The Recruitment Process as a Part of Effective Human Resource Management in Public Administration in Croatia

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1. Introduction

Human resources management (HRM) is relatively modern label for the range of themes and practices involved in managing people. The system of human resources management in state and local administrative bodies assumes legal framework for human resources management, contents and elaboration of work description and work tasks, planning of human resources, recruiting, evaluation, compensations, salaries, remunerations, career planning, education and training. The main goal of human resources management in public administration is to help an institution to meet strategic goals by attracting, maintaining and managing employees effectively. To achieve its aims, public administration depends on its staff to a large degree while identifying people as the most important asset is the first step to implementation of successful human resources management.

Accession of the Republic of Croatia into the European Union demands improvement and development of public administration system. The new Law on Civil Servants came into force in January 2006 and a number of government decrees defining different human resources management procedures stemming from this law are now in the process of being drafted or in first implementation phase. Main topics covered with these decrees are recruitment, personal and central registries, job classification and description. Recruitment procedures have a status of priority area which involves Decree on Recruitment analysis in or-
der to detect main points where ministries and other public bodies are experiencing problems in its implementation.

According to a great deal of new directions and instructions in the latest Decree on recruitment this article attempts to research the general meaning and importance of HRM in public institutions. It gives a brief overview of public administration recruitment experiences in other European countries and Croatian experience with implementation of new Decree on Recruitment. Some key recommendations on recruitment procedures are given in concluding consideration, as well as recommendations for possible changes in the Decree.

2. Importance of HRM Function in Public Institutions

Human resource management is the effective use of human resources in order to enhance organizational performance, it refers to the policies, practices and systems that influence employees' behavior, attitudes and performance. The importance of HRM is attracting more and more attention while only recently have organizations started to look at it as a tool for gaining more on profitability, quality and other organizational goals. Competitive challenges such as the challenge of the new economy, the global challenge, the challenge of meeting stakeholders' needs and high performance work system challenge will further increase the importance of HRM. The role of HRM has evolved over time. It began as a purely administrative function but most HRM executives now see the function's major role as much strategic. HRM practices have not traditionally been seen as providing economic value to company while economic value has usually been associated with equipment, technology and facilities. But HRM practices turned to be enormously valuable. Staffing, compensation, training and other HRM components have a direct influence on employees' motivation and performance.

The goal of strategic management in an organization is to deploy and allocate resources in a way that gives it a competitive advantage. HR managers should be skillful in identifying competitive issues the organization faces with regard to human resources and think strategically when choosing how to respond. To be maximally effective the HRM function must be involved in the organization's strategic management process. To implement chosen strategy organization can use some of six HRM practices that refer to a particular functional area of HRM: job analysis, recruitment and selection, training and development, performance management, compensation and employee relations.

It is usually difficult to say how many new employees will have to be hired in a given year in a given job category. The role of human resources recruitment is to build a supply of potential new hires that the organization can draw if the need arises. Human resources recruitment is defined as any practice or activity carried on by the organization with the primary purpose of identifying and attracting potential employees. Hence is obvious that recruitment stands between planning and selection of human resources. The goal of an organizational recruitment program is to make sure that organization has a number of qualified applicants to choose from when a vacancy occurs. But that does not mean to simply generate large number of applicants while that usually is a great expense for the organization when it comes to selection phase. So, when talking about recruiting the accent is on reasonably qualified people.

Despite recruitment's obvious importance to the success of any organization, government has a poor track record as an effective recruiter. In contrast to the private sector public sector recruitment activities are often carried out as a very complex and complicated procedure. Globalization trends have increasingly forced states to redefine their role in public management and to reform the public administration system. In order to revitalize the public sector, major strengthening of the knowledge, skills, values and leadership abilities of human capital is needed to transform the public sector, particularly in developing countries and countries with economies in transition. Public sector is losing its ability to attract and retain talented young workers and due to decline in quality of new hires it is on the track of emerging crisis of competence. At a time when many corporations offer various fringe benefits, inadequate salaries, the public service's poor public image and noncompetitive quality of work life discourage many applicants from public institutions. To attract talented workers, public agencies need to be thoughtful, aggressive and innovative.

Governments are realizing that managing staff in the public sector is one of the most powerful yet least appreciated ways to achieve their political and strategic objectives. Governments are generally the largest employer in the labor market, which adds to their responsibility of being a conscientious employer.

Attaining a fine balance between bureaucratic autonomy and societal embeddedness is a real challenge for any public administration and requires a high level of leadership skills. An aloof and unapproachable bureaucracy, out of touch with reality, is undesirable and hard to imagine in modern world. The challenge, therefore, is to develop a public service that is impartial and professional, but also responsive to civil
society and business, while being neither populist nor captured with special interests.

When it comes to HRM, government should be aware of its role in society and promote measures such as optimizing conditions for staff to develop, preserving the dignity of employees and ensuring that talents are effectively harnessed. Traditional public administration, public management and responsive governance are three models on which most of examples of contemporary thinking about HRM reforms. Each of the three models emphasizes certain core values that are essential in addressing contemporary HRM challenges. A new HRM synthesis should build on the best attributes of these three models. Traditional public administration is anchored in principles of impartiality and merit, public management places particular importance on performance management and professionalism and the governance paradigm stresses the need to make public administration more responsive to the demands of citizens and other stakeholders. So, the principles of that new HRM synthesis could be impartiality, professionalism and responsiveness. HRM in the public sector is critical for government performance and national development. When choosing a strategy for HRM reform, government must keep in mind that the content and sequencing of HRM reform will depend on the pre-existing structure of public administration in a particular country. Governments are advised to start from where they find themselves, developing and adjusting gradually rather than attempting an HRM "year zero" with some international "best practice" model. Some countries need to start a reform by laying the foundations for HRM by handling and organizing necessary legal framework and ensuring that these policies are being followed and some countries, where the foundations exist, are in advantage and can immediately start to build on them. Although acknowledging pre-existing structures of public administration is a necessary condition for successful reform it is not sufficient. Without understanding of political context it would be very difficult to carry out reform successfully. Hence it is important that leaders have a vast network of people that are committed and ready to support the reform.

3. Recruitment Experience in Public Administration in Several European Countries

There is no common HRM policy in European countries public administration. The practice of the human resource recruitment and selection functions vary from country to country, from very strict bureaucratic procedures, to modern recruitment techniques, almost similar to these applied in multinational corporations. The most similar system as in private companies has been applied in American administration, with strong attention to recruitment and training of public servants to be public managers. Europeans are still in the line with more classical approach in recruitment procedures and selection criteria in a way to fined people with more analytical skills then management and leadership characteristics. The main characteristics in recruitment process in several European countries are elaborated in following articles.

3.1. Germany

German public administration is very complex because of German federalism principles. One must be aware of many sub national peculiarities which more or less influence their administrative cultures. "The core elements of the German civil service are relatively uniform for the public servants at all levels of government.

The civil servants law implies a career system with four career categories (administrative, executive, clerical and sub-clerical service). Recruitment for these careers is based on career provisions, which include the conditions as regards education and training for the individual careers. Employment of civil servants is being thought of as life tenure. "Each ministry at the federal level, each state, and each local authority has the right to recruit its staff members itself while the central unit responsible for recruiting civil servants does not exist. Applicants are generally appointed on the basis of their individual knowledge and abilities. Employment is based on unlimited or time limited contracts. Suitable candidates for vacant posts are selected through competition."

3.2 Austria

In Austria public administration is the responsibility of the federal government, provinces and the municipalities. The Federal Chancellery coordinates the matters of the federal staff. "Aptitude testing for "standard posts" is required. Under this procedure, candidates who achieve the highest test scores are recruited. However, the score achieved is primarily a criterion for objective assessment, and only in the second instance an instrument which serves to identify the "best-qualified candidate". The recruiting department may invite the top-ranked candidates to an informal interview, which conducts the direct superior and a representative of the human resources department. In some cases, there are interviews instead of aptitude testing for "special posts". This procedure applies to all candidates who apply for posts requiring a special degree of expert know-how and skills (e.g. computer experts, engineers, specialist staff) or
who are considered as being in short supply owing to the situation prevailing on the labor market. Candidates for these posts do not undergo aptitude testing, but will be invited for a job interview. In addition, a large number of institutions have different recruitment procedures laid down in other federal laws."

3.3. United Kingdom

The main role of the civil service in Great Britain is to help the Government of the United Kingdom, the Scottish Executive and the National Assembly for Wales to formulate policies, carry out decisions and administer public services for which they are responsible. Each department is responsible for recruitment by itself with the exception of senior civil servants. Civil Service Commission is responsible for providing an adequate framework based on the civil service recruitment principles. According to Act that regulates Civil Service Order in Council 1995 and Diplomatic Service Order in Council 1991 the Civil Service Commissioners are required "to maintain the principle of appointment on merit on the basis of fair and open competition in recruitment to the civil service; prescribe and publish a recruitment code on the interpretation and application of the principle; incorporate in the code certain restricted circumstances in which exceptions to the principle can be made; approve appointments at the most senior levels in the Civil Service; and audit the recruitment systems of departments and agencies for compliance with the code." The Commissioners have the right to ask departments to publish information on their recruitment process.

3.4. Poland

"The Polish system of HRM has a number of significant deficiencies which limit its ability to retain talented staff. The salary system is complex and is operated in an opaque and a highly discretionary manner by local managers. The overall HRM system lacks strong central control and while some ministries are much better than others in this respect generally speaking leadership is weak, modern techniques of management are lacking, and not enough resource or management time is devoted to personnel issues. Chronic politicization of the system affects staff quality particularly at senior levels. A positive element of the system is training where the CSO has been able to implement a basically sound training strategy. Recruitment of high quality staff does not seem to be a problem because, although salaries are not competitive with the private sector, job security and opportunity for self development combined with a currently very weak labor market mean that there are always a large number of well qualified candidates for each post. A worrying feature of the recruitment situation is that it is clear that most new entrants do not see the public sector as a long term career but as a step to better prospects in the private sector. The main challenge for the system at the moment is considered to be the retention of high quality staff. The government has recently announced major changes to HR systems that include (1) the abolition of Office of the civil Service whose role was to safeguard the independence of the civil service and (2) new arrangements for the selection of civil servants which could demotivate existing civil servants (by opening up these positions to outside competition for the first time) and could make the system vulnerable to greater politicization by placing a large measure of responsibility for the selection of candidates in the Office of the Prime Minister."

3.5. Bulgaria

The general principles relating recruitment are expressed by the law. Reform of Bulgaria's civil service began with the adoption of the 1998 Law on Administration. According to the Administration Act, certain qualifications are required for being recruited to public administration and recruitment is based on competition. Needed qualifications cover both education and working experience. Based on a uniform specification, each Administration unit prepares its own guidelines and tutorials which consist of functional characteristics of departments and pay and job description of each position. All civil servants regardless to category are appointed to office by the head of the relative administration.

4. Croatia's Public Administration Recruitment Model

Current state of the art in implementation of the Decree on Recruitment is tested through the Central state office for administration and four ministries: The Ministry of Foreign Affairs and European Integration, The Ministry of Agriculture, Forestry and Water Management, The Ministry of Economy, Labour and Entrepreneurship, The Ministry of Finance.

4.1. Central State Office for Administration – CSOA

Overall comments on the Decree on Recruitment with regard to information received from the employees implementing the procedures in ministries and other state administration bodies (for example state administration offices at the level of counties) are:

* positive attitude towards elaborating the activities related to procedure of employment;
activities are very clear and transparent and explained in details;
* the new attitude enabling transparency and uniformity of implementation in all ministries and state bodies is positive;
* the engagement of a member of Central State Office for Administration or a delegated employee enables the control of the process and additional objectivity of election.

However, some limiting factors in the implementation of the Decree have also been pointed out:
* the procedure is too long;
* the role and contents of examinations are unclear, especially related to civil service examination
* the method and contribution of psychological testing are unclear, in the event of special procedure.

The following specific problems were pointed out:

a) Advertising
b) Forming of the selection board
c) Testing
d) The CSOA representatives or authorized representative in the selection board
e) Courts

4.2. The Ministry of Foreign Affairs and European Integration

The Ministry has a well-developed HRM function. Based on the Civil service Law from 2001 they had developed a clear and detailed recruitment procedure according to the modern methodology. The system was continuously upgraded to meet ministries requirements.

The HRM department didn’t have a case of recruitment process following the new Decree and they have no experience so far. But they have some comments on the Decree which will be elaborated in the final report.

For the last ten years the Ministry of Foreign Affairs and European Integration has had a very systematic job advertising procedure. Psychological testing, general knowledge examination and the knowledge of foreign languages were introduced at the beginning of 1990 ties. The tests are continuously being upgraded, and the process improved according to modern HR trends. In the first years the HR service prepared the tests and undertook examinations, but today some tests are being ordered from the Slap company and from other specialized experts (until recently the history and geography tests were prepared by HR Department).

The Ministry, due to covering a specific field, evaluates highly the foreign languages examination in the evaluation of candidates – especially the knowledge of rarely known languages (Turkish, Dutch ...). Foreign language tests were prepared by professors from the Faculty of Philosophy, and some by the Ministry’s staff (B.A. in languages). All the tests were written tests and were therefore standardized and evaluated. Moreover, the questionnaires on interest and motivation were introduced which were prepared by HR service, so that the applicants were asked to write an essay on where and why they would like to work in the Ministry of Foreign Affairs and European Integration.

In the last couple of years, apart from examinations, interviews are being conducted by the selection board consisting of 5-6 persons. At the most some 450 candidates applied to advertisements of vacancies and all that complied to formal conditions were examined. When the tests were statistically processed, almost two thirds of the candidates were invited to individual interviews. All advertisements of vacancies were conducted by strictly determined dynamics and independently of the number of candidates were concluded in the period of 60 days (as it was prescribed by the previous Law).

The Ministry of Foreign Affairs and European Integration has not yet had an advertisement of vacancies according to the new Decree on Recruitment. Although the proposed examination procedure generally complies with the previous practice, several unfinished statements in the Decree were pointed out, as well as some limiting factors which make the choice of the best candidate for certain position impossible.

4.3. The Ministry of Agriculture, Forestry and Water Management

This Ministry has approximately 500 employees. Based on the analysis done under the CARDS 2001 project in 2004, the recruitment administration (issuing tenders, administering tests, issuing decisions) are the main and it can be said the only activity of the department. Because of the high turnover of employees, HRM Department assesses the new process as a very lengthily and cumbersome (especially the testing procedures).

The Ministry of Agriculture, Forestry and Water Management is undertaking advertising of vacancies for trainees. There are approximately 500 candidates which are currently being examined. Based on the experience in implementation of the new Law and the new Decree on Recruitment, the Head of HR Department thinks that the Law and the Decree are well and precisely written, but they do not apply to existing conditions in the majority of Croatian ministries, which requires additional human and financial resources for the implementation of demanding exami-
nation procedures envisaged by the Decree. Furthermore, the goal of the procedure is not fulfilled (objectivity and selection of highly qualified staff in civil service).

The former employment procedure was mainly based on satisfying formal conditions of advertising of vacancies, the first selection according to received CVs by HR service and the department the candidate is applying for, and finally interviewing several chosen candidates.

4.4. The Ministry of Economy, Labour and Entrepreneurship

The Ministry of Economy, Labour and Entrepreneurship is currently undertaking the advertising of vacancies for trainees. The candidates are now being tested. The employees of HR Department think that the Decree is pretty complicated in general and it has made it difficult to find good staff for the Ministry. Namely, having in mind law salaries and limited possibilities for career advancement it is hard to get good trainees and experienced employees, and they are additionally eliminated by such complicated testing procedure.

The former procedure of finding new staff began with the Ministry's decision on advertising of vacancies. The advertisement was then published in Official Gazette and a daily newspaper (most often Vecernji list), members of the selection board chosen and they looked through the received applications, and those who complied with formal conditions (mostly all) were invited for interviews. There was a six month probation period, if the candidate did not show to be appropriate, he/she was given notice of dismissal.

The staff of HR Department of the Ministry of Economy, Labour and Entrepreneurship has stated that some parts of the new Decree make the procedure complicated and cause additional costs, without offering qualitative changes in the choice of the candidate. They think it is useless to examine and interview all applicants to advertisements of vacancies who satisfy all formal criteria. In their opinion the procedure is too long and useless.

4.5. The Ministry of Finance

Compared with most other ministries, Ministry of Finance has well-developed HRM service with a significant number of staff engaged in a range of HRM activities as required by the Law, including recruitment, transfers, records keeping, training course administration, grievance and dispute handling and personnel administration. However, there is still a strong focus on administration and routine procedures rather than strategic HRM.

The Ministry of Finance has so far had a similar procedure of testing candidates who had applied to announcement of vacancy (knowledge of English language, the use of IT, expert knowledge like accountancy or public finances) and therefore has experience in with interviews, facilities to undertake the interviews and enough staff who can monitor testing procedures and correct the tests.

The basic difference is that, according to the new Decree on Public and Internal Advertisements, common knowledge on civil service system is being tested, which has not been done before.

Several months ago the Ministry invited applications of vacancies for trainees and for extraordinary admission procedures. Based on the previous experience, HR Department staff does not have many objections to the procedure set by the Decree on Public and Internal Advertisements. Although the procedure is time consuming and requires well prepared work plan according to phases, the results so far are good, the first selection has been made and there were not many obstacles.

5. Conclusion and Recommendation

The importance of HRM in New Public Management is inevitable. After showing positive effect in private sector, public institutions decided to import and adopt some of HRM strategies as well. Human factor become the most important asset in the last decade and with globalization trend and exchanged view on public institutions HRM became important part of every public administration reform. Governments all around the world are getting acquainted with HRM terms and making plans and proposals for new recruitment process.

Every country will sooner or later have to face with implementation of HRM strategies in public sector and the sooner it recognizes potential value of HRM it has a greater chance to raise staff effectiveness and retain talented, educated and motivated employees. As we can see from the reports of analyzed countries the situation in public HRM in highly developed countries such as Germany, Austria and United Kingdom is at high level. These countries have started with public administration reform very early recognizing need for managing public personnel. In those countries every public institution is responsible for recruitment of its staff but the conditions, under which recruitment must be done, are regulated by the law and usually some additional documents. The situation in Poland and Bulgaria is still in the phase of accepting HRM values and preparing effective reforms. Although these countries have a lot of works to do on reforming public administration and establishing ef-
ficient recruitment procedure they have laid the impor-
tant foundations.

It is obvious that Civil Service Branch encour-
ages the implementation of Human resource manage-
ment initiatives, but the change cannot happen over-
night. Though, the more effective staff management
practices in public administration the better.

The analysis of procedures of recruitment of
new employees in four pilot ministries in Croatia and
procedures stipulated in the new Decree on Recruit-
ment have shown that only MFAEI had partially un-
took somewhat similar procedure (uniform CV, ex-
aminations, etc.) for recruitment of civil servants and
trainees. The opinion is that the procedure used by
the MFAEI so far is in accordance with modern re-
cruitment procedure, more logical and better organi-
sationally than the process set by the new Decree.

Three out of four pilot ministries (all except
MFAEI) are in one of the stages of advertising vac-
cancy. Although there are some inconsequent and un-
explained parts, it is obvious that the procedure of
advertising the vacancy can be implemented in ac-
cordance with the new Decree on Recruitment. How-
ever, the key problem the ministries are facing is in-
sufficient resources (human and financial) for the
implementation of the envisaged procedure.

According to experiences so far, the main goal
of the selection of the best candidates for a certain
post by advertising the vacancies that are now
underway through the procedure of knowledge, for-
eign language, IT skills and psychological testing is
not accomplished. Namely, the procedure has shown
a number of gaps that allow manipulation, especially
through the system of scores and general knowledge
examinations.

Therefore, current practice has shown the fol-
lowing:
- The new Decree on Recruitment is feasible in
practice,
- The procedure is very demanding, as regards
financial and human factors,
- The ministries are in general not well equipped
and have not planned resources in their budgets for
the implementation of such recruitment procedure,
- The final expected objectivity in the selection
of the right candidate is not accomplished.

Recommendations and suggestions for upgrad-
ing the process can vary from maximally simplifying
the recruitment process through personal interviews
of candidates with internal selection board (based on
the Labour Law) to changing some parts of the pro-
cedure.

If the decision is made to carry on with selec-
tion examinations, the following should be considered:
- What is the point of examination on the civil
service if there is the obligation to pass the state exam?
- What is the point of examining trainees who
come to “be trained for a year”?
- On its path to EU Croatian civil servants are
obliged to know/speak foreign languages (especially
English) and have IT knowledge, so that should be
stated as a formal condition.
- What is the point of psychological testing of
first five ranking candidates at the end of the pro-
cedure (since psychological testing is one of the first
selection criteria in modern HR management)?

It is suggested that the CSOA (because of its
well equipped premises) with additional qualifed staff
(certified psychologists) should become the ‘exam
pool’ so as to simplify the process of preparation and
evaluation of examinations to the ministries initiating
the procedure of recruitment. This approach was con-
sidered in earlier stages of planning the process of
advertising the vacancy / appointment to civil service
and it has not been accepted. However, CSOA should
prepare a standard format of CVs, invitations for
selection examination, application decline letters, etc.
for all ministries and other state administration bod-
ies.

On the other hand, considering the specific
work, tasks and fields of each ministry, a certain level
of autonomy should be given to the ministries in eval-
uating specific priorities of work, the issue not enabled
by the new Decree (for example, the level of knowl-
dge of foreign language is not of equal importance
for the work in MFAEI and MAFWM).

With regard to the expected result of this analy-
sis – development of recommendations on three levels
(i) change of the Decree (ii) change of the process or
(iii) change in training, it is possible to conclude that
the majority of pilot ministries have already imple-
mented or are in the process of implementation of ad-
dvertising the vacancy, so they do not need any training.
What would be of help is strengthening human resource
departments through primarily employing new staff –
an issue that is not part of the CARDS 2003 project.
The change in the procedure and adjustments in the
scope of legal framework are something occurring by
inertia as a result of attempts to even partially adjust
the Decree on Recruitment to specific needs of the gov-
ernmental body undertaking it. It is recommended to
prepare a standard format of CVs and other documents
required in the process of advertising the vacancy in
state administration bodies.

The change of Decree is going to be most de-
manding if it in any scope even occurs. But in any
case, the minor but required change is the definition
of the specified timescale of the advertising period of
maximum 60 days. If the changes are to be under-
taken, some minimal changes which will not influ-
ence the basic idea of the Decree on Recruitment are
recommended:
- To consider the significance and the role of examination on civil service to the level of general information
- To begin the procedure with psychological testing as a first step of candidate elimination, and to introduce the elimination criteria based on the results of individual examinations
- To enable a certain level of autonomy in the procedure considering the specific knowledge and skills required by certain state administration bodies. All these questions and dilemmas are open and recommendations given in order to achieve the most efficient vacancy advertising and implementation procedures and obtaining the best candidates for the work in civil service. However, since the pilot ministries are in the middle of the process of advertising vacancies according to the new Decree, they change their standpoint on the use the Decree and on the implementation of the very procedure. The standpoints of HR Departments staff, based on current experience, are more positive, the identified problems are realistic and deriving from the praxis, recommendations for improvement and increased efficiency of the procedure are very concrete and are related to key dilemmas.

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NOTES

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2 HRM practices include analyzing and designing work, determining human resource needs (HR planning), attracting potential employees (recruiting), choosing employees (selection), teaching employees how to perform their jobs and preparing them for the future (training and development), rewarding employees (compensation), evaluating their performance (performance management) and creating a positive work environment (employee relations)

3 Strategic management is a process to addressing the competitive challenges an organization faces.


5 The strategic management process consists of two interdependent phases: strategy formulation and strategy implementation. Strategy formulation is the process of deciding on a strategic direction by defining organization’s mission and goals, its external opportunities and threats, and its internal strengths and weaknesses. Strategy implementation is the process of devising structures and allocating resources to enact the strategy an organization has chosen.


8 World Public Sector Report 2005

9 World Public Sector Report 2005


11 World Public Sector Report 2005


14 Public Administration Reform and Capacity in the EU-8, Poland, 2006.