

Comparative research on challenges
for public sector human resource development in
economic downturn

The case of Hungary

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Managing multiple crisis

- Post communism crisis
- Post accession crisis
- **Global financial and economical crisis**

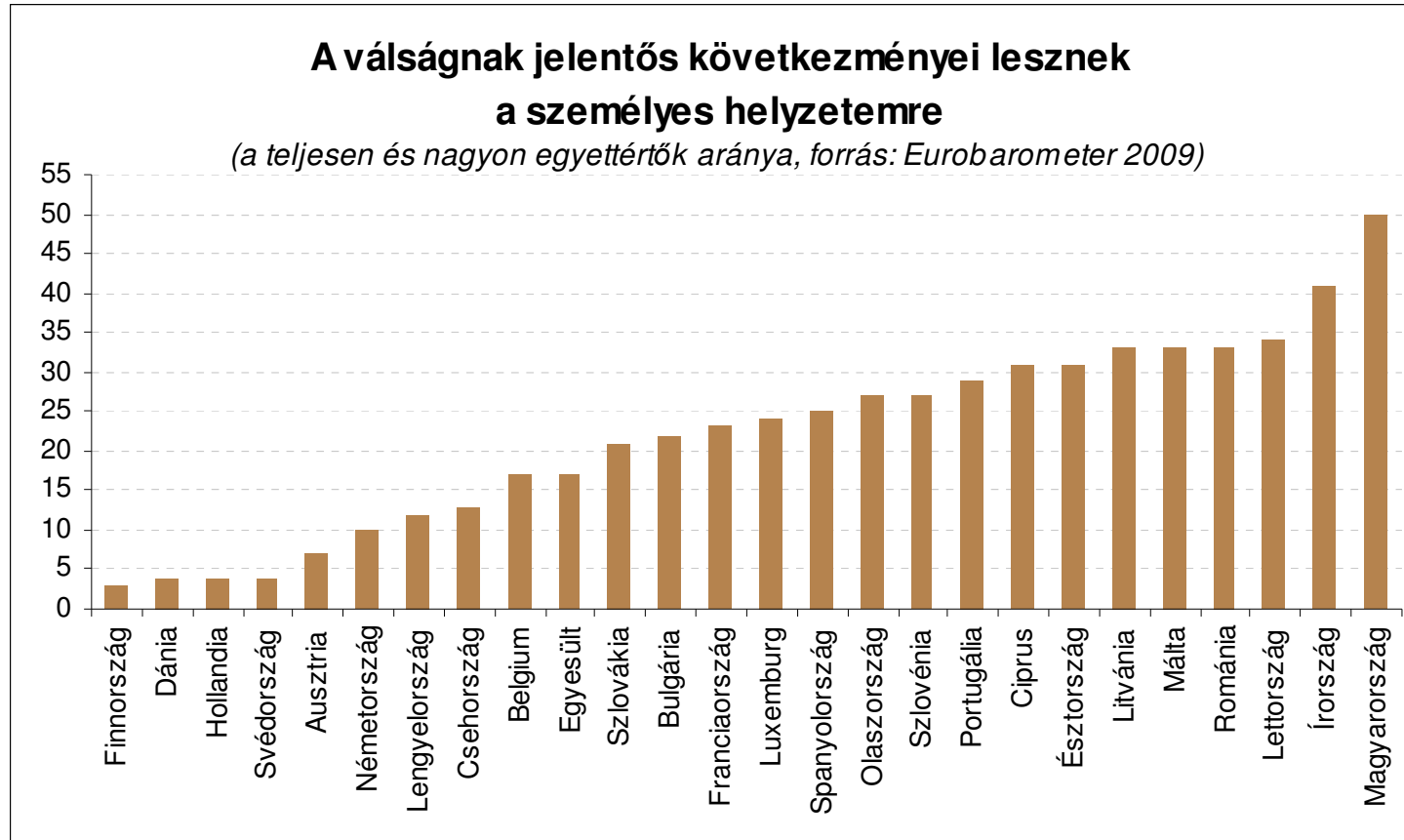
And then IMF came...

Efficiency gains. We are committed to increase efficiency in the delivery of public goods and services. In particular, we will (i) take steps to eliminate redundant transfers and subsidies provided by different government levels, (ii) encourage local government to seek economies of scale by cutting central government transfers (in the 2010 budget), and (iii) propose a reduction in the size of local councils (a decision that would require a supermajority, and for which consultations are currently under way).

IMF Recipe

- Permanent IMF Office in Budapest
- Pension reform (T/9180)
- Fiscal Stability Act
- Decrease in financing local governments

Effects of crisis on personal life



Source: Eurobarometer, 2009

Losers of crisis

(1-8, average)

Families with children	2
Employees	2.9
Pensioners	3
Employees around retirement age	4.4
Public servants, public employees	5
Employers	5.1
Property owners	6.5
Tőkejövedelemből élők	7

Source: Hungarian Gallup Institution, 05/2009

Hungary the exception

Although Hungary was hit heavily by the economic crisis →

it has **no significant effect** on public sphere

Bajnai-pack impact on public sphere

- cancel of „13th month” bonus
- reducing of Premium Funds of ministries
- frozen of salaries for two years → **BUT NO** other reduction
- „natural” reduction of number → **BUT NO** cutting-back

Reasons

1) Political reasons

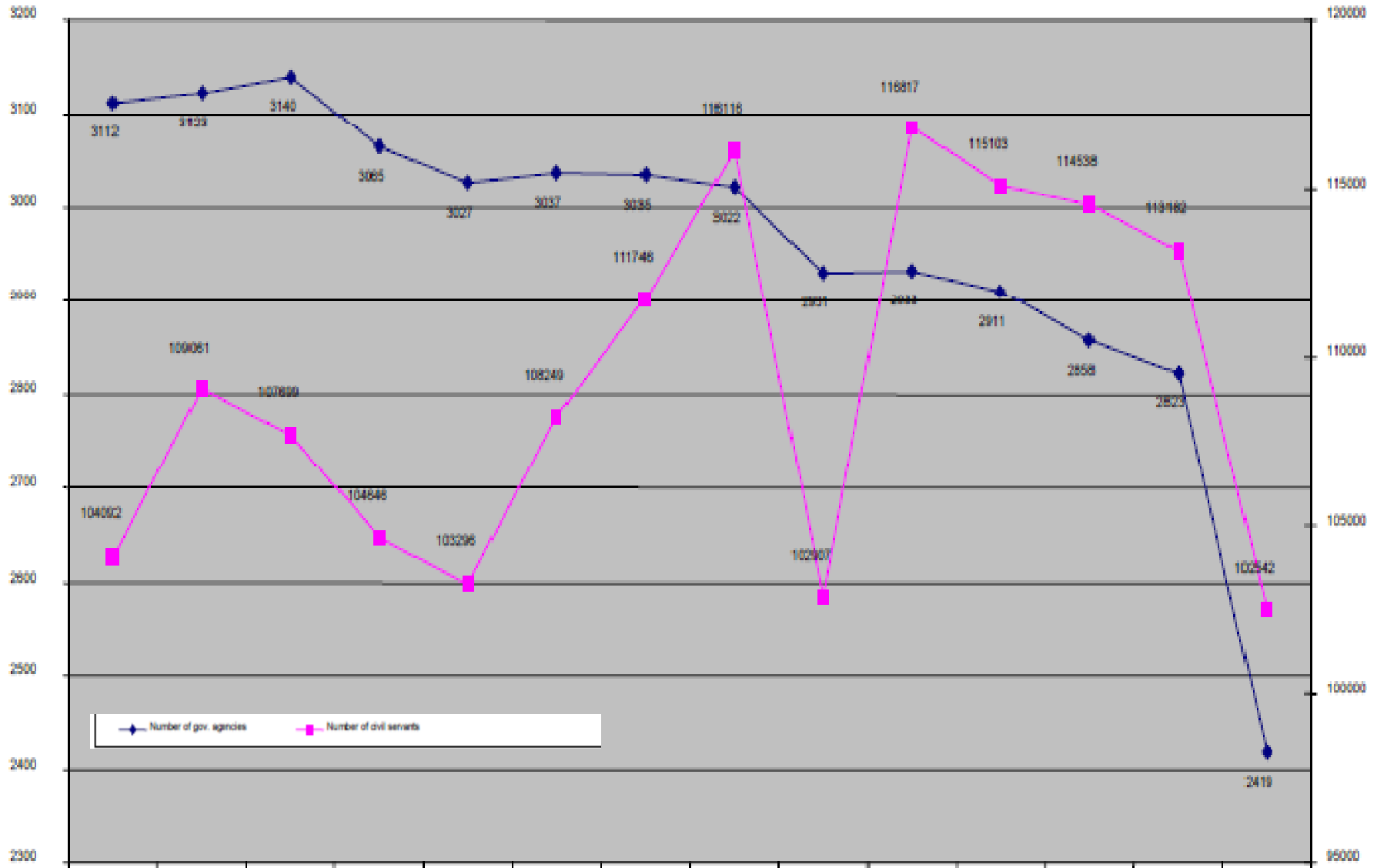
- weak (minority) government
- coming parliamentary election

2) EU funding for state reform (State Reform Operational Program: 7,1 million euro)

3) Administrative reason

- continuous cut-back in number (see next slide)

Cost cutting in the public sector (1994-2008)



Transformation of civil service

Development of HR management in the central administration has three main elements:

- 1, competitive exam,
- 2, recruitment processes, and the newly introduced fellowship programs (Young Civil Servant, Roma, and Bibó István Fellowship Programs)

Two institutes are working together on this field:
Government Centre for Public Administration and Human Resource Services, and the Prime Minister's Office

Evolution of performance management practice

Personal performance evolution was introduced in 2007.

Basis of evaluation:

- common work, discussion of the civil servant and his/her supervisor.

Both of them have to evaluate the performance and the success of implementation of previously defined aims of the evaluated civil servants.

New element: Competencies

During evaluation process the evaluated civil servant has to evaluate his/herself among **8 core competencies** and has to write a self-evaluation.

(Competencies: professional knowledge, communication, team-working, strategic thinking, managerial methods, responsibility, creativity, separateness)

Changes in HRM policy making

No changes in HRM policy-making process:

Two institutes are working together on this field: Government Centre for Public Administration and Human Resource Services, and the Prime Minister's Office.

Does crisis drive innovation in HRM?

Not really, the base of innovations methodologically and financially is the EU.

Thank you for your attention!