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# Human Resource Management for Municipalities in BiH

## **Experiences of the Municipal Development Project in BiH- MDP**

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## Abbreviations

BiH	Bosnia-Herzegovina
FBIH	Federation of Bosnia-Herzegovina
HR	Human Resources
HRM	Human Resource Management
LED	Local Economic Development
MDP	Municipal Development Project
OSCE	Organization for Security and Co-operation in Europe
QMSI	Quality Management Systems International
RS	Republika Srpska
SDC	Swiss Development Cooperation

# 1. Introduction

The European Charter on Local Self-Government states that local authorities have the right and the ability within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population. In accordance with this, the laws on local self-government in the Republika Sprska and the Federation of BiH assign numerous tasks and responsibilities to the municipalities.

Fulfilling these functions requires a significant degree of expertise from the municipal staff and management. The need to meet international standards in their work compounds the pressure on municipalities to undertake radical reforms in organizational culture and management practice, as well as shifts in bureaucratic behavior and administrative procedures.

Personnel management, trainings and employment conditions are not developed fields of work for public authorities in post-war BiH. All levels of administration in BiH are still going through enormous changes that confront them with big challenges. Thus, new institutions and new levels of administration have been founded; the number of staff has been constantly increased at the state and entity level, and laws and administrative procedures have been changed. Municipalities have so far faced special challenges. As they are at the forefront of service provision and in direct contact with the public, they are expected to move from the bureaucratic attitude to service providers, even more so than are staff at other levels.

Thus, municipalities should be increasing the capacities of their staff. Although technical training is a key strategy for this, a substantial improvement of human resources requires more than trainings alone. There is rather the need for an integral strategy for HRM that covers all fields of municipal work and includes employment regulations, the motivation of staff and procedures of internal issues, among others. And local ownership is needed to find a sustainable solution that becomes part of the work routine.

The Municipal Development Project in BiH (MDP) recognized the need to approach HRM at the local level in a structured and systematic way. This brochure describes the concept that MDP developed for HRM, how this concept has been implemented and provides an outlook to future activities. Lessons learned are drawn from conceptual considerations, as well as the implementation of activities.

The present brochure shall thus serve national projects, international projects and other actors that support the reform processes of local authorities in the region and provide them with an inside view of MDP's experiences.

## 2. Approach to HRM

### 2.1. General approaches and goals of MDP

The Municipal Development Project (MDP) started its activities in the Dobož region in November 2001, with the goal of increasing the development of municipalities within the framework of a good local governance. MDP is financed by the Swiss Agency for Development and Cooperation (SDC) and is one of its central projects in BiH. The execution of the concept and the activities was commissioned to Intercooperation, a Swiss Foundation for Development and International Cooperation. The project has worked with eight partner municipalities of different sizes and populations.

The project's goal is that selected municipalities in BiH function in an increasingly effective, efficient, transparent, accountable and participatory way, in conformity with the rule of law. It reflects thus the definition of good governance.

MDP's general approach has been that of a facilitator, coordinator and capacity developer during the introduction and consolidation of transparent and participatory municipal management processes, and in bringing theoretical concepts into practice. The partners' demands play a determining role in deciding which actions to follow and which projects to support. The project always aims to find a balance between partners' interests and the internal strategies of MDP.

In the current phase of the project, MDP has supported three main activities with the following objectives:

- 1) **Policy instruments:** Strategic municipal policy instruments related to key issues of municipal management based on the principles of good governance are elaborated, validated and implemented in the partner municipalities.
- 2) **Participation mechanisms:** Organizational innovations and mechanisms for improving participation in local governance are developed, successfully introduced and consolidated in the partner municipalities.
- 3) **Dissemination:** Validated experiences and good practices are compiled, exchanged and disseminated among the municipalities (horizontal dissemination), as well as introduced to processes of policy development on good local governance in BiH (vertical integration).

Under the first objective, there are two different policy instruments:

On the one hand, there are instruments that aim to support the municipality in fulfilling their functions towards the public and the private sector in developing the municipality and providing services. These are, for instance, plans for general development or plans focused on the local economy, spatial and regulation plans, ecological or tourism projects and improved equipment for better service provision, like one-stop shops and IT systems.

On the other hand, MDP supports instruments that directly improve the internal management of municipal administration, such as quality management instruments (Common Assessment Framework, or CAF, and ISO certification), internal communication and human resource management.

The internal instruments all need to be seen in correlation with the external instruments. Through improving the internal management of the municipal administration, the municipalities

shall be able to fulfill their tasks towards the public and private sector faster and better than before. The connections of HRM to other instruments of municipal work and the role of HRM in this will be later explained in more detail. But it should be kept in mind that HRM cannot be seen apart from the other parts of municipal work.

MDP has worked with six of its eight partner municipalities on human resource issues – Doboj, Doboj Istok, Doboj Jug, Gračanica, Maglaj and Modriča.

## **2.2. What is HRM for MDP?**

Human resource management is the approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of the objectives of the local governance unit.

***The goal of human resource management is to help an organization to meet goals by attracting, maintaining and effectively managing employees.***

Human resources management is made up of several processes. Together they are supposed to achieve the above-mentioned goal. These processes can be distinguished by hard and soft skills. Hard skills are those that correspond to legal or administrative regulations, such as payment, recruitment, supervision and work hours of staff. These are technical skills. In contrast, soft skills are management skills such as the non-monetary motivation of staff, leadership qualities, communication and team-building capabilities, stress and conflict management.

MDP's view on HRM is holistic and was therefore not limited to the pure education of municipal staff. HRM included the following:

### **1) Planning, organization and systematization of human resources**

- Systematic and strategic approach to plan the development of individuals and the organization
- Techniques to support HR planning, including job evaluation, job classification and workload assessment
- Staff roles, job descriptions and responsibilities
- Staff policies and procedures

### **2) Policy for recruitment and selection of new staff**

- Announcement of jobs
- Principle of merit for recruitment
- Recruitment according to needs and established profile of position
- Equal opportunities across ethnicity and gender

### **3) Performance management**

- Motivation of staff
- Remuneration system for staff
- Performance appraisal: more than supervision of staff, rather dialogue between individual staff members and their manager on performance, improvements, strengths and weaknesses

#### **4) Training and development of staff**

- Develop a learning culture with training as an essential part of work and not as an optional extra task
- Develop training and career plans for employees and management

#### **5) Salaries (compensation and grading)**

- Determine salary level in accordance with classification of the position
- Pay determination system and remuneration content in accordance to budget

#### **6) Internal relation in the administration**

- Internal communication, especially in the sense of the two-way communication from superiors to staff and vice versa
- Teamwork to enhance mutual accountability, shared ownership and responsibility for outcome of the work of municipalities

### ***2.3. Why did MDP support HRM?***

The abilities and dedication of the people working in the public administration are crucial if an institution is to be effective. Professional skills, motivation and the willingness of staff to contribute are the key to success in every area of municipal work – service provision for the public, strategic development planning, management of financial resources and the like. Human resource management is thus a cross-cutting issue that cannot be separated from the rest of the municipal work.

General problems concerning HRM at the municipal level in BiH were identified in the analysis conducted for the National Strategy of Local Self-Governance, as well as one conducted by OSCE. The main gaps are as follows:

- No unique, clear and consistent BiH policy for HRM, particularly at the municipal level
- Poor institutional support to education on the national side and no appropriate infrastructure or capacity-building programs
- Too many poorly motivated employees with outdated knowledge and skills and bureaucratic mentality
- Lack of managerial skills, leadership and expertise of local level officials
- Lack of internal systems to evaluate and promote employees
- Politicization endangering the professionalism of municipalities
- Lack of special units or experts for HRM in local administrations; HRM mainly reduced to the simple supervision of staff
- Systematization of positions is often not appropriate
- Employment of new employees is rarely correctly regulated

To date, HRM support has reached municipalities because international organizations were behind it. HR measures have also been mainly limited to trainings that have been connected to other specific activities and projects. Most work in this area has therefore been patchwork.

In a more systematic way and covering HRM as a specific working field, the OSCE has done activities with 104 municipalities in BiH. The OSCE's work has concentrated making the internal organization necessary and affordable, adjusting the qualifications and profiles of staff to laws and internal regulations, and introducing legal and transparent ways of recruiting new staff,

among other things. This approach is focused on the technical side of HRM and therefore does not include the above-mentioned soft skills.

In its own work with municipalities, MDP has frequently confronted the low capacities and engagement of staff and their critical attitudes towards reform attempts. The project's activities in various fields included a training component for municipal staff in specific issues. But trainings often had a limited effect and did not lead to sustainable improvements in municipal work. Besides this, the institutionalization of good practices in the municipalities could not be guaranteed.

For these reasons, MDP decided that it was necessary to approach human resource management in its partner municipalities in a systematic and holistic way.

### 3. Concept and implementation of HRM activities

#### 3.1. Concept

Based on the holistic view on HRM, goals that closer define the vision of MDP for HRM were elaborated.

Categories	Initial situation	Goal
<b>Objective of HRM for administration</b>	Supervision of staff	Planning of capacity development and career development of staff Adopt profiles of staff to needs for fulfilling all tasks Effective management of municipal staff
<b>Municipal employee in charge of HRM</b>	Employee assigned for personnel supervision	Trained HR manager assigned
<b>Integration of HRM into municipal system</b>	HR or capacity building are treated as part of other areas of municipal work as needed	An integral HRM strategy has established HR issues in all fields of municipal work, including an assigned budget for HR investments
<b>Organizational culture in administration</b>	Bureaucratic culture where education is an extra-curricular activity	Learning culture where education is part of the routine work
<b>Internal communication in municipal administration</b>	Little staff communication with higher officials; hierarchical system results in one-way communication superior-employee; staff members are not systematically informed about municipal internal issues	HRM issues are communicated to all departments; internal issues are communicated to staff and staff can react; less hierarchy in communication and two-way communication superior-employee; channels for internal communication established
<b>Education/capacity building of municipal employees</b>	Supply oriented	Demand oriented
<b>Time frame for capacity building inside HRM concept</b>	Short-term and ad hoc capacity building	Short-, medium- and long-term capacity building of staff according to HR plan

Starting from the goals of an appropriate HRM, MDP made the following decisions as to how to approach this on the municipal level:

- 1) Capacity building of municipal staff and management as the basic working approach
- 2) Systematic and comprehensive approach to HRM with a strategy tailor-made for each municipality
- 3) Inclusion of so-called hard skills (e.g. written procedures in relevant areas) and soft skills (conflict resolution, stress management, leadership skills) for HRM in the workshops that focus on management, staff and municipal council members

### **3.1.1. Legal framework**

MDP also assessed BiH's legal framework on HRM and the training of public employees at the municipal level, to embed MDP's work in HRM into national laws and reform policies.

Although HRM at the municipal level falls under the managing responsibilities of the municipal government, municipalities must act within the scope of the legal framework at the state and entity levels – a framework that has seen important changes in recent years. Civil service reforms at the state and entity levels have been largely supported by the international donor community and resulted in fairly similar laws being adopted by the RS and the state in 2002 and in the FBiH in 2003. Civil service agencies were founded in all three. The agencies are tasked with, among other things, training civil servants.

Only 30 percent of municipal staff in the FBiH are formally civil servants, however, and fall under the FBiH Law on Civil Service and can therefore benefit from the offers of the civil service agencies. For all other municipal employees the main legislative framework is the Law on Employment Relation and Salaries of Employees in Public Administration and the Labor Law. In the RS, no civil servants are employed at the municipal level. This means that the Civil Service Agency has no mandate to train any municipal staff member in the RS. The legal framework for municipal staff in the RS is mainly the Labor Law and the Law on Labor Relations.

As the civil service laws do not apply to the majority of employees in FBiH municipalities and apply not at all to the RS municipal staff, it is up to the municipalities to further shape HRM in their administrations and organize staff training. Only employment conditions and salaries are (at least partly) regulated by laws that apply to municipal employees.

### **3.1.2. Situation in MDP partner municipalities**

The next step was to identify the shortcomings of HRM in MDP partner municipalities. Beyond the weaknesses defined by the Local Self-Governance Development Strategy in BiH and the OSCE, MDP found the following in its partner municipalities:

- Underqualified employees, particularly in four MDP partner municipalities that are small, rural, Dayton municipalities<sup>1</sup>
- Trainings have so far mainly been focused on the management level
- Only very few and basic HRM tools are known to municipal officials and used
- Low levels of internal communication among the departments and between employees and superiors
- No systematic approach to HR issues

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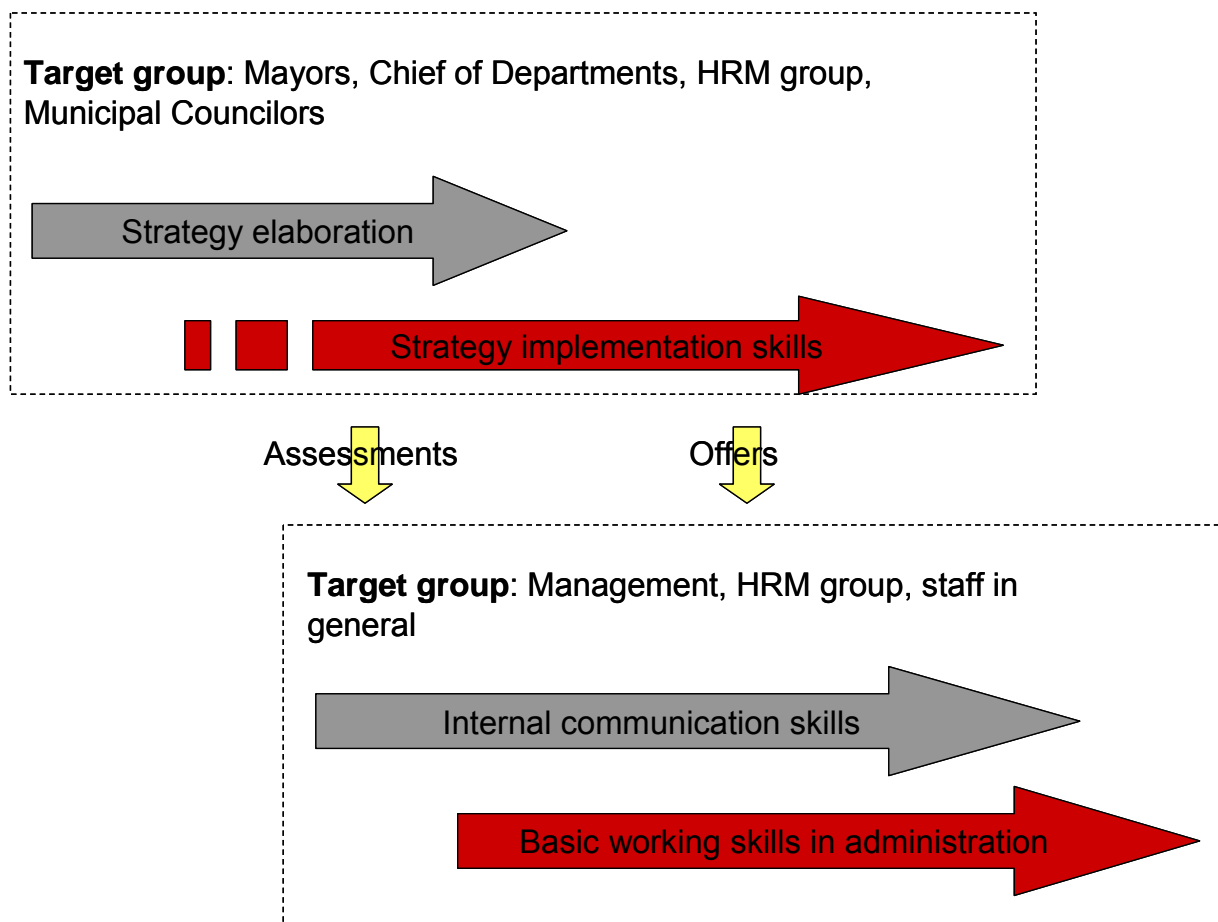
<sup>1</sup> Dayton municipalities are a result of territorial splitting of existing municipalities during the war by the inter entity line. This line was fixed by the Dayton agreement and separated territories were formally proclaimed municipalities in 1997/1998. Among MDP partner municipalities, Dobož Istok, Dobož Jug, Petrovo and Usora are Dayton municipalities. Because these municipalities have no tradition as an administrative unit, their lack of qualified and experienced staff is more marked than other municipalities. This leads to a discrepancy between the profile of staff and requirements of the position, particularly at the higher levels. The lack of financial means also prevents these municipalities from offering competitive salaries and thus makes it even more difficult to attract qualified personnel.

### 3.1.3. Concrete concept in MDP partner municipalities

Following the outcomes of the assessments, MDP decided to conduct workshops in four main fields:

- Support of municipal staff and management in the elaboration of an HRM strategy
- Building capacities among municipal staff and management in instruments and tools for implementing the strategy
- Building capacities among municipal staff and management in internal communication
- Building capacities among municipal staff and management in general skills

These workshops were not intended to serve only as capacity-building events but were intended to also produce inputs for the elaboration of HRM strategies. They were directed towards different target groups within the municipality, depending on the topic of the training. The education in the mentioned four fields was done concurrently as the following graph illustrates:



### **3.2. Workshops and elaboration of the strategy**

The consultants, Slavica Drašković and Halil Gutošić, were hired by MDP to conduct the workshops and support the elaboration of HRM strategies. The whole process, from the beginning of workshops to the finalization of the six HRM strategies, took nearly one and a half years, from June 2006 until November 2007.

The workshops targeted three groups of stakeholders -- municipal employees assigned to HRM tasks, the municipal management (particularly the heads of departments and mayors) and municipal councillors.

Two staff members from each municipality that had been appointed for HRM issues formed the **inter-municipal working group**. The **municipal working groups** consisted of these HRM officers and also included heads of departments and mayors separately for each municipality. Finally, the **municipal councillors** were targeted as a special group.

The workshops were partly trainings that aimed to transfer knowledge and skills to participants. Other workshops were rather aiming at analyzing and discussing the current situation and raising awareness about certain issues. Yet other workshops were real working events that had concrete results such as producing procedures in writing.

Most workshops were conducted only with the inter-municipal working group, with all the participating municipalities together; sometimes special training sessions were held in each municipality. The joint trainings were offered on topics that the municipalities share, such as management and leadership skills, analyzing HR needs and procedures for employment or recruitment of staff. The special trainings for each municipality were mainly used for more extensive topics on elaborating work procedures and other topics that were different for each municipality, as well as trainings directed to creation of the strategy.

MDP and the consultants put a special emphasis on the soft skills that are important for leading an organization and employees, such as staff motivation, stress management, conflict solution and internal communication. Furthermore, issues such as equal access to public services, equality and non-discrimination were treated as cross-cutting issues in all workshops and expressed MDP's commitment to a human rights-based approach.

This is what most distinguishes MDP's approach to HRM from other approaches. Other programs often focus on hard skills, such as the rules and regulations for hiring staff or remuneration. And often the support stops after a rule has been laid down in the book of rules. Usually, no further assistance on how to interpret and implement such new regulations is given. Therefore, MDP partner municipalities received support through the establishment of written and detailed procedures that help to implement already-established rules for:

- Employing new staff
- Planning and conducting education for employees
- Defining measurable indicators for evaluating employees' work
- Defining procedures about the inclusion of employees in municipal planning
- Measuring the public's satisfaction
- Harmonizing job titles with the law on public services and with job descriptions
- Internal communication among certain departments, horizontally and between employees and higher management
- Defining procedures about how to prepare for and hold a meeting

These procedures were proposed in a draft version to the members of municipal working groups, who then adjusted them according to their needs.

All issues addressed in the workshops could then be used as inputs for the HRM strategy. Thus, the four training sessions for the elaboration of the strategy in each municipality were equally distributed over the whole length of capacity building. The results and agreements from all other workshops were included in the elaboration process of the strategy. Finally, a two-day workshop with the inter-municipal working group and some heads of departments and mayors was conducted. Participants in the workshop decided which elements should be included in the strategy.

After the strategy was elaborated, a final workshop was held with the group of municipal councilors. The final version of the strategy was introduced to them, and the workshop was used to educate them on the role of elected representatives in local governance.

The following table lists the workshops that were conducted in chronological order. Furthermore, it shows which group of stakeholders was targeted in the specific workshops and whether the workshops were held for all municipalities together (inter-municipal) or for each municipality separately (municipal).

**List of trainings and target groups:**

Content of workshop	Target Group	Intermunicipal or municipal
<b>Strategy making</b>		
<b>1A) Elaboration Policy/ Strategy</b>	<b>HRM officers, management and mayors and municipal councillors</b>	<b>municipal</b>
2) Management and leadership skills	HRM officers	inter-municipal
3) Planning HR development	HRM officers	inter-municipal
<b>Implementation of strategies</b>		
4) Procedures for working assignments	HRM officers	municipal
5) Procedures of employment	HRM officers	inter-municipal
6) Development of results analysis	HRM officers	inter-municipal
7) Recruitment/career development	HRM officers	inter-municipal
<b>1B) Elaboration Policy/ Strategy</b>	<b>HRM officers, management and mayors and municipal councillors</b>	<b>municipal</b>
8) Organizational learning	HRM officers	inter-municipal
9) Involvement of employees in municipal strategy making	HRM officers	inter-municipal
10) Involvement of employees in creating ideas	HRM officers	inter-municipal
11) Indicators for municipal monitoring	HRM officers	municipal
<b>1C) Elaboration Policy/ Strategy</b>	<b>HRM officers, management and mayors and municipal councillors</b>	<b>municipal</b>
<b>Internal communication</b>		
12) Presentation skills and workshops	HRM officers	inter-municipal
13) Procedure and preparation of meetings	HRM officers, management and mayors	municipal
14) Team building	HRM officers, management and mayors	municipal
15) Cooperation with the public	HRM officers	inter-municipal
<b>Basic skills</b>		
16) Stress management	HRM officers	inter-municipal
17) Conflict management	HRM officers	inter-municipal
<b>Finalizing and controlling the strategy</b>		
<b>1D) Final meeting for HRM strategy</b>	<b>HRM officers, management and mayors and municipal councillors</b>	<b>inter-municipal</b>
18) Education of councilors	Municipal councillors	municipal
19) Internal control and audit	HRM officers	municipal

The response to the training was generally very good.

The workshops with municipal groups were interactive. Teams from each municipality defined the level of knowledge related to motivational theories and adult education, the state of knowledge and information flow in the administration as well as entry parameters for the status as a learning organization. An example of such a chart can be found in Annex 1. The concept of a learning organization was used as a framework to improve municipalities' HRM.

The inter-municipal working group functioned as a team, motivated to produce maximum results at each workshop. Team spirit and the commitment to the tasks in the work environment made each workshop a learning situation and created results that were incorporated into the HRM strategies. The inter-municipal cooperation on HRM issues fostered the readiness and motivation in MDP's partner municipalities for inter-municipal cooperation as such.

### **3.3. Scope and content of HRM strategies**

The main goal of creating HRM strategy was to improve the municipalities' ability to provide services to the public, and to define the procedures for selecting, appointing, educating, rewarding and advancing human resources. Good approaches to HR management will increase the competence and motivation of employees, as well as benefit the public and others who use municipal services.

The strategy was created in the following way:

- Analyzing the existing HRM situation
- Discussing the municipality's mission and setting goals to develop human resources
- SWOT analysis
- Formulating the strategy
- Implementing the strategy
- Controlling the application of and effects of the strategy
- Evaluating results
- Improving the strategy

The following areas were deemed important parts of an HRM strategy and were reflected in the strategic goals and priority needs in the HRM strategies in all of the municipalities.<sup>2</sup>

- Human resources activities (analysis of jobs, job descriptions, necessary personality qualities, hiring and selecting candidates)
- Work management (introduction to work, estimates of work outputs, awarding employees, personal development of employees, communication with the public)
- Education and development (planning, human resources management)
- Awarding employees (material and non-material stimuli)
- Relations between employees (internal communication, basic communication skills, analyzing ways to make the administration a learning organization)

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<sup>2</sup> An example of a strategy in the short version can be found in Annex 2 of this document.

### **3.4. Next steps**

All municipalities that participated have adopted the strategies.

Adopting the strategies, however, was only the first milestone. Implementing the projects detailed in the strategies is the next step, and it will be a demanding job. An important step in this respect was identifying municipal employees that will be responsible for HRM. In Gračanica, for example, the employee's job description has been changed and now reflects modern practices towards HRM in the assigned tasks and working areas.

The following tasks now lie ahead of the municipalities:

- As mentioned above, human resource management overlaps with all the parts of municipal work. In some areas, the municipality has already elaborated and even partly implemented strategies such as the LED strategy, general development plans or communication strategy. All these strategies include regulations or changes in human resources or education of staff. Furthermore, internal communication is an essential part of the HRM strategy and is treated in depth as well in a communication strategy. Municipalities' important future step will be to develop a plan on how to link HRM strategies with other municipal strategies and how to achieve synergies between all strategies.
- The strategies so far only define a broad action plan that needs to be implemented. A first step should be the development of concrete action plans (as recommended in the HRM strategies) for the already broadly defined areas. Furthermore, the municipalities need to approve budgets for each line of action and assign municipal funds to implementing the strategy.
- The trainings and workshops made it clear that there are knowledge gaps in the so-called soft skills in HRM among municipal stakeholders. The trainings may have raised awareness of certain issues and transferred knowledge, but trainings alone were not sufficient. Municipalities should therefore identify their further educational needs and continue with those.

## **4. Lessons learned**

The workshops and the general approach to HRM resulted in the following lessons learned:

### **Inter-municipal and municipal working approach**

The inter-municipal working group showed some good results. Also useful in addressing new issues was the work with municipal staff, without the presence of their superiors. Employees felt free to discuss problems and new approaches for solving those problems. The spirit and work environment in this group was exceptionally good, which had a positive effect on inter-municipal relations.

In the municipal working groups, the participation of management level and mayors brought the desired advances in the process of HRM reform. While working with the staff is useful, real change can only come about by including the management level (mayors, heads of departments and municipal councilors) and securing their commitment. Including these people in trainings can also be used to raise their awareness of human rights and the role of public institutions as service providers to the public. The mixture of trainings in inter-municipal groups and municipal groups made MDP's approach successful.

### **Secure the mayors' commitments**

Mayors make the basic decisions on reforms in municipal staff management. Their commitment and their ideas are therefore crucial to the entire reform process. Mayors should be included in specific workshops as much as possible. MDP noticed that in municipalities where mayors participated in workshops, there was greater commitment, readiness and motivation to start doing the projects planned in the strategies.

### **Involve all stakeholders at the management level**

Human resource management affects all municipal departments. Heads of departments have the power to speed or slow the reform process. Heads of *all* departments should therefore be involved in elaborating an HRM strategy, and their involvement should be compulsory.

### **Include municipal councillors**

The active inclusion of municipal councillors in any reform initiative is important for various reasons. First, a strategy for a municipal reform should be adopted by the municipal council. Such an adoption gives reforms a legalized and official character and increases the probability that reforms will survive a change of political leadership. Regular information about the elaboration of a reform strategy and the inclusion of councillors in selected workshops will have positive effects on the adoption of such a strategy.

Second, MDP noticed that municipal councillors often do not have sound knowledge of their roles and functions in a democratic system. The workshops can therefore be used to raise their awareness of certain issues and to transfer some knowledge to them.

### **Change is easier to initiate in smaller municipalities**

In smaller municipalities with fewer staff, there are usually fewer hierarchies and it is easier for staff to approach superiors and for superiors to manage the limited human resources. The management is fewer in numbers and usually more under the mayor's control than in bigger municipalities. This means that a confirmed commitment of a mayor can catalyze reform processes and attitudes can be changed more easily.

In bigger municipalities, the commitment of a higher number of persons is needed. The mayors are less accessible, not only for staff but also for projects or initiatives that support reform processes. To change attitudes, get the real commitment of decision makers and implement reform projects, more and longer efforts focused on the particular municipality are needed.

### **Link strategies**

The link to other municipal strategies should be established in the phase of elaborating an HRM strategy. Integrating the HRM efforts into other strategic documents means no replication of efforts.

No further efforts were undertaken to achieve such integration after the workshops and elaborating the HRM strategy; it is therefore essential to do so when the HRM strategy is implemented.

### **Role of consultants**

Two consultants working together had certain advantages. While one consultant had an advisory role concerning the skills and knowledge needed to improve HRM, the other consultant shaped the findings and results of workshops into procedures. In cases where both consultants were involved in the workshops, the effects were complementary.

In future reform processes and workshops, however, the consultants' roles should be ones of facilitation and support, while the municipalities take the lead. In the current strategy elaboration and trainings, the consultants too often were initiating and suggesting changes. To achieve

higher sustainability of the trainings and better implementation of the strategy, the consultants should mainly transfer knowledge and skills to municipal stakeholders and facilitate their work on HRM reforms.

### **Capacity building as the right working approach**

Basic knowledge about HRM, especially the so-called soft skills, is relatively low among all the stakeholders involved in the process. Capacity building was therefore the right approach in addressing HRM. Because certain knowledge gaps exist, further education adjusted to the needs of the different municipal stakeholders is recommended.

### **Study tours as a successful instrument**

Exchanging practices and experiences with other municipalities in the region proved to be motivating for all the participants. Other municipalities that had gone through the same transformations that await the MDP partner municipalities were able to give a convincing and realistic picture of a successful change.

### **Implementing trainings**

Some topics were planned to be addressed in too short of a time frame. Experience has shown that the best results are achieved when one topic is addressed completely or two similar topics are treated together in one session. Participants' concentration and the atmosphere at the workshops was also always better when all participants, apart from the hosting municipality, were able to be away from their places of work.

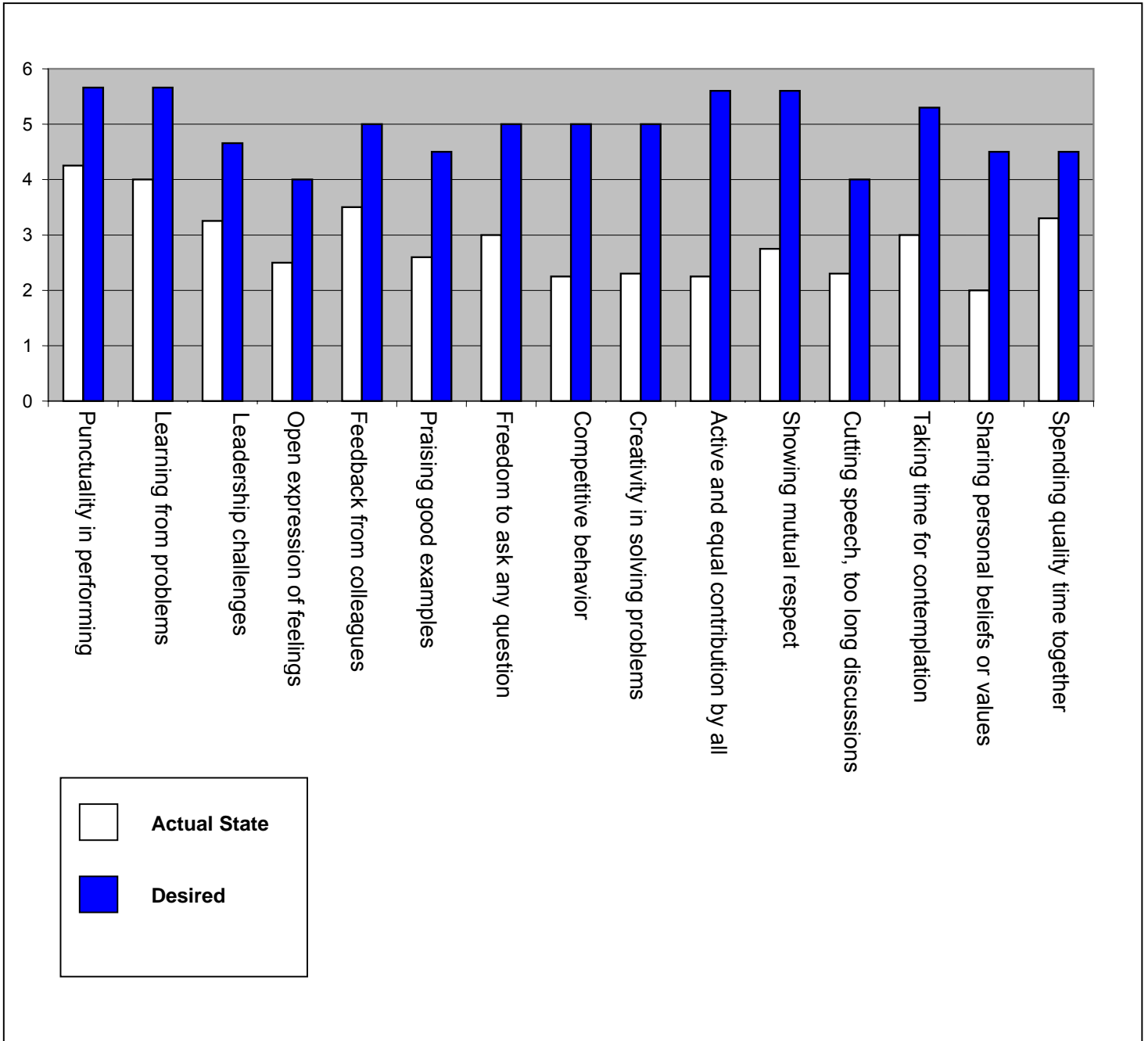
### **Following up on workshops**

Implementing the HRM strategies will be a demanding task for all of the municipalities. Those employees that have been assigned to HRM issues will face particular obstacles. It would therefore help the HRM officers to have a forum to exchange advances and best practices to overcome problems and support on specific issues. The inter-municipal working group should be continued for this purpose.

# Annexes

## Annex 1 - Organization Culture of Institutions

This is an example of a chart that was the result of a workshop. Participants rated how important certain aspects of organizational culture are for their municipality and what the situation is like in this area.



**DEVELOPMENT STRATEGY OF HUMAN RESOURCES  
MANAGEMENT IN DOBOŽ MUNICIPALITY  
EXCERPT FOR MEMBERS OF MUNICIPAL  
ASSEMBLY**

March 2007

The concept of local self-governance established by European Charter on local self-governance and ratified by Bosnia and Herzegovina on 12<sup>th</sup> of July 2002, understands local self-governance as a right and capability of local authorities to manage and operate a significant part of public affairs within the limits of the law on basis of personal responsibility and for the interest of local population. This primarily means that local self-governance must meet the needs of citizens and respond to daily and constant requests for offer of services to local population, build and maintain local infrastructure, provide financial means and efficient administration. As human resources are the most important factor for successful implementation of above mentioned, we approached to draft this strategy lead by European Charter and valid legal framework of “prescribed goals”.

The proposed strategy of human resources management represents a general guideline through which the units of local self-governance obtain, develop and maintain human resources (potentials), needed for conduct of tasks necessary for insurance of competitive advantages and long-term sustainability and business success of a specific unit of local self-governance.

### **Goals of development of human resources management in Doboј municipality**

Basic goals of development of human resources management in Doboј municipality are:

- ◆ Establish a harmony between changes in needs and requests of service users and changes in manner of conduct and offer of services,
- ◆ Ensure competence and motivation of employees for conduct of given tasks,
- ◆ Continuance in education of employees, for better conduct of duties and tasks they are in charge for
- ◆ Continuance in adjustment of organizational forms of business conduct of the Municipality to the needs of citizens and other users of its services,
- ◆ Insurance that criteria of expertise, professionalism and completed results of work be a base for rewarding and career advancement of employees in Doboј municipality,
- ◆ Construct a methodology for analysis of work results on basis of verifiable facts,
- ◆ Ensure that officials in Doboј municipality have continuance in education in “managerial” skills,
- ◆ Create pre-conditions for employment of lacking human resources,..

### **Analysis of existing condition of human resources in Doboј municipality**

Qualification	Number of employees	Up to 30 years of age	Up to 45 years of age	Up to 55 years of age	Over 55 years of age
BCC	73	2	50	9	12
BIII	27	1	19	7	-
CCC	74	23	25	24	2
BKB	-				

KB	1			1	
HK	10	-	8	2	

Also, the analysis of current state indicates the following:

- ◆ Only a number of officials has had education in area of management,
- ◆ There has not been regular analysis of existing and future needs of human resources, neither there are written records of it existing in previous times,
- ◆ The future requests for human resources in relation to strategic and operative goals of the Municipality have not been documented,
- ◆ Base for motivation is, mostly, represented by quotas for salary level, for each position within the Municipality, and in a manner prescribed by the Law,
- ◆ Regulation book of salaries and compensations does not have non-material factors of rewarding,
- ◆ Evaluation of employees is conducted once per year on basis of insufficiently clear criteria, also taken from the Law,
- ◆ Existing job descriptions are quite detailed and generally in accordance with job descriptions given in the Law on local self-governance, but there are no procedures for regular update and match of existing job descriptions to actual needs for conduct of tasks, and the latter is not conducted at all,
- ◆ Most of employees use computers,
- ◆ The method of evaluation of users satisfaction with the Municipality services is not clearly defined, neither the satisfaction of service users is measured and discussed on a periodical form, through previously agreed meetings of the Chief of Municipality and his/her associates,
- ◆ There is no procedure for evaluation of manager officials,
- ◆ Measuring of satisfaction of employees is not being conducted,
- ◆ The Municipal budget for year 2007 does not prescribe specific amount of resources for each specific activity,
- ◆ The conducted education from areas: time management, stress management, conflict resolution, presentation skills, of members of team for draft of strategy, has not been passed on to other employees,
- ◆ There is no systematic and proactive questioning of positions of employees in relation to their ideas and suggestions, neither the developed methodology or procedure for such an activity exists...

## **Legal frame for human resources management and bodies of governance**

Basic legal frame for management of development of human resources in Dobož municipality is consisted of decisions issued pursuant to following laws:

- ◆ Law on local self-governance (RS Official Gazette No.: 101/04;42/05;118/05),

- ◆ Law on ministerial, governmental and other appointments (RS Official Gazette No.: 41/03),
- ◆ Law on labour (RS Official Gazette No.: 38/00; 40/00; 47/02; 38/03; 66/03),
- ◆ General collective contract (RS Official Gazette No.: 27/06; 31/06)
- ◆ Special collective contract for employees in area of governance in Republika Srpska (RS Official Gazette No.: 16/98;37/01)
- ◆ The program of passing of expert examination for working in administrative services of units of local self-governance (RS Official Gazette No.: 56/05)
- ◆ Regulation book on disciplinary and material liability of clerks of units of local self-governance (RS Official Gazette No.: 37/05)
- ◆ Regulations of evaluation of work of clerks of units of local self-governance (RS Official Gazette No.: 37/05)
- ◆ Code of conduct of clerks of units of local self governance (RS Official Gazette No.: 37/05)

#### **VISION OF DOBOJ MUNICIPALITY:**

**The most well managed town on Bosnia river, the biggest transit-of-goods and trade center in BiH, with developed auxiliary industries and services, cultural, sports and recreational center of the region, offering special chances for entrepreneurship of young people in all areas of business and life.**

#### **MISSION OF LOCAL GOVERNANCE OF DOBOJ MUNICIPALITY:**

Completely devoted to establishment of vision of development of Dobož, the municipal governance, with commitment and systematic approach, shall attempt to be:

- ◆ EFFICIENT, offering fast, quality and inexpensive services, on principle of complete service all-on-one place, with procedures that are simple and adjusted to the interest of citizens;
- ◆ TRANSPARENT AND CORRUPTION FREE, providing complete legality and publicity of their work, full responsibility and equal treatment of all citizens, gaining in return their complete trust;
- ◆ POLITICS FREE; PROFESSIONAL AND WITH EXPERTISE with primary goal of providing a quality and efficient service to citizens,
- ◆ A SERVICE FOR INVESTORS AND ENTREPRENEURS, offering efficient and economic services and creating a business environment with incentives, and special conditions for foreign and domestic investments in order to improve local economic development;
- ◆ PROACTIVE, involving citizens, especially youth, in solving of all important issues and problems of socio-economic development of the Municipality;
- ◆ ORIENTED TOWARD PARTNERSHIP with Associations of citizens and non-governmental organizations, providing moral and material aid in their development and active role in making Dobož suit its citizens.

## **SWOT ANALYSIS OF SITUATION OF HUMAN RESOURCES AS A BASE FOR CREATION OF STRATEGY OF HUMAN RESOURCES MANAGEMENT IN DOBOJ MUNICIPALITY**

**SWOT** is an acronym of initial letters of the following English words: **Strengths** (own strengths); **Weaknesses** (own weaknesses); **Opportunities** (external chances and opportunities); **Threats** (external threats). SWOT analysis is a very popular tool in process of creating a business strategy, helping organization to have a “matrix view” of external “opportunities” and “threats” with its own “strengths” and “weaknesses”.

### **STRENGTHS:**

- ◆ Strategy of development of local self-governance in BiH adopted,
- ◆ Mission of local self-governance defined,
- ◆ Code of conduct of state-level officials adopted,
- ◆ Examination of situation of existing manner of conduct of human resource management completed, weak points for all municipalities and each individual municipality identified,
- ◆ Procedure of human resources drafted,
- ◆ Procedure of employment drafted,
- ◆ Procedure of education of employees drafted,
- ◆ Procedure for involvement of employees in developmental plans drafted,
- ◆ Procedure of preparation and conduct of a meeting drafted,
- ◆ Measurable indicators of efficiency of work of employees drafted,
- ◆ Titles of work positions accorded with Law on state service,
- ◆ Education of members of the Municipal team for draft of strategy of human resource management on:
  - Non-financial ways of motivation,
  - Teamwork,
  - Conflict resolution, ... completed
- ◆ Head of Municipality actively involved and offers support to the project of draft of strategy of management on development of human resources,...

### **WEAKNESSES:**

- ◆ Adopted measurable indicators for adopted strategic goals of municipal governance do not exist,
- ◆ Future requests for human resources in relation to strategic and operative goals are not defined,
- ◆ Job descriptions in Regulation books on organization and systematization are not in a complete accord with needs of the Municipality and existing manner of conduct of work
- ◆ Documented procedure does not exist, neither a method of measure of satisfaction of Municipality service users is defined,
- ◆ There is no documented procedure, neither the satisfaction of employees of Municipality is being measured,

- ◆ Existing structure of human resource is unlevelled from aspect of expert proficiency and needs of development of Municipality,
- ◆ Age structure of employees of the Municipality is slightly inadequate,
- ◆ Insufficient number of employees,
- ◆ Continuance in lacking of certain types of professions /architects, engineers, veterinarians../
- ◆ Evaluation of work of state officials for previous year is being conducted in the first quarter of current year on basis of general, unspecific and unverifiable criteria,
- ◆ Only material ways of motivation of employees exist,
- ◆ Regular update on knowledge of employees is not being conducted,
- ◆ Often changes of legal regulations,
- ◆ Allotted financial resources for education of employees insufficient

### **OPPORTUNITIES:**

- ◆ Application of principles of European Charter on local self-governance from the aspect of usage of good practice in human resource management,
- ◆ Full application of drafted, and still officially not adopted procedures: human resource management, employment, education, involvement of employees to developmental plans,....
- ◆ Draft, adoption and application of procedures of measuring satisfaction of Municipal services users,
- ◆ Draft, adoption and application of procedures of measuring satisfaction of employees,
- ◆ “installment” of non-material motivational factors into Regulation book on salaries and compensations,
- ◆ Evaluation of work of employees on basis of draft and yet not adopted measurable indicators,
- ◆ Rewarding and advancement of employees in accordance with evaluation results,
- ◆ Continuation of harmonization of existing job descriptions and its accordance with actual needs of the Municipality,
- ◆ Draft, adoption and implementation of adopted educational plans and update of knowledge in accordance with drafted educational procedures,
- ◆ Continuance in education of managerial officials on human resources management,..

### **THREATS:**

- ◆ Often changes of laws regulating area of human resources management,
- ◆ Inability of timely application of adopted laws,
- ◆ Increase of influence of “politics” on human resources management,
- ◆ Increase of influence of Agency for State service to human resources management,
- ◆ Lack of preparedness of managerial officials of municipal governance to apply drafted procedures of human resources management, education, regulation book on salaries and compensations, involvement of employees in developmental plans ,..
- ◆ Continuance of evaluation of employees only on basis of general and unverifiable efficiency indicators of employees,
- ◆ Lack of setup of non-material motivational factors for employees,
- ◆ Inability to provide lacking human resources,

- ◆ Lack of preparedness and motivation of employees for continuance in education and update of knowledge needed for more efficiency in work,
- ◆ Lack of financial resources for education and update of knowledge of employees.

### **Strategic goals of Doboј Municipality from aspect of human resources management for time period 2007 - 2012.**

#### **Strategic goal 1.**

Ensure that municipal body of governance and local self-governance of Doboј Municipality becomes an actual service to citizens and other interested parties.

#### **Strategic goal 2.**

Ensure that quality of services offered by employees of Doboј municipality completely fulfils the needs and expectations of citizens and other service users.

#### **Strategic goal 3.**

Adopt a plan of human resources development for time period 2007 – 2012, with prescribed budget lines.

#### **Strategic goal 4.**

Ensure satisfaction of employees and citizens.

### **Operative goals for implementation of strategic goals:**

#### **For strategic goal 1.**

##### Operative goal 1.1

- ◆ Define future needs for human resources in relation to strategic and operative goals of municipal body of governance. Deadline 31.12.2007..

##### Operative goal 1.2.

- ◆ Conduct harmonization of existing job descriptions to actual needs and manner of conduct. Deadline 31.12. 2007.

##### Operative goal 1.3.

- ◆ Bring into accord the qualification and other structure of employees and needs of citizens and other service users. Deadline 31.12.2008.године.

##### Operative goal 1.4.

- ◆ Conduct accordance of job descriptions with actual needs of Municipality and manner of conduct at least twice per year, starting with January 2008.

#### Operative goal 1.5.

- ◆ Create a plan of provision of lacking human resources. Establish department or a position for human resources management. Deadline end of 2007.

### **For strategic goal 2.**

#### **Operative goal 2.1**

- ◆ Plan and conduct education and update of knowledge of employees, including managerial officials in continuance, starting from 30.06.2007.

#### **Operative goal 2.2.**

- ◆ Include non-material motivational factors into the Regulation book on salaries and compensations until the end of 2008.

#### **Operative goal 2.3.**

- ◆ Conduct evaluation of work of employees at least once per six months, pursuant to proposed criteria and indicators. Deadline for start 30.06.2007..

#### **Operative goal 2.4.**

- ◆ Ensure that rewarding and advancement of employees is in accord with their competence for conduct and achieved work results. Deadline 31.12.2007.

#### **Operative goal 2.5.**

- ◆ Make employees able to insert changes in work of local governance and self-governance from aspect of improvement in usage of Information Technologies (IT). Deadline 30.06.2008.

### **For strategic goal 3.**

#### **Operative goal 3.1**

- ◆ Create advancement plans for each employee individually. Deadline 31.12.2007.

#### **Operative goal 3.2.**

- ◆ Create and adopt plan of development of human resources of the Municipality, with prescribed budget resources. Deadline 31.12.2007.

### **For strategic goal 4.**

#### **Operative goal 4.1.**

- ◆ Measure every year quarter the satisfaction of users of services of municipal governance of the Municipality in a systematic and previously adopted procedure. Given results to evaluate on quarterly basis and take necessary corrective measures. Deadline for start 30.06.2007.

#### **Operative goal 4.2.**

- ◆ Measure satisfaction of employees in municipal governance Doboj, at least once every six months, in a systematic and previously established procedure. Deadline for start 30.06.2007.

### **How to achieve set goals:**

1. Draft an action plan with specific tasks for implementation of each goal individually in view of deadlines and provision of financial resources, on basis of above mentioned strategic and operative goals.
2. Establish a service or a position for human resources management on the level of the Municipality.
3. Create and regularly update a database of human resources on the level of governance bodies and the complete municipality of Dobož.
4. Official in charge for management of development of human resources should, on a monthly basis, report in writings to the Head of Municipality on implementation of above drafted strategic and operative goals.
5. "A panel" of Heads of municipalities shall evaluate submitted reports on implementation of drafted strategic and operative goals at least once in a quarter of a year, and provide basis for undertaking corrective measures.
6. Ensure that employees complete all their tasks and duties in a quality manner, and from day one apply strictly the legal and other valid regulations, do only those tasks give extra merit and not extra costs, issue decisions on basis of facts, improve their level of knowledge, capabilities and competence in continuance, and have the salaries of employees based on, primarily, the scope and quality of completed tasks.
7. In order to support implementation of above mentioned strategic and operative goals, employees in municipal body of governance Dobož shall implement the following projects with representatives of MDP Dobož, "Izbor Plus" Sarajevo and Agency "QMCI" Sarajevo:

**Projects:**

- ◆ Continuance of monitoring of implementation of adopted strategy,
- ◆ Improvement of existing organizational form of functioning of municipal governance from aspect of process approach and systematic approach to management,
- ◆ New ways of conduct of governing procedures,
- ◆ Continuation of education of employees in accordance with the needs of citizens and other service users of local governance,
- ◆ Draft of procedure of measuring satisfaction of service users,
- ◆ Draft of procedure of measuring satisfaction of employees,
- ◆ Draft of procedure of update of knowledge,
- ◆ Draft of procedure for evaluation of managerial officials,
- ◆ Improvement of regulation book on rewarding in view of installment of non-material motivational factors,
- ◆ Improvement in measurable indicators for evaluation of employees,
- ◆ Continuation of promotion of tools for modern management of governance bodies,
- ◆ Improvement of project work,
- ◆ Improvement of teamwork,
- ◆ Work in groups for improvement of quality of certain processes of service offering in governance bodies,

- ◆ Work in groups for improvement of quality of certain services of governance bodies
- ◆ Work in groups for improvement of manner of conduct on an individual work position,
- ◆ Work in groups for finding non-financial motivational factors,
- ◆ Work in groups on improvement of regulation book on salaries and compensations,
- ◆ Continuance in education for strengthening of managerial skills,...

## **Evaluation of results:**

When evaluating results of adopted strategy of development of human resources management of Dobož Municipality, it is necessary to have periodical comparisons with the situation of human resources in the Municipality, on 01.01.2007. with the situation on the day of evaluation, in view of improvement of the following processes of management of development of human resources:

- Evaluation of needs for human resources,
- Analysis of implementation of tasks for individual work positions,
- Planning, finding out and obtaining necessary human resources,
- Allocation, education and development of human resources,
- Evaluation, rewarding and advancement of human resources,
- Motivation of human resources,
- Replacement and mobility of human resources and
- Communication of employees within the governance bodies,

And conduct evaluation of successfulness in view of establishment of vision and implementation of vision of municipal governance of Dobož municipality.

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