

Sustainability of Human Resources in EU Member States Preliminary Findings

to be presented at the 54th Directors General Meeting
E U P A N – 14 June 2010

Salvador Parrado
(UNED-Spanish Distance University and Governance
International)

E-mail: sparrado@poli.uned.es



- Outline of the study
- Sustainability Defined for Human Resources
- Short-term responses and long-term adaptation
 - Size (Recruitment / Dismissal)
 - Redeployment
 - Retirement Age
 - Salary
- Conclusions

- **The study:**
 - The goal of the study is to “share information about the levels of efficiency and sustainability in the human resources management within the administrations of the Member States”.
 - Through a survey to HRM experts EU-27 on: (Size, mobility and salaries)

- **The survey on a moving ‘target’**
 - Fieldwork of the survey: 9 March to 8 April
 - Developments after the survey: HR policies to cut public deficit

- **Preliminary findings**
 - Survey enlarged through participation (competencies, retirement, HR remit and impact on environment)
 - 24 Responses: Surveys from Bulgaria, Germany, and Slovakia are missing.

- **Social responsibility:** Impact of HRM on
 - Energy and land requirements, greenhouse gas emissions / social procurement and subcontracting...
 - Values-legitimacy (transparency, integrity, innovation, legality...),

- **Sustainability:** Long-term survival and adaptability of HR
 - Adaptation of...
size, competencies, reward level, HRM remit and function...
 - ... to present and future demands of policy and service delivery

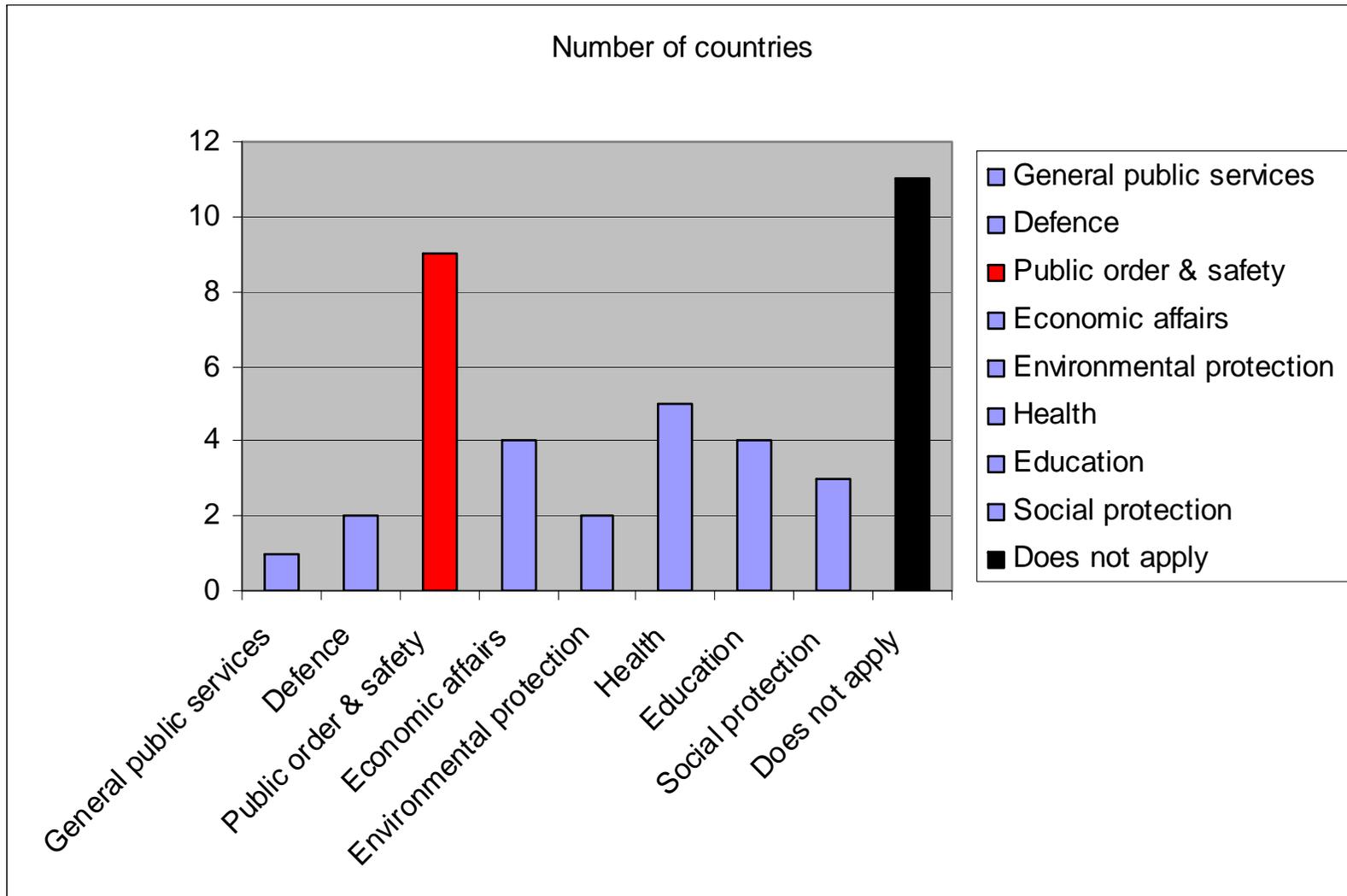
- **Resilience:** Short-term response to environmental shocks...
 - “The capability to anticipate risk, limit impact, and bounce back rapidly through survival, adaptability, evolution, and growth in the face of turbulent change.” (Source: <http://www.resilientus.org/>)

Should we link short –term responses to long-term adaptability?

- **Medium-high impact** of the crisis on size at central level (**70.8%** countries)
 - Reduction of size (**45.9%** countries).
 - Moratorium of recruitment/ replacement rate (**45.9%** countries).

- **Determination of size**
 - **Authorisation by centre** on requests from ministries: 45.5% countries (e.g. France, Italy, Spain).
 - **Autonomy within budgetary limits**: 27.3% countries (ex.: Czech Rep., Finland, Poland / Belgium= fixed global personnel budget).
 - **Staffing targets centrally set?** 27.3% countries (ex.: Ireland, Lithuania, UK).

Link of short-term response to strategic focus (changes across the board or priority sectors)?



- **Collective dismissal**
 - **Defined:** *The termination of the contract of a certain number of employees (e.g 10 or more) occurs in the same establishment in a short period of time (four weeks or so).*
 - **Possible** in 41.7% countries
 - **Practiced** by 29.2% countries.

- **Some examples:**
 - **Sweden** – Layoff negotiated with trade unions according to rules in central agreements – redundant staff is supported in finding a job (with full salary from 2 months to a full year).
 - As result of **abolition / mergers of public agencies** (e.g. Finland, the Netherlands and Romania)

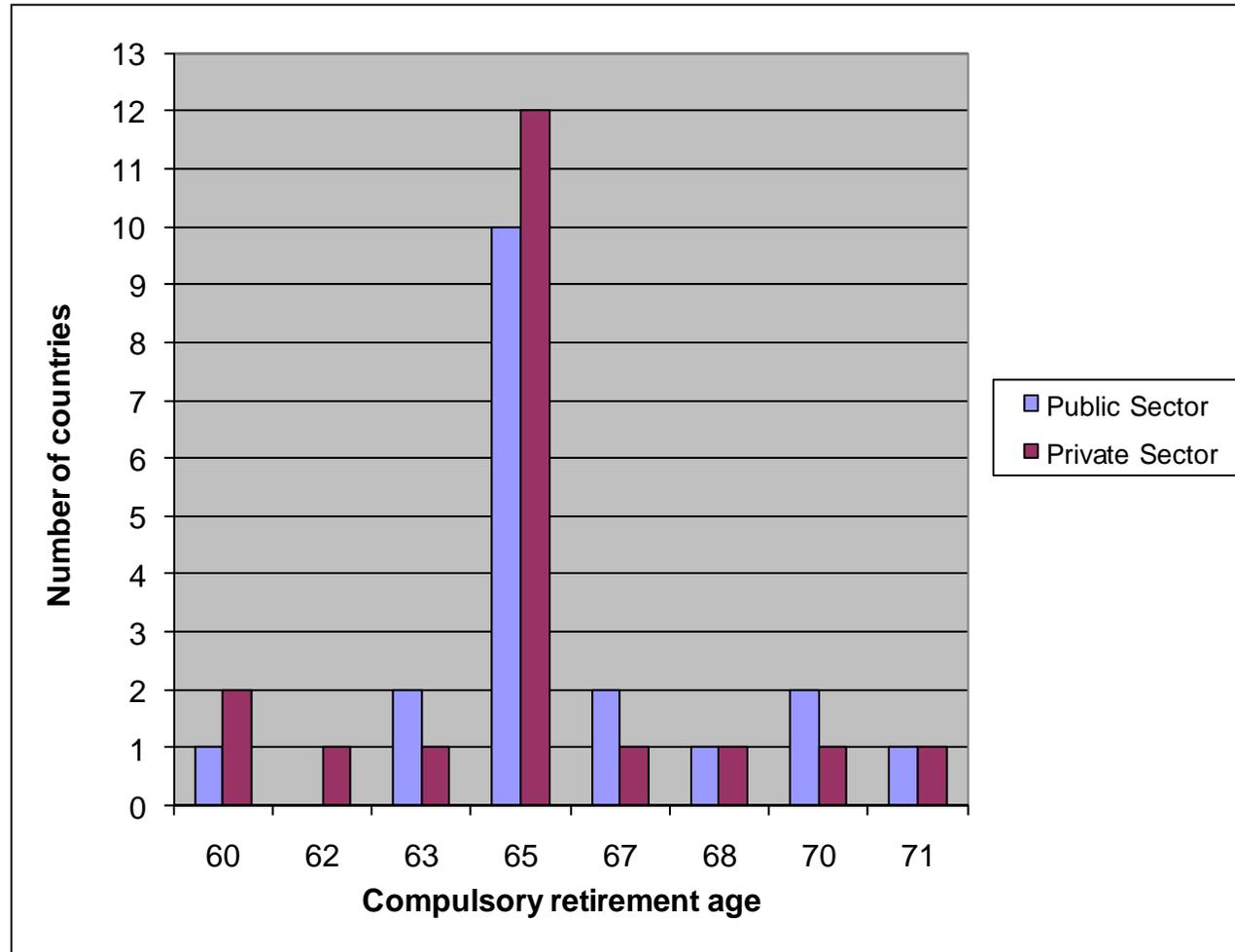
- **Redeployment** from surplus to deficit organizations (last 3 years)
 - 29.2% countries with compulsory mobility
 - 54.2% countries practiced mobility

- **Some examples**
 - Data bank in **Finland** with data input from surplus and deficit agencies / support of personnel coordinators

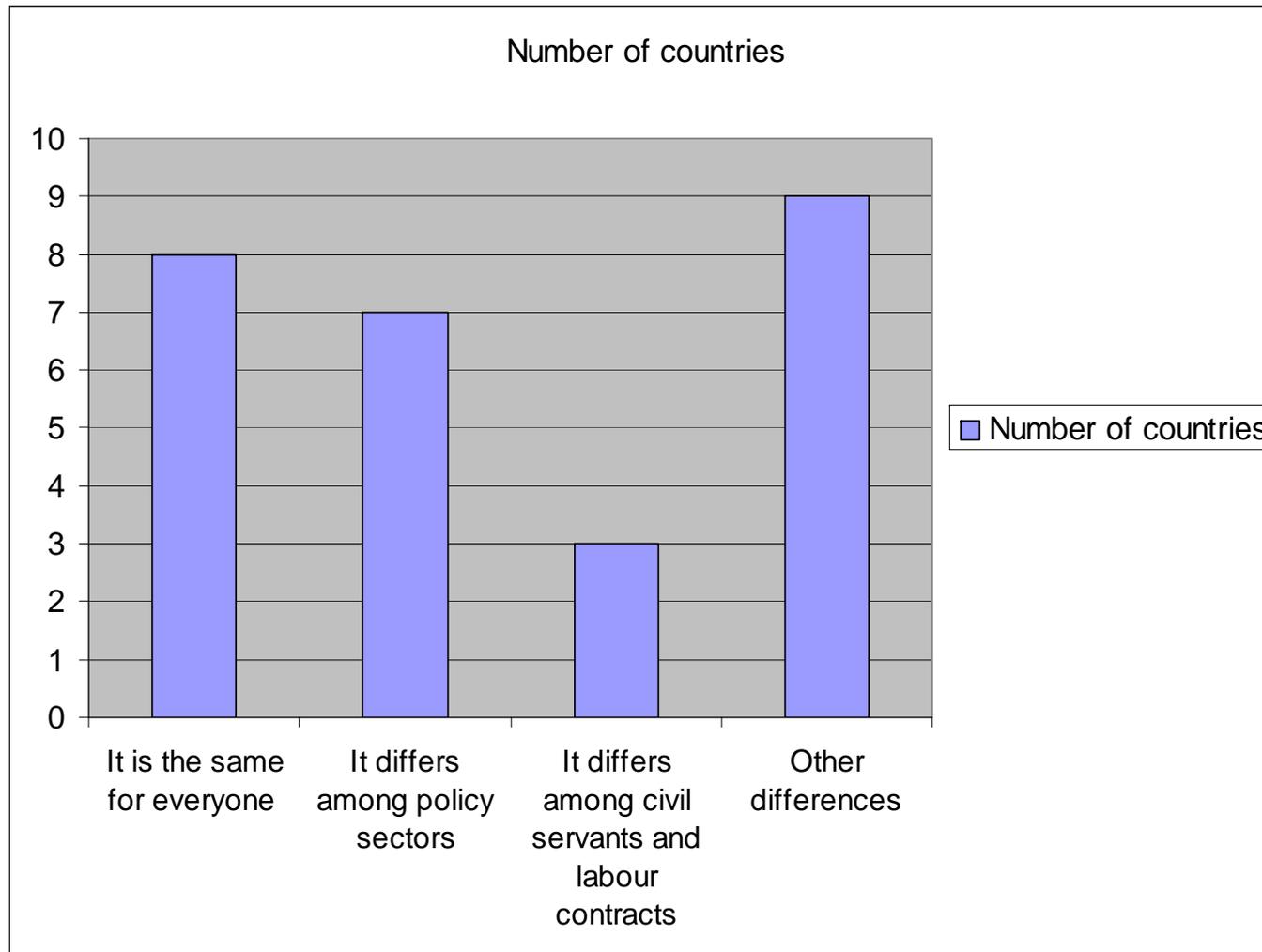
 - **Ireland:** Government “commitment that compulsory redundancy will not apply within the Public Service... subject... to the agreed flexibility on redeployment being delivered” Public Service Agreement 2010-2014 (under ratification by trade unions).

 - **Portugal:** Personnel on special mobility situation with preference over other applicants in competition procedures

What institutional mechanisms allow for redeployment / collective dismissals in the public sector?



Minimum: 60 (France) **Maximum:** No limit (UK, Denmark, Slovenia, Poland)



Differences in **gender** (Lithuania, Slovenia, Poland, Greece) 10

- Delaying retirement age – **systemic benefit**
 - Incentives: 45.8% countries – [Portugal (pension with a bonus) / Cyprus (increasing the gratuity granted at retirement)]
 - Mandatory: Under discussion in some countries (eg. France)

- Early/partial retirement: 83% countries – **individual- public agency benefit**
 - Partial retirement: Sweden / Slovenia to facilitate transition to (individual) retirement.
 - Early retirement: Linked to staff reduction– (e.g. Ireland).

- **Medium-high** impact of the crisis on salary for 69.9% countries
 - Reductions in Estonia, Greece, Ireland, Spain, Romania ...
 - Similar trend, different reasons

- **Pressures on salary/ payroll level by...?**
 - **Increase** of (unnecessary) **staff**?
 - Has **public sector pay risen** to unaffordable levels?
 - **Increase of non-visible parts** of payment (performance related payment)?
 - PRP: Practiced in 60.9% countries / for more than 80% of employees only in 2 countries / Limited in 47.8% countries
 - **Increase of seniority bonuses** in an ageing staff?
 - Practiced in 66.9% countries/ for more than 80% of salary only in 2 countries

- **Engaging staff beyond pay** (e.g. UK, Sweden, Greece)

- **Short-term response to crisis: Uniform reactions for diverse situations?**
 - **Most:** Moratorium / freeze / replacement rate in recruitment
 - **Some:** Collective dismissal
 - **A few:** Redeployment
 - **Double meaning** of retirement age: systemic and for public agencies

- **Short-term (reaction)** should be anticipated by **long-term preparedness...**
 - Has the crisis caught the systems unprepared?

- **The relevant questions for now/ and the future remain:**
 - How much staff do we need?
 - Where?
 - With what type of competencies?