



Twinning Project - SR 2005/IB/EN/01 Capacity Building of the Directorate for Water

between the Ministry of Agriculture, Forestry and Water Management of Serbia and the German Ministry for
Environment, Nature Conservation and Nuclear Safety

Component 1: Strengthening the institutional capacity of the Directorate for Water and related institutions

Sub-Component 1.4: Human Resource Development

Activity 1.4.2 Human Resource Development Strategy

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Twinning Project “Capacity Building of the Directorate for Water”
An EU funded project managed by the European Agency for Reconstruction

1. Objectives

Human resource management supports the achievement of objectives of an organization by ensuring that co-workers can meet the requirements set on them. Which tools, methods and approaches are useful depends on several factors, among which are the following: raison d'être, organizational framework conditions, existing legislation (laws, decrees, statutes etc.) and organizational culture. Truly key factor for success of almost all of the human resources management tools is wide acceptance by those involved in it (co-workers / managers), that is the tools must be suitable to be incorporated in the legal and organizational framework conditions and organizational culture. Besides that, managers must hold sufficient knowledge and competences in applying of those tools.

Therefore the following conditions must be met for the elaboration of human resource strategy (HR strategy in further text) for Directorate for Water:

- Recommendations from the strategy must be suitable to be incorporated in existing organizational framework conditions. Key framework conditions for HR strategy for Directorate for Water are for example respecting budget, having competence for introduction of HR management tools, own personnel for HR resources etc.
- Recommendations from the strategy must be fitting into the existing legal regulations and must use the available free space which Directorate for Water has in implementing centrally-prescribed tools. This includes first of all appraisal system, because other key HR tools are derived from it, such as regulations on salaries and regulations on promotions inside an organization.
- For successful implementation of own HR strategy in Directorate for Water the managers must know what expectations from their organizations are connected with their managerial roles, and must be encouraged to understand their responsibilities. HR Strategy offers to the managers the possibility to actively analyze what managerial tools and which management approaches are good for them. This reduces the efforts and increases the efficiency.
- In this sense the managers must be encouraged to tell to the coworkers the meaning and implementation of the tools and to raise their acceptance of the tools.
- Therefore it is necessary to help to the managers to create some form of exchange of experiences with those tools. In this way, the practical knowledge of managers becomes useful for the organization, in order for free space to be used for particular purposes and to guarantee applicability of those tools. So, the regular exchanges of experiences among managers are corner-stone of systematic development of managers.
- The time plan must be established, having short-term as well as mid-term and long-term perspective. With this, the targeted development of the whole organization can be ensured.

2. Procedure

HR strategy for Directorate for Water was prepared via following steps:

In the **first step** the information interviews were carried out with managers and coworkers of Directorate for Water from all the departments, and in the following thematic areas:

- Existing practice for filling in vacancies
- Situation in terms of recruiting new staff
- Introduction / orientation
- Cooperation
- Communication
- Management culture
- Formal and informal rules
- Improvement / career development
- Nature of appraisal / agreement on objectives and results
- Planning of job positions
- Structure of the personnel
- Organizational culture (collectivism-individualism, rule implementation, control mechanisms)

The purpose of those information interviews was to collect details about organizational culture, state of implementation of existing tools and degree of their acceptance. Out of that it could have been identified the requirements and needs for support of managers in order to enable them to establish HR strategy for themselves.

In the **second step** the existing regulations were translated, supervised and evaluated in terms of the free space left for action. With it the applicability and legality of HR strategy for Directorate for Water was provided.

In the **third step** the areas of action were discussed with the members of the HR Core team during one workshop and the recommendations for preparation of HR strategy were derived from it. The objective was to harmonize the demand from managers with the project recommendations and to increase the acceptance of the recommendations from managers. After that the proposed steps for implementation are finally in the **fourth step** discussed with the Core team.

Having in mind that in the discussion with the Core team the focus points are pointed out for the tasks that managers are faced with, it was how the basis was set for joint understanding of management in the first training on management (**fifth step**).

3. Short overview of the baseline for HR strategy in Directorate for Water

Regulations concerning human resources

Serbian public administration is pressed with very strict system of various regulations dealing with human resources. Those regulations are mostly elaborated in the scope of earlier twinning projects¹ and inserted in the legal system. Their applicability in subordinated organizational units is controlled and supported by central human resource unit.

The following regulations should be mentioned

¹ For example »Technical Assistance for the Preparation and Implementation of Administrative Legislation – Phase 2 - Republic of Serbia« project (DIAL). DIAL is financed by the European Agency for Reconstruction and implemented by a consortium lead by »Eurecna« of Italy. The project is a sequel to earlier projects that also aimed at enhancing the state administration system and introducing the new civil service system in the Republic of Serbia (Hans-Achim Roll (2006) appraisal of civil servants manual)

- Law on civil servants
- Regulations on job description and titles (entered into force in 2006)
 - Decree on principles of internal organization and systematization of job positions
- Regulations on announcing vacant job positions (internal and external) (entered into force in 2005)
 - Decree on job position classification
 - Conclusion on procedure for advertising internal competition
 - Decree on conducting internal and public competition
- Regulations on filling in vacant job positions (entered into force in 2006)
 - Conclusion on first public announcement procedure
 - Contents of the regulatory statute
- Regulations on appraisal and agreement on objectives (entered into force in 2007)
 - Regulation of appraisal
 - Specification of work objectives
 - Protocol of monitoring of work results
- Regulations on Human Resources Management Service (entered into force in 2006)
 - Decree on preparation of HR plan in the authorities
 - Decree on establishing the HR Management office

The regulations leave only very limited free space for own focus points and concepts in subordinated organizations. In addition to that we must say that until now there is hardly any practical experience in application of those tools. Therefore the efforts dedicated to introducing of new tools are still very big and are perceived as such by managers in Directorate for Water. Experienced use could not occur in total due to the given short deadlines for tools implementation. Because of that, the tools acceptance, the competency in their implementation and estimation of their usefulness greatly vary among managers in Directorate for Water.

Human resources service and improvement

In Directorate for Water there is no its own employee for human resources. HR staff is located centrally, in the Ministry of Agriculture, and has all in all very limited resources. In addition to that, there is one centralized training unit (Center for human resources services), which is partly financed by external (project-) partners. The improvement is on going in various part of Directorate for Water very unevenly. It is obvious that there are any transparent criteria according to which participation in the improvement options would be distributed, so the chances of employees are given very unevenly concerning taking part in some improvement offer.

The offer for improvement is stemming from the Law on civil servants (human resources plan). In each resort there must be one "adequate person" for human resources.

System of appraisal and agreement of objectives

In 2007 for the first time the cycle of appraisal and agreement of objectives was implemented. The small free space was left over, the criteria were openly introduced with the exception of one (additional criteria). The agreements of objectives are based on the very strict requirements of work position, which are annually updated in the agreement of objectives. Individual agreements of objectives are not interlinked in one systematic top-down process starting with setting of objective of Directorate for Water, nor are they interrelated on the level of chiefs of departments neither in time nor in content, neither

horizontally or vertically. Exchange about appraisal standards happens neither within the Directorate nor toward the Ministry.

Introduction of this system was coupled with nation-wide training of managers, manual and consultation offers from central human resources management unit for whole Serbian public administration. In those trainings the managers of Directorate for Water also took part. The level of information and implementation of new system varies greatly from one department to the next in Directorate for Water. Also the acceptance is differently allocated, and in operational area (inspectories) the acceptance is bigger, which is obviously connected with higher applicability of the system in such an area of function. Those differences will, if common template for agreement of objectives and appraisal is not produced, further increase.

Announcing vacant job positions and filling in vacant job positions

Simultaneously with appraisal system new regulations were adopted for announcing and filling in vacant work positions. For each work position in Directorate for Water there is job description, which lays down the tasks and prescribed formal requirements for being selected for that position. Formal requirements are clearly derived from individual characteristics of current position holders. Moreover, there is interdependence with the regulations prescribing defined titles (for example, senior adviser) based on formal requirements. This leads to the consequence that exactly for those work positions requiring special technical qualifications mix of formal requirement enters into play, which significantly reduces the scope of suitable candidates (for example, university degree in engineering, ten years of work experiences in public administration, out of which three years in managerial function as xyz). This all results, in conjunction with lower salary structure compared to the private sector, to the lasting vacant work positions in some parts of Directorate for Water.

Communication (link with the project activity 1.3.3.)²

Systematic communication of managers one with each others is today almost not happening. Earlier established regular meeting of chief of departments with the director does not occur, which can be explained by political changes (receiving the post of director based on political majority) and often unclear perspectives for the level of managers. Therefore there is no single format in which managerial level meets. The strategic discussions, consultations of chiefs of departments by the director, strategies for addressing politicians etc. are not habit in Directorate for Water.

4. Recommendations

From the review of the documents and the discussion with decision makers in Directorate for Water, the following **Points** and **Final conclusions** are derived:

Points

Legal framework is too narrow for Directorate for Water.

From one side, existing central (legal) regulations give very narrow space for own HR strategy and own focus point. From the other side, due to the insufficient number of staff in Directorate for Water (see project activity 1.3.3.) acting space for employees of Directorate for Water is very small. Suboptimal number of staff is further deteriorated with partly unattractive mixes of formal requirements in job descriptions (see 3.4), as well as with low competitiveness of salary structure in contrast to private sector.

² Related to the Chapters: 6.4 „Meetings“, and 6.5 „Developing procedural rules“.

Importance of non-material stimulus as compensation for narrow framework is high and should be supported in HR strategy.

Based on the legal framework, material stimulus for improving motivation and tying of competent coworkers are really weak. On such a background, the importance of non-material stimulus significantly raises in Directorate for Water.

Non-material stimulus is for example

- Feeling of justice and respect within organization;
- Identification with the objectives of the organization through the top-down process of setting of objectives;
- Clear orientation toward objectives in individual work and possibility to control the achievement of objective;
- Individual development through improvement (formal improvement, such as trainings, but also informal types of improvement like internships (hospitalation), cooperation, professionally facilitated exchange of experiences etc.).

Additional competences of managers are necessary.

Successful implementation of new tools „Appraisal“ and „Agreement of objectives“ requires the managers of high professional and social competences. Among that are the following

- Operationalisation of strategic objectives and half-year controlling;
- Handling of divergent (inconsistent) objectives;
- Handling of exceeding priorities within one year;
- Handling with conflicts;
- Identification of factors which are increasing and decreasing the motivation and from it originating individualized managerial procedures.

Having in mind those tasks, systematic development of managers is necessary, and can be provided by various forms of improvements.

More intensive exchange among managers one with each other is necessary for the issues of management and cooperation.

Missing exchange among managers makes acceptance of new managerial tools more difficult – it makes more difficult the acceptance by managers themselves as well as the acceptance by their coworkers, since the managers can not exchange their experiences and standards and key parameters can not be developed.

Final conclusions

Based on above mentioned points, we suggest the following:

Short-term perspective:

- Annual process of setting of objectives and from it derived essential use of additional appraisal criteria at the beginning of the cycle of results appraisal;
- Annual gatherings for exchange at the end of the cycle of results appraisal („appraisal conference“).

Mid-term perspective:

- Clarifying with the organization for human resources (central one and one in the Ministry of Agriculture) if it would be possible to develop essential rules for allocation of places in improvement offers;
- Support to the managers via prepared materials and/or delivery of trainings.

Long-term perspective:

- Strengthening the role of managers in the selection committees during the procedure for filling in vacant work position;
- Establishing of one decentralized organization for human resources, which would obtain also the competence in the sense of development of human resources.

4.2.1 Annual process of agreement of objective and additional appraisal criteria

Clear defining of objective, operationalization of objectives and individual agreement of objectives on the operational level belong to the most challenging tools of human resources management. Since those instruments are introduced in Serbian public administration only in 2005, it is natural to be expected certain difficulties in their practical implementation so far. Managers need in this much of support in one long-term development process for the required competences, so that they can learn step by step in implementation.

One important support to this learning process can be given in joint annual process of setting of objective. At the beginning of the appraisal cycle the director and chief of departments should make a meeting and discuss and operationalize the objectives which director on behalf of Directorate for Water has agreed with Ministry. Based on those joint discussions later individual interviews can be conducted for agreement of objectives between director and his chiefs of departments. Previous joint discussion would bring, among other things, the following advantages:

- Clear common orientation toward the objective of higher managerial level of Directorate for Water;
- Better handling of overlapping points among departments;
- Reducing of diverging objectives in the whole organization;
- Help for acting of chiefs of departments in case of exceeding priorities within one year and with it related strengthening of possibility of control in one's own area;
- Support to individual development of manager in terms of all competences related with goal-oriented management (defining of objective, operationalization, controlling etc.), since in this very format they call learn it all together.

Besides this, managers should in this format agree which additional appraisal criteria in appraisal cycle of this year will be essentially considered for appraisal of all coworkers of Directorate for Water. Decisive for which criteria should be taken into consideration should bear the following aspects:

- Are there any appraisal criteria, which is particularly suitable to specially help achieving of the objective of organization in this year? This could be deduced from joint discussion about the objective.
- Are there any appraisal criteria, which is particularly suitable to compensate the existing barriers to motivation? Managerial agreement from one year to the next concerning essential additional appraisal criteria could be used to express special respect to employees who undertake responsibility (=use as a non-material stimulus). Besides that, this action improves the chances of those employees to receive better grade and to reach higher salary class in this way.

4.2.2 Organizing a gathering for exchange about appraisal („appraisal conferences“)

At the end of appraisal cycle managerial level (director with chiefs of departments) should exchange experiences related to the appraisal system. For example, this includes

- Discussions about how the change of objective within one year should be treated and how to make appraisals in those cases;
- Joint discussion on appraisal parameters („How does one recognize good performance in the criteria x?“)

This exchange has the purpose to find common appraisal parameters and increase in this way the equality of chances and acceptance of this instrument within Directorate for Water. In addition to that, joint discussion can significantly increase the managers' competences for implementation of appraisal system. In order to foster the individual competence development, this format should be moderated (used) with the help of experts.

4.2.3 Establishment of criteria for participating in improvement offers

One important motivation factor is that the employees perceive equality of chances and justice in allocation of possibilities for improvement. In order to prevent that the participation in improvement is connected with non-transparent mechanisms („preferential treatment“), it is necessary to establish, perhaps together with the human resource unit of Ministry of Agriculture or with central human resources unit, the standards for participation in improvement.

4.2.4 Systematic improvement of managerial personnel

The institutions subordinated to the training center have the possibilities to report their training needs. Jointly with the central human resource units, Directorate for Water could make one curriculum for training managerial staff, the curriculum which would systematically teach managerial competences needed in Directorate for Water.

4.2.5 Regulations for filling in the vacant work positions

In filling in the vacant work positions for the moment there are only very limited possibilities of managers to influence the selection of future coworkers.

In the long-term perspective the role of managers should be strengthened in the selection committees (it is necessary to make arrangement with central human resource unit).

4.2.6 Regulations for organization for human resources management

In the mid-term perspective it is necessary to clarify with organization for human resources management (central one and one in the Ministry) if it is possible to create **essential rules for allocating improvement offers**. In the long-term perspective it is necessary to establish one **decentralized organization for human resources**, which would have the competences also for the development of human resources, in order to treat the targeted human resources needs, in the light of specific conditions of Directorate for Water and to support its managers in implementation.