

**Human Resources Management in Public
Administration Structures in BiH –
Challenges in Monitoring Reform**

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Introduction

This paper looks at the reform of human resources management (HRM) as part of a wider process of public administration reform (PAR) in Bosnia and Herzegovina (BiH). Unlike similar analyses that have been done in recent years, this paper may be of use, *inter alia*, to the NGO sector, whose past role in public administration reform was sporadic. This analysis aims to provide quality inputs that will form the basis for a more detailed assessment of human resources management as one of the important segments within the overall public administration reform efforts.

The main objectives of this paper are: a) to identify key systemic problems that stand in the way of reform and that need to be emphasised in monitoring the reform of HRM practices in public administration structures in BiH; b) to point out the main challenges in streamlining HRM practices in public administration structures in BiH; and c) to formulate recommendations for NGOs on how to effectively engage in monitoring the reform process. The aim is to allow better focus on the monitoring of reform by identifying key problems as well as contribute to more objective evaluation of the implemented reforms by developing possible solutions.

Systemic problems in reform implementation

Before discussing the results of the HRM reform, it is important to emphasise that the key problems in the implementation of public administration reform are systemic in nature. All efforts to speed up the implementation of reforms in individual areas, including HRM, are unlikely to yield any meaningful results unless the problems besetting all public administration structures in the country are eliminated. Therefore, before analysing the key HRM challenges, it is necessary to look at the four systemic issues that threaten the progress of this and other reform areas most directly.¹ These issues are:

- 1) Lack of political support for reforms;
- 2) Inefficient reform coordination system;
- 3) Lack of general managerial capacity;
- 4) Questionable professionalism of the civil service structures.

¹ Revised Action Plan sets out the following six reform areas: 1) human resources, 2) public finance, 3) policy-making and coordination capacities, 4) administrative procedure, 5) information technologies, and 6) institutional communication.

Lack of political support

It is impossible to have good administration if those who run politics are bad.² This is the truth that should be repeated again and again and with which to begin (and end) any discussion on public administration reform. Political representatives in BiH see administration as a power-wielding tool, whose primary task is to implement political decisions of those in power. In such an atmosphere, administrative efficiency is measured by the degree of obedience to the dominant political camp. To ensure obedience of civil servants, governments at all administrative levels seek to assert control over recruitment, transfer and dismissal of employees, especially those in managerial positions.

Attempts to wield control over administration have been present since as far back as the first organised reform activities, but the pressure rapidly intensified after, in May 2006, the Government of Republika Srpska introduced a limited mandate for senior managerial staff in civil service. It was the first open 'attack' on the professionalism and political neutrality as the underlying principles of the European Administrative Space. In the same year, ironically, governments at all four administrative levels adopted the Public Administration Reform Strategy for BiH, citing professionalism and political impartiality as its primary goals.³ International institutions that have invested a lot of effort and resources in the reform failed to respond adequately to this move, which served as an invitation to other government structures to follow Government of Republika Srpska's suit.

The first to 'act' was the Government of the Federation of BiH, whose 2008 Draft Law on Civil Service in FBiH contained identical provisions as the RS Law. In the meantime, however, the international community woke up from its slumber, and the bill was withdrawn from parliamentary discussion following the recommendation from the OHR and the EU Delegation to BiH. A similar provision was planned to be introduced into the state-level law, but article 3 of the SDP–SNSD November 2012 agreement, which threatened to completely undermine the political independence of civil service, was eventually not put into practice.

The fact that politicians rarely mention public administration reform does not mean that they are uninterested in public administration. Quite the contrary, political representatives are intensely interested in public administration because it is the largest employer in the country and an ideal refuge for party cadres. Politicians are

² This is a paraphrase of a statement in the SIGMA document: *Structural Elements for Improving Horizontal public Governance Systems in EU Candidate States*, <http://www.sigmaweb.org/publicationsdocuments/47033012.pdf>, p 4. The original sentence reads: 'Good administration is impossible if policies and politics are bad'.

³ Public Administration Reform Strategy, p 9, <http://parco.gov.ba/latn/?page=110>

not opposed to reform as long as it does not threaten their interests (i.e. control over recruitment, promotion and administration of various privileges). If we add to this the fact that the responsibility for the results of the reform is not 'invoiced' to heads of ministries that are the owners of the reform⁴, but the Public Administration Reform Coordinator's Office in BiH (whose powers in implementing the reform are next to nil), it becomes clear that political representatives can peacefully follow (or even ignore, if they find it more convenient to do so) the reform course. The agenda was purged of all thorny issues: mobility of civil servants among administrative levels, mutual recognition of civil service exams, strengthening coordination mechanisms for implementation of the reform, elimination of politicisation in recruitment and career development, and using performance appraisal as a basis for the pay system. These are just some of the important issues that have been put on hold until 'better times'. However, 'better times' will not come unless there is a major shift in the approach to reforms.

What would that major shift entail? First, it is necessary to take a political decision instituting *the state's ability to function successfully in the European Administrative Space* as the main objective of public administration reform in BiH. Furthermore, the same decision should assign a clear political responsibility for the implementation of reforms. Second, in partnership with the Delegation of the European Union to BiH, it is necessary to adopt a new strategy and action plan for the reform of administrative structures in BiH. The final word in the interpretation of what a '*successful functioning in the European Administrative Space*' requires should be left to Brussels. Third, it is necessary to redefine the implementation of reforms in such a way to ensure stronger coordination between administrative levels, particularly in terms of ensuring compatibility of legislation.

Inefficient coordination system

As already mentioned, the central institution for coordination of reform processes in BiH is the Public Administration Reform Coordinator's Office (PARCO), which was established by the decision of the Council of Ministers of BiH in October 2004.⁵ In organisational terms, PARCO is part of the Office of the Chair of the Council of Ministers of BiH, and its basic duties, actually specified as the duties of the PAR Coordinator, are limited to: a) coordination of activities relating to the development, adoption and implementation of the Public Administration Reform Strategy in BiH; and b) providing opinions to the Chair of the Council of Ministers of BiH on key issues

⁴ Institutions with direct authority over public administration reform in BiH are: Ministry of Justice of BiH, Ministry of Justice of FBiH, Ministry of Public Administration and Local Self-Government of RS, and the Department for Technical and Administrative Affairs of Brčko District.

⁵ The decision was published in the "Official Gazette of BiH" no. 4/05, and can be accessed on PARCO's website: <http://parco.gov.ba/latn/?page=8>

related to the reform of public administration in BiH institutions.

The decision does not define any aspect of how effective coordination is to be ensured. In the absence of something more concrete, in 2007 PARCO succeeded in effecting the preparation and then the adoption of the Common Platform – a document that was supposed to fill the gaps in the reform coordination system. However, this document is limited to the implementation of Action Plan 1 for Public Administration Reform, which ends in 2014, and there is no indication of what will happen after that.

It should be noted that, albeit well thought-out, the Common Platform has never been properly put into practice. For example, in late 2013 PARCO invited SIGMA to help define a *Common HRM Policy Framework in BiH*, but the Supervisory Team for the HRM Reform Area did not accept SIGMA's proposal that the said document should be adopted by the Economic Development and European Integration Coordination Board (i.e. a body formed under the Common Platform). Instead, it was decided that the document would be considered directly by governments at individual administrative levels in BiH. So, on the one hand, responsible governments in BiH signed the Common Platform to accelerate reforms, while, on the other, this decision is ignored by those who were co-opted into the reform process by those same governments. The question is – why bother to establish a Common Platform if the mechanisms built into it will not be used in practice?

PARCO does not have any mechanism at its disposal to ensure actual implementation of what is agreed at the political level. Indeed, when a closer look is paid to PARCO's mandate, its role in the reform process can be viewed as extremely positive. In addition to providing detailed semi-annual reform progress reports⁶, as well as covering all technical aspects of the implementation of reform projects (i.e. preparation of ToRs, monitoring of project activities, etc.), PARCO has initiated numerous projects and contributed a number of new ideas. Realistically, until such time as a more effective reform implementation and coordination system has been put in place, based on a clearly allocated political responsibility for the results, it will be impossible to expect the Coordinator's Office to do anything more than what it is already doing.

⁶ The reports can be accessed on PARCO's website: <http://parco.gov.ba/latn/?page=364>

Lack of general managerial capacity

Peter Drucker, the father of modern management, explains in his seminal article *The Age of Social Transformation*⁷ that all modern organisations require good managers, whether they are called supervisors, executives, team leaders, or something else. Drucker goes on to identify the common characteristics of all managers (regardless of their organisation's line of work): they have to coordinate the work of people they manage (each possessing different capabilities) to achieve a certain effect; they have to maximise the productivity of their human resources and make their weaknesses irrelevant; they have to know what results are expected of the organisation in which they work, and then be able to define its objectives. Finally, in all organisations managers have to possess both the knowledge of management (as practice and discipline) and the knowledge and understanding of the organisation in which they work (the purpose of its existence, its competences, the context in which it operates, its core values, etc.).

Interestingly, general management and general managerial knowledge and skills of managers in civil service are not paid much attention in the context of the analysis of public administration reform in BiH. Much has been written about the so-called horizontal positions in public administration (i.e. HRM, public finance, public procurement, the making of regulations, administrative procedures, etc.) and it is quite certain that every finance or procurement manager will be able to list the main duties of the job they perform, as well as the regulations they must conform to in their daily work. However, if you were to ask an average manager, in any public administration structure in BiH, which are the key skills that he/she as a manager should possess, the answer would be much less certain.

What are the basic managerial skills and abilities? In his book *Management: Tasks, Responsibilities, Practices*⁸ (translated by D.A.), Drucker identifies five such basic skills: 1) Setting objectives; 2) Organising work; 3) Motivating people and communicating; 4) Establishing standards of work; and 5) Continuing professional development (his/her own, as well those under him/her). Logically, the next question would be – to what extent managers in the administrative structures of BiH possess these skills?

As noted earlier, at the moment there is no sufficiently precise indication of the extent to which current managers possess the aforementioned capacities. It would

⁷ The article was published in the American magazine *The Atlantic Monthly* in 1994 and was originally titled *The Age of Social Transformation*. It is available on the magazine's official website:

<http://www.theatlantic.com/past/docs/issues/95dec/chilearn/drucker.htm>

⁸ Drucker, P. F. (1986), *Management: Tasks, Responsibilities, Practices*, Truman Talley Books, New York, p 275.

be important to conduct a qualitative study on the competences and effectiveness of managers in all four public administration structures in BiH. However, in the absence of precise information, it is possible to rely on certain indicators derived from the analysis of the most common problems in the work of institutions and thus construct a general picture of the extent to which current managers demonstrate five key managerial skills:

- **Setting objectives** – managers in public administration structures have serious problems setting objectives for the organisations/organisational units they head. This is evident at every turn, and perhaps most conspicuous in monitoring and evaluating the performance of individual employees, where managers have an obligation to set performance targets for specific appraisal periods. Experience shows that managers do not distinguish between objectives and activities, and many openly say that they see no point in setting these objectives.
- **Organising work** – most managers confuse the concept of organising an institution with the concept of organising work. The question of organising work in an institution is not resolved by establishing the internal structure of the organisation and setting up a staffing plan, as many people are prone to think. Internal organisation (which specifies the structure, activities and relationships of internal organisational units, as well as the number of required employment positions) and the staffing plan (job titles and descriptions specifying what employees have to do and what characteristics they should possess to perform these tasks successfully) are of course important for efficient operation of an institution, but are of not much help to a manager who is unable to properly assess the nature and complexity of a job to be done, or to make the right decision as to who will do the job. Organisation of work is one of the main challenges for every manager and, therefore, probably the best indicator of his/her managerial (in)competence. Civil servants' complaints that there are lots of overlaps in duties, that some people work hard while others 'loaf', that some are paid to be expert advisers but work as interpreters, etc. suggest that there are serious problems in the field of work organisation.
- **Motivating people and communicating** – the concepts of motivation and communication in the context of managerial work are inseparable from one another. Managers cannot motivate employees if they are not able to establish good communication with them. Findings from the project *Development of a Performance Management System in Public Administration*

*Structures in BiH*⁹ indicate that the main preoccupation of managers in public administration structures in BiH is to maintain 'peace at home'. In other words, a typical manager does not care to motivate people to achieve better results, but seeks to appease them so that they do not create problems. Thus, in an effort to maintain 'peace at home', a manager will give all his/her employees top marks (in the performance appraisal process), creating an illusion that all employees are 'the best'. In fact, this impedes the development of a healthy value system based on performance, and affirms the principle whereby 'unfair equality' is better than 'just inequality'. Of course, both managers and their subordinates know that they live in a whitewashed reality, but knowingly tolerate it because they do not want to face what is under the veneer. In such an environment, which is the result of compromise and various 'non-aggression pacts', it is very difficult to motivate employees. Solving the abovementioned problems will be a difficult and time-consuming process that begins with the manager's commitment to ensuring open communication between colleagues, establishing values to which all will be committed, and persevering in their affirmation.

- **Establish standards of work** – there are three basic standards in work: the quality of work, the scope of work, and the time needed to get the work done. Many are inclined to argue that jobs in administration do not allow the setting of standards, because they are unpredictable. This is only partially true. Of course, initial assumptions about the difficulty of some tasks (e.g. working on administrative procedures, drafting regulations, making policies, etc.) may sometimes prove incorrect and in want of revision. However, a large number of jobs in administration offer real opportunities for defining all three of the aforementioned standards. Resource management, internal control, procurement, translation, and many other tasks, regardless of the dynamics of their development, still leave plenty of opportunities for setting standards in their performance. The fact that standards sometimes need to be revised must not be the reason to give up on them. In fact, it is the standards that greatly facilitate managers' work in monitoring and evaluating the performance of employees, because they contribute to the objectification of the whole process. Finally, although it would be ideal for standards to be applicable to the widest possible field of action, their applicability depends on a number of contextual factors, which, in addition to the usual parameters related to the nature of work and organisational environment, in the case of BiH include the famous political will. Therefore, standards may initially be established at the level of individual institutions,

⁹ See the document *Analysis of the correlation between performance appraisal results and the main HRM functions (including evaluation of probation and trainees' work)* on <http://parco.gov.ba/latn/?page=398>

and can gradually be scaled up to other levels. Such a gradual approach might be best for BiH because managers should be given time to master certain techniques and tools necessary for the definition of standards.

- **Continuing professional development** – there are two main motives that drive people to learn and acquire new knowledge: to increase their knowledge and to facilitate the transfer of this knowledge to others. This is a paraphrase of an observation made more than three centuries ago by the English philosopher John Locke, which best captures the essence of learning and professional development. Unfortunately, the vast majority of managers in public administration in BiH pay very little attention to the professional development of both themselves and their subordinates. This is evident from the data related to the defined training needs, where year after year the same needs are identified, namely those that generally include computer skills and foreign language skills. In other words, managers do not find it necessary to monitor employees' work in order to identify needs for professional development, whether resulting from some gaps in work or from an employee's obvious potential to develop in a certain direction. Why is this so? The crux of the problem lies in the fact that public administration structures in BiH are heavily reliant on formal education as an indicator of a person's future performance at work. To have such an approach in a country that faces enormous problems with the introduction of quality standards in the work of higher education institutions, is risky for future employers to say the least. Therefore, it is necessary to change the approach to acquiring knowledge in such a way to treat professional development as an obligation of every individual, and to gauge the quality of a manager based on what he/she has done in terms of his/her own development, but also the development of his/her people.

Another important question is: ***why does management not have better managers?***

First, a large number of people came to work in public administration at a time when there were virtually no selection criteria. Revision of appointments, which was expected to purge the administration of unskilled employees, failed to produce the desired results. Many of the staff moved up the promotion ladder to the state institutions such as the Ministry of Defence or the Border Police because the OHR allowed a direct takeover of personnel from the entity level to ensure faster (and socially painless) provision of full complement of staff in new institutions.

Second, administration in BiH is based on the so-called positional system whereby staffing is implemented through public announcements of vacant positions. In order

to function successfully, the positional system needs a good supply of human resources in the market, and that is simply not the case in BiH. Competent professionals with managerial experience are scarce in the labour market in BiH. If they do occur, public administration is usually unable to attract them.

Third, the selection process is based on tests that do not allow the selection committee to choose the best candidate for the job. The tests are designed such that they mostly measure a candidate's ability to memorise facts. Analytical thinking, communication skills or knowledge of a foreign language are *de facto* not tested.

Fourth, the professional development of managerial personnel (as has been mentioned earlier) is reduced to sporadic training without any obligation to implement new knowledge in practice. On the other hand, the highly centralised decision-making system still makes it very much possible to evade making decisions, which relieves managers of the pressure to plan, organise, lead and control the work process.

As has been shown above, the question of general managerial competences is very complex, but essential to the overall quality of future reforms. Here we shed light on some aspects of this question, while many other discussions have yet to be opened. The fact, however, remains that in the last ten years, since organised activities on public administration reform in BiH began, this problem has not been recognised at all, as evidenced by the fact that it is not mentioned a single time in the PAR Strategy (as the most comprehensive document in this field). It is possible that the reform stakeholders believed that the capacity building in specific horizontal (common) functions of administration (HRM, finance, strategic planning, IT) would help overcome the problems arising from the lack of general managerial competences. However, even if that was the case, it was wrong to believe that, because managerial work is premised on five key capabilities that are a 'requirement' for the development of managers in any area. Those who do not meet this requirement cannot be successful managers, regardless of where they work and what they do.

Lack of professionalism and integrity

The term 'professionalism' is usually associated with civil service (as a structure that performs state affairs in the most direct manner) and involves creating an environment for efficient, politically neutral, impartial and transparent work of civil servants. The European Commission's approach to the concept of civil service professionalisation is based on the application of the European principles of administration. The concept of the European Administrative Space was developed in

the late 1990s by SIGMA and essentially affirms the principle that public administration at all levels should embody principles such as the rule of law (and therefore legal certainty and predictability), openness and transparency, legal accountability and, of course, efficiency and effectiveness. Each principle, logically, includes some additional principles on which civil servants should base their work, such as political neutrality, impartiality, professional integrity and fair and equal treatment for all.¹⁰

With respect to the integrity of those who work in administration, one of the most commonly used definitions says that it is an individual's commitment to a specific set of ethical values. These values include, *inter alia*, honesty, integrity and truthfulness.

Level of integrity among employees in public administration structures in BiH is very questionable, especially for those who are in managerial positions. This does not only include the classic abuse of power and authority, but also all kinds of other (sometimes less visible) 'sins' such as lack of commitment at work, careless attitude towards the means of work, being late for work, deliberately evading making potentially sensitive decisions, discrediting one's own institution, etc.

Sometimes the lack of integrity is associated with the so-called 'fear factor' because an individual decides to knowingly violate certain moral norms out of fear for his/her own fate. Sometimes it is a result of the (explicit or implicit) demands from a superior, and sometimes it is a result of an individual's own assessment of what he/she should do in a particular situation. It could therefore be concluded that civil servants are at constant risk of being laid off. However, the civil service laws protect civil servants quite well and even impose an obligation on them not to execute instructions that are contrary to the regulations. Furthermore, it should be noted that there have been very few cases of someone losing a job because of poor performance review results.

Obviously, the motives for violating the norms of ethical behaviour do not arise only from fear of the consequences, but also from anticipation of some perquisites and benefits (e.g. promotion, appointment to paid commissions, travelling to attractive destinations for seminars/conferences, etc.). Hence the effort to maintain a good relationship with managers at all costs.

However, there are a good number of civil servants who are neither afraid of losing their jobs, nor do they have any ambition to derive personal benefits from maintaining a good relationship with their supervisor. Yet, even they are not ready

¹⁰ Meyer-Sahling, J. (2012), "Civil Service Professionalisation in the Western Balkans", *SIGMA Papers*, No. 48, OECD Publishing, p 13

to tell the truth to those more powerful than themselves and generally agree to 'turn a blind eye' to the irregularities, violations of rules and injustice at work. It is a phenomenon that we can call 'acquired obedience', which has to do with the organisational culture of the administrative structures in BiH, where 'obedience' has always been appreciated and where the myth that it does not pay to 'kick against the pricks' is still perpetuated. In short, being obedient (even if it has harmful consequences) is for many a default course of action for a civil servant. This does not mean that these people cannot distinguish good from evil. What it actually means is that they believe that the best policy for them is to mind their own business, even if they regularly witness violations of regulations and standards in their work.

Efforts to build integrity must be systemic and long-term. It is necessary to impose draconian penalties against those who knowingly work against the interests of the institutions that employ them, but these measures must be combined with an uncompromising mechanism for the detection and prosecution of adverse events. Above all, it is necessary to work assiduously to change the mindset of administrative staff so that one day a state could be reached where people will not consciously work to the detriment of their organisations because such a thing will be morally unacceptable.

The problems presented in this section, in addition to having caused stagnation in HRM reforms, have undoubtedly had a very negative impact on other segments of public administration reform. However, when it comes to HRM, there are a number of other problems and challenges that specifically beset this reform area, which will be discussed in more detail in the next section.

Main challenges in streamlining HRM practice

Analysis of the major challenges in streamlining HRM procedures and practices in public administration structures in BiH should start with the observation that the end of 2014 will mark the end of the period envisaged for the implementation of the Revised Action Plan (RAP), which is a key strategic document for the implementation of reforms. Essentially, the RAP has not been exhausted. Its recommendations have only partly been implemented and it would be irresponsible to go into the process of developing a new strategic framework without taking over all relevant aspects of the current RAP. Thus, public administration structures in BiH will soon be left without a credible strategic document to define the goals and pace of the countrywide reform, and this should cause alarm among all reform stakeholders. The resulting vacuum may jeopardise the operation of the PAR Fund, whose establishment and operation has been largely dependent on the existence of strategic documents on which the

reform is based (primarily the PAR Strategy in BiH). This would deal a potentially fatal blow to the reform process.

However, even though redefinition of the strategic framework is essential for all PAR areas, the situation in HRM could be rated somewhat more favourably. *The Policy Framework for Development of HRM in Public Administration Structures in BiH* (Policy Framework) was developed in 2013 with a primary purpose to provide a unified platform for further reform efforts in the HRM area. The document was prepared by the HRM Supervisory Team with the assistance of the SIGMA/OECD experts. Presentation of the Policy Framework to key reform stakeholders, as well as the entire BiH public, was made in April 2014 at the conference marking the beginning of the EU-funded project *Modernisation of HRM Systems in the Civil Service (EUHRM)*. The document was supported by representatives of all relevant institutions responsible for this reform area.

Given the strategic importance of the Policy Framework for further reform efforts in the field of HRM, a summary of the main challenges in this area starts exactly from the statement that it is essential to ensure that the key institutions for the implementation of PAR at all levels of government in BiH formally adopt this document and thus commit themselves to respecting the principles contained therein. The document identifies four principles that encapsulate the essence of a professional civil service and have a decisive influence on the dynamics and quality of the process of developing the HRM function. These principles include:

Efficiency and transparency Civil service structures as well as civil servants and other employees are required to perform their duties in an efficient and transparent manner, based on laws and regulations, and in the interest of the public. Efficiency implies rational use of resources and ethical conduct in the performance of duties. Transparency is essential in order for citizens and other service users to have full access to the ongoing processes and thereby gain confidence in public administration.

Impartiality and neutrality Impartiality and neutrality means not only the elimination of party interests in the selection or promotion of officials, but also distancing oneself from all other pressures at work that, in addition to party interests, can be motivated by the private interests of individuals or groups. These principles should be ensured through an appropriate system of

rights and obligations, including conflict of interest regulations. The number of political appointments to so-called discretionary positions should be significantly reduced, and political appointments should exist only for positions that have a clearly political rather than administrative character.

Merit

Recruitment of people into the civil service must be based on the principle of competence (professionalism) and the rule that the best candidate gets the job. The same applies to promotions to higher clerical ranks. Obligation to create an ethnic balance in public administration structures should be taken into account, but only insofar as it will not seriously jeopardise the principle of merit.

Accountability

Civil servants should be personally accountable for their official actions. Hierarchical subordination and external control of legality in public administration must be clearly established in order to ensure accountability.¹¹

As concerns the challenges in further reforms arising in individual HRM areas, key reform stakeholders (including those who will monitor reform progress and results) should pay particular attention to the following:¹²

a) General approach to HRM

HRM is one of those functions in administrative structures which is expected to undergo transformational change as a result of reform. Even though this has become a worn-out cliché, people are indeed the most important resource of any organisation. The scope and pace of changes in all spheres of society (including, of course, public administration) makes it necessary to pay special attention to this resource. Today, HRM cannot be reduced to mere administration of affairs concerning employees' rights and obligations (i.e. issuing decisions, keeping track of absences and maintaining personnel files). That time has passed.

¹¹ The text is taken without change from the document *The Policy Framework for Development of HRM in Public Administration Structures in BiH*, which was shared with the participants of the conference marking the beginning of the EU-funded project *Modernisation of HRM Systems in the Civil Service (EUHRM)*. The document was not officially released.

¹² The list of challenges follows the classification of HRM themes from the Revised Action Plan. The electronic pdf version of the document can be downloaded from: <http://parco.gov.ba/latn/?page=453>.

Current HRM practice in the public administration in BiH has outgrown the traditional 'personnel policy', but is still far from being recognised as a strategic function that helps an organisation to accomplish its goals by ensuring professional and effective management of human resources. To ensure that the process of HRM transformation has the desired outcome, it is necessary to achieve the following objectives:

- HRM should be fully integrated into the work and development plan of each institution;
- HRM should base its credibility on the expertise and professionalism of those working in this field;
- in future, central HRM institutions should primarily deal with strategic issues such as policy-making, trend analysis and monitoring of good practice, as well as the shaping of HRM practices in individual institutions;
- decentralisation of HRM activities should encourage individual institutions and managers to understand that they are crucial for the development of this practice.

b) Organisational set-up

HRM must be given a proper place in the internal organisation of each institution. Since the internal organisation is dictated by numerous factors (i.e. institution's status, scope of remit, number of employees, etc.), it is impossible to say what would be the ideal place for the HRM function in an organisation's structure. However, what can serve as a model is the position that is typically occupied by the finance management function in organisations. Financial management should not be at a higher organisational level than HR management. In the reform process this fact deserves special attention, because the financial management function currently has a much better position than HRM, and there is not a single reason for it to be so. On the contrary.

c) Information management

The fact that even after a decade of organised reform efforts public administration structures in BiH do not have mutually compatible databases on civil servants and other employees is seriously worrying. The attempt to develop a compatible countrywide IT infrastructure through an EU-funded project (HRMIS) has failed to produce the desired result as the software that was developed within the project is now used only in Brčko District.

It should be noted that the use of IT in HRM is not a matter of trends, but a real necessity. Having the right information at the right time is the key to successful decision-making. However, regardless of the technical characteristics of the IT system, its contribution depends on the people who use it and the ability of

managers to get the right information. If a piece of software is not able to provide quick access to information, secure data storage and the option to create various reports, it cannot help create a new value, which means that it is useless.

d) HRM planning

The practice of HR planning in administrative structures in BiH is mainly focused on the aspect of *quantity*, whereas *quality* is given little or no attention at all. This approach has led to the planning, unfortunately, becoming a purpose in itself. The institutions' main objective is to maintain the staffing levels. If a government decides not to approve the filling of an opening that was left vacant (mostly due to retirement), the institution sees it as some sort of failure, even a cause for concern, because downsizing is interpreted as 'punishment' for irrational use of human resources or even a message about the declining importance of the institution. Therefore, maintaining the level of staff is one of the main objectives of managers, who thus defend their own integrity and status. Therefore, when they plan human resources, institutions actually try to prevent attrition by finding replacements for those who leave. This is the traditional approach to HR planning that might have been appropriate two or three decades ago, but is entirely inadequate today.

The new approach should be based on the strategic needs of the institution and must be linked to the human resource development function, in order to ensure a proactive role of institutions in meeting the current (or future) requirements for certain skills and abilities.

e) Recruitment and selection of staff

Job interviews in the civil service should be designed in such a way that the selection committee can get an insight into the applicant's ability to cope with the challenges of the job, as well as assess the level of his/her motivation to perform the job. However, selection committee members will not be able to do this unless they receive relevant training. Evaluation of candidates by means of job interviews should be based on pre-established standard criteria. It falls upon the competent institutions of the executive (i.e. relevant line ministries) and central HRM institutions to develop these criteria.

In addition to the above, recruitment and selection based on the principle of merit require that there should be no discrimination on any grounds (gender, religion, nation, economic status, etc.), which means that it is necessary to provide equal opportunities for everyone and create quick and inexpensive application and testing procedures. Applicants' financial status (especially in a time of extreme economic crisis) should not be a reason for their refraining to participate in job competition procedures.

f) Performance management

The practice of monitoring and evaluating the performance of employees aims to stimulate commitment and effort, and to discourage mediocrity and indolence. However, in the context of BiH a vast majority of managers give top marks to all employees regardless of the fact that there are differences among them. These differences are deliberately deleted for the purpose of 'maintaining peace'. Such a practice is causing serious problems. Therefore, the central HRM institutions should formulate, and individual institutions should adopt, the performance appraisal criteria in order to avoid situations where the same performance would carry score "2" in one department and score "4" in another.

Furthermore, the central HRM institutions should provide maximum support to the managers of individual institutions to master the practice of setting individual goals in work, because currently many of them have serious difficulties distinguishing between goals and activities. On the other hand, the central HRM institutions should insist on preparation of cumulative reports after each completed appraisal cycle, which would include relevant information for the competent government with respect to all important aspects of the process (i.e. how many institution have conducted the appraisal, what are the average scores, what is the percentage of the highest scores, etc.). In this way, the governments would have access to the information relating to performance appraisal of staff and would have a chance to address potential problems.

g) Professional training and development

One of the key problems in this area in BiH is the fact that professional development and professional training are often taken as meaning the same thing. This is wrong, because although training aims to contribute to the professional development of an individual, there are many forms of professional development that are not training. Some of the ways in which individuals acquire new knowledge include self-study while working, mentoring, study visits, etc. Training is only one aspect of professional development and as such should not have any exclusivity.

Institutions must keep an accurate record of what professional development programmes each employee has attended and how much time do they annually spend trying to improve their personal knowledge and skills. This is important because there must be a positive correlation between participation in professional development and performance at work. Officers who take foreign language courses year after year, yet continue to use the services of interpreters in their daily work are simply a 'cost' that has no justification.

h) Analysis of jobs and job classification

Public administration structures in BiH do not pay enough attention to job descriptions. Many institutions use obsolete job descriptions. At the same time, the pace of change is such that the content of individual job descriptions is amended every year (e.g. HRM-related tasks). It is therefore essential that, from time to time, institutions conduct job analysis (i.e. collect detailed information on the duties and responsibilities of a particular position), and then process the collected data and draw conclusions. The product of this analysis is improved job description, but the analysis can also lead to insights about whether there are any deficiencies in the internal organisation of the institution (e.g. adequacy of job titles, merging or elimination of jobs, changes in the ratio between official positions and ancillary positions, etc.). As regards the classification of jobs, the main objective is to ensure that jobs of the same or similar type and difficulty are classified into the same category. Fair classification implies the existence of high-quality and up-to-date job descriptions. If there are any doubts as to the quality of job descriptions, it is not advisable to initiate the classification process.

Job descriptions should be a 'living' document that will reflect the dynamics and character of changes in the jobs performed. To facilitate this, the job descriptions in job classification regulations should include only essential duties and responsibilities, and their elaboration should be entrusted to the heads of the institutions through the adoption of an internal decision on detailed tasks entailed in jobs. This would simplify the process of amending job descriptions (of course, insofar as those amendments are in accordance with the basic duties contained in the job classification regulation), and executives would have no more reason to frequently rely on the wording '*... and other duties as requested by the immediate supervisor*'.

i) Compensation and remuneration for work

In order for the pay system to be perceived as fair and motivating for civil servants and other employees, it should:

- be transparent, simple and fair,
- comply with the requirements and criteria set by law,
- specify different payment components to ensure consistency of the overall salary system in a way that reduces discretionary decisions on salaries,
- ensure fiscal sustainability and compatibility with international treaties.

Determination of grade levels should be based on a standard procedure which will include objective and relevant criteria. To this end, it is necessary to develop a method for gradation of jobs that would allow determination of their nominal value. Since classification and gradation of jobs are very similar procedures, it is reasonable

to combine them. Reward for a job well done is contained in the pay that an employee receives. Additional forms of remuneration may be considered only in cases where an employee exceeds the expectations of his/her manager. By implementing this principle, heads of institutions would adopt a new approach, whereby only well-substantiated cases of exceptional performance would be recognised as deserving an award.

j) Integrated quality management

Administrative structures need to serve the public and provide public services. They serve the public, the business community and many other subjects of society. Quality of services should therefore be adapted to respond to the needs of service users. Since the demands of service users may sometimes be unrealistic, it is necessary to open an ongoing dialogue between government and citizens (service users) in order to ensure continuous development and improvement of the quality of administrative services. Administration structures have the obligation to continuously modernise based on strategic reform documents (as well as their own insights and knowledge of good practices) and through this process to improve the quality of services they provide. Promotion of appropriate quality management models and their application in administrative bodies will contribute to the realisation of this task. Without quality managerial personnel and leadership based on integrity, administration will not be able to raise the quality of its work. Adopting a quality policy and orientation towards results in administrative structures requires clear support from top management. Heads of institutions, regardless of how they are appointed to this position, do managerial work, and their subordinates see them as the leaders who are supposed to articulate vision and lead by example.

Recommendations

This document does not give recommendations to the authorities and institutions responsible for implementation of the reform, because such recommendations are already contained in the Revised Action Plan. Given that these recommendations have not lost any of their relevance in the last few years, and knowing that they have definitely not been exhausted, there was no reason to formulate any new recommendations when even the former ones have not been carried out. The fact that the RAP cycle closes by the end of 2014 does not mean that the validity of its contents should be questioned, at least when HRM is concerned. In fact, it is NGOs that can play a key role in providing a strategic framework for continuation of the reform precisely on the basis of the fact that the reform has not yet been substantially implemented. With respect to HRM, in addition to what is already stated in RAP, there are very important recommendations relating to the entire

process of HRM development, which are contained in *The Policy Framework for Development of HRM in Public Administration Structures in BiH*.

Such being the case, this paper focuses on the recommendations to the CSO sector on how to effectively monitor the reform process. Of course, ‘monitoring’ is not to be taken to mean passive recording of what is going on in the reform process; rather, it is an active approach that involves keeping the public informed about both the successes as well as problems encountered in the reform. The advantage of NGOs consists in the fact that they can speak about reforms freely and without impediment.

The tables below provide: 1) recommendations that are important for public administration reform in general, and 2) recommendations concerning the HRM as a separate reform area within PAR.

Challenges in the PAR process in BiH	TI BiH’s recommendations for efficient monitoring
Lack of political support for reforms	<ul style="list-style-type: none"> - Insist on clear allocation of political responsibility for reform in public administration structures in BiH; - Demand that public administration reform be included in the structured dialogue with the EU (and thus enhance the visibility of the need for reform); - Create media pressure on political representatives to keep the public informed of the progress in reform;
Inefficient reform coordination system	<ul style="list-style-type: none"> - Demand consistent implementation of the Common Platform; - Inform the public about the level of coordination between administrative levels in BiH with special emphasis on the process of adopting new regulations;
Lack of general managerial capacity	<p>Demand that:</p> <ul style="list-style-type: none"> - the process of recruitment to managerial positions be adapted to the needs of the civil service (e.g. specific exam for managers – both written and oral);

	<ul style="list-style-type: none"> - newly employed managers receive standard mandatory training in general managerial skills; - the criteria for assessing the performance of managerial personnel in administration be tightened up; - activities to introduce some of the recognised quality management standards in administration (e.g. CAF – Common Assessment Framework) be accelerated;
Questionable professionalism of the civil service structures	<ul style="list-style-type: none"> - Make it possible for staff in administration to anonymously report pressures with political background; also, make it possible for citizens to lodge complaints about malpractice and professional misconduct of administration staff; - Seek greater transparency in recruitment to public administration, including making it possible for NGO representatives to attend any segment of the selection process; - In partnership with relevant international organisations exert constant pressure on political representatives to ensure a professional and politically neutral civil service; - Demand adoption of a law providing for the maximum protection for whistleblowers in order to stimulate the fight against harmful practices at all levels; - Demand that the obligation be introduced for all institutions to have an 'integrity plan'.

Challenges in the HRM reform	TI BiH's recommendations for efficient monitoring
General approach to HRM	<ul style="list-style-type: none"> - Demand that relevant institutions get immediately engaged in developing a new strategic framework for this reform area based on the Policy Framework document; - Initiate discussion on the adequacy of the positional civil service model in the light of the public's demands for reduction of budget allocations for administration;
Organisational set-up	<ul style="list-style-type: none"> - Point to the cases when the HRM function is marginalised by being placed in the internal organisation of the administration body;
Information management	<ul style="list-style-type: none"> - Analyse the ability of the administrative levels in BiH to provide fast and high-quality information on the number and structure of employees; inform the public of the analysis findings;
HRM Planning	<ul style="list-style-type: none"> - Insist on the proactive planning of filling the positions that are known (or expected) to be made vacant in the foreseeable future;
Recruitment and selection of staff	<ul style="list-style-type: none"> - Demand greater efficiency when announcing public competitions, primarily through the use of increasingly popular social networks; - Insist on the objectification of criteria used by the selection committee when assessing applicants during job interviews; - Demand that the administrative levels harmonise their eligibility exams for admission to the civil service and that they facilitate countrywide recognition of the exams;
Performance management	<ul style="list-style-type: none"> - Insist on publishing data on the

	results of performance appraisals (how many institutions have fulfilled the obligation, what are the scores, etc.);
Professional training and development	- Publish information on the types of professional development programmes provided to employees; lay special emphasis on the amount of funds expended for training;
Analysis of jobs and job classification	- Insist on the introduction of a more efficient system of job descriptions based on job analysis; - Demand simplification of the procedure for amending job descriptions;
Compensation and remuneration for work	- Insist on an analytical job evaluation as a basis for determining the nominal value of jobs in administration;
Integrated quality management	- Monitor the introduction of CAF as a model which is recognised by the relevant European institutions as the most suitable for the provision of integrated quality assurance in public administration.

Conclusion

Reforms in the area of human resources management (and probably in other areas as well) will not produce the desired result until all systemic problems plaguing the entire process are solved. This paper places emphasis on four such problems, because from the perspective of HRM these problems are most evident. Of course these are not the only factors influencing the quality and pace of the overall reform process, but there is no doubt that a serious approach to solving these four problems would greatly strengthen and accelerate the pace of reform.

As regards the analysis of the situation in HRM, most of what has been said in this paper reaffirms what is already stated in the Revised Action Plan, and in particular in the Policy Framework document. In this regard, the aim of this analysis was not to offer new solutions, because in many cases new solutions are not necessary. What is

needed, though, is effective and consistent implementation of earlier recommendations contained in the aforementioned documents.

However, as mentioned in the introduction, the principal distinguishing feature of this paper consists in the fact that it is designed for the non-governmental sector, and that it discusses HRM in the context of public administration reform in BiH from the perspective of someone who wants to keep track of the developments in the reform process on behalf of citizens. Although it is not possible to completely avoid dealing with the technicalities of improving HRM practices, the intention was to simplify things to the extent possible and make them comprehensible to ordinary citizens.