

POSITION-BASED HUMAN RESOURCES MANAGEMENT SYSTEM IN HUNGARIAN PUBLIC SERVICE

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Abstract

In the private sector the most important objective of an organization is to achieve and sustain competitiveness and realize satisfactory results. However, in the public sector the main expectation is 'to serve the public'. But to achieve this – similarly to the private sector – modern workflows and effective organizations are needed. Work systems essentially build on tasks, positions, take into account the competencies of staff members and leaders, but also have regard to operational processes and leadership principles. Nevertheless, out of the factors mentioned, each work system emphasizes different elements.

In this study the author would like to present, what strategic guidelines the Hungarian government has set out in connection with the reform of the organizational and human resources management system of public service organizations or how it affects the operation of the National Tax and Customs Administration.

Key words: human resources management, work system, career, position.

Introduction

The development of a work system depends heavily on the operational environment determined for the organization, on the strategic orientations set out, on objectives, organizational values, organizational culture and structure. At the same time the work system of the organization determines, what career management solutions can be developed, it has an influence on training and development opportunities, and has an impact on the performance, competence and incentive management system of the organization.

We can basically define four work (or human resources management related) systems:

- career-based system (essentially based on educational qualification and the period of service completed)
- position-based system (based on position, tasks, and the knowledge, experience and performance of the person holding the position),
- competency-based system (based on the staff member's competencies, and on the level of these competencies), and
- mixed system (combining the aforementioned solutions).

1. Work systems in Hungarian public service

In the practice of Hungarian public service,¹ career-based work system is typically widespread. *Carriere* is a word of French origin, which means calling, walk of life, course of life. It means fast and successful progression, emergence. The concept often has negative, pejorative connotations. However, today its meaning has changed, and a novel view is

¹ In the present study public service is understood by the author as: public administration, local authorities' administration, law enforcement and defence.

beginning to take root, which simple means development in work, self-realization, fulfillment of capabilities.² According to Nemeskéri (1999)³ in Hungarian public service we actually recognize one type of career, namely progress in hierarchy. He thinks it is because the human strategy of the organizations is underdeveloped or is completely missing. The theory was used in public administration, too, as the embodiment of recognizing individual work and performance was promotion for a long a time (and sometimes still is), that is, reaching a higher level in the organization, a higher salary step, maybe becoming a leader. Employees had to step on a higher level to make a career. The reason for this was, that for a long time only a leadership position meant interesting, creative, challenging tasks, the satisfaction of personal needs and motivation, and self-fulfillment.

Thus, the essence of the career-based work system is, that progress is 'automatic', it solely depends on educational qualification and the period of service completed. This system offers – as a career – to public service employees the chance to become a leader and to receive titles. This 'fixed' career system cannot ensure the possibility of promotion and higher remuneration for employees, not even in case of obtaining other, or higher qualifications and/or gaining practical experience. Thus, apart from appointing to leading posts and awarding titles, it does not really encourage employees to progress vertically, nor to move horizontally towards new, challenging professional fields. To those employees, who work as experts, but for some reasons do not wish to hold leading positions, or are not suitable for that, the doors of progress will close after a time. Having this problem recognized, the Magyary Zoltán⁴ Public Administration Development Program highlighted, that, apart from managerial careers, other career opportunities should also be provided for employees working in public service. There should be other ways, as well, to give the opportunity of progress and emergence for employees. This leads to introducing the concept of horizontal career, and the development of the related human resources management processes, in the centre of which we find the design of positions.

The aim of the Hungarian government with the development of the Magyary Zoltán Public Administration Development Program is to change the basically career-based system in public service for a mainly position-based system. According to earlier professional recommendations⁵ the most important question of the Program was to decide, which values should have priority in developing the new public service career; '...we need a career model, which maintains the advantages of the career system, but gives an opportunity for a flexible adaptation, too. And flexible adaptation can be achieved by placing position gradually in the centre of staff policy.'⁶

2. Findings of the Public Service Human Mirror Research (2013)

The objectives of the Magyary Zoltán Public Administration Development Program were also confirmed by the questionnaire data collection of a recent research studying public service human resources management ("Public Service Human Mirror 2013"), the results of

² Csányi, Zsuzsanna 2013, *Summary material for the optional course titled "Career in the organization"*, http://internet.afsz.hu/resource.aspx?ResourceID=afsz_tamop222_szakanyag_csanyi____, (downloaded 20 October 2015)

³ Nemeskéri, Gyula 1999, *Career planning: myth and reality*. Munkaügyi Szemle, 1999/5, pp. 10-13.

⁴ Zoltán Magyary (1888-1945) was the most influential, internationally known scientist in Hungarian civil science of administration, and founder of the science of administration school named after him.

⁵ Hazafi, Zoltán 2011, *New public service career*. In: Márton Gellén: *New objectives – changing public service*. National Public Administration Institute, Budapest, 2011, p. 33.

⁶ Ministry of Public Administration and Justice: Magyary Zoltán Public Administration Development Program (MP 11.0), For the welfare of the country and in the service of the public. Budapest, 2011., p. 44. <http://magyaryprogram.kormany.hu/admin/download/8/34/40000/Magyary-Kozigazgatas-fejlesztesi-Program.pdf> (downloaded 20 October 2015)

which revealed the following important problems regarding position-based human resources management:

- most staff members of public service organizations, who were questioned, could not give information about the work system being used in their organization, and could not answer, which one would be desirable (they have no relevant information);
- in most organizations there are no position analyses and job evaluations;
- position and the value of position within the organization have no role during the operation of human functions (for example pay, performance evaluation, succession and career management, development);
- only those elements work, which have to be applied under a legal obligation, for example job description;
- competencies and exact position definitions are also missing.

As the foundation stones detailed above are missing from the system, or only exist partially, at present we cannot talk about real position-based human resources management. However, the research brought unexpected results, too, because there were relatively many people waiting for a change with a transition to a new, position-based open system, or to a system combining the best elements of a closed and an open system. Therefore, the present system has to be changed, because it does not meet the expectations and the social, organizational and individual (employees') needs any more.⁷

3. Position-based human resources management system

A public service institution, a law enforcement agency operates on the basis of the criteria of the division of labour. It is characterized by the task division of labour. A position-based work system is based on the nature of the work, on the necessary requirements of the work: here the tasks are grouped by assigning them to the positions, taking into account the criteria of rational division of labour, and this system looks for employees for the given tasks. With the transition to position-based system, the state of public service human resources may be known precisely, and, not least, the human resources needs can be developed in proportion to the tasks. So, during the reconstruction of the career model, it is particularly important, that besides the traditional view concentrating mainly on employment security and guaranteed promotion, the actual career routes should also be present in the public service career. The main direction of changes is to introduce a position-based system, and place position in the centre of staff policy. Developing positions and sorting those with identical or similar content into position families, and categorizing them into career routes may also give the opportunity for public service employees to make a professional career, therefore not only becoming a leader would mean a promotion for them.⁸

However, the transition to a position-based system has preconditions. First, the compilation of a basic state task registry, second, the creation of an organizational registry, without which neither the position registry can be established, nor the task-proportional organizational and staff operation, and the staff management can be provided.

4. Public service position registry

As Zoltán Magyary refers to it in his work "Hungarian public administration", the basic condition of an effectively operating public administration is the right organizational (official) structure. To this end an organizational structure has to be established in line with

⁷ Szakács, Gábor 2014, *Public service career and human resources management. Strategy-based, integrated human resources management in public service*, „Public Service Human Mirror 2013” Magyar Közlöny Lap- és Könyvkiadó, Budapest, 2014, pp. 67-68

⁸ Szakács, Gábor 2013, *Position-based system, remuneration alternatives, integrity*. Pro Publico Bono, Magyar Közigazgatás, 2013/4, pp. 27., 29-30

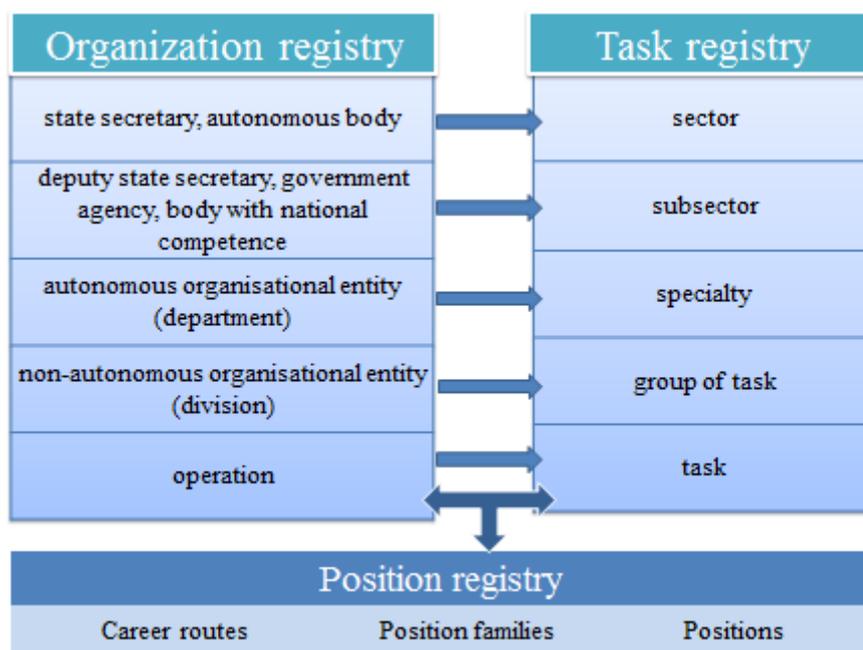
the state public service registry.⁹ One of the most fundamental issues of the operation of public administration organizations is to properly identify the tasks during their operation.

In 1932 Zoltán Magyary, in his study called “The mirror of Hungarian public administration” tried to sum up the tasks of public administration, and to each of these tasks he assigned the acting public administration organization and the legal reference in force.¹⁰

Accordingly, the aim of the monumental work initiated in the framework of the Magyary Program is to develop a transparent organizational system and a basic public service registry, on the basis of which the position registry of public service can be developed, too.

According to the concept of the Public Administration and Public Service Development Strategy (2014-2020) the full development of a position-based system requires the following:

- an adequate linking of position registry, task registry and organizational registry,
- development of position families and career routes,
- creation and assurance of the conditions of progress and interoperability, and
- coordination of the position structure developed on the basis of job evaluation and the classification system.¹¹



Source: Ministry of Public Administration and Justice (2011), p. 31.

Figure 1. Linking of position, task and organizational registry

Thus, according to the objectives of the Magyary Program, *public service position registry* is the sum of the positions categorized into position families belonging to career routes. It contains the positions linked to state responsibilities, the relationship between the different positions, and their place in the hierarchy.

⁹ Magyary, Zoltán 1942, *Hungarian public administration*. Királyi Magyar Egyetemi Nyomda, Budapest, 1942. pp. 197-198.

¹⁰ Ministry of Public Administration and Justice: i. m. p. 30.

¹¹ Public Administration and Public Service Development Strategy 2014-2020., Budapest, 2015. http://www.kormany.hu/download/8/42/40000/K%C3%B6zigazgat%C3%A1s_feljeszt%C3%A9si_strat%C3%A9gia_.pdf (downloaded 20 October 2015)

2. Public service career routes

Public service career routes should be developed in a such a way, that the sets of conditions of mobility, access and interoperability are realized in the case of all three professions (government officials, professionals in law enforcement agencies and in military agencies).



Source: Ministry of Public Administration and Justice (2011), p. 46.

Figure 2. Public service career routes

The “soldier” career route contains positions of enforcement activities, the ‘engineer’ contains positions of designing-developing activities, the “attorney” contains positions of coordinating-negotiating activities, and the “leader” career route contains positions of leading-managing-controlling activities.

By developing public service career routes, career opportunities will be enlarged, and within these routes employees can move both vertically and horizontally.

3. Position families

As we have previously indicated, positions belong to position families within each career route. According to the Magyary Program, in public service the following position families can be developed (*Figure 3*).

The development of career routes, position families and positions is a crucial point for all three (public administration, law enforcement and military) careers. Common objectives can be shown for all three services. Promotion systems should be transformed (which has already started in the case of law enforcement careers) in such a way, that mobility and interoperability are ensured. At the same time, the principle of seniority with its long tradition needs to be retained, while achievements should be recognized, too, and employees should be encouraged to remain in the profession.

The law on NTCA¹² regulates more diverse the provisions about the staff than the earlier regulation. The staff members can be government officials, professionals in law enforcement agencies (finance guards), government administrators and employees. Of this varied regulation has a result: different laws apply to people in different legal status.¹³ The development of the position-based human resources management system in the NTCA was started after settlement of labor laws and sorting the positions into position families has happened. The system is very similar to the model created in the law enforcement, so it is

¹² Act CXXII of 2010 on the National Tax and Customs Administration

¹³ Szabó, Andrea 2016, *Law enforcement tasks of a new "status" central office*. In: József Deák, Gyula Gaál, János Sallai (ed.): *The pen is often stronger than the sword: police science studies in honor of the 65th birthday of Prof. Dr. Sándor Főrizs*. Budapest, NKE Szolgáltató Nonprofit Kft, 2016, p. 202

CAREER ROUTES			
'SOLDIER'	'ENGINEER'	'ATTORNEY'	'LEADER'
POSITION FAMILIES			
administration	strategy formulation	representation	senior manager
application of law by authorities	planning	foreign affairs and international relations	middle manager
human management, education, communication	program development	coordination	performing management functions
finance/economic management	economic/financial analysis	political support	
information technology, administration	codification	social dialogue	
law enforcement/military administration, prison management	regulation of internal management		
disaster management, fire brigades, civil protection			
technical/operational			
tax, customs, excise, control			

Source: Ministry of Public Administration and Justice (2011), p. 46.

Figure 3. Position families

easier to move between the two sectors. In our opinion, it is only the first step because at present this system is only related to the wage system of each human functions. It is not related to training, development, performance evaluation or competency-management. It is important for us to continue our „journey”, to develop this system and create relationship with human functions. To achieve this we need to strengthen the acceptance of the system with trainings and developments.

Position registries of position families and positions building up these families can only be developed for public service as a whole, or for each profession, when position analyses and evaluations are already done. However, the creation of the registry gives the opportunity to define the set of criteria needed to fill a post.¹⁴

Summary and concluding remarks

The introduction and the consistent application of the position-based system will have an effect on the operation of the entire public service, because it influences the management system, the resource management and the organizational culture, as well. It can open up new avenues in career planning and in career and labour supply management, too. Accordingly, it provides an opportunity for public service to become more attractive for

¹⁴ Szakács: i. m. pp. 29-30.

young entrants. Public service would not be able to function well without well-prepared staff of appropriate quality. Public administration and law enforcement bodies have to pay more and more attention to launch good professionals' career and retain them, thus establishing and maintaining the stability of the system.¹⁵ Today in public service (mainly in public administration) the average age of staff is relatively high, and young people – because of the lower wage level and the negative social image of public service – are reluctant to commit themselves towards public service, or do it only for a short time. The constraints of career routes does not enhance the 'attractiveness' of public service and its ability to retain staff. Present employees are less and less motivated by the fact, that their employment is stable and predictable, they much rather aspire to wider career opportunities. Therefore, in any event, particular attention should be paid to attract young people, to their appropriate organizational integration and development, to ensure career opportunities, thus to retain employees. Personnel must be regarded a strategic resource and should therefore be treated accordingly. The development of a position-based system can provide a good basis for that.

Furthermore, the development of a position-based system also requires different attitude and perspective from leaders and employees, as well, because it is very alien to the traditional public service. By that, performance will come to the fore, progression and career system will gain a new meaning, and it will also have an effect on the present wage and classification system. Of course, proper strategy, training and development are also needed to introduce and stabilize such a new system.

Obviously, position-based human resources management also requires the use of the tools of competency management, because the competencies of the person filling the position must suit the requirements set for the position. That is, 'the right person for the right job'¹⁶ principle should govern.

To sum up the previous considerations, in Hungary a predictable public service life course and a supporting human resources management is needed, which also offers a chance for a career, strengthens the sense of belonging to the organization and commitment. It will thus ensure the adequate number of well-prepared, motivated and committed staff, which makes the implementation of professional tasks more successful and more effective.

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