

GOVERNMENT OF THE REPUBLIC OF CROATIA

**2010-2013 CIVIL SERVICE HUMAN RESOURCES
DEVELOPMENT STRATEGY**

Zagreb, December 2009

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1. INTRODUCTION

The Republic of Croatia faces economic, political and social challenges caused by both the process of transition and a wider process of globalization. Croatia has successfully completed most major challenges of the transition process and currently is in the final stage of its pre-accession process, getting prepared to assume the role of a full member of the European Union (EU).

Substantial efforts are being invested with the view to implementing civil service reform measures. The civil service experiences a growing awareness of the importance human resources have and of the need for their continuous development, in order to fully conduct reforms of legal and institutional frameworks. Through the preparations for membership of the European Union, the civil service reform also involves making changes to and developing a new administrative culture, capable of attracting, developing and retaining experts. An efficient and well prepared state administration is a precondition for the assumption of the role of an EU member state. Therefore, the passage of a Human Resources Development Strategy is one of key priorities laid down in the Republic of Croatia's 2009 National European Union Accession Programme.

Currently underway is a process of adjusting the civil service through modernisation of its institutions, improvement of civil servants' performance and the alignment of processes in order to meet the needs and demands of citizens and businesses. The general objective of the process has to do with redefining the relation between individual citizens, the economic entities and the civil service. The service concept must get fully embedded in all aspects of civil service, in order to make sure administration meets the general objective of rendering high-quality services to the service users. At the same time, the comprehensive requirements of impartiality, openness, predictability, effectiveness and efficiency must be respected.

In the period 2005 to 2009, the Republic of Croatia has been regularly assessed by the European Commission, based on its own reforming merits and performance. The European Commission and the European Union member-states pay a great deal of attention to the preparedness of the Croatian administrative structures and follow them regularly.

The European Commission has introduced a benchmark system based on the experiences gained from pre-accession negotiations with previous candidate countries. Chapter opening or closing benchmarks have been introduced, which are being applied to ensure not only the transposition of the EU *acquis communautaire* but also its implementation. Benchmarks come in the shape of a strategy, an action plan, specific legislation alignment efforts or the achievement of positive results in given procedures. Furthermore, each of the chapters expresses a firm need for proper administrative capacities as a guarantee that adequate and necessary structures to implement and execute the set rules and regulations will be in place.

According to the *2008-2011 Government of the Republic of Croatia Programme*, public administration reform is one of key factors of further development of the Republic of Croatia. A good quality, professional and quick public administration

stands as a precondition for accelerating the economic development and for guaranteeing the preservation of public interest. Some of the implementing measures in this area pertain to the completion of the depoliticization process, improvement of the level of professionalism, support to labour and expanding all forms of education and professional improvement, coupled with ensuring practical and efficient rewarding of good quality performance and sanctioning lack of performance in the public administration.

The *2006-2013 Strategic Development Framework* identifies two important and coinciding objectives in the area of civil service - a competent and effective civil service working on the one hand towards the safeguarding of public interest and equality of all its citizens and entrepreneurs, and reducing the cost of operation and working constantly towards increasing expertise, professionalism and knowledge, on the other.

The civil servants' system was highlighted as an important field of action in the *2008-2011 State Administration Reform Strategy*. This area also involves human resources management. The Strategy identifies a need for ensuring a greater degree of decision-making decentralisation and a greater individual accountability of civil servants in terms of attaining the set objectives as per the agreed work plans and a more precise definition of work assignments and duties of civil servants. Moreover, it identifies a need for ensuring objective and measurable criteria for appraising performance and quality of work against the set and expected results. It also envisages the introduction of a system to reward the above-average performance and take adequate measures in relation with civil servants who underperforms even after their additional training and development.

For the Republic of Croatia's accession to the European Union, there is a prerequisite for the civil service to accept common European standards on transparency, effectiveness, accountability and coherence. They are all indicators of an effective and efficient public sector that provides the good quality services for its citizens and strives continuously to safeguard the constitutional rights, anchor democracy and facilitate prosperity and wealth through sustained economic development.

This document neither addresses the issues of the imbalances in the remuneration system nor does it deal with the need for adapting the overall administrative structure and volume of employment to current and future economic conditions. It does, however, rest on the assumption that such measures are necessary and should be implemented in accordance with the principles for good governance. A 2001 European Commission's White Paper on European Governance indicates five core policy principles regarded key for organising the EU actions and promotion of reforms – openness, participation, accountability, effectiveness and coherence. The European Union is composed of its member states, which implies that their respective national policy implementation structures should be meeting the same requirements.

The human resources development is the very purpose of this Strategy via making improvements to the training¹ system, as well as the systems of recruiting and

¹ In the context of this Strategy, the notion of training is founded upon the understanding of objectives, forms and manner of training and professional improvement of civil servants as defined in the Decree on Forms, Manner and Conditions for Civil Servants Training

retaining well performing civil servants. Only professional, motivated and devoted civil servants can successfully respond to the demands of a modern civil service in the Republic of Croatia.

This Strategy is a result of cooperation between the Ministry of Administration, British Council and the Danish bilateral assistance project titled “Support to Development of a Civil Service Human Resources Development Strategy”, and valuable proposals given by other ministries and state administrative organisations.

A substantial contribution to the production of this paper was achieved owing to the assistance provided by the Government of the Kingdom of Denmark for the purpose of developing the civil service in the Republic of Croatia.

2. CIVIL SERVICE HUMAN RESOURCES DEVELOPMENT

2.1. Legal Framework

Within the meaning of this Strategy, human resources represent the totality of knowledge, skills and competencies of civil servants temporarily or permanently employed in state bodies.

The Civil Service Act sets forth the principles of a professional civil service and ensures a legal framework for the civil service human resources management and development.

The Civil Service Act and regulations passed on the grounds of the Act prescribes terms and conditions as well as a procedure for civil servants' admission, transfer, civil service termination, the foundations of a payroll system ensuring wage stability, whereas it also contains the definition of rights, duties and the responsibilities of civil servants.

The existing civil service human resources management and development system encompasses recruitment planning, conducting the recruitment procedure, jobs analysis and description, promotion, civil servants' work and performance appraisal, rewarding and ongoing training.

Human resources development is the improvement of human resources and application of their professional knowledge aimed at reaching organisational development and personal professional improvement towards improving performance of civil servants. It encompasses a set of systematic and planned activities an organisation determines to enable its employees to learn the necessary skills to be able to deliver their current and future work needs.

The Strategy also comprises some elements of human resources management, such as planning and conducting recruitment procedure, for without making improvements to these procedures, it would be impossible to conduct the development-oriented activities successfully.

2.2. Human Resources – State-of-Play

Looking at the structure of civil service employees, the largest stake pertains to civil servants holding secondary education qualifications, followed by those with university degrees. The least represented are the civil servants holding 2-year university degrees.

The state bodies employ quite an even number of female and male staffs, in which female staff are more represented in the structure of civil servants with university degrees, whereas male staff have greater representation amongst civil servants with 2-year university and secondary school qualifications.

The number of civil servants with secondary school qualifications is almost twice the number of civil servants holding a 2-year university qualification. Therefore, measures should be taken to put in place such positions that could be taken by persons who acquired 2-year university qualification or who completed undergraduate college studies or professional studies lasting no less than three years.

Information on the number of the employed civil servants and civil service employees during the period from 1 January 2004 to 1 January 2008 suggests that the number of employees hasn't substantially changed during the course of the period. It also shows that the number of new hires is essentially balanced as compared with the termination numbers (Table 1).²

Table 1: Number of employed civil servants during the period 1 Jan. 2004-1 Jan. 2008

State bodies	No. of employees as at 1 Jan. 2004	Retirement 1 Jan. 2004-1 Jan. 2008	Mutually agreed resignation 1 Jan. 2004-1 Jan. 2008	Secondment 1 Jan. 2004-1 Jan. 2008	Service termination, other grounds 1 Jan. 2004-1 Jan. 2008	Service termination, all grounds 1 Jan. 2004-1 Jan. 2008	No. of newly hired 1 Jan. 2004-1 Jan. 2008	No. of employees as at 1 Jan. 2008
Ministries (excl. MoI)	16,379	670	2,629	13	656	3,968	5,055	17,466
Central State Offices	85	3	47	0	0	50	158	193
State Administrative Organisations	2,865	189	399	0	217	805	1,521	3,581
County State Administrative Offices	4,077	144	641	6	383	1,174	432	3,335
Government of Croatia Secretariat and Offices	216	15	71	0	8	94	147	269
Other State Bodies	641	23	84	0	1	108	173	706
TOTAL	24,263	1,044	3,871	19	1,265	6,199	7,486	25,550

The information above suggests a large staff turnover rate, which calls for identifying adequate staff retention measures. A mutually agreed resignation is the most frequent basis for service termination, while there is a large portion of civil servants layoffs (presented in the "other grounds" column). During the period indicated, a number of civil servants were assigned to local and regional self-government units' bodies, i.e. legal persons with public authorities under special laws.

² The number of employees encompasses civil servants hired with the Armed Forces of the Republic of Croatia, which haven't been covered in Table 1.

3. VALUES, VISION AND MISSION

The civil service human resources development system should improve and keep upgrading. This framework should be founded upon common values, vision, mission, strategic and specific objectives and measures.

3.1. *Civil Service Values*

Civil servants are expected to perform their tasks abiding by the fundamental principles as defined in the Civil Service Act and other regulations, and founded upon the following values:

Professionalism
Accountability
Ethics
Impartiality
Efficiency

Institution heads and managers play a key role in promoting these values and introducing change to the civil service.

In the context of this Strategy, these values are described as follows:

Professionalism implies professional and good quality performance of work assignments within the administration. Each civil service job position should be assigned with a civil servant with knowledge, competencies and skills adequate to a position.

Civil servants are **accountable** before for the work they perform, and they should complete their tasks legally, transparently, competently and efficiently.

Ethics of civil servants implies adhering to the rules of civil servants' ethics as a personal behaviour criterion in relation to work assignments and a state body they are hired in, as well as to the citizens and the society at large.

Impartiality relates to objective behaviour of civil servants in their performance and communication with the citizens, regardless of political affiliation, race, nationality, gender, age and other personal traits of people.

Efficiency in one's performance involves a high degree of quantity and quality in the performance of assignments. In broader terms, it involves civil servants' accountability for operating economically and reducing the unnecessary cost in the performance of their work, without damaging quality and legality.

3.2. Vision and Mission

VISION

**Professional, accountable,
flexible and transparent civil service,
user-oriented
through its quality services
and founded upon
professional values.**

The delivery of services is in full compliance with the needs of the users. The focus is on building the values of a professional and impartial service. The Civil Service is characterized by a high degree of efficiency and accountability, achieved through professional, motivated and devoted people, who contribute individually and in unison to achieve the set strategic objectives.

MISSION

**Creating conditions conducive to
attracting, motivating and
retaining good quality civil servants
and continuous development of their competencies.**

In the context of this Strategy, competencies are the totality of knowledge, skills, abilities and proper sets of behaviour³ of civil servants.

Recruitment of quality experts and positioning them at job positions has been guaranteed through a transparent procedure on the basis of selecting a candidate with best competencies (merit principle).

Civil service managers facilitate dynamic organizational development⁴, to ensure that the organisational units under their remit always optimize their physical, financial and human resources to meet legitimate service demands. Civil service managers strive to attract and ensure recruitment of people with best competencies and cross disciplinary qualifications.

As the Civil Service strives to improve the quality of service, training must be central to its efforts. A dynamic organisational development enables at the same time career development and improves motivation of civil servants.

³ Proper sets of behaviour imply motivation and attitudes of civil servants supporting the values on which the civil service works, i.e. proper stance to work, citizens, associates, etc.

⁴ Organisational development involves the development of organisations and human resources; the process of improving cooperation, communication and management, including all organisational levels and taking account of the external environment.

4. OBJECTIVES OF THE STRATEGY

HRD is concerned with change at all levels both organizational and personal, and should ensure that the personal development of staff links in with declared organizational objectives and performance targets.

General objectives of the Strategy are to:

- **Improve managers' development system;**
- **Conduct ongoing civil servants' training;**
- **Improve recruitment system;**
- **Improve the career development and good quality civil servants' retention system;**
- **Improve organisational development.**

4.1. Improvement of managers' development system

Pursuant to the Civil Service Jobs Classification Regulation, job positions of managing civil servants have been broken down into four sub-categories, including: general manager, senior manager, manager and junior manager.

These positions involve powers and responsibilities relative to managing a state body, administrative organisations and internal organisational units, the strategy and programme making and coordination of laws and regulations production.

According to data of the Ministry of Administration, state administration bodies had a total of 5,890 civil service managers in March 2009 (Table 2)

The largest number pertains to managing positions with special job titles (1,935, of which 1,836 in ministries), followed by those of heads of units (1,374) and department heads (1,350).

Table 2: Positions and the number of civil service managers in state administration bodies

Position	STATE ADMINISTRATION BODIES				Gender
	Ministries	Central State Offices	State Administrative Organizations	State Administration Offices in the Counties	
Secretary of the Ministry	8	-	-	-	F
	3	-	-	-	M
Deputy State Secretary	-	1	-	-	F
	-	2	-	-	M
Director	46	-	-	-	F
	67	-	-	-	M
Deputy Director	-	-	3	-	F
	-	-	3	-	M
Assistant Director	-	-	12	-	F
	-	-	22	-	M
Head	-	-	-	8	F
	-	-	-	12	M
Deputy Head	-	-	-	4	F
	-	-	-	3	M
Assistant Head	-	-	-	53	F
	-	-	-	23	M
Head of Sector	87	0	0	-	F
	82	0	0	-	M
Head of Department	566	6	91	-	F
	553	3	131	-	M
Chief of Cabinet	8	2	3	-	F
	4	0	2	-	M
Head of Unit	532	5	100	112	F
	454	3	128	40	M
Head of Subunit – 2. level	145	0	52	108	F
	142	0	38	46	M
Head of Subunit – 1. level	40	0	20	15	F
	53	0	32	3	M
Head of Branch office	-	-	-	42	F
	-	-	-	37	M
Others*	739	0	8	53	F
	1,097	1	19	18	M
Gender Total	2,171	14	289	395	F
	2,455	9	375	182	M
TOTAL	4,626	23	664	577	

*Others = Special titles of work posts managing specific organizational units in state bodies (positions) as defined by the Civil Service Job Titles and Job Complexity Coefficients Regulation

The selection of candidates to be proposed to the Government for appointment to the highest managerial positions is based on meeting general and specific civil service admission requirements, established by the open recruitment procedure commission. However, heads of respective bodies (or an authorised person) are the ones to evaluate knowledge, skills and competencies in an interview, i.e. there is no obligation to make testing of these candidates as is the case with other civil servants.

This area requires improvements and a greater authority of the open recruitment procedure commission for the purpose of making a more objective selection of these candidates and further depoliticizing of these positions.

The implementation of the Managerial Staff Training Programme started in 2008. To date, one group of trainees completed the programme (51 trainees). Currently underway is the training programme for the second group (59 trainees). The results of the 2010 Training Needs Assessment show that a total of 908 civil service managers must mandatorily take part in the programme. Therefore, greater capacities should be provided to implement the Managerial Staff Training Programme, while financial and organisational resources available for managerial staff training should be substantially increased.

The managerial staff should undertake to be supportive of and encourage their associates to take on the training possibilities. Performance of managers should be, among other things, appraised against completing such an assignment. Civil service managers' training and development, including the development of adequate managerial skills, is instrumental in enabling the process of professionalizing the civil service take place and to ensure adequate capacities at managerial level. A strategic, transparent and uniform approach to human resources development involves a profound change in management style and practice.

This area comprises the following specific objectives:

- Identifying and develop key competencies of civil service managers;
- Improving civil service managers' recruitment and performance appraisal procedure;
- Increasing access to current training programmes;
- Developing additional training programmes for the current and the future civil service managers;
- Developing a civil service managers' communication and cooperation system in exchanging information and experiences.

4.2. Ongoing Civil Servants' Training

The continuous improvement of professional knowledge and skills is a requirement for all civil servants. A system of general civil servants' general training system is established and delivered centrally by the Civil Service Training Centre (CSTC) according to the 2004-2009 Training Strategy as passed by the Government of the Republic of Croatia. Each state body may organise specific specialized training programmes separately, in accordance with their institutional needs. In addition, civil servants are allowed to attend specialised training programmes outside the Civil Service in order to improve their knowledge and skills.

The delivery of civil servants' training should be managed (planned, delivered, monitored, supervised and evaluated) via the use of an IT supported training records as an integral part of a single database on the structure and competencies of civil servants.

In the Republic of Croatia, only a three-year undergraduate public administration studies are in place, which points to the need for establishing a public administration education system at university education level.

Since 2006, an interdisciplinary, specialised master's programme titled "Public Administration" is being delivered. The study programme was aligned to match the European standards and transformed in line with the Bologna Process. The purpose of the study is to deepen the knowledge from scientific disciplines falling under the areas of public law and public administration. The programme is chiefly intended for the holders of university degrees in law (the holders of master's degrees in law in the future), working in state administration bodies, other state bodies, local and regional self-government units' bodies, government agencies, public institutions and other legal entities with public authorities and judicial bodies. Civil servants of other professions may attend the studies.

Regular annual Training Needs Assessment (TNA) reports have been developed since 2006. The priorities for 2010 relate to training of civil servants to meet the obligations stemming from efficient performance of their work related to the European Union accession process, i.e. the membership of the European Union, and also to obtaining and improving IT skills, foreign language and communication skills, as well as to improving managerial skills of civil service managers. The Civil Service ethics and anti-corruption were recognized as important areas for education. A need for a direct delivery of programmes at regional level is also emphasized.

Newly employed civil servants are being introduced to the Civil Service through training programmes, whilst trainees are also included in the mentoring system. Regardless of the fact that the importance of the mentoring system was recognised in regulatory terms, the existing obstacles disabling its effective implementation in state bodies should be removed.

After the probation period, civil servants are obliged to pass the state exam. The state exam is an organised way of testing knowledge, skills and the level of training of a civil servant for his/her work in a state body. The exam is being passed in keeping with a determined programme and in a way that enables testing of professional readiness on the part of a civil servant to independently perform jobs and assignments falling under certain qualification group

To successfully prepare for taking the state exam, there is a need for completing the development of all the envisaged training programmes and considering the present manner in which the exam is being taken and the content of the state exam programme, given the specific needs of individual job positions within the civil service.

A civil service career development programme is currently in the final preparatory stage. The purpose of the programme has to do with the concept of career development through a programme which would allow civil servants to improve their knowledge and skills and explore their managerial potential.

The fight against corruption represents an integral part of the process aimed at making the civil service democratised and modernised and at protecting citizens in exercising their rights while using public services. To strengthen integrity, accountability and transparency in the work of state bodies, training programmes are being delivered, including those to make civil servants familiar with basic notions of ethics, integrity and morals, the notion of corruption and the meaning of its suppression, the rights of persons who *bona fide* report their suspicion of corruption (the so-called “whistleblowers”), the prevention of conflicts of interest in the performance of public duties and the institutional framework for an efficient and systematic suppression of corruption. This field requires the continuation of the commenced training activities intended for all categories of civil servants and the development of new ways of training and informing civil servants at central government and regional levels.

Civil servants must adopt new knowledge and skills and improve them continuously to be able to perform in keeping with the new policy demands and efficient work processes, which leads to a greater job satisfaction and ultimately to a greater organisational efficiency. Some skills and knowledge are difficult to find in the available labour market, as these may be closely related to specific tasks, education and experience in certain areas. Hence, it is necessary to provide training for those civil servants who already work in such specific areas and to have an adequate employee retention policy.

Given the importance and high level of interest for training, it is necessary to permanently strengthen knowledge and skills of staff responsible for human resources development in state bodies. Furthermore, there is a need for making sure training programmes are available regionally.

Moreover, for the purpose of further development of civil servants’ training system and enabling the achievement of high-quality and the needed scope of training, it is necessary to keep strengthening capacities of the central body in charge of coordination, organisation and immediate delivery of training to civil servants, while taking account of the possibility to consolidate the academic and professional training programme within a single institution. The aim would be to achieve efficient and transparent management of training and funds intended for the purpose. This would simultaneously enable an efficient human resources management, as the civil servants who successfully completed individual programmes could be offered an opportunity to take on more complex (better) job positions, and the state bodies would have a possibility to choose best civil servants for most demanding job positions.

All these activities will be implemented in keeping with the Adult Training Strategy with a special emphasis on the lifelong learning principle, since the amount of new knowledge required grows rapidly, meaning that knowledge acquired through traditional education system become obsolete and no longer suffice.

This area comprises the following specific objectives:

- Adapting the existing and developing new training programmes in keeping with the present and future civil service needs;

- Enhance and increase the availability of the existing training programmes and manners of informing civil servants in the area of anti-corruption;
- Increasing access to training programmes;
- Strengthening mentoring and trainees' programmes;
- Improving the training needs assessment and training evaluation methodologies;
- Strengthen capacities of the central body in charge of coordination, organisation and immediate delivery of civil servants' training;
- Produce a feasibility study on establishing a school or an educational institution in public administration to plan, organise and deliver academic and professional training programmes.

4.3. Recruitment system improvement

4.3.1. Recruitment planning

Pursuant to the Civil Service Act, civil servants may be admitted and distributed to vacant positions determined in the respective internal organisation ordinances and established via the civil service admission plan. The civil service admission plans are mandatorily being adopted for a calendar year (short-term plans). The head of a central state administration body in charge of civil servants arrangements adopts civil service admission plans for state administration bodies, professional services and offices of the Government of the Republic of Croatia. The civil service admission plan for judicial bodies is passed by the Minister of Justice, while heads of other state bodies adopt the admission plans for their respective institutions.

The Civil Service Admission Plans have been in place and passed since 2006. Even though there is an option to pass medium- and long-term plans, these were not effected to date due to the fact that there are no necessary preconditions for such planning across the institutions. This especially pertains to: a lack of centralised records on employees to serve as the groundwork for making an analysis of the current employee structure and competencies; a lack of annual state bodies' work plans to assess recruitment needs relative to objectives and tasks of individual state bodies, coupled with a lack of experience in planning.

For the purpose of efficient achievement of all the objectives and assignment of state bodies, human resources in the civil service need to be planned in a proper manner and organisational needs for civil servants with adequate competencies should be monitored.

4.3.2. Recruitment

Recruitment in the civil service is merit-based and implemented through an open and competitive procedure. Prior to an open procedure announcement, a vacancy may be

filled through transfers, promotion or an internal announcement. Open competitive procedure is mandatory in case of recruiting persons without prior work experience (trainees) and for recruitment to the highest managerial positions (secretaries-general of ministries, ministries' directors, deputy secretary-general of the Government, Government office heads, deputy state secretaries of central state offices, deputy and assistant directors of state administrative organisations, and heads of state administration offices across counties). Any open and competitive procedure and internal recruitment announcement must see participation of representatives of a central state administration body in charge of civil servants' arrangements (the Ministry of Administration), who act as members of a recruitment commission.

The selection of candidates is based on their meeting general and specific civil service admission requirements, the results of knowledge, skills and competencies testing conducted via a written examination and an interview with the commission for the open recruitment procedure, during which interests, professional goals and motivation of a civil service candidate are being established.

Open procedures are not being conducted in a planned manner and in defined periods. They are rather being conducted throughout a calendar year, which makes it additional burden for the organisational units in charge of human resources management and development in state bodies, the Ministry of Administration and the Civil Service Committee and increases costs of putting the competition out and conducting the procedure.

Given that open procedures take a long time to complete and the number of such procedures (it typically takes two to six months from putting out an open procedure to the effectiveness of a final civil service admission decision), coupled with the fact that knowledge testing is mostly being conducted as written examination of theoretical knowledge of candidates on an administrative area, options for improving this procedure should be reconsidered with the view to shortening time needed for conducting a procedure and reaching more efficient testing of knowledge and competencies of the candidates.

The participation of the representatives in the open procedure recruitment commissions was envisaged to ensure legality and impartiality of the commission and for making recruitment practices uniform. Given the large number of open procedures and internal announcements, physical distance between state bodies and the capacities of the Ministry of Administration, it would be necessary to reconsider the purposefulness of these representatives' participation in each open procedure and internal announcement and to consider options for putting other forms of recruitment procedure supervision in place.

In the European Union convergence process, the state administration bodies are presented with certain assignments and tasks that can be performed only by civil servants possessing professional competencies (specialised jobs e.g. European Union accession related jobs, use of the European Union funds, etc.). In instances when a state body has no available civil servants with required competencies to perform such matters, the state body may ensure them through new recruitment or transfers of civil servants from other state bodies.

The existing regulations provide for transferring civil servants as required by the service between state bodies, temporarily or indefinitely. This may be a vehicle to provide the needed civil servants through a procedure simpler and quicker than the new hiring one, while avoiding an increase in the overall number of civil servants and additional burden for the state budget.

However, the transfer at service demand option is rarely being used in practice, especially when it comes to transferring civil servants temporarily (to perform temporary work or work whose scope increased temporarily). Hence, the application of this option should be encouraged, especially the temporary staff transfer. This can enable a state body to ensure professional, quality and timely performance of work, especially work related to the European Union accession, without hiring new staff.

This area comprises the following specific objectives:

- Developing methods for attracting best civil service candidates;
- Improving the recruitment planning and identifying actual needs for filling in job positions with civil servants with adequate competencies;
- Improving good quality civil servants selection and recruitment procedures;
- Streamline and shorten the recruitment procedure, taking account of the fundamental civil service recruitment principles;
- Encourage the application of transfers of civil servants at service demand, i.e. greater mobility of civil servants;
- Developing a positive public image of the Civil Service and promote advantages of taking on a civil service job.

4.4. Improve the career development and good quality civil servants' retention system

4.4.1. Performance appraisal

The purpose of performance assessment has to do with motivating civil servants to perform their duties efficiently and establishing the contribution civil servants give in the performance of their duties as a bonus and career advancement criterion. Performance appraisal is being conducted as an ongoing process, starting from planning the assignments and agreeing on objectives a civil servant should meet. This part is followed by a periodical control of work and performance, to finish with performance appraisal to be determined on the basis of results a civil servant attained during the period under appraisal.

The appraisals are one of the preconditions for exercising certain rights and duties of civil servants, including: promotion, training needs assessment, leaves for professional training and development studies, referring civil servants for performing activities outside the civil service. They also bear influence on the type and severity of

sanctions for civil service infringements and termination of civil service under the force of law.

A special attention should be paid to the criteria and procedure for performance appraisal of the most senior civil service managers, those civil servants heading independent organisational units directly reporting to institution heads and civil servants hired in institutions without a larger number of organisational units (e.g. Government offices, professional services of the Ombudsman, etc.).

For performance appraisal to meet its purpose, civil service managers should be trained in how the objectives should be planned for and how to make feedback and identify results of civil servants' work. Furthermore, it is necessary to regulate applicable, transparent and objective performance appraisal criteria.

The existing regulations allow for limited possibilities to take actions against civil servants who fail to meet the set objectives. A negatively appraised civil servant is being referred to additional professional training or transferred to another position. Thus, other measures should be identified as well, since the existing measures bear no results or cannot be applied in practice (e.g. transfers).

4.4.2. Promotion

A career represents a sequence of jobs, positions and work experiences of a person during a working age, and career development is a process involving a sequence of interrelated individual and organisational activities. Career development may flow vertically in terms of the progression to senior positions, and horizontally, developing expertise and specialist knowledge. Promotion in both cases implies also increase in wages.

Planning of succession is a process of identifying and monitoring the high-potential staffs, who will be able to fill vacant managerial positions as such needs emerge. This is an important process for the purpose of preserving continuity of an efficient performance of tasks.

In addition to regular promotion avenues, the career development and promotion system provides for extraordinary promotion of civil servants who continue to work on their academic education or professional training in areas related to their job.

Albeit recruitment procedures have undergone a significant improvement, there is a need to reconsider the promotion requirements and attribute importance to criteria other than years-of-service.

The right to equal treatment and equal promotion opportunities is one of the fundamental rights of civil servants. However, a limited number of job positions defined through internal organisation ordinances to which civil servants may be promoted also pose a limitation in terms of promotion opportunities in state bodies. This requires further development of the promotion system for the purpose of ensuring objective selection of most competent candidates for promotion to higher positions.

4.4.3. Rewarding

Rewarding models to serve as an incentive should be put in place in order to motivate and retain competent civil servants.

The current salaries system is one of the reasons why some civil servants decide to leave the civil service for better paying jobs in other sectors.

The Act which will provide for civil servants' salaries should enable rewarding of civil servants according to the job complexity and work results and their promotion within the same job position through raises. Manners for rewarding civil servants distributed to job positions requiring specific competencies should be determined.

After the passage of the Act to provide for civil servants' salaries, job descriptions will be aligned against a relevant classification set, standing as the foundation for achieving the principle of equal salary for equal work, i.e. work of equal value.

This area comprises the following specific objectives:

- Improving promotion and career-development system;
- Improving appraisal procedure and developing objective criteria;
- Improving measures applied to civil servants who fail in meeting the set objectives;
- Improving the salaries and rewarding system;
- Developing, planning and implementing job succession activities.

4.5. Organisational development

Organisational development is a planned process of change aimed at improving individual elements of an organisation⁵. Activities supporting the organisational development should be systematically established and directed towards achieving improvements in work practices and the prescribed procedures, more efficient and supportive communication, proactive organisational culture and a positive organisational climate, more efficient decision-making, improvement of management and leadership style in an organisation and improvement of change and conflict management skills.

The state bodies need to raise their awareness of the importance of organisational development, the role of human resources units in strategic planning of organisational development and the implementation of organisational change, and to expand knowledge and skills of civil servants in this area.

Communication within the civil service predominantly flows vertically. The powers and responsibilities in the civil service match the prescribed hierarchy, whereby each hierarchical level has a degree of powers and responsibilities.

⁵ An organisation implies a state body as a whole, and individual internal organisational units.

The Civil Servants Code of Ethics prescribes that mutual relations between civil servants are grounded on mutual respect, trust, cooperation, politeness and patience, and that civil servants exchange their opinions and information on professional issues. A superior civil servant is the one who encourages staff to perform civil service assignments with quality and efficiency, enjoy mutual esteem, respect and cooperation and to take a proper stance towards the citizens.

The regulations enable the establishment of a too large number of organisational units with a too little number of staff, chiefly to increase the number of civil service managers (who manage those units), i.e. to ensure larger salaries for those civil servants. For this reason, it is necessary to reconsider and tighten the criteria for putting internal organisational units in place, taking account of the needed minimum number of civil servants and the nature of work performed in a given organisational unit, as well as of making the work organisation of the unit efficient and streamlined.

The state bodies employ a large number of civil servants with professions that do not actually match the requirements of a position or a job. A profession and professional and academic titles must stem from job descriptions performed at a certain workplace and must be specifically determined or definable in the light of type, content and complexity of work performed in a job position. Therefore, the internal organisational ordinances should align the distribution conditions against job descriptions, i.e. reconsider and identify the necessary number and competencies of civil servants who can perform work and tasks in a state body with quality and in a timely fashion.

The state bodies have a certain number of civil servants who are not in position to meet the requirements of a job position and new service standards or needs because of their competencies. Thus, the existing civil servants' structure should be changed and quality and professional performance of work and assignments set before state bodies ensured, while developing relevant programmes to cater for civil servants without necessary competencies.

Regulations provide for: work at detached locations ("work-at-home"), flexible hours and part time job. Although these manners of work may positively influence motivation and efficiency of civil servants, are either rarely or not at all used in practice. Therefore, options for their greater application in practice should be reconsidered.

In many cases, there might be a misperception that strengthening the administrative capacities only entails employment of additional staff or the creation of new organizational units and new institutions. It is more essential to analyse present potential and propose necessary modifications. Another extremely important issue related to the financial aspect of the process has to do with the absorption of the pre-accession funds which is a signal of how able a country would be to absorb and utilise structural funds once it becomes a member of the EU. Therefore, there is a need to define the future set up and roles of specific institutions, especially in terms of having all the needed administrative capacities to perform the necessary specific and demanding work (project preparation, tendering, project implementation, monitoring and evaluation).

New directions of the development may influence changes in the organizational structure, system of rewards and incentives, management, leadership, teamwork and cooperation. These changes will enable improvements in the basic organizational models in their decision-making processes, information flow and communication.

This area comprises the following specific objectives:

- Reconsidering principles for state administration bodies internal organisation;
- Expanding knowledge and skills in the organisational development area;
- Strengthening the role of human resources units in strategic planning of organisational development and implementation of organisational change;
- Strengthening the communication processes;
- Develop programmes to cater for civil servants without competencies needed to perform work in a state body;
- Linking and encouraging cooperation between human resources units;
- Establish a single database on the civil servants structure and competencies.

5. IMPLEMENTATION

The Strategy will be implemented through action plans, which will comprise descriptions of individual tasks containing goals, objectives, activities, planned results, indicators, activity holders, users, deadlines, financial and other resources and other sources of funds needed for their implementation.

The Strategy will be implemented in all state bodies, which will undertake to supply the Ministry of Administration with regular implementation reports. The Ministry of Administration will coordinate and supervise the Strategy implementation, and will supply the Government of the Republic of Croatia with regular annual Strategy implementation reports.

6. IMPLEMENTATION MONITORING AND EVALUATION INDICATORS

In terms of indicators for strategic and specific objectives, changes are to be measured after each year of monitoring – to see whether or not the implementation of this Strategy shows any improvements in human resources development in state administration, i.e. whether it is successful in finding solutions to obstacles in the implementation, which prevent positive progress in relation to the set strategic and specific goals. All indicators will be using the existing data sources and new data sources will be designed, as necessary.

Strategic objective 1. Improve managers' development system;	
Specific objectives	Indicators
Identifying and developing key competencies of civil service managers	<ul style="list-style-type: none"> ○ Catalogue of key civil service managers' competencies
Improving civil service managers' recruitment and performance appraisal procedure	<ul style="list-style-type: none"> ○ Uniform recruitment procedure standards ○ Defined appraisal criteria
Increasing access to current training programmes	<ul style="list-style-type: none"> ○ Number of seminars and training sessions for improvement of management and leadership skills
Developing additional training programmes for the current and the future civil service managers	<ul style="list-style-type: none"> ○ Number of civil service managers who attended certain seminars and trainings ○ Number and types of additional programmes
Developing a civil service managers' communication and cooperation system in exchanging information and experiences	<ul style="list-style-type: none"> ○ Established intranet and other information exchange forms ○ Number of active users

Strategic objective 2. Conduct ongoing civil servants' training	
Specific objectives	Indicators
Adapting the existing and developing new training programmes in keeping with the present and future civil service needs	<ul style="list-style-type: none"> ○ Number of seminars and training sessions ○ Number of attendees ○ Number of new programmes
Enhance and increase the availability of the existing training programmes and manners of informing civil servants in the area of anti-corruption	<ul style="list-style-type: none"> ○ Number of anti-corruption training programmes delivered ○ Number of trainees ○ Number of new programmes and other forms of informing
Increasing access to training programmes	<ul style="list-style-type: none"> ○ Number of civil servants who attended certain seminars and trainings at central and regional levels
Strengthening mentoring and trainees' programmes	<ul style="list-style-type: none"> ○ A mentor training programme developed ○ Rewarding the mentors as per regulations
Improving the training needs assessment and training evaluation methodologies	<ul style="list-style-type: none"> ○ Results of the conducted training programmes evaluations and needs assessment methodology
Strengthen capacities of the central body in charge of coordination, organisation and immediate delivery of civil servants' training	<ul style="list-style-type: none"> ○ Financial resources provided; ○ Premises and technical support provided; ○ Number of staff in the central body; ○ Number of programmes; ○ Number of trainees in the programme.
Produce a feasibility study on establishing a school or an educational institution in public administration to plan, organise and deliver academic and professional training programmes	<ul style="list-style-type: none"> ○ Feasibility study produced

Strategic objective 3. Recruitment system improvement	
Specific objectives	Indicators
Developing methods for attracting best civil service candidates	<ul style="list-style-type: none"> ○ Staff attraction methods designed ○ Number of methods applied
Improving the recruitment planning and identifying actual needs for filling in job positions with civil servants with adequate competencies	<ul style="list-style-type: none"> ○ Produced recruitment plans aligned with state bodies' strategic objectives and assignments ○ Number of recruitment planning training

	<p>sessions delivered</p> <ul style="list-style-type: none"> ○ Number of attendees of recruitment planning training programmes
Improving good quality civil servants selection and recruitment procedures	<ul style="list-style-type: none"> ○ Prescribed competency testing procedures
Streamline and shorten the recruitment procedure, taking account of the fundamental civil service recruitment principles	<ul style="list-style-type: none"> ○ A simplified recruitment procedure prescribed
Encourage the application of transfers of civil servants at service demand, i.e. greater mobility of civil servants	<ul style="list-style-type: none"> ○ Number of civil servants temporarily transferred at service demand ○ Number of civil servants permanently transferred at service demand
Developing a positive public image of the Civil Service and promote advantages of taking on a civil service job	<ul style="list-style-type: none"> ○ Number of activities related to the promotion of the positive Civil Service image

Strategic objective 4. Improve the career development and good quality civil servants' retention system	
Specific objectives	Indicators
Improving promotion and career development system	<ul style="list-style-type: none"> ○ Clearly defined promotion and career development system conditions ○ Number of promotion and career development system programmes delivered ○ Number of civil servants who attended promotion programmes ○ Number of job satisfaction surveys ○ Number of exit interviews and processes information on the number of people and reasons for leaving civil service
Improving appraisal procedure and developing objective criteria	<ul style="list-style-type: none"> ○ Defined appraisal criteria and improved procedure
Improving measures applied to civil servants who fail in meeting the set objectives	<ul style="list-style-type: none"> ○ Prescribed additional measures in relation to civil servants who fail to achieve the set objectives
Improving the salaries and rewarding system	<ul style="list-style-type: none"> ○ Defined rewarding and salaries model
Developing, planning and implementing job succession	<ul style="list-style-type: none"> ○ Number of activities implemented

activities	<ul style="list-style-type: none"> ○ Number of civil servants successfully prepared for succession
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Strategic objective 5. Organisational development improvement	
Specific objectives	Indicators
Reconsidering principles for state administration bodies internal organisation	<ul style="list-style-type: none"> ○ New principles for state administration bodies internal organisation prescribed
Expanding knowledge and skills in the organisational development area	<ul style="list-style-type: none"> ○ Number of change management training sessions ○ Number of seminars and trainings for strengthening knowledge and skills for strategic planning and management ○ Number of civil servants who attended training sessions
Strengthening the role of human resources units in strategic planning of organisational development and implementation of organisational change	<ul style="list-style-type: none"> ○ Defined powers and responsibilities of human resources units in strategic planning of organisational development and in implementation of organisational change
Strengthening the communication processes	<ul style="list-style-type: none"> ○ Number of communication skills strengthening seminars and training sessions
Develop programmes to cater for civil servants without competencies needed to perform work in a state body	<ul style="list-style-type: none"> ○ Number of programmes developed ○ Number of civil servants included in the programme
Linking and encouraging cooperation between human resources units	<ul style="list-style-type: none"> ○ Established information exchange system amongst human resources units
Establish a single database on the civil servants structure and competencies	<ul style="list-style-type: none"> ○ Single database established ○ Information exchange amongst human resources units ensured

Appendix

Strategic documents

1. 2009 National Republic of Croatia European Union Accession Programme;
2. 2006-2013 Strategic Development Framework;
3. 2008-2011 Government of the Republic of Croatia Programme;
4. 2008-2011 Civil Service Reform Strategy;
5. Anti-Corruption Strategy (Official Gazette 75/08);
6. 2004-2009 Civil servants Professional Training and Education Strategy;
7. Adult Training Strategy, 2004.

Legal sources

1. Civil Service Act (*Official Gazette 92/05, 107/07 and 27/08*);
2. Regulation on Announcing and Conducting a Public Competition and Civil Service Internal Notice (*Official Gazette 8/06, 8/07 and 13/08*);
3. Regulation on the Civil Service Committee Organisation and Method of Work (*Official Gazette 8/06*);
4. Regulation on Posting Civil Servants Outside the Civil Service (*Official Gazette 33/06*);
5. Regulation on Options for Civil Servants' Work at a Detached Location and Part-time Work (*Official Gazette 33/06*);
6. Civil Servants' Code of Ethics (*Official Gazette 49/06 and 134/08*);
7. Regulation on the Procedure for Sitting and the Curriculum of the State Civil Service Examination (*Official Gazette 61/06*);
8. Special Civil Servants Performance Appraisal Report Content Ordinance (*Official Gazette 78/06 and 128/06*);
9. Regulation on the Content and Manner of Keeping Personal Files and the Central Civil Servants and Civil Service Employees Register (*Official Gazette 113/06*);
10. Regulation on Civil Servants Training Forms, Manner and Conditions (*Official Gazette 10/07*);
11. Civil Service Job Classification Regulation (*Official Gazette 77/07, 13/08 and 81/08*);
12. Civil Servants Promotion Manners and Conditions Regulation (*Official Gazette 77/07*);
13. Ordinance on Uniform Job Titles and Descriptions Definition Standards (*Official Gazette 116/07*).

Regulations which remain in force until the effective date of a special act to provide for civil servants' salaries:

1. Civil Servants and Civil Service Employees Act (*Official Gazette 27/01*);
2. Civil Service Job Position Titles and Job Complexity Coefficients Regulation (*Official Gazette 37/01, 38/01-corr., 71/01, 89/01, 112/01, 7/02-corr., 17/03, 197/03, 21/04, 25/04, 66/05, 131/05, 11/07, 47/07, 109/07, 58/08 and 32/09*);
3. Civil Service Jobs and Special Work Conditions Regulation (*Official Gazette 74/02 and 58/08*).