

Minutes of the HRWG meeting Copenhagen, 2-3 May 2012

2 May 2012

Opening of the meeting

Ms. Ida Krarup HRWG chair and head coordinator of the Danish Presidency of EUPAN welcomed the members back to the second HRWG meeting.

The meeting agenda and the minutes from the first HRWG meeting were adopted without comments.

The crisis' impact on Human Resources

Special Adviser **Ms. Louise Koldby Dalager**, the Agency for the Modernisation of Public Administration, the Danish Ministry of Finance, introduced the state of play on the work on the crisis sub-theme.

There were no comments to the reflection paper which had been updated in light of the first HRWG meeting.

Presentation by Mr. Kaido Paabus, Ministry of Finance, Estonia: The crisis' impact on Human Resources: Cutbacks in pay. The case of Estonia.

Mr. Kaido Paabus presented the economic impact on the Estonian public sector and the characteristics of the Estonian civil service by emphasizing the high level of decentralisation, including pay policy. Cutbacks in Estonia were implemented by cuts in institutional budgets that gave rise to a variety of different measures. The result was a 15 pct. decrease in the annual payroll from 2008 to 2010. Mr. Paabus stressed the crucial strategic and innovative role of HR in times of crisis and that the crisis provided a burning platform for reforms.

In the following discussion a number of different questions were discussed, including:

- the use of social dialogue in the Estonian process,
- the design of cutbacks in pay in regard to the pay structure,
- the challenges of retaining and attracting qualified employees in times of cutbacks, and

- the role of HR-units and managers and the legal process.

Due to a wish from members of the HRWG to debate topics for the DG meeting in June, **Ms. Louise Koldby Dalager** introduced a short exercise, where members were asked to reflect upon which questions and dilemmas that could be relevant to present for the DGs.

Concluding on the exercise, several members pointed out that the DG's could discuss how key-employees are retained and qualified people attracted when making cutbacks. This dilemma could also include a discussion on how to maintain motivation and delivery of services in the public sector.

The importance of social dialogue in the future, the strategic approach to cutback processes including prioritising tasks and competences, cutback in pay contra downsizing of workforces and the complex role of managers were also suggested as topics.

A number of members noticed that cutbacks in pay are not a feasible measure for all European countries due to collective bargaining systems and differences in the economic situation.

Presentation by Senior Advisor Ms. Kirsten Steffensen, Ministry of Foreign Affairs (MFA), Denmark, on the redundancy process in the MFA.

Ms. Kirsten Steffensen presented the measures implemented to downsize staff in the MFA. Measures have included recruitment freeze, incentives to take leave and voluntary and involuntary redundancies. Furthermore, Ms. Steffensen elaborated on the different elements (criteria, identification, notification, comments and final decision) of the involuntary redundancy process, emphasising the importance of transparency, involvement of managers, a careful considered communication strategy and social responsibility.

The following discussion concerned the selection process of the involuntary redundancies in the MFA and redeployment possibilities for Danish public employees. As countries use different selection criteria when implementing involuntary redundancies the benefits and drawbacks of the Danish process were discussed.

Presentation by Advisor & trainer in HR Transformation and HR Business Partnering, and Business Partner in Leadership Transition and Leadership Transformation, Gitte Mandrup: Impact on the organisation – maintaining organisational efficiency and productivity. The human side of cutback management

Ms. Gitte Mandrup presented her view on how to maintain organisational efficiency and productivity during cutbacks. The presentation focused on process management and the handling of 'survivors' in an organisation. In this regard Ms. Mandrup underlined the importance of a visible management, a close contact to employees and the necessity of describing the future for the survivors in the organisation when making cutbacks.

The presentation gave rise to a discussion of the role of middle managers and a continuation of the previous debate about how to retain and attract highly qualified workers to the public sector in times of cutbacks.

3 May 2012

European Year 2012 for active ageing

Ms. Louise Koldby Dalager, the Agency for the Modernisation of Public Administration, the Danish Ministry of Finance, introduced the state of play on the work on the active ageing sub-theme.

There were no comments to the reflection paper which had been updated in light of the first HRWG meeting.

**Presentation by Ms. Martina Engelhardt, Federal Ministry of the Interior, Germany: Demographically sensitive HRM in the German Federal Administration, and
Presentation by Ms. Doreen Molnár, Federal Ministry of Labour and Social Affairs, Germany: Life-phased oriented personnel development in the Federal Ministry of Labour and Social Affairs**

Ms. Engelhardt outlined the future challenges in HRM in the federal administration and presented the HRM-project of the current government programme, and **Ms. Molnár** presented the life-phase oriented personnel development concept in the German Federal Ministry of Labour and Social affairs. First, the holistic ageing-oriented work design and the goals of ensuring motivation and performance during the entire period of employment were presented. Secondly, the implementation of five life-phases including initiatives already established and initiatives planned for the future was presented.

The following discussion mainly concerned the planned initiative of transferring employees to less responsible positions and the initiative of establishing a network for junior employees. Furthermore, the legal regulation of the concept, evaluation of the concept and handling of exchange between sectors were discussed.

Informal social dialogue

Ms. Ida Krarup and **Mr. Thorsten Sparsø**, the Agency for the Modernisation of Public Administration, the Danish Ministry of Finance, presented a draft for the DG-TUNED agenda, which focused on the crisis theme, as well as the results from the Danish Presidency's evaluation of the temporary cooperation mechanism.

Members of the HRWG expressed support for the agenda but noticed that the timeframe was tight and that not all countries had implemented downsizing of workforces or cutbacks in pay.

The Danish Presidency had received 20 responses from EUPAN members and TUNED on the evaluation of the temporary cooperation mechanism. The main findings of the evaluation were presented which left two scenarios to consider for the EUPAN members:

Scenario A: Confirm temporary mechanism on an open end basis

Scenario B: Bringing the informal social dialogue to an end

Members of the HRWG generally expressed support of scenario A but also noticed the need for support to the informal social dialogue from TUNED.

Need for new types of HR-units

Ms. Margit Damgaard Bostrøm, the Agency for the Modernisation of Public Administration, the Danish Ministry of Finance, introduced the state of play on the work on the sub-theme regarding the need for new types of HR units. Furthermore, Ms. Margit Damgaard Bostrøm presented some views on the predominant trends and obstacles in regard to creating new HR units.

There were no comments to the reflection paper, which had been updated in light of the first HRWG meeting.

Presentation by Ms. Chalotte Rissanen, HR Adviser, the Danish Ministry of the Environment: Human Resources Management in the Danish Ministry of the Environment

Ms. Chalotte Rissanen presented the work of centralising key administrative units from agencies in the Danish Ministry of the Environment into one cooperative unit serving the whole ministry regarding HR management, IT and payroll. The centralisation was decided upon before the beginning of the economic crisis and, hence, was motivated by the desire to professionalise rather than to obtain efficiency

gains. Furthermore, Ms. Rissanen elaborated on the complex process of digitalisation and underlined that centralisation does not happen overnight but in phases.

The following discussion concerned to what degree HR-management and HR strategies should be centralised and whether there is an optimum of centralisation/decentralisation.

Presentation by Mr. Tomi Hytönen, Counsellor, Ministry of Finance, Budget Department, Finland: Finnish Governments Finance and HR Reform – Palkeet SSC for Finance and HR

Mr. Tomi Hytönen presented the Finnish centralisation of central government support services into shared service centres (SSC) by focusing on three development areas;

- harmonisation,
- optimisation and
- standardisation & automation.

Mr Hytönen emphasised that some of the lessons learned were

- that staff reduction can take a long time to implement,
- that multiple locations and processes for SSC's can lower harmonisation,
- that the unity of HR units is not necessary high despite common regulation,
- that ministries and agencies becomes costumers with different expectations and
- that active management and common policies are needed.

The presentation gave rise to a discussion concerning the timeframe for implementing SSC's, the handling of ministries' different expectations to the service level, redeployment of staff when downsizing and which HR areas that are suitable to centralise.

Presentation by Mr. Fernando Garcia Ferreiro, Principal Adviser, European Commission, DG Human Resources & Security: What kind of HR Unit? It depends.

Mr. Fernando Garcia Ferreiro's presentation focused on the key value of HR-units by exploring three issues;

- organisational development,
- the role of managers and
- outcome thinking.

Mr. Ferreiro emphasised the importance of knowing your organisation, of focusing on impact rather than activities and the relevance of performance.

The following discussion concerned the use of business partners in some countries, the Commissions career based system and the possibility of conflicting interests between DGs and HR.

Employment status developments

Mr. Krzysztof Banas, Head of Unit, Chancellery of the Prime Minister, Poland, introduced to the topic of employment status development that had been carried on from the Polish presidency

Presentation and facilitation by Professor Dr. Christoph Demmke, EIPA and Mr. Timo Moilanen, EIPA: Status developments in the national public services.

Mr. Christoph Demmke and **Mr. Timo Moilanen** presented their research on employment status development in the context of financial crisis and austerity measures. Different definitions of central public administration and civil services made it difficult to compare directly across member states. However, the research shows that there is a clear trend towards a strong decrease in employment in central administrations, a trend which is especially distinct in countries that are subject to austerity measures.

The research also shows that fixed-term employment is still an exception in the central public administration and that there is no trend towards abolishment of the civil service status. On the other hand the research shows a trend towards less specific features of civil servants.

The presentation of the research gave rise to a discussion on the research results in regard to the definition of civil servants and fixed-term employment. Also discussed were the privileges and additional duties of civil service employment and the consequences of abolishing the civil service system. It was suggested that the topic was presented at the DG meeting.

Joint session with IPSG: DISPA

Presentation of DISPAs work on Innovation in Public Service Delivery by Mr. Nikolaj Lubanski, Director at Metropol: Theme: Innovation in Public Sector Delivery

Mr. Nikolaj Lubanski introduced the DISPA network and the agenda for the meeting in Copenhagen in 2012. The theme for the Copenhagen meeting related to the work programme of EUPAN, but with the focus on how to train and prepare civil servants to the impact of the economic crisis and the new mindset of doing more with less.

Joint session with IPSG: Draft DG-agenda and documents

Ms. Ida Krarup, head coordinator of the Danish Presidency of EUPAN, presented the draft for the DG agenda that focused on:

- Top Executives

- The Crisis' impact on human resources
- Reforms in public administration
- Informal social dialogue

Ms. Krarup noticed that there were still a number of details not finally settled, and that delegates would receive an updated version of the agenda as soon as possible. The Danish Presidency would continue elaborating the thematic reflection papers after the meeting in order for them to be submitted to the DGs in June.

Joint session with IPSG: Presentation of the Cyprus Presidency

Presentation of the Cyprus Presidency by DG Representative Mr. Philippos Soseilos: Cyprus Presidency - EUPAN

Mr. Philippos Soseilos presented the plans for the Cyprus Presidency and underlined that the presidency intend to continue the current work of EUPAN by building bridges to both the Polish and the Danish presidencies. The natural next step in the work of the TRIO would be to tune in on the role of top executives in implementing HR and other reform initiatives. The incoming Cyprus Presidency invited members of EUPAN to consider relevant national cases within this frame, and looked forward to welcome members of the EUPAN working groups to Cyprus in October 2012.

Joint session with IPSG: AOB and closing of the meeting

The meeting was closed and **Ms. Ida Krarup** thanked the delegates for their participation in and valuable contribution to the meeting.

