of those polled state that their level of pay is higher than or equal to their counterparts in the private sector, against 50% who say it

HR performance

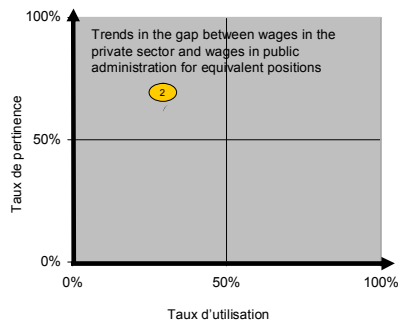
Prospects and operational approaches

is lower or much lower. The countries in which opinions of the relative pay level of employees are the most favourable are France, Ireland and Cyprus. On the other hand, employees' pay in Eastern Europe is little attractive compared to their peers in the private sector. The same is true for employees in Scandinavian countries.



"The people with the best potential are certainly not going to prepare for a competitive exam if there's a chance of finding a job in the private sector because, for one thing, they'll be better paid there."

Ministry of Justice - Spain



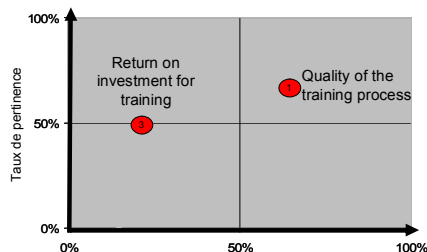
Indicator focus¹⁰

Furthermore, particular attention is paid to the measurement of the difference between pay in the public and private sectors: 70% of those taking part in the survey consider it to be relevant, but only one third currently use it (indicator reference: 2 on the chart in part 3.4, page 53).

¹⁰ The matrix positioning is explained on page 12

2.3 Skills development, a clearly identified lever

To adapt human resources to the current and future needs of public administrations, **continuing education** is regarded by a very large majority as a **strategic investment** (90% of respondents). Few respondents feel that turnover should be favoured in order to have staff that has trained in the private sector. Along these lines, measuring the quality of training emerges as vital.



Indicator focus¹¹

Moreover, this indicator is the most highly used of all 28 put to the panel: two thirds of respondents use it and consider it relevant (indicator reference: ① on the chart in part 3.4, page 53).

Half of respondents also see the return on investment as a variable to be measured to assess training process performance (indicator reference: ② on the chart in part 3.4, page 53).

The HR function combines several methods **so that the actual resources meet requirements**. The attractiveness of the civil service and the retention of skilled employees are major objectives in the great majority of member States. As a result, a significant number of HR processes place particular emphasis on skills-based recruitment:

- **Recruitment** (recruitment of qualified staff, new kinds of tests in the entry examinations focussing on assessing skills rather than being solely theory-based, etc.),
- **Training** (identification of needs, development of training plans, etc.),
- **Pay** (pay based on actual results, pay on a par with the private sector, etc.),
- **Appraisal** (definition of assessment criteria focussing more on skill, real effect of assessments on pay, etc.),
- **Management of senior executives** raises a specific, cross-cutting problem (greater difficulty in attracting the right profiles).

On a short-term time scale, 96% of respondents say they take service needs into account when preparing the training plan (including 61% as a matter of routine).

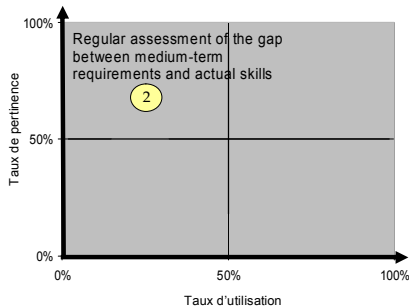
The training plan also includes strategic orientations according to 85% of respondents.

¹¹ The matrix positioning is explained on page 12

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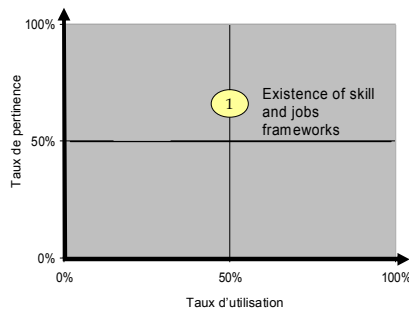
On a medium-term time scale, the HR function still does not anticipate to any great extent the differences between needs and future resources: only 38% of respondents mention the existence of any 3-year HR management planning. Nonetheless, 21% of respondents would like to introduce it.



Indicator focus¹²

This ambition is also confirmed by how relevant the indicator used to regularly measure the difference between needs in the medium term and the skills available in the administration is seen to be: 70% of respondents consider this performance measurement indicator to be relevant; less than a third of the panel has introduced it (indicator reference: ② on the chart in part 3.4, page 53).

Furthermore, engineering methodologies for skills development seem relatively advanced in European Union countries: 76% regularly use documented criteria based on a skills repository, and 15% are currently introducing them.



Indicator focus¹³

Also worthy of note is the widespread introduction of the indicator designed to check the existence of jobs and skills frameworks by half of the respondents (indicator reference: ① on the chart in part 3.4, page 53).

Skills repositories are a key tool:

- Both in the training policy for which a repository is systematically used by 22% of respondents, and partially by 43%. According to 18%, use thereof is currently being developed.
- And in the field of assessment which is systematically done on the basis of a skills repository for 38% of respondents and partially for 37%. For 15%, this link is still being developed.

Furthermore, specific skills repositories have been created for public sector managers (systematically for 25% of respondents, partially for 39%, and are under development for 12%).

¹² The matrix positioning is explained on page 12

¹³ The matrix positioning is explained on page 12

Skill is the essential datum for individual career path management. Individual skill portfolios are used on a routine basis for 16% of respondents, partially for 36%, and are being developed for 22%.

2.4 A more individual approach, a way forward for HR

Adopting a more individual approach in HR management already has a long history, even though it has developed in various ways, from the economic conception of individuals focussing on the actual position held (organisational criterion) through to conceptions taking human resources into account with their experience, potential, expertise, performance, etc. (individual criteria).

A more individual approach to HR encompasses several processes which differ substantially from one country to the next.

It is greatly linked to the country's culture and to the stage it has reached in restructuring its civil service.

2.4.1 A weak relationship between pay and promotion systems and individual performance

Introducing a more individual approach to HR management policies primarily involves a HR policy attached to:

- **A more individual approach to pay,**
- **and to careers.**

According to the quantitative survey, individual performance is still only a minor factor in the determination of pay.



"There's a relatively new tool - an annual assessment of individual competencies. It's compulsory for some staff [...]. It's paid as a bonus."

Ministry of Labour and Social Affairs - Germany

Four factors used to define pay levels were put to the respondents for opinion: level of qualification, job content, seniority and performance. Taking all countries and all categories of public sector employees

together, the factor the most often taken into account to determine the level of pay is seniority (61%) ahead of qualifications (59%) and job content (56%). Out of the four criteria proposed, performance (47%) is the one used the least. In some administrations, these criteria apply solely to executives. When this is the case, job content and performance level are the most influential criteria.

Individual performance is also given little consideration in the development of careers which remain underpinned by reasoning in terms of a secure career, with promotion being automatically linked to seniority, a finding that is true in several member States.

However, **a more individual approach** emerges **as a cross-cutting phenomenon which can affect all HR processes** (training, assessment, recruitment, etc.) and all entities, both public and private. It is also an interesting alternative to seniority-based management.

2.4.2 Insufficient relationship between assessment and management by objectives

A more individual approach to HR management meets needs at two different levels:

- For the public administration: the need to consider contribution to the administration's strategy at the level of a department, a team or even an individual. Employee **accountability** for the administration's 'core' activities is the key idea¹⁴.
- For the individual: the need for employees to have a clear roadmap to understand the personal contribution they make (factor of motivation and involvement). The aim is to **retain 'talent' and to boost employee motivation** by providing them with a reference framework (specific targets) and career prospects in line with their expectations.



"The way to improve public administration is not necessarily to adopt the methods used in the private sector, but to make employees more accountable."

Nowadays, Directors must set themselves targets and, if these targets are not met, then measures may be taken accordingly. In practice, nothing is ever done."

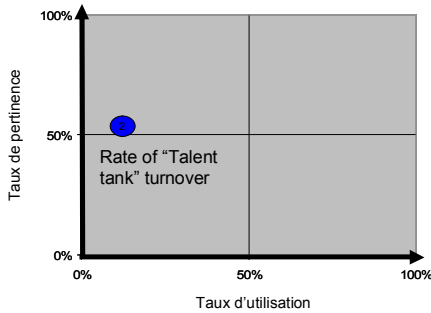
Prefecture of Turin - Italy

¹⁴ Lionel CHATY, L'administration face au management, Paris, L'Harmattan, 1997

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A more individual approach means that HR directors must analyse and **distinguish between the individual contributions** made by the members of an entity. This variable is apparently only moderately monitored.

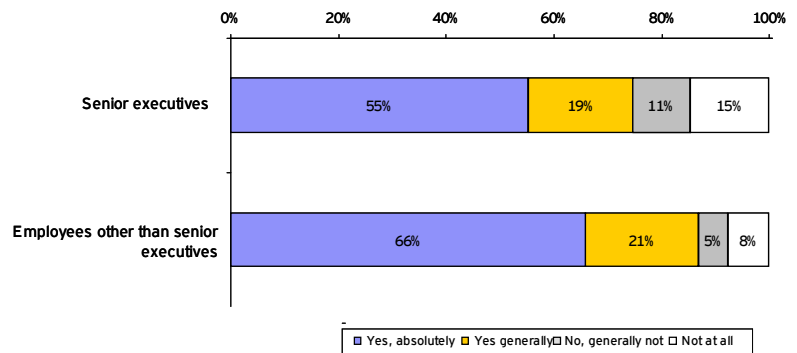


Indicator focus¹⁵

As an example, the indicator measuring the turnover rate of a “talent tank” is the one used the least out of the 28 put to the panel. 50% of respondents nonetheless consider it relevant (indicator reference: 2 on the chart in part 3.4, page 53).

Be it for senior executives or non-executive staff, the majority of respondents say they have a structured assessment system (respectively 75% and 87% of respondents). Their opinion on this point is clear: most responded “yes, absolutely”, than “yes, generally”.

Figure 9. Use of a structured assessment system



Source: Ernst & Young questionnaire,

Number of respondents: between 244 and 260

80% of respondents say that assessments are done once a year. For 11%, they take place several times a year.

However, this finding encompasses different situations.

- In principle, the assessment process should be linked to the “wage policy” and to career management. But this connection is not

¹⁵ The matrix positioning is explained on page 12

systematically made and, as a result, the supposed effects of the exercise are in practice, cancelled out.

Even though use is made of target setting and individual assessment, the correlation between the assessment process and other HR processes may depend on interactions that need to be anticipated, in order to avoid undermining the credibility of a process that is complex to implement (an assessment process decoupled from pay, career management and training policies).

Illustration

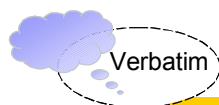
On the other hand, **in Finland, senior civil servants employed under permanent contracts since 1994**, have an **interview each year to assess their results compared with the targets they were set**. If the gaps are too large, measures may be taken; they range from a **simple warning to dismissal**, via a freeze on the promotion process or the withdrawal of certain responsibilities.

- **A more individual approach to performance can prove to be out of step with actual performance as this often hinges on an entire team rather than a single person.** This approach can be seen to be detrimental to cooperation at work.
- Some of the people polled criticised the quality of the assessment process which they feel is insufficiently connected to strategic objectives.



"Individual assessment is not used enough at present. It's a project our administration has initiated."

Prefecture of Turin - Italy



"Individual assessment is not closely related to the organisation's strategy and this often has the effect of demotivating staff."
Ministry of Industry - Czech Republic

However, one Swedish respondent has a relatively efficient assessment system:



"Following annual assessment, we are now preparing a development plan for each employee over three different time frames: one year, 5 years and 10 years. Several indicators are then reported at government level."

Ministry of Finance - Sweden

An assessment of an individual's performance in an organisation must be combined with a measurement of the organisation's performance.

Along these lines, the OECD conducted a study¹⁶ which demonstrates the relationship between individual performance and the efficiency of the public sector. The definition of individual objectives and indicators allows employees to highlight the contribution they make to achieving the administration's overall targets.

Illustration

As shown in the article¹⁷ from the DAIdeas, Britain is a clear example of the link between these two components in which the performance-based agreements of senior executives are inherent in the department's roadmap (department's budget and strategic plan)

Figure 10. From the strategic plan to the performance-based agreement



Source: Improving Public Sector Performance Management in Reforming Democratizers (DAIdeas - December 2007)

¹⁶ OECD, Performance-Related Pay Policies for Government Employees / La rémunération liée aux performances dans l'administration, Paris, 2005

¹⁷ Anne Ketelaar, Improving Public Sector Performance Management in Reforming Democratizers, Newsletter DAIdeas, 2007

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One indicator of the strategic plan can for instance be: "8% increase in the number of unemployed visitors to museums and public galleries". This indicator is then included in the performance-based agreement of employees in each organisation in question. By defining such objectives and performance indicators on an individual scale, it is easier for employees to associate their own contribution to achieving strategic objectives and consequently to improving the efficiency of the public service.

The criticism expressed during the qualitative interviews must nonetheless be regarded in the light of senior executive assessment practices in place in the countries. This is shown by the assessment criteria that were presented for classification during the quantitative survey.

Four assessment criteria were proposed. It becomes apparent that senior executives are above all assessed on their performance in achieving strategic targets. The second criterion is the achievement of contractual individual objectives by the executive. This guarantees consistency over the duration of the assessment system.

Note: it is surprising that the quality of their management comes last in the assessment.

Figure 11. Classification of senior executive assessment criteria

| | Number of answers per priority | | | | Average |
|---|--------------------------------|----------------|----------------|----------------|---------|
| | Priority no. 1 | Priority no. 2 | Priority no. 3 | Priority no. 4 | |
| Organisation's strategic objectives met | 146 | 48 | 14 | 12 | 1.51 |
| Contractualised individual objectives met | 41 | 65 | 57 | 57 | 2.59 |
| Satisfaction of users, partners and beneficiaries | 19 | 63 | 75 | 60 | 2.81 |
| Employee management quality | 14 | 44 | 72 | 88 | 3.07 |

Source: Ernst & Young questionnaire,
Number of respondents: between 218 and 220

2.4.3 A more individual approach as a means of supporting staff commitment and of retaining certain profiles

Taking a more individual approach to HR processes must be a way of **developing commitment, motivation, cooperation, team spirit and lastly both collective and individual performance**. This, in any case, is the premise of such an approach.

It involves using tools such as annual appraisal interviews and more individual career management. The latter tool is a means of regularly assessing the employee's skills, finding out their expectations (at the appraisal interview) and offering them prospects of advancement (either through career paths that are part of a global approach or through individual support for mobility).

Furthermore, to support staff commitment, it is necessary to know the **real drivers of their motivation**. Now, such motivations are not generic. They vary according to the place, the time, the company, etc. That's why HR professionals develop systems to find out their employees' needs and the reasons for their dissatisfaction (corporate barometer, satisfaction survey, talk groups, etc.).

HR policies that measure and boost staff motivation or commitment are nonetheless still in their early stages. The most developed ones apply to employees whose level of skill is strategic and rare or who offer high potential. Following such measurements, steps can be taken to attract, retain and optimise the commitment of the most sought-after profiles.



3. A fledgling strategic partner

While the importance of the HR function in creating value and ensuring performance in the public service is not disputed, there are several avenues for improvement in the way it is managed, depending on the public administration's general policy:

- aligning HR policy and practice with core activity strategies,
- the role of HR professionals as players or strategic partners
- the ability to implement systems for measuring the role of HR policy in achieving public administrations' core activity objectives.

There is no single, ideal system for measuring HR performance. Any management system must take account of:

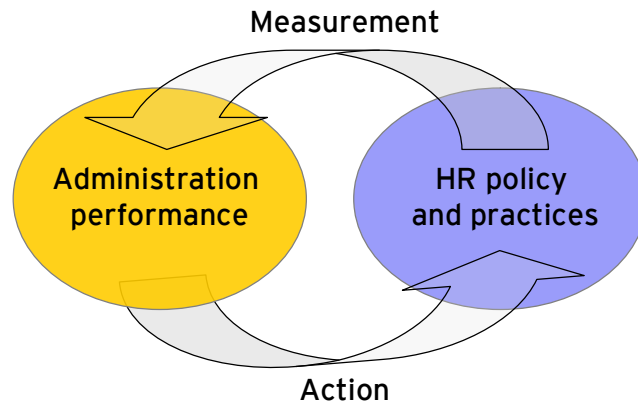
1. the environment in which HR operates (specific nature of the organisation, managerial or professional culture, social, regulatory or technical constraints, etc.),
2. the strategy pursued by the public administration, incorporating HR,
3. precaution in interpreting the relations of cause and effect that fail to integrate all the parameters that affect measurements, analysis of the latter and any action decided upon.

HR performance cannot simply be managed using management scorecards without linking these to the objectives pursued by the

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organisation. The performance management system must be linked to the administration's strategy and change in line with it.



Performance indicators must not, therefore, be thought of as anything other than a tool (resource). They are only useful if they are relevant, i.e. aligned with the core activity strategy (goal).

As shown in the diagram below, dialogue between senior management in charge of public policy and HR professionals plays a determining role. The HR strategy developer must be involved in taking strategic decisions.

3.1 HR strategy: a constantly evolving practice

To manage HR performance, **core activity objectives must be translated into HR objectives.**

While forward-looking management is usually implemented in an emergency situation (e.g. restructuring) or for sensitive jobs, it seems that the practice of **linking forward-looking human resources management systems with the definition of the administration's HR policy is much less widely established**: 43% of the respondents stated that they never or only very rarely use these procedures to define current public administration HR policy.

In the private sector, nearly two-thirds of HR departments now have a mid-term strategic plan (1 to 3 years) which is generally based around two key points¹⁸:

- aligning HR policy with corporate strategy by supporting change in the company's core activities,
- improving HR performance by optimising organisations, developing indicators and HR scorecards and setting performance objectives.

At the very least, top management will take account of the opinion of HR professionals as to project feasibility (decision aid). This involves identifying the impact for HR with a view to avoiding manifest errors when qualifying projects.

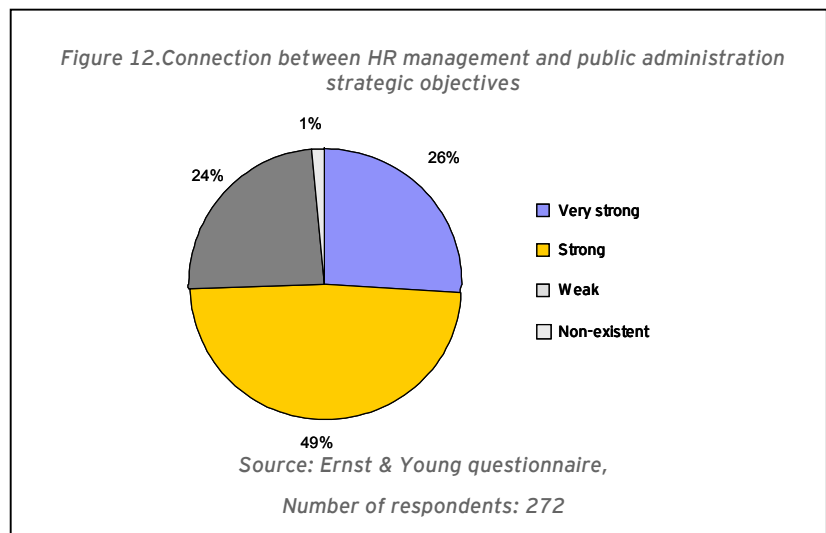
HR professionals rarely have any say, however, in defining strategy. HR strategic plans are implemented after the event in defining the HR policy that will be used to support public policy guidelines. To this end, HR strategy developers are less involved in drawing up strategy than the executives in charge of finance.

¹⁸ Cap Gemini - Ernst & Young, Baromètre de la fonction DGRH (HRMD Barometer), July 2007

3.2 Core activity strategies / HR strategies: not always associated

74% of respondents consider that human resources management is related to public administration strategic objectives. Of these, one third think that this relation is very strong.

One quarter of respondents do not see any connection between the two.



Over the last few years, a number of deep-rooted changes have brought HR more into line with the organisation's strategy.

To ensure that the policy implemented is successful, HR professionals need to be more involved upstream, in defining strategies relative to public policy. To this end, they should no longer be limited to dealing solely with HR issues, implying a need to:

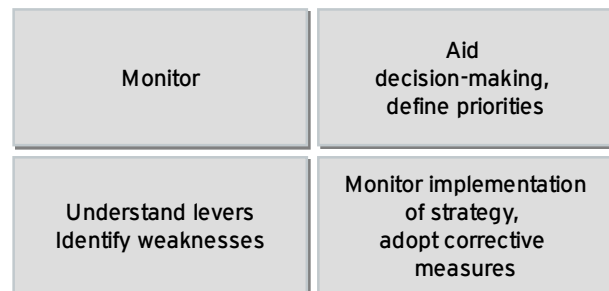
1. **Develop a more systematic vision** and consistently integrate issues related to the "core activity" of public administrations,
2. **Create HR performance measurement methodologies** that not only cover HR practices related to their core activity processes, but also cover HR policy related to policy strategy.

3.3 Management scorecards are seldom used...

In order to manage the performance of the HR function, balanced scorecards should make it possible to assess the extent to which HR processes meet the organisation's core activity objectives.

Forward-looking scorecards are used to link strategy with HR policy, practice and processes.

As an integral part of a management system, they provide a standard against which the effectiveness of HR actions to optimise the creation of value can be checked. They are therefore goal-oriented: have our actions helped to achieve the target? These data are used as the basis for dialogue with the executives in charge of public policy and help to clarify decision-making processes.



As a result, they are a tool that is ideally suited to public management.



"It is essential for ministries to have a management vision on managing skills and redeployment. If you want strategic HR management, you have to centralise information."

Ministry of Finance - Sweden

In the countries surveyed, the use of HR management scorecards is still not widely developed, 60% of respondents said that they had never drawn one up. This can be confirmed for all the countries with one exception.

Of the 28 indicators tested insofar as regards the people surveyed, only one indicator is used more than 50%. This involves training.

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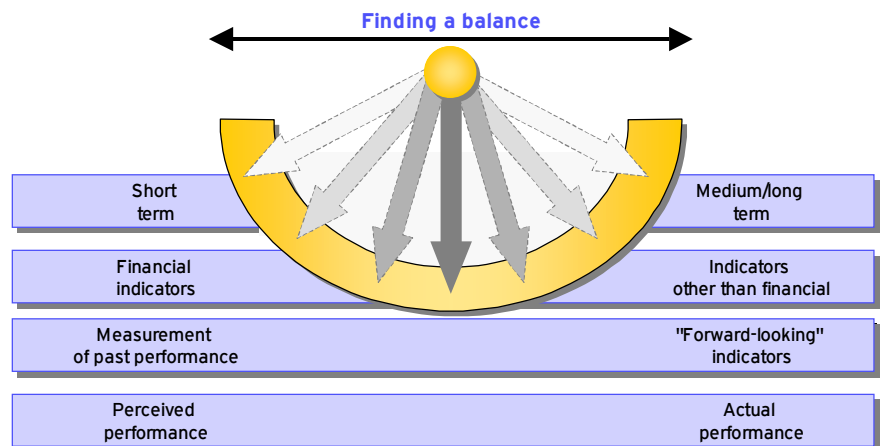
This finding raises various problems in terms of:

- The ability to clarify decisions by relating cause and effect,
- The ability to set out measurements for assessing the success of their actions and their contribution to core activity strategy,
- Creating an HR identity that can be recognised by other support departments,
- Educational programmes aimed at public policy departments on HR levers, in terms of their existence and relevance,
- The ability to conduct operations related to the performance of their core activity processes, in line with the three factors of quality, cost and deadlines.

These findings need to be qualified with regard to two points.

- First, a **quarter of the respondents are aware of the usefulness of this type of tool and are planning to develop one** (confirmed in 21 of the 26 countries surveyed).
- Second, while the use of management scorecards is relatively limited to date, Human Resources professionals nonetheless monitor indicators relative to the various HR processes. The rates of use of several performance measurement indicators regarding the six processes studied can be found in Appendix 2.

The challenge is to develop a tool that covers the following aspects:



3.4 ... and their relevance is questioned

28 indicators were tested for the survey. People were questioned as to whether or not they used each indicator and how relevant they think it is.

Of the 28 indicators tested, 15 were given a score above 50% as far as relevance is concerned.

Only one indicator (quality of training) was considered relevant by over 75% of respondents.

Remuneration

- 1 For a given job, the percentage attributed to performance in deciding a pay rise
- 2 Trends in the gap between wages in the private sector and wages in public administration for equivalent positions
- 3 Trends in the gap between men's and women's wages for equivalent work

Senior civil management

- 1 Pourcentage of directors having received specific training
- 2 Rate of "talent tank" turnover

Skills and career management

- 1 Existence of skill and job frameworks
- 2 Regular assessment of the gap between medium-term requirements and actual skills
- 3 Percentage of job offers drawn up including skills required
- 4 Percentage of personnel with a personal skills portfolio

Recruitment

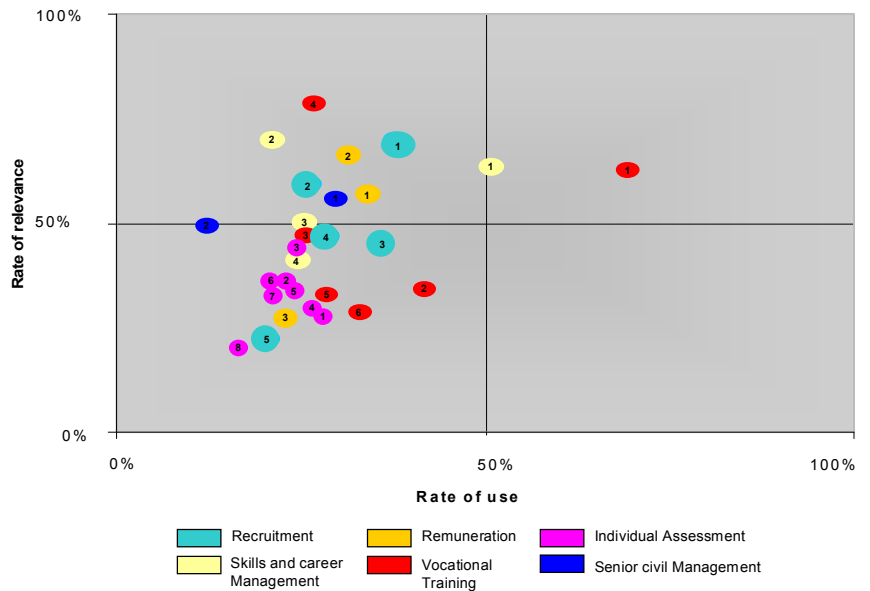
- 1 Rate of satisfaction of the person directly in charge
- 2 Rate of satisfaction with the new staff
- 3 Duration of the recruitment process
- 4 Period in the position
- 5 Number of law suits

Vocational training

- 1 Quality of the training process
- 2 Percentage of payroll devoted to training
- 3 Return on investment for training
- 4 Assessment in a working situation a few months after training
- 5 Trends in the rate of payroll devoted to training
- 6 Relation between training budget and the number of days of training

Individual assessment

- 1 Number of regular assessment interviews in relation to the number of staff
- 2 Percentage of individual performance objectives contracts resulting from performance-based agreements
- 3 Percentage of public sector employees for whom assessment leads to mobility
- 4 Percentage of staff for whom the assessment results in updating their job description
- 5 Percentage of staff for whom the assessment result in formally setting annual objectives
- 6 Number of cases where individual assessment results in a reorganisation (however minimal) of the department
- 7 Percentage of assessors that have received training in individual assessment interviews
- 8 Percentage of managers who have performance-based agreements



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Of course, these results may be explained by the quality of the indicators. However, it seems that if their relevance is in doubt, this is also due to the fact that:

1. the core activity strategy is not explained clearly enough (balanced scorecard) or is not transparent enough,
2. the core activity strategy is not reflected in HR objectives (balanced HR scorecard),
3. HR processes are not clear enough,
4. The analysis framework is not defined. The indicators do all exist but the context is missing and there is no link with goals (achieving future objectives, strategy). If the indicator is not linked to a goal that is pursued, nor connected to a system, it remains inoperative since it is one-dimensional and unrelated to action.

A photograph of a lighthouse on a cliff overlooking the ocean at sunset. The sun is low on the horizon, creating a bright, golden glow over the water and sky. The lighthouse is a white, cylindrical structure with a glass-enclosed lantern room on top. The sky is filled with soft, orange and yellow clouds. The ocean has gentle waves breaking against the shore. The overall mood is serene and contemplative.

4. Supporting the process of change

Over the last few decades, the increasing number of transformation operations has changed the contours of public administration and the profile of public sector employees. Transformation and restructuring programmes have had an increasingly strong impact on Human Resources.

Human Resources departments bear a large share of the responsibility for ensuring these transformation operations are successful. In particular, they have to study the HR impact of any planned decisions (stopping certain activities, setting up new activities, etc.). Their expertise in legal matters and social dialogue also confers upon them an important role in a number of areas: jointly drawing up operational schedules and setting legal deadlines, managing legal incidents, forward-planning for social movements, talent management, handling relations between labour and management and spreading a certain culture and values, etc.

For the majority of change operations, public services must not be interrupted and their quality must be maintained. Nonetheless, reorganising certain services or departments may entail the erosion of the skills base, thus compromising this objective. With this in mind, HR professionals must support the process of change and prevent any deterioration in the quality of public services.

In addition to short-term change operations, HR must provide structural support for changes in activity and play a key role in planning ahead for allocation and development choices in human resources.

4.1 Forward-looking HR management - more a matter of transformation operations than long-term HR policy

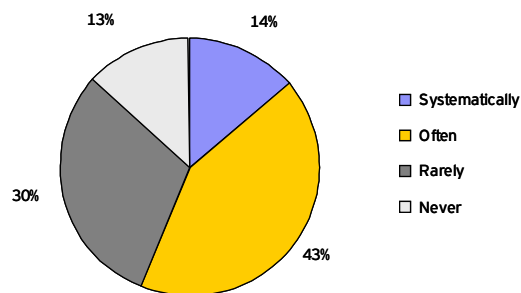
HR professionals are actively involved in the processes of reforming and restructuring entire sections of public administrations. In particular, they are involved in decision-making to check the feasibility of the changes, to ensure that labour/management processes are secure, identify the conditions for success and prepare for and support the changes (internal communication and training).

Together with its involvement in project management, HR develops forward-looking initiatives to adapt employees' skills to changes in activity.

In such an environment, **forward-looking human resources management appears to be essential as a modern and effective tool**, when the "forward-looking" aspects are effectively correlated with the organisation's strategy. While it is widely agreed that forward-looking human resources management is the ideal tool for ensuring that the organisation has "the right person, with the right skills, at the right time and in the right place," there is still a long way to go in this area.

Within the framework of reforms or restructuring, the majority of the respondents (57%) said that they implement forward-looking human resources management initiatives.

Figure 13. Forward-looking HR management initiatives implemented for the purposes of reforms or restructuring



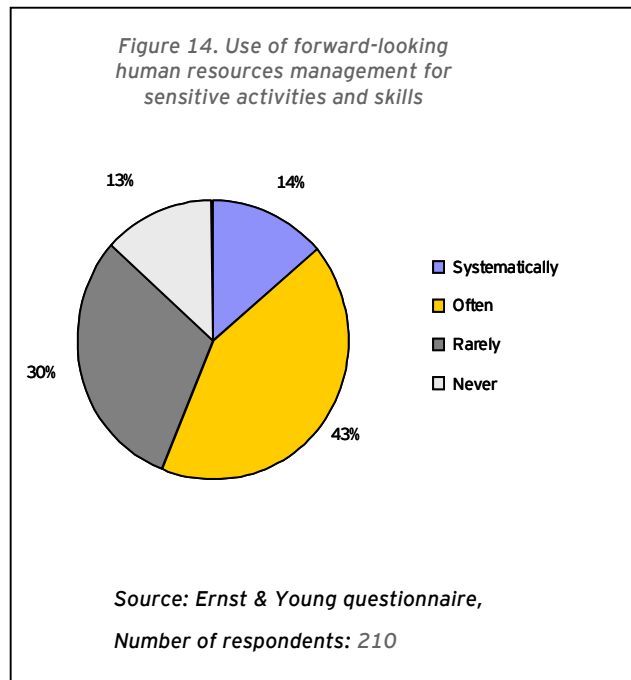
Source: Ernst & Young questionnaire, Number of respondents: 217

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On the other hand, only 38% of the respondents mentioned the existence of a 3-year forward-looking HR management plan. 21% said they wanted to develop one.

Longer-term plans are currently developed on an ad hoc basis related to the problems of attracting and retaining restricted categories of personnel (sensitive activities).



As well as diversifying recruitment channels, some public administrations are adopting forward-looking initiatives designed to satisfy needs in terms of sensitive resources:

- 54% of respondents said that they use forward-looking human resources management initiatives. However, this procedure is far from being fully institutionalised, given that only 13% of respondents use it systematically.

4.2 Need to structure a "change management" competency within the HR function

4.2.1 The manager: a key player in successful change

Within the framework of the extensive restructuring projects, the development of effective management support units at grassroots level is a key success factor in the change process. **Managers have a difficult role to play within the framework of transformation programmes.** Their duties entail **meeting Management's requirements** (factoring in arbitration and decisions from "above") and **proving that they are sensitive to the impact of such decisions on the individual.** It is often the case that managers, while they are used to handling technical issues in their specific field of expertise, find themselves unprepared for dealing with strange situations that are an unavoidable part of any transformation programme. Yet these managers are responsible for explaining the reasons for change and its impact, and for dealing with the consequences for the individual.

HR professionals must be particularly attentive to mobilising management staff and developing their managerial skills (role as spokespersons at grassroots level, dealing with delicate individual cases, bottleneck situations and opposition to change).

- The survey reveals a relatively well-adapted training system for senior managers, with 84% of respondents confirming the existence of special training (e.g. management, leadership, etc.),
- However, this system is only systematically deployed for one third of the respondents, in spite of a public administration management skills reference system having been developed (64% positive response).

In the context of transformation, the organisation must have managers with the appropriate skills to ensure every chance of success.

Nonetheless, methods for identifying and managing talent within public administrations are still only just beginning to be developed: 41% implement such methods (7% do so systematically) and 17% are planning to do so.

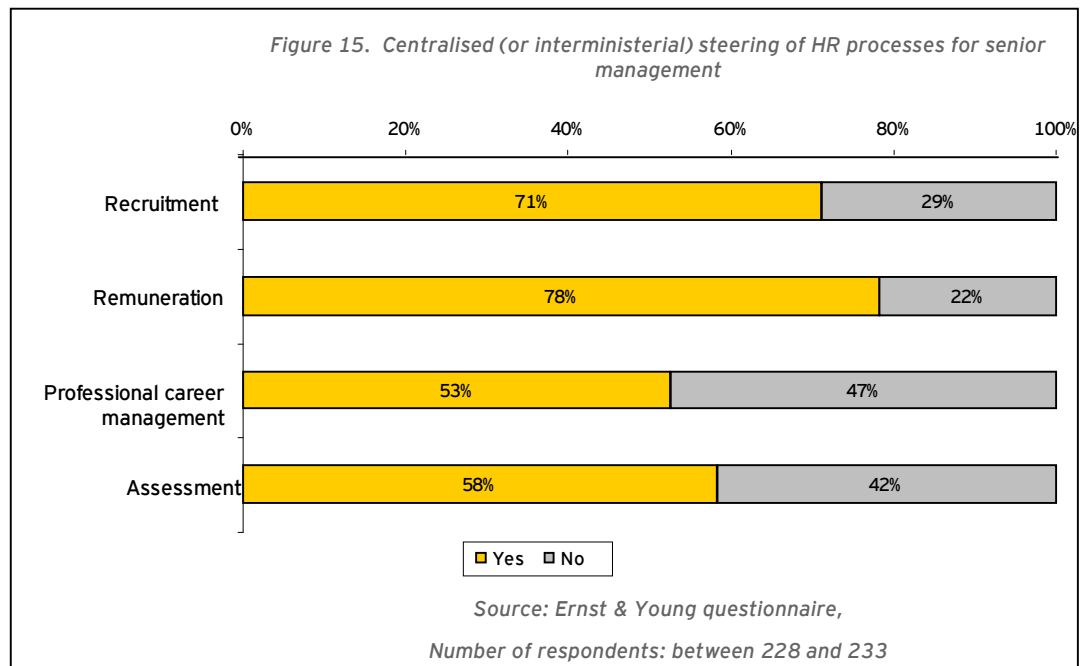
HR departments need to incorporate new skills within their teams: qualified specialists to lead change, able to provide support through

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all kinds of transformation process, and thinking in terms of "project management".

Steering senior management is a strategic task aimed at ensuring the right levels of skill and commitment needed for the operations to succeed. To manage this specific category, processes have largely been centralised by central departments, in the following proportions:



The fact that assessment processes are not centralised to such a degree raises the issue of steering and control over senior management's actions by the people leading the transformation programmes: In what ways should senior managers be involved in transformation programmes? How should they be set clear objectives? How should they be rewarded for their individual contribution to the programme's success?

The hierarchical classification of assessment criteria mentioned on figure 11 reveals another surprising fact: management quality is the assessment criterion ranked as having the lowest priority of all (72% and 88% of respondents relegated this criterion to Priorities 3 and 4 respectively).

4.2.2 Developing the human dimension of transformation programmes

To ensure a good chance of success, the HR department must take account of the individual's expectations and strategies within the transformation programme. In a shifting environment such as that of reform, making sense is a recurring issue. This therefore involves making the employee's individual plans converge with the aims of the reform. The HR function must make HR tools available to public sector employees and their managers with a view to promoting this quest for convergence (listening to their needs, dialogue, etc.) and formalising a clear individual roadmap that will help the employee find his or her place within this new paradigm.

HR departments are gradually establishing individual procedures that help, or may help, the individual to find his/her place within the transformation programme, including:

- individual career development support: 10% say they use it systematically, 34% part of the time and 24% are planning to develop it.
- individual skills portfolios: 16% use them systematically, 36% part of the time and 22% are planning to use them.
- formally-agreed performance objectives contracts: 34% use them systematically, 29% part of the time and 13 are planning to develop their use. The current average frequency of assessment, however, appears to be not regular enough to support transformation programmes, which are generally implemented over highly intensive period of time: in only 11% of cases are assessments held several times a year (80% of cases: once a year).
- a variable percentage of executives' wages is linked to individual objectives: 24% of respondents systematically implement this system, 33% part of the time and 8% are planning to do so.

A collective approach within the framework of reform is also very important. Training provided to this end seems to be widely developed: 72% of respondents confirm that such training exists (systematically in 23% of cases). However, the lever of collective pay linked to the achievement of common objectives seems to be much less common: 41% of respondents use this systematically or part of the time but 41% have no plans to implement this.



5. Putting HR activities on the right level: do it or outsource it?

At the beginning of our study, we observed greater stability and recognition for human resources activities in terms of responsibility for personnel management (HR as service provider).

They have also been developing with a view to adapting resources to the needs of the departments in charge of public services.

Last, new roles are emerging, revealing other facets of Human Resources: strategy-developing HR and HR central to the organisation's transformation processes.

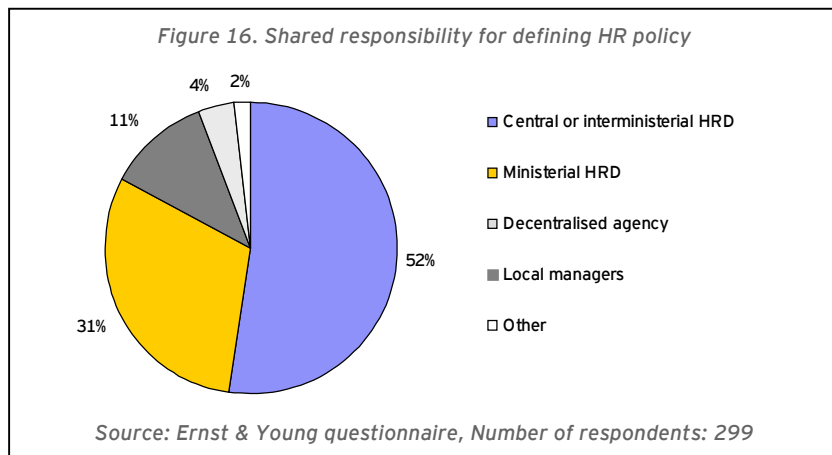
These trends necessarily raise questions as to the roles played by all the different players. Should the 4 major roles covered by HR be played by a single HR department or should they be shared or delegated from the central directorate down to the line manager and public sector employee?

5.1 Centralised HR general strategic management

For the majority of the sample, central bodies or/and ministerial bodies are responsible for defining HR policy: 67% of respondents attribute a decision-making role to the central HRD and 39% attribute a decision-making role to the ministerial HRD, while only 15% of respondents mention decentralised agencies and 5% mention managers at local level.

Decentralising human resources management at the most appropriate local level never means total decentralisation. Interministerial bodies remain in place, ensuring coordination. This level of management, which is rarely challenged, may take the following form¹⁹:

- Transmitting values.
- Transmitting strategic objectives.
- Promoting diversity
- Social dialogue, especially to ensure that the general framework of negotiations is consistent
- Defining and controlling the payroll
- Setting up the pay method
- Final definition of skills requirements



¹⁹ IGPDE, "Human resources performance" study, Research, Survey and Intelligence Department of the Institute for Public Management and Economic Development, Paris, March 2008 - European Institute of Public Administration (Institut Européen d'Administration Publique - IEAP), supervised by Demmke Christoph, "Les fonctionnaires sont-ils différents parce que fonctionnaires ?" (Are civil servants different because they are civil servants?), Maastricht, 2005.

5.2 Managers at the local level - on the front line of HR?

With a view to ensuring that they are able to develop their strategic and support roles, central departments must be able to extend themselves beyond the traditional administrative tasks of Human Resources. **The involvement of the departments in HR activities should thus leave central office departments free to focus on strategy issues**, while operational HR personnel work at grassroots level.

The level to which HR is decentralised and the processes this involves differ from one country to the next. While some countries initiated decentralisation in the 1990s, or even before this, the EU Member States are all gradually implementing this process. Opinions are mainly positive as regards this trend, although a number of risks were pointed out during the interviews:



"Decentralisation may entail the risk of a lack of coherence and a decline in values."

Ministry of Industry - Czech Republic



"Local public administrations have a great deal of freedom in establishing their own human resources policies. [...] The risk can be that the laws and directives are not detailed enough. In this case, decentralised services are not sure about what they are or are not authorised to do[...]. But generally-speaking, decentralisation is not particularly risky. [...] In the Netherlands, the trend is toward increasing decentralisation."

Ministry of the Interior - The Netherlands

Decentralising HR meets a number of objectives.

The primary motive is to be able to deal with growing budget constraints, as one of the people questioned explained:



"During the 1990s, after a serious budget crisis, the government began a major move toward decentralisation. The departments within each agency became accountable for a budget, with performance-based agreements specifying objectives in detailed figures. Each department can make its own choices, and the government assesses the results. It would be difficult to decentralise the system any further than it is now. We have a sound coordination structure that ensures the system is coherent."

Ministry of Finance - Sweden

HR performance

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The second reason for decentralising HR relates to the **determination to give meaning to action and make managers accountable**, because they are the closest people in touch with the teams and, therefore, are in the best position to assess their needs. They are thus playing a more or less influential role in certain processes. Within the framework of recruitment and career management processes, in one in five cases, managers hold all or part of the decision-making power.

Figure 17. The decision-maker(s) involved in the recruitment process

| | | Centralised | | Decentralised | | Other |
|------------------------------|-----------|-------------|-----------------|---------------|----------------|-------|
| | | Central HRD | Ministerial HRD | Local HRD | Local managers | |
| Recruitment | Number of | 94 | 132 | 102 | 86 | 16 |
| | % | 22% | 31% | 24% | 20% | 4% |
| | % | 53% | | 44% | | 4% |
| Career development promotion | Number of | 82 | 133 | 96 | 81 | 14 |
| | % | 20% | 33% | 24% | 20% | 3% |
| | % | 53% | | 44% | | 3% |
| Pay (set salary scale) | Number | 168 | 92 | 56 | 49 | 16 |
| | % | 44% | 24% | 15% | 13% | 4% |
| | % | 68% | | 28% | | 4% |

Source: Ernst & Young questionnaire, Number of respondents: 253.
Multiple choice questions

Feedback from the Member States that have already implemented this process shows that such decentralisation requires an efficient steering and reporting system to maintain overall coherence. Moreover, a system for sharing practices, which may be centrally coordinated, appears to be important in order to enhance the practices and tools used and to avoid ending up with a closed silo organisation.



6. Avenues of reflection on the HR function performance framework

For several reasons, EUPAN is believed to afford an ideal framework for proposing a tool for discussing and sharing practices in the area of HR management:

- It provides an informal and flexible framework for sharing and dialogue, based on consensus,
- It has low operating costs, and the tool must therefore be cost efficient, ergonomic and as simple as possible,
- The network already provides a broad range of comparative information, disseminated via various communication channels (websites, mailouts, regular meetings),
- It brings together experts in human resources management for public administrations from all the EU Member States.

As part of the survey, the respondents were asked to identify any subjects that they would like to discuss within the framework of the EUPAN network. The list of subjects is given in Appendix 4.

To develop such discussions further and make it easier to build up and build on shared knowledge within the EUPAN network, a reference system could be developed.

HR performance

Prospects and operational approaches

This would be an online tool designed to meet three objectives:

1. Enable everyone to **analyse their practices in light of those used in the other EU Member States** and **learn about concrete procedures for using the indicators that will help them manage HR performance** within their own national administrations, in the relevant context.
2. **Provide access to methodology documents**, HR management scorecards and effective practices.
3. **Develop networking between HR managers** and put authorised personnel in contact with administrations that have experience in using such methods or practices.

More than just a tool, this reference system would be an initiative. It would enable each country holding the EU Presidency to choose an area of development and be involved in furthering progress in that area. Given that these areas cover the entire field of HR, each Member State would be free to choose its work programme but would do so as part of a sustained initiative to build up and build on the information and discussions.

Initial discussions regarding the reference system have served to define target profiles and the type of media that would be most appropriate. These points will, of course, be expanded upon in the future.

| | |
|-------------------------|--|
| Who is it for? | The reference system is for the members of EUPAN, HRDs and HR managers, as well as heads of public organisation Directorate-Generals. |
| What form will it take? | It will be an online tool: this implies a more flexible structure than a static document (Word document), although precautions must be taken to ensure data homogeneity and homogeneous data administration. |

HR performance

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The reference system will cover three main areas of information:

| | |
|-------------------------------|---|
| A/ Structure | <ul style="list-style-type: none">• The 4 major roles of HR (service provider, matching needs and resources, HR strategy developer, player in change process) are based on structuring concepts that can be altered or amended (iterative process) in the course of developing the reference system.• These concepts transcend HR processes and are key stakes in HR strategy. <p>For example: Aligning Strategy and HR, Optimising costs, motivating personnel, Fairness, User satisfaction, productivity/information system (IS)</p> |
| B / HR performance indicators | <ul style="list-style-type: none">• Description of performance measurement indicators.• Provide information on rates of use and relevance (Survey, September 08) - development opportunity matrix. |
| C/ Effective HR practices | <ul style="list-style-type: none">• Presentation of practices and description of methodological procedure. <p>For example: develop HR scorecards, manage a "talent tank" and high-level managers, etc.</p> |

The tool must be very ergonomic. At the least, it must therefore include the following functions:

- Search function
- Themed sections
- Access reserved for members of the EUPAN network
- Access by type of profile (Director of a public administration, HRD of a public administration, Manager in charge of a public administration team)
- Access by type of need (efficiency of your HR processes, level of commitment and skills of your staff, HR strategic alignment, role of HR in transformation programmes)

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Example illustrating the various functions that may be accessed via the homepage:

ILLUSTRATION

Definitions and concepts

Welcome to the EUPAN Network Human Resources Group web site

Search function

Enter a key word
Advanced search

Thematic sections

Articles and studies (free access)
Discussion forum
FAQ
Glossary
Access reserved for EUPAN members
Contact

Entry by type of profile

You are:

- Director of a public service organisation
- HR Director of a public service organisation
- Manager in charge of a team in a public service organisation

Entry by type of requirement

You wish to measure and/or improve:

- The efficiency of your HR processes
- Your staff's level of commitment and skills
- The alignment of the HR function to the organisation strategy
- The contribution made by the HR function in restructuring projects

You wish to develop a monitoring chart for the HR function

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Data in the 3 areas mentioned (A. structure / B. indicators / C. effective practices) will be interlinked for user-friendly browsing and help in making choices.

**Example of an HRD that wishes to work on HR strategic alignment
within his/her administration**

The question is: How can I assess the alignment of my HR policy and the HR processes used in my administration with the strategy defined by my organisation?

Answer No.1 from the reference system: Insofar as regards traditional HR processes (pay and training, etc.), identify practices that may improve alignment:

- Steering process: Develop an HR performance scorecard, develop an HR scorecard
- Pay process: develop a collective variable part of pay linked to collective objectives
- Training process: a training programme that factors in the entity's strategic guidelines

| Answer No.2 from the reference system: check performance measurement indicators related to this aspect Indicator | Definition | Rate of use in Europe | Rate of relevance |
|---|------------|--|-------------------|
| Percentage of managers who have performance-based agreements | Check | 40% Developed in X number of countries | 56% |
| Regular assessment of the gap between medium-term needs and current skills | Check | X | X |
| Percentage of payroll devoted to training | Check | X | X |

Appendices

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Appendix 1: Methodology and sample of study

In September 2008, a quantitative survey was carried out on 26 of the 27 EU Member States questioning a sample of 306 Human Resources Directors and Managers in the Member States' public administrations.

To illustrate and provide further details of the major trends revealed by studying the questionnaires, nine qualitative interviews were then held at the beginning of October 2008 with the people who had previously completed the questionnaire.

Our analyses are based on a preparatory study carried out by the Institute for Public Management and Economic Development (IGPDE), entitled "Human resources performance", in March 2008.

Quantitative survey

The survey was submitted electronically (online questionnaire), 5 participants replied by fax.

Figure 18. Breakdown of participants in the survey according to country

| Country | Number of respondents | % |
|----------------|-----------------------|-------------|
| Germany | 8 | 3% |
| Austria | 13 | 4% |
| Belgium | 5 | 2% |
| Bulgaria | 12 | 4% |
| Cyprus | 19 | 6% |
| Denmark | 10 | 3% |
| Spain | 10 | 3% |
| Estonia | 10 | 3% |
| France | 12 | 4% |
| Finland | 4 | 1% |
| Greece | 11 | 4% |
| Hungary | 12 | 4% |
| Italy | 13 | 4% |
| Ireland | 13 | 4% |
| Luxembourg | 8 | 3% |
| Latvia | 18 | 6% |
| Lithuania | 20 | 7% |
| Malta | 6 | 2% |
| Netherlands | 4 | 1% |
| Portugal | 13 | 4% |
| Poland | 16 | 5% |
| Romania | 19 | 6% |
| Czech Republic | 3 | 1% |
| Sweden | 11 | 4% |
| Slovakia | 20 | 7% |
| Slovenia | 16 | 5% |
| Total | 306 | 100% |

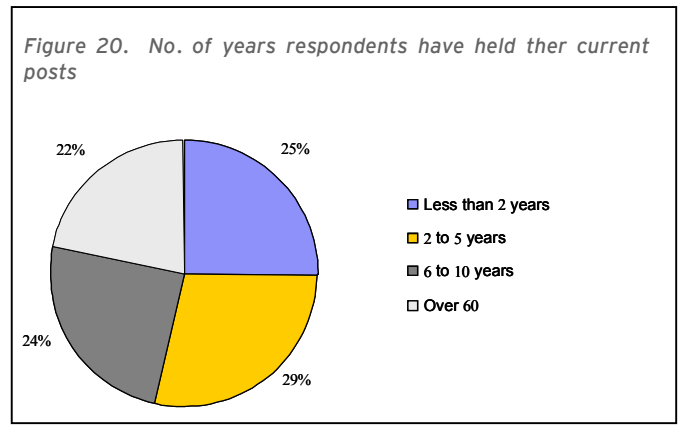
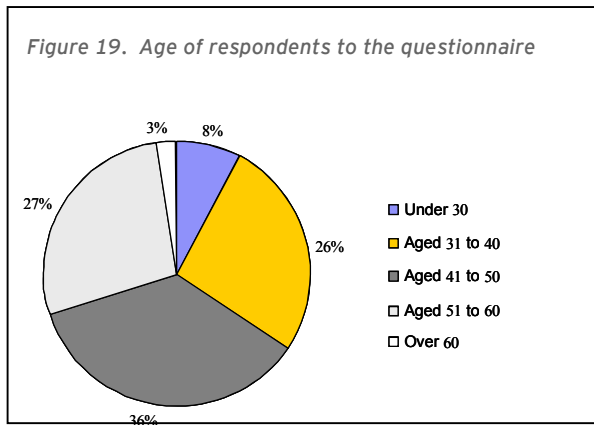
Of the 27 European Union Member States, **26 took part in the survey**. Since it does not currently have a EUPAN representative, the United Kingdom was unable to take part.

The sample was formed thanks to the efforts of the national delegates for the EUPAN network, each of whom acted as national coordinator and provided the contact details of 30 people involved at managerial and operational level in human resources management. The European Commission was also approached but, in the end, the Directorate-General declined to take part in the survey. 306 of the 754 contacts gathered completed the survey.

The **total number of respondents came to 306 and varied between 3 and 20 for each country**. The results of the study reveal an over-representation of countries that have smaller populations and of countries that joined the EU during enlargement in 2004 and 2007.

The sample is mainly made up of civil servants attached to central and interministerial administrations (39 % of respondents), or ministerial administrations (43 % of respondents). 11% of the respondents work within decentralised agencies.

A certain diversity can be seen insofar as concerns the age and seniority of the people that completed the questionnaires.



Source: Ernst & Young questionnaire, Number of respondents: 306

The results of the survey are given in terms of the number of responses or as a percentage. The number of respondents is systematically shown below each graph.

Lastly, the questionnaire also enabled us to gather information by means of open questions.

Detailed qualitative analysis

To analyse certain trends in more detail, qualitative interviews were held during the first two weeks of October 2008, with those people who, at the time of the quantitative survey, had agreed to be contacted at a later date. Such additional interviews were thus held in the following countries: Germany, Denmark, Spain, France, Italy, the Netherlands, Poland, Czech Republic and Sweden.

The qualitative interviews have been processed in the form of quotations, specifying the name of the country and the body for which the person interviewed works. Furthermore, two studies on human resources, carried out in 2007, were also used in drawing up this report: The IGPDE's preparatory study²⁰ and the HR Barometer (*Baromètre de la fonction RH*)²¹.

²⁰ IGPDE, "Human resources performance" study, Research, Survey and Intelligence Department of the Institute for Public Management and Economic Development, Paris, March 2008 .

²¹ Study produced by Ernst & Young, Cap Gemini in conjunction with Adhésion Group, La Tribune and AEF. http://www.ey-avocats.com/global/content.nsf/France_Tax/observatoire-directions-RH-services

Appendix 2. Practices and performance indicators on each HR process

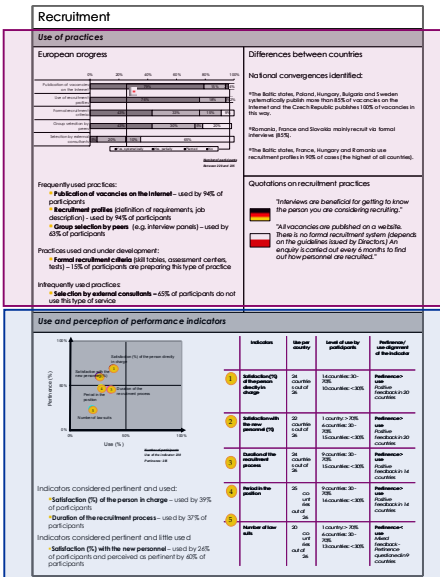
For each HR process studied for the survey, a fact sheet summarises the key results regarding performance measurement practices and indicators. The results include overall rates of use and relevance, and compares progress in countries when responses converge.

Guidelines

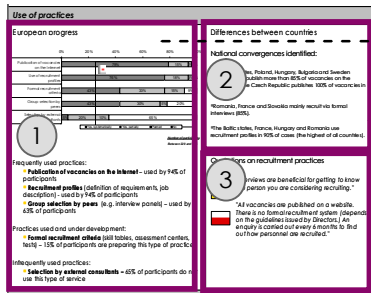
Each HR process is slipped into 2 parts :

Part 1. presents some **performing practices** linked to the HR process under study. Level of utilization of each practice is exposed for the overall sample and focus are made per country when relevant.

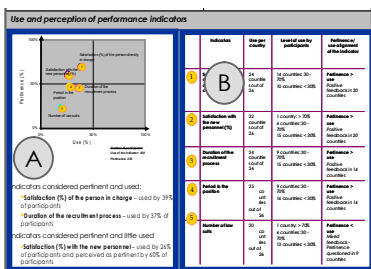
Part 2. examines the **utilization** and **relevancy** of indicators of performance measurement.



Part 1. Practices



Part 2. Indicators



(B)

| Indicateurs | Utilisation par pays | Niveau d'utilisation par répondants | Adéquation Pertinence/Utilité de l'indicateur |
|---|----------------------|---|--|
| 1 Taux de satisfaction du responsable hiérarchique direct | 24 pays sur 24 | 14 pays entre 30 et 70% 10 pays à moins de 30% | Pertinence > utilisation Avis favorables dans 20 pays |

Indicator reference on the matrix on the left

Number of countries in which at least one person uses the indicator

Rate of utilization per country

Comparison of the utilization rate and relevancy rate

- when pertinence is superior to use (>) : opportunity to develop more the indicator.

-When pertinence is equal to use (=) : conformity, and maybe opportunity to develop the indicator in administrations which are not using it.

-When pertinence is inferior to use (<) : indicator to be reconsidered - further investigation is required to understand the reasons.



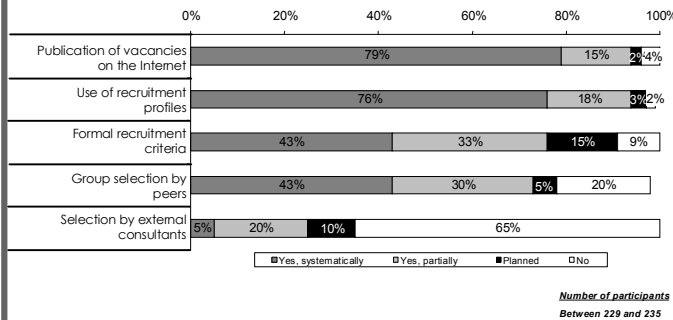
Matrix of indicators of performance measurement

Each indicator is placed on the matrix according to its rate of utilization (horizontally) and its rate of relevancy (vertically)

Recruitment

Use of practices

European progress



Differences between countries

National convergences identified:

■ The Baltic states, Poland, Hungary, Bulgaria and Sweden systematically publish more than 85% of vacancies on the internet and the Czech Republic publishes 100% of vacancies in this way.

■ Romania, France and Slovakia mainly recruit via formal interviews (85%).

■ The Baltic states, France, Hungary and Romania use recruitment profiles in 90% of cases (the highest of all countries).

Frequently used practices:

- **Publication of vacancies on the Internet** – used by 94% of participants
- **Recruitment profiles** (definition of requirements, job description) - used by 94% of participants
- **Group selection by peers** (e.g. interview panels) – used by 63% of participants

Practices used and under development:

- **Formal recruitment criteria** (skill tables, assessment centers, tests) – 15% of participants are preparing this type of practice

Infrequently used practices:

- **Selection by external consultants** – 65% of participants do not use this type of service

Quotations on recruitment practices

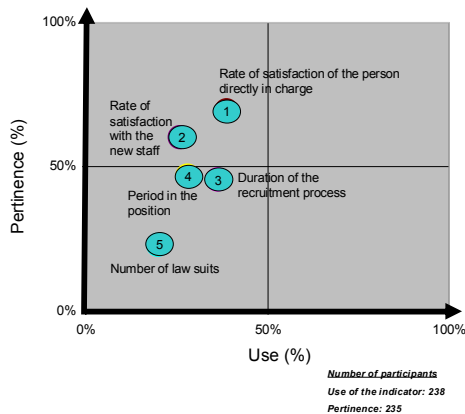


"Interviews are beneficial for getting to know the person you are considering recruiting."



"All vacancies are published on a website. There is no formal recruitment system (depends on the guidelines issued by Directors.) An enquiry is carried out every 6 months to find out how personnel are recruited."

Use and perception of performance indicators



Indicators considered pertinent and used:

- **Satisfaction (%) of the person in charge** - used by 39% of participants
- **Duration of the recruitment process** - used by 37% of participants

Indicators considered pertinent and little used

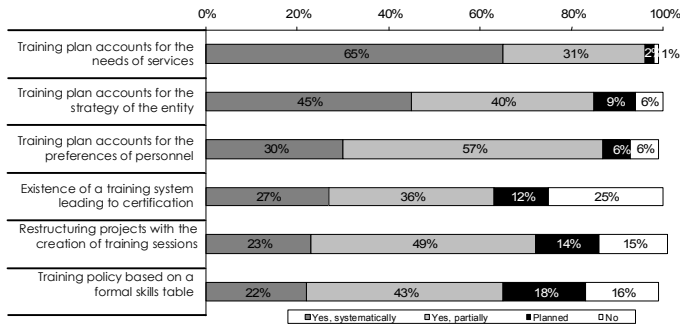
- **Satisfaction (%) with the new personnel** - used by 26% of participants and perceived as pertinent by 60% of participants

| | Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|---|---|------------------------|--|---|
| 1 | Rate of satisfaction of the person directly in charge | 24 countries out of 26 | 14 countries: 30 - 70% 10 countries: < 30% | Pertinence > use Positive feedback in 20 countries |
| 2 | Rate of satisfaction with the new staff | 22 countries out of 26 | 1 country: > 70% 6 countries: 30 - 70% 15 countries: < 30% | Pertinence > use Positive feedback in 20 countries |
| 3 | Duration of the recruitment process | 24 countries out of 26 | 9 countries: 30 - 70% 15 countries: < 30% | Pertinence > use Positive feedback in 14 countries |
| 4 | Period in the position | 25 countries out of 26 | 9 countries: 30 - 70% 16 countries: < 30% | Pertinence > use Positive feedback in 14 countries |
| 5 | Number of law suits | 20 countries out of 26 | 1 country: > 70% 6 countries: 30 - 70% 13 countries: < 30% | Pertinence < use Mixed feedback - Pertinence questioned in 9 countries |

Vocational training

Use of practices

European progress



Frequently used practices:

- **The training plan accounts for the needs of services** - used by 96% of participants
- **The training plan accounts for the strategy of the entity** - used by 85% of participants
- **The training plan accounts for the preferences of personnel** - used by 87% of participants

Infrequently used practices under development:

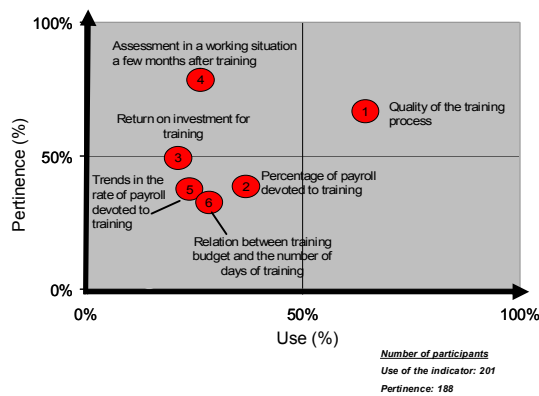
- **Reform and/or restructuring projects with the creation of training sessions** - under development in 14% of cases, absent in 15% of cases
- **Training policy based on formal criteria and references** - Under development in 18% of cases
- **Training system leading to certification** - absent in 25% of cases

Differences between countries

National convergences identified:

- **Germany, Austria, Denmark and the Netherlands:** consideration of the preferences of personnel by at least 90% of participants.
- **Romania, Slovakia, Baltic states and France:** training plans account for the strategy of the entity for at least 80% of participants.

Use and perception of performance indicators



Indicators considered pertinent and used

- **Quality of the training** - used by 66% of participants and considered pertinent (66%)

Indicators considered pertinent and little used

- **Assessment in a working situation a few months after training** - used by 31% of participants and considered pertinent (79%)
- **Return on investment for training** - used by 23% of participants and considered pertinent by 50% of participants

Indicators considered little pertinent and little used

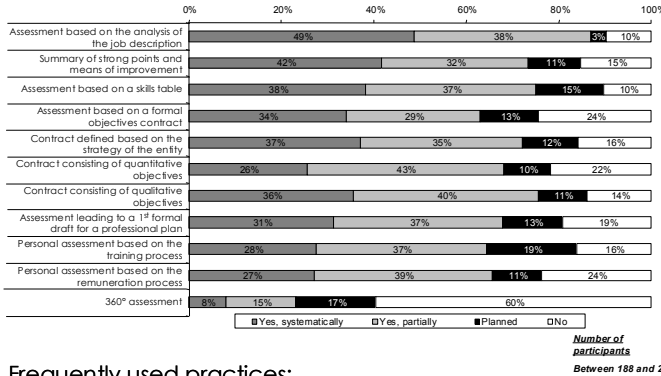
- **Changes to the % of personnel expenses assigned to training** - used by 23% of participants

| | Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|---|---|------------------------|--|---|
| 1 | Quality of the training process | 26 countries out of 26 | 4 country: > 70% 19 countries: 30 - 70% 3 countries: < 30% | Pertinence = use Varying feedback |
| 2 | Percentage of payroll devoted to training | 25 countries out of 26 | 3 country: > 70% 8 countries: 30 - 70% 14 countries: < 30% | Pertinence = Use Varying feedback within and between countries |
| 3 | Return on investment for training | 21 countries out of 26 | 6 countries: 30 - 70% 15 countries: < 30% | Pertinence > use |
| 4 | Assessment in a working situation a few months after training | 24 countries out of 26 | 5 countries: 30 - 70% 19 countries: < 30% | Pertinence > use This indicator is perceived as pertinent but not used to the extent of pertinence in 23 countries |
| 5 | Trends in the rate of payroll devoted to training | 20 countries out of 26 | 9 countries: 30 - 70% 11 countries: < 30% | Pertinence > use |
| 6 | Relation between training budget and the number of days of training | 24 countries out of 26 | 10 countries: 30 - 70% 14 countries: < 30% | Pertinence = use |

Personal assessment

Use of practices

European progress



Frequently used practices:

- Assessment based on the analysis of the job description - used by 87% of participants
- The objectives contract consists of qualitative objectives - used by 76% of participants
- Assessment based on a skills table - used by 75% of participants

Infrequently used practices:

- 360° assessment (i.e. assessment by senior hierarchy, staff working under his or her supervision and by colleagues) - 60% of participants do not use this practice

Differences between countries

National convergences identified:

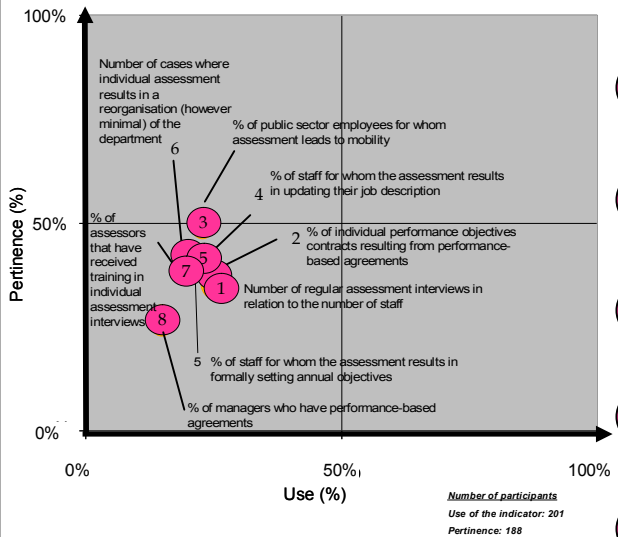
Personal assessment based on the analysis of the job description is a popular practice in countries such as Hungary, Latvia, Lithuania, Poland, Romania and Slovenia where 100% of participants use this process. This practice is also frequently used in other countries such as Slovakia and France, however to a lesser extent, with 93% and 91% of participants using this process respectively.

Quotations on personal assessment practices



"After the annual assessment, we draft a development plan with each employee on a one, five or ten-year basis. Several indicators are subsequently reported to the government."

Use and perception of performance indicators



Indicators considered pertinent and little used

- Number of regular assessment interviews as per the number of personnel - used by 26% of participants
- % of personal objective contracts concluded - used by 25% of participants
- % of personnel where assessment leads to a mobility program - used by 23% of participants

Indicators considered little pertinent and little used

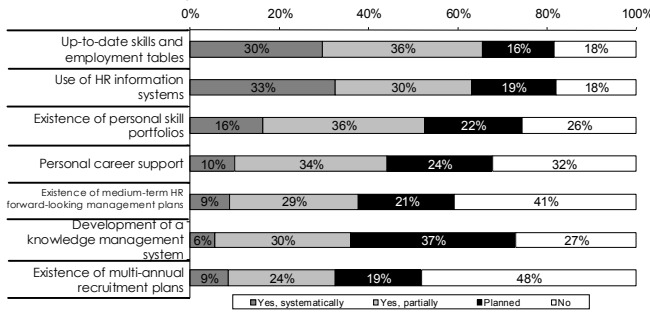
- % of directors having received an official mission - used by 15% of participants and considered pertinent by only 27% of participants.

| Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|--|------------------------|--|--|
| 1. Number of regular assessment interviews in relation to the number of staff | 22 countries out of 26 | 6 countries: 30 - 70% 16 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 12 countries |
| 2. % of individual performance objectives contracts resulting from performance-based agreements | 21 countries out of 26 | 5 countries: 30 - 70% 16 countries: < 30% | Pertinence < Use: Mixed feedback |
| 3. % of public sector employees for whom assessment leads to mobility | 18 countries out of 26 | 4 countries: 30 - 70% 14 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 18 countries |
| 4. % of staff for whom the assessment results in updating their job description | 20 countries out of 26 | 1 country: 30 - 70% 19 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 16 countries |
| 5. % of staff for whom the assessment results in formally setting annual objectives | 18 countries out of 26 | 18 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 19 countries |
| 6. Number of cases where individual assessment results in a reorganisation (however minimal) of the department | 16 countries out of 26 | 4 countries: 30 - 70% 12 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 18 countries |
| 7. % of assessors that have received training in individual assessment interviews | 17 countries out of 26 | 2 countries: 30 - 70% 15 countries: < 30% | Pertinence > Use: This indicator is perceived as pertinent but not used to the extent of pertinence in 15 countries |
| 8. Percentage of managers who have performance-based agreements | 15 countries out of 26 | 15 countries: < 30% | Pertinence = Use: Mixed feedback |

Management of skills and careers

Use of practices

European progress



Frequently used practices:

- **Up-to-date skills and employment tables** – used by 66% of participants
- **Use of Human Resource IT Systems**– used by 63% of participants

Practices under development:

- **All practices have a significant development rate**
- **Particularly the "Development of a knowledge management system"** – planned by 37% of participants

Practices with varying degrees of use:

- **Personal career support** – planned by 24% of participants

Infrequently used practices:

- **Existence of multi-annual recruitment plans** – 48% of participants do not use this practice
- **Existence of medium-term human resource forward-looking management plans** – 41% of participants do not use this practice

Differences between countries

National convergences identified:

■ The use of human resource IT systems is frequent in countries such as Italy, Austria and Lithuania which lead the way with 100%, 91% and 80% of participants using these systems respectively.

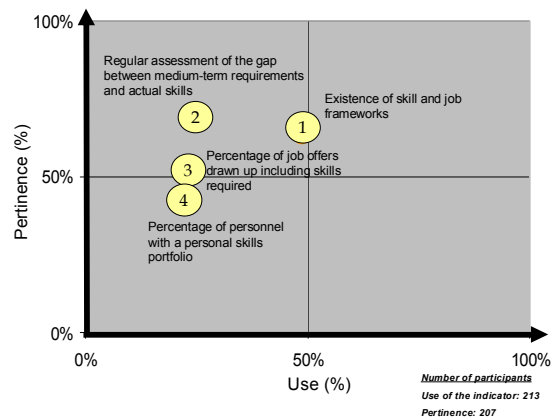
■ The updating of skills and employment tables is frequent practice in countries such as Ireland, France and Latvia where 91%, 90% and 87% of participants use this practice respectively.

Quotations on career and skill management practices



"The problem with forward-looking management of personnel, employment and skills is that governments organise large projects which completely modify personnel requirements. Consequently, the administration must constantly change its plans and revise provisional management in short periods."

Use and perception of performance indicators



Indicators considered pertinent and used

- **Existence of skills and employment tables** - used by 49% of participants

Indicators considered pertinent and little used

- **Regular assessment of deviation between medium-term requirements and actual skills** - used by 24% of participants
- **% of vacancies drafted with a skills section** - used by 23% of participants

Indicators considered little pertinent and little used

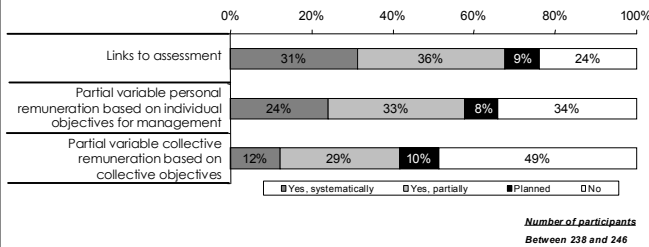
- **% of personnel with a personal skills portfolio** - used by 23% of participants and considered pertinent by only 43% of participants.

| | Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|---|--|------------------------|---|---|
| 1 | Existence of skill and job frameworks | 25 countries out of 26 | 14 countries: 30 - 70% 12 countries: < 30% | Pertinence > Use Varying feedback on pertinence |
| 2 | Regular assessment of the gap between medium-term requirements and actual skills | 21 countries out of 26 | 5 countries: 30 - 70% 16 countries: < 30% | Pertinence > Use This indicator is perceived as pertinent but not used to the extent of pertinence in 19 countries |
| 3 | Percentage of job offers drawn up including skills required | 19 countries out of 26 | 2 countries: 30 - 70% 17 countries: < 30% | Pertinence > Use |
| 4 | Percentage of personnel with a personal skills portfolio | 18 countries out of 26 | 5 countries: 30 - 70% 13 countries: < 30% | Pertinence > Use |

Remuneration

Use of practices

European progress



Frequently used practices:

- **Links to assessment** – used by 67% of participants
- **Partial variable personal remuneration based on individual objectives for management** – used by 57% of participants

Infrequently used practices:

- **Partial variable collective remuneration based on collective objectives** – not used by 49% of participants

Differences between countries

National convergences identified:

■ Ireland, Lithuania and Latvia are the countries which most use variable remuneration based on assessment with 100%, 94% and 93% respectively

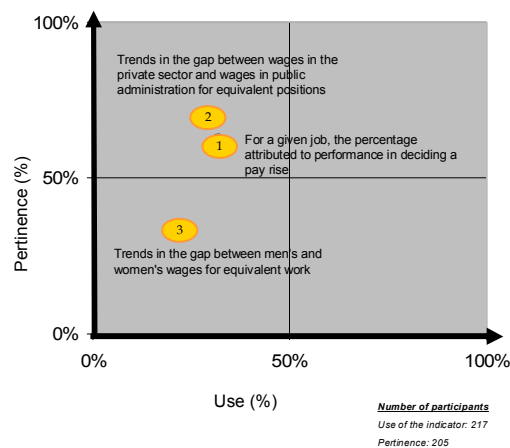
■ Partial variable personal remuneration based on individual objectives for management is most popular in Denmark, Slovenia and Bulgaria with 100%, 92% and 87% respectively

Quotations on remuneration practices



"One of the major risks in terms of remuneration process is the use of HR policies with differing levels of remuneration in the 16 federal states. This would increase the intensity of competition in terms of obtaining talented individuals: the richest countries would systematically win this battle. However, there is no proof of the existence of this phenomenon at the current time."

Use and perception of performance indicators



Indicators considered pertinent and little used

- **% assigned to performance when determining wage increases** – used by 32% of participants
- **Changes in deviation between remuneration in the private sector and by the administration for equivalent positions** – used by 29% of participants

Indicators considered little pertinent and little used

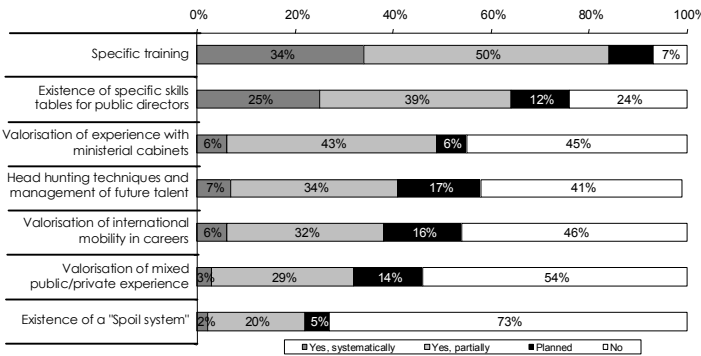
- **Changes in deviation between remuneration of men and women for equivalent positions** – used by 21% of participants

| | Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|---|---|------------------------|---|--|
| 1 | For a given job, the percentage attributed to performance in deciding a pay rise | 16 countries out of 26 | 8 countries: 30 - 70% 8 countries: < 30% | Pertinence > use This indicator is perceived as pertinent but not used to the extent of pertinence in 10 countries |
| 2 | Trends in the gap between wages in the private sector and wages in public administration for equivalent positions | 21 countries out of 26 | 11 countries: 30 - 70% 11 countries: < 30% | Pertinence > use |
| 3 | Trends in the gap between men's and women's wages for equivalent work | 19 countries out of 26 | 5 countries: 30 - 70% 14 countries: < 30% | Pertinence > Use 7 countries have not reconsidered this element This indicator is perceived as pertinent but not used to the extent of pertinence in 8 countries |

Senior civil management

Use of practices

European progress



Number of participants
Between 187 and 229

Frequently used practices:

- **Specific training** - used by 84% of participants
- **Existence of skill tables for public directors** – used by 64% of participants

Practices under development:

- **Head hunting techniques and management of future talent** – 17% of participants are developing this practice
- **Valorisation of international career mobility** – 16% of participants are developing this practice

Infrequently used practices:

- **Spoil system** – Not used by 73% of participants (high "no answer" rate, possibly due to a lack of knowledge of this practice)
- **Valorisation of mixed public/private experience** – Not used by 54% of participants

Differences between countries

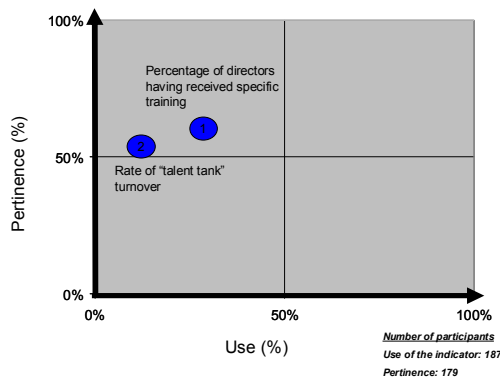
National convergences identified:

▪ Germany and Austria: head hunting techniques (almost 75% of participants use this practice).

▪ 65% of participants in Ireland, Austria and Germany valorise international mobility in public-sector careers.

▪ Mixed public/private experience is most frequent in Latvia (40% positive answers).

Use and perception of performance indicators



65% of participants have no indicator for this process

Indicators used and considered pertinent and little used

- **% of directors having received specific training** - used by 29% of participants and considered pertinent by 61% of participants

Indicators considered pertinent and little used

- **Future talent turnover** - little used indicator (12%), but considered pertinent (54%)

| Indicators | Use per country | Level of use by participants | Pertinence/ use alignment of the indicator |
|---|------------------------|--|---|
| 1 Percentage of directors having received specific training | 14 countries out of 23 | 4 countries: 30 - 70% 11 countries: < 30% | Pertinence > use This indicator is perceived as pertinent but not used to the extent of pertinence in 23 countries |
| 2 Rate of "talent tank" turnover | 14 countries out of 26 | 9 countries 30 - 70% 70% 5 countries: < 30% 30% | Pertinence > use This indicator is perceived as pertinent but not used to the extent of pertinence in 23 countries |

Appendix 3: What is expected of EUPAN ?

During the survey, participants were asked to mention which topics they would like to discuss through EUPAN. HR Managers would like EUPAN to provide a forum for discussing issues as much as HR processes or tools.

The topics for discussion proposed by the respondents include:

Issues

- Anticipating the impact of demographic changes on human resources
- Managing civil servants' retirement pensions
- Combating discrimination
- Women in top management
- Gender equality.

Pay

- Pay systems (in general)
- Managing salaries in light of the public/private sector gap
- Increasing salaries up the management chain
- Rewarding performance.

Recruitment

- Recruitment (in general)
- Organising recruitment (central, decentralised, etc.)
- Cross-border recruitments
- Means of integrating staff from countries outside that of the State as employer.

Executive management

- Inter-ministerial mobility among executives
- Executive training.

HR performance

Prospects and operational approaches

Skills management

- Skills management (in general)
- Careers management (in general)
- Relations between specialists

- Impartiality in careers management
- Recognition of qualifications/skills.

Training

- Training (in general)
- Continuing vocational training
- Training prior to starting the job
- Assessing training schemes and their efficiency
- European vocational training schemes to promote mobility.

Assessment

- Individual assessment
- Assessing performance on the job
- Assessing motivation.

Tools

- HR tools (in general)
- Strategic tools
- Indicators applicable to human resources
- The use of computer tools in human resources management.

Cross-disciplinary topics

- Long-standing practices within the European Union Member States
- The quality of industrial relations
- Acknowledging family issues (maternity/paternity leave, studies, etc.)
- The independence of the civil service from politics
- Driving change against a backdrop of modernisation

HR performance

Prospects and operational approaches

- Developing incentive systems
- Knowledge management
- Integrating MBO (management by objectives) practices: employee bonus systems in particular
- Relationship between the organisation's strategy and human resources
- Civil service status
- Security versus flexibility
- HR organisation
- Streamlining civil service procedures.

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