

**“Forum on Human Resources Management and training”
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Session 3: Human Resources Management in Periods of Major Changes

Managing human resources under organisational changes, changes in the budget or the statistical system or other changes; key factors and possible solutions

Experience of the Central Statistical Bureau of the Republic of Latvia

Question 1. What are the typical types of changes that affect HR management in statistical offices? When considering this question, please examine both externally imposed changes and changes imposed from within the statistical office.

With the accession to the EU in order to ensure implementation of the requirements of EU regulations and to cope with the growing demand for statistical information, the amount of work at the CSB increased because:

- New indicators should be provided on an ongoing basis;
- Methodology should be improved;
- Terms of data production get shorter.

In order to comply with it, there are needed:

- Additional administrative and financial resources;
- New technologies;
- Organisational activities should be carried out (improvement of the structure, etc.);
- New qualified employees;
- Inservice training of the existing employees should be ensured.

Externally imposed changes:

The frequent changes in legislation could also be mentioned as externally imposed changes that have affected human resources and caused instability:

- Changes in status of positions;

In 1993-1994 the status of an employee (labour contract relations) was changed to the status of a civil servant (state civil service). In 2001 was adopted a new Law on Civil Service and for about 30% civil servants was changed again the status from a civil servant to an employee (a labour contract concluded).

- Frequent changes in regulations concerning wages.

Almost every year new wage regulations of the Cabinet of Ministers were adopted. Methodology of the assessment of positions has also been changed. The last wage regulations of the Cabinet of Ministers came into force on 1 January 2006, but they also have changes every year.

Changes imposed from within the statistical office:

Changes in the organisational structure of the CSB. In 2003-2004 – liquidation of regional statistical offices and formation of regional data collection and processing centres and information centres. The organisational structure of the central office was also improved continuously.

Due to all these factors and the low level of wages as compared to private structures, in 2004-2005 the turnover of staff increased by about 7%.

Question 2. What are the factors or issues that are special for HR management in official statistics? What are the consequences of these issues on HR management at statistical offices?

A statistical office needs employees with special knowledge and skills that cannot be obtained in an institution of higher education. The problem is also that educational establishments do not prepare specialists in the field of statistics. In the pre-accession period and with the accession to the EU in all the state administration increased the demand for qualified employees and therefore it was difficult to find employees with appropriate knowledge. Much time was spent on organising tenders and training of recruited employees. Wherewith the work load on experienced employees increased and it influenced quality of the work. Taking into account that wages at that period were not adequate it was difficult “to keep” qualified employees. In 2004-2005 quitted work many experienced employees as well as new employees, in training of which were invested resources.

Question 3. Are there effective tools or methods in HR management that can be used to mitigate the risk of a negative impact from changes? Are there ways to exploit the potential positive impacts of changes? For example, in dealing with reductions of staff, are there optimum approaches to communication? Are there best practises in terms of how to let staff know about the downsizing? Are there overall strategies to address these issues?

The process of improving the structure is ongoing in the CSB. One of the biggest activities that concerned almost 200 employees was the liquidation of regional statistical offices. When doing it, a reorganisation plan was prepared that:

- analysed the efficiency of the reorganisation; stated the targets;
- determined its implementation activities with a timetable;
- envisaged activities to inform respondents;
- listed activities to be done in the field of human resources.

Employees were acquainted with this plan in due time. Before the reorganisation, employees were inquired whether they are planning to keep on working. It was necessary in order to ascertain how many new employees it would be needed to recruit.

The CSB strove for keeping experienced workers to the utmost. Employees, who went over to new structural units and lived in another administrative territory, were paid travel costs to the tune of 30%.

In-house tenders were organised to choose the best pretenders to the posts of heads of new structural units.

Employment services of respective regions were informed about the dismissal of these employees that were not able to keep on working. Of course, they were provided all statutory social guarantees.

Before starting a wider reorganisation, at first were launched two pilot projects liquidating two regional offices in order to ascertain whether the response level would not decrease.

In the newly established data collection and processing centres, from about 30% of the number of employees it was necessary to recruit new employees. In order to choose the best pretenders, tenders and interviews were organised, tests with feasible tasks were prepared. A plan for training of new employees was worked out.

Question 4. Is it possible, or appropriate, to implement an alert or fire-fighting system to reduce the negative impacts on human resources, that arise from organisational, economic or other changes? What recommendations could be made? Could the approach of a 'to-do list' that includes the most important steps to be taken, be developed?

Staff reduction or changes in the structure always are a complicated process and a sore for an employee. Of course, communication with an employee is very necessary, it should be explained to an employee why and for what reasons his/her post is liquidated or moved to another structural unit. Before handing out an official notice the direct head should have a talk with an employee. Each case is individual and with every change only one question is important to an employee – what will happen with me? Especially complicated are cases when posts have to be liquidated in regions with a high level of unemployment as well as posts of less qualified employees.

When structural changes take place the recommendable activities would be:

- to establish a working group of respective specialists that analyse the process of the necessary changes;
- the working group prepares a statement of reasons for the necessary changes;
- managers get acquainted with the statement of reasons and make a decision, if necessary they have additional consultations;
- heads of structural units are acquainted with the decision made;
- heads of structural units that are affected by the reorganisation acquaint employees with the decision and explain the necessity of changes;
- at the same time the Personnel Management division prepares the necessary documents for moving employees or a notification of dismissal;
- employees of the Personnel Management division explain to employees their rights to refuse the offered changes and consequences if they will not accept the offer;
- employees, who are dismissed, are informed about possibilities to carry on work in another field and about social guarantees in case they are dismissed;

Question 5. Which tools are used in HR management for the support of changes (e.g. time controlling)?

- A new wage system is introduced, wages are increased;
- Criteria for awarding bonuses are established;
- Measures are taken to create favourable work environment;
- Employees get more and more informed;
- Improvement of professional skills is ensured by attending courses in the Latvian School of Public Administration and other educational establishments as well as by making use of the CSB resources, e.g., in the field of IT;

- Assessment of the work of employees takes place on a regular basis (when probation comes at an end and the annual), the regulations of the Cabinet of Ministers prescribe it, its resultants are used:
 - to revise grades of qualification;
 - to draw up training plans;
 - to set tasks for the next period of work.
- Workshops for newly recruited employees are organised.
- Once in two years a satisfaction survey of employees is conducted.

Difference in the profile of employees before and after major changes.

Question 1. What are the consequences, for the organisation and for the individual employee, when the profile of employees does not match the needs of the statistical office?

If an employee does not have the necessary skills and knowledge:

Consequences for the organisation:

- The fulfilment of tasks is endangered or it is low-quality;
- Additional workload on the head of the structural unit and other employees;
- The additional workload causes dissatisfaction of the employees.

Consequences for the individual employee:

- He/she should be ready to acquire new knowledge necessary for the fulfilment of post duties even in time free from fulfilling duties;
- If there is no sufficient support from the side of the head of the structural unit and experienced colleagues, then lessens the self-assessment;
- There exists a risk to lose the work.

Question 2. In what ways can you change the profile of employees to meet the needs of the statistical office? What are the advantages and disadvantages of the different methods (e.g. different types of training, use of incentives, recruitment policy)?

In order to meet the growing needs of the statistical office for qualified employees or in case of changes in duties of employees, important is the collaboration between the head of the structural unit and the employee. The HR development strategy of the CSB determines the main competences in the training process that are also necessary in case of changes:

The competence of **an employee** includes:

- To show the wish to learn in order to reach professional correspondence to the needs of the statistical office as well as to engage himself/herself in defining needs for training and development, to take an active part in training and development activities;
- To show a deliberate wish to acquire new knowledge and skills to be able to fulfil successfully present and future tasks;
- To strive for getting information and taking an opportunity to extend one's work experience (projects, other activities) and to promote the development of one's career;
- In discussions with the head to talk over the necessary qualification demands and to inform the head in what spheres is needed a specific or general training in addition.

The competence of **the head of a structural unit** includes:

- To evaluate the competence level of an employee;
- To determine the needs of an employee for training and development;
- To determine training and development priorities;
- To inform managers about the necessary training;
- To ensure that an employee has the necessary time for taking part in training and development activities;
- To collaborate with the Personnel Management division in order to determine the contents and organisation of training courses;
- To develop his/her leader abilities and skills to ensure in-service training of employees;
- To evaluate the efficiency of training, to sum up commentaries of participants of training, to evaluate the results of in-service training, to make analysis in order to draw up future training plans.

In order the training could proceed successfully, sufficient financial resources are also needed if it is not possible to obtain the necessary knowledge with the help of other specialists at the office or self-training. Here a very important factor is the support of top managers.

As there is a lack of qualified employees in the country, of course, there is a risk that resources invested in training might not be used efficiently if the trained employees quit work at the CSB. Therefore beside training possibilities other aspects should be provided, the most important of which:

- competitive wages, including a fair bonus system;
- favourable work environment;
- proper technical supply;
- possibilities to make a career;
- evaluation of collective and individual achievements;
- a well-developed in-house information system.

If changes take place problems can be solved:

- In short-term – by recruiting additional employees but then costs increase;
- In mid-term – by developing information technologies;
- In long-term – by developing a planned in-house training system.

It is important to stimulate an employee and to support improvement of his/her professional skills, as well as to follow that more capable employees are enabled to move to a more responsible position or to give them more complicated duties to perform.

If an employee does not have sufficient experience and skills to perform his/her duties then it is not possible to solve this problem with the help of a financial tool – raise of wage.