

## PERSONNEL RECRUITMENT IN STATE ADMINISTRATION

Personnel recruitment is an important part of human resource management and thus a significant means in improving effectiveness. Personnel recruitments are long-term and expensive investments and they involve considerable financial risks and opportunities, whose significance for the state economy is great. Labour costs in the state budget economy totalled 4.7 billion euros in 2002 and personnel recruitment costs were estimated at 4.7 million euros in 2001. With the rate of retirement accelerating and competition for labour tightening, it is increasingly important for state agencies to anticipate changes in personnel and ensure the availability of needed personnel in the future.

The present audit investigated how systematic personnel recruitment was in agencies, how the expertise required in recruitment was ensured and what procedures were used in recruitment. It also investigated how ministries supervise and support agencies' personnel planning and recruitment. A written questionnaire was sent to over a hundred agencies. Recruitment procedures were evaluated more thoroughly in eight agencies, including interviews with representatives of the supervising ministries. Personnel planning and recruitment practices were evaluated on the basis of many criteria.

The audit indicated that agencies' personnel planning was undeveloped, and this applies particularly to the systematic forecasting of personnel requirements. When forecasts were made they most often concerned the development of total person-years in connection with operational and financial planning. Written personnel strategies most often contained only general principles concerning good personnel management and recruitment. Needs were assessed in a decentralized manner and according to unit in connection with individual recruitments, thus reducing possibilities for effective recruitment as a whole. Agencies

should systemize the forecasting of the quantity and quality of personnel needed in the future and should develop measures to ensure the availability of competent personnel.

The Government resolution on personnel policy which was issued in 2001 includes ministries' supervision and monitoring tasks. The audit indicated that the ministries interpret their role and supervisory tasks quite narrowly when it comes to implementing personnel policy in their administrative sector. The ministries have not considered it necessary to issue instructions to agencies concerning anticipatory measures. Principles concerning the division of labour and cooperation with agencies have also been sketchy. Few objectives pertaining to the development or availability of personnel were included in agencies' result agreements and the implementation of personnel policy was not monitored.

In the opinion of the State Audit Office, planning and supervision above the level of individual agencies is also needed to implement the state's personnel policy and to anticipate the demand for and supply of personnel. Agencies' efforts to ensure adequate and competent personnel should be supervised more actively by ministries.

Agencies made little use of activities designed to support personnel recruitment, such as measures to enhance their image as employers, nor did they strive to influence the availability of labour or the content of education in their field. Most agencies employ trainees from universities and other educational institutions, but in many agencies the use of trainees appeared to be a routine matter for which special objectives regarding recruitment were not set.

In agencies personnel recruitment was generally decentralized to many recruiting units, nor did those responsible for personnel services often participate in recruitment. The people making selections had not received training in application procedures and were not supported by guidelines or tools prepared for this purpose. The current operating model does not guarantee the accumulation of expertise or ensure the learning of new methods or the introduction of new tools.

The Decree on State Civil Servants contains provisions concerning application procedures, which underlines the special legal nature of public posts and the filling of posts. Human resource management on the other hand emphasizes the importance of strategic personnel planning, the effective use and development of human resources, and flexible and effective recruitment. The appointment process is thus influenced by two different ways of thinking. Agencies said that present regulations tend to make the application process less flexible although they had not prevented the effective filling of posts at least up to now. The significance of legal considerations is reflected by the importance attached to following established procedures and avoiding mistakes in filling posts, however.

The audit suggested that the more agencies adopt new recruitment channels and selection methods, the more likely this will produce friction with norms concerning the filling of posts. This was reflected in internal recruitment, for example. To develop recruitment and diversify methods, consideration should be given to revising regulations or supplementing guidelines concerning recruitment.

The audit did not find any indications that agencies' individual recruitments were poor investments or involved direct risks with regard to the state's personnel policy or financial management. However, the audit did observe shortcomings in different stages of the recruitment process which weaken possibilities to make optimal selections for the agency as a whole or to ensure the selection of the most competent personnel in the future. The significance of shortcomings is heightened in a decentralized recruitment system where sufficient attention has not been paid to expertise in recruiting and evaluating personnel.

The evaluation of the need for individual recruitments was based largely on the recruiting units' own perceptions, which generally did not follow a commonly approved recruitment strategy. Agencies often lacked a forum or procedure for weighing recruitment needs or defining tasks in relation to the entire organization's activities. Systematic tools did not exist for this purpose.

In most stages of the application process the methods used in making selections varied according to the individ-

ual and case and lacked any clear system. The handling of applications, the conducting of interviews and the comparing of qualifications, for example, varied from one unit to another and did not always follow a systematic pattern. Many agencies did not prepare a summary of applications to facilitate comparison or use a common framework for interviews, making interviews to some extent unreliable as sources of information.

In the opinion of the State Audit Office, those responsible for the state's personnel policy need to participate actively in development work. This especially concerns measures to provide expert support for agencies' personnel planning and forecasting or to clarify responsibilities concerning personnel planning and recruitment in the Government resolution.