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## **Future Challenges in Human Resources Management and Training in National Statistical Offices**

**Paper by Statistics Netherlands**

Wouter Jan van Muiswinkel

## 1. Introduction

The Conference of European Statisticians (CES) on its plenary session in 2006 conducted a seminar on human resources and training in statistical offices. The seminar concluded that human resources and training are crucial elements for the successful fulfilment of the mission of the offices and that there was a need to continue the exchange of experience in the area of human resources and training. As a follow-up to the seminar the Bureau of the CES took the initiative to organise workshops on human resources management and training (HRMT) in 2008, 2010 and 2012 where a number of issues in HRMT were discussed.

This paper takes a forward looking approach and provides an outline of the future challenges in the area of HRMT for statistical offices. The paper draws on the discussions at the HRMT workshop in 2012 and incorporates issues that were raised by countries during the workshop. The paper also draws on information collected through a survey to CES member countries on their practices and plans in HRMT.<sup>1</sup>

Section 2 provides a brief overview of the strategic directions for HRMT, including also the challenges raised by the High-level Group on Modernization of Statistical Production and Services. Section 3 lists a number of key challenges to the statistical offices and, on this basis, a number of areas in HRMT that will be particularly important in the future. Section 4 groups the main elements of HRMT according to whether they are primarily operational, tactical or strategic. This grouping can be used to assess current HRMT activities and may also be used for planning of future developments in HRMT. Annex 1 provides a summary table of the results of the 2012 survey on HRMT to CES member countries.

## 2. Strategic directions for HRMT

The economic, technical and social changes in society poses challenges and possibilities for national statistical offices (NSOs). With the development of the information society the amount of (electronic) information that is available has increased dramatically. The way in which information can be accessed and exchanged has also changed and become much more global. There is no evidence that these developments and changes will not continue in future, and NSOs will need to be active in developing their ways of production to take advantage of new technologies and data sources.

The demand for statistical products and services are also changing, and users are asking for more, better and more timely statistics. The NSOs also need to respond to this demand and develop statistics that meets future needs. While in the past NSOs had a special role as the main provider of official statistics and often in practice had a monopoly on the provision of statistics, this role is challenged by the growing availability of information available, and NSOs may have to compete with other providers of statistics. At the same time many NSOs are faced with budget restrictions and requested to increase efficiency and 'do more with less'.

The modernisation of the statistical production and services is not only of organisational and technical nature but relies also on the development of human resources and the skills and attitudes of staff members at all levels. Human resources management and training is crucial for the modernisation of national statistical offices where labour costs typically represent 70% to 80% of the total budget. The development of human resources and change management is part

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<sup>1</sup> The paper is a revised and updated version of the paper *Contemporary issues on HRM and Training in National Statistical Institutes* that was presented at the HRMT workshop in September 2012 in Budapest, Hungary. Dr. Nicole Njaa, Headwave, Norway, and UNECE have provided comments and suggestions for the update.

of and has to go along with the modernisation of the statistical production and services, it cannot be implemented afterwards.

In order to successfully implement the changes that official statistics are confronted with, it is important that human resources not only adapt passively, but actively participate and contribute to the process of modernisation. In many countries this calls for a change, where HRMT needs to have an active role in the corporate strategy and planning.

The High-level Group on Modernization of Statistical Production and Services (HLG)<sup>2</sup> has highlighted the need to develop the production methods and the statistical output to meet future challenges and ensure that official statistics stay relevant to the world of tomorrow. The HLG defines two directions in its vision and strategy:

- (a) Statistical output: New and better products and services which are more tuned to the way the world is operating today, and created from a global perspective.
- (b) Production methods: Different and better processes and methods tuned to delivering the products and services at minimal cost with greater flexibility and in cooperation between institutions.

The development of technologies and communication facilities have sprung up and are reforming the landscape in which statistics is being produced. The challenge for statistical offices is to take advantage of these changes and be sufficiently flexible and agile to provide statistics according to future user needs at acceptable cost. The HLG underlines the need to develop a culture of change within statistical offices, encouraging innovation in terms of sources, processes and products and the need to change the way that organisations and their employees work. It also recognises that this should be reflected in changing staff profiles and reallocation of resources.

### **3. Challenges to NSOs and to HRMT**

National statistical offices are met with a number of challenges that directly or indirectly will affect the role and priorities of HRMT. The participants in the workshop on HRMT in September 2012 in Budapest identified a number of main challenges that will face statistical offices in the coming years. These included:

- Meeting future user demands of statistical products and services
- Responding to increasing competition from other providers of statistics
- Budget restrictions and the need to develop more efficient organisation of work processes
- Modernisation of statistical production and services
- The transition from production to knowledge working
- Attracting the right candidates

In the preparation of the 2012 HRMT workshop the Organising Committee conducted a survey to statistical offices to identify the main current and future challenges of HRMT. The survey covered four areas: Current challenges in HRMT; tools which are currently used for HRMT purposes; the main future challenges in HRMT; and tools to use or develop to meet future needs of HRMT. 24 countries replied to the survey. The survey provided very useful infor-

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<sup>2</sup> The HLG was set up by the Bureau of the Conference of European Statisticians in 2010 to oversee and coordinate international work relating to the development of enterprise architectures within statistical organisations. It was originally named the High-Level Group for Strategic Developments in Business Architecture in Statistics.

mation about the future challenges and priorities of HRMT from the viewpoint of the countries. Annex 1 provide a summary table of the results of the survey.

On basis of the results of the survey and the discussions at the 2012 HRMT workshop, the following areas of HRMT that will be be particular important in helping statistical offices to respond to the future challenges can be identified:

- Motivation
- Change management
- Knowledge management
- Work environment and mobility
- Training and skills development
- Management development
- Attracting and retaining people

In all of these areas there are different experiences and practices among countries. Some are advanced in, for example, knowledge management or in using E-learning, while other countries may have very little or no experiences in these fields. Countries can therefore benefit from exchanging experiences and good practices.

### **Motivation**

Motivation is a multifaceted phenomenon. It is difficult to define (Vinke, 1996, p. 218) and through the years many theories about motivation have been developed.

Motivating employees is a complex task. It requires the understanding of the dynamics of people and the ability to create an environment that fosters motivation. Motivation and competencies are critical in managing people: Competencies and skills ensure that people can commit to the organisation: motivation that they also want to.

Motivation is also considered as an “engine for change”. It will be necessary to look at new ways to motivate staff – mainly by supportive leadership, flexibility and other benefits. Managers are in the position to create motivating conditions for their employees. To make this happen, a whole range of tools need to be employed – mainly communication, surveys and team-building. Performance review or staff appraisal interviews may also be used as motivating tools. The lack of the possibility to provide incentives may be a major challenge.

### **Change Management**

Change management is much about the question of how individuals and organisations can change or can be changed (Caluwé and Vermaak, 2006). While it may not be possible or difficult to change the attitudes or readiness for change of staff, it is important to create an environment that support changes and innovations. Establishing such a culture for change will be a major challenge. Contributions are wide in scope – from focus and leadership to efficiency and engagement. This will require time and focus, and that HRM needs to act as a partner to business. Top management commitment and assessments are positive drivers, whilst lack of skills or lacking access of HRM to top management are possible barriers.

Implementation of change management will be important for a successful modernisation of statistical production and services. To support modernisation HRMT should be integrated in the corporate strategy and planning and play an active role in the process. Important steps in the change process are: Communicating the need for change; working towards a shared vision; ensuring resources and capacity for the change process; and taking the first steps into the direction of the shared vision.

## **Knowledge Management**

Knowledge management is needed to ensure that important knowledge is kept and maintained within the NSO. The objective is to ensure that knowledge is distributed and accessible at the right place, at the right moment to the right people (e.g. whenever people move to new areas of work or for introducing newly recruited staff). This requires exchange of knowledge and training and careful management. Activities towards this goal are flexible and low cost mapping and monitoring of competencies, cooperation and exchange of knowledge. Lack of motivation, communication and resources are possible barriers.

## **Work environment and mobility**

The work environment includes the physical and social environment in the workplace. New technological developments increase the possibilities to organise *flexible work* arrangements, less restricted by time and place. Remote work, working from home arrangements and working at flexible hours becomes possible and more common. It may not longer be necessary to come to office every day, but to work from home – or somewhere else. A good and healthy work environment is an important ‘job-satisfier’. This means that it is an important factor for attracting and retaining staff. These developments in work environment also bring new challenges, for instance for the manager, but also concerning working conditions and implementation of proper technologies.

*Mobility* of employees has a number of benefits. First it is a good motivation factor for people to give the opportunity of career paths. Secondly, mobility helps to ensure the flexibility of staff – employees will be better prepared to occupy different positions. This is an important prerequisite to react to a changing environment and supports better problem solving. This is especially important when statistical production methods change, or if NSOs are forced to reduce staff. Mobility may also help to create networks across units of the SNO and give employees a better understanding of overall issues of the NSO. To improve mobility, top management commitment and less bureaucracy is required together with delegation of tasks and responsibilities. Increasing mobility requires a clear strategy and rewards. Increased work load and cultural opposition are possible barriers.

## **Training and skills development**

Training and skills development comprises a broad range of activities and arrangements, including formal and informal training, job-rotation, traditional class-room courses, internal vs external training, cooperation with e.g. universities, competence mapping, (personal) training plans (development plans), special (introductory) training for newly recruited people, mentoring and the use of new organisations or technologies in training, such as E-learning. One other important issues is the question of the cost/benefits of training and how to measure and evaluate the outcome of training activities.

The importance of training is stressed by a growing gap between existing competences and skills and those competences and skills that are required to meet future challenges and ensure a successful modernisation of official statistics. A framework of skills/capabilities begins with a gap analysis and a description of how to close the gap. Lack of resources is a major barrier.

To stay updated competences of employees need to be assessed and trained regularly. This is sometimes referred to as *competence management*, other times as *development plans*. The key issue is that the management regularly assess the skills and knowledge of the employees in a systematic way and follow-up on this.

*E-Learning* offers possibilities of training that are less restricted by space and time and which can be used for both general training or more specific purposes or for specific groups of staff, for training in regional offices etc. It also has potentials for use across countries since the same E-learning course could be offered to different countries and hence be available for much more people than would be possible in traditional class room training. E-learning can be developed at relative low costs compared to traditional training, but there are also evidence that it may be less efficient and that it should be followed up closely, or complemented with face-to-face activities.

### **Management Development**

Management development plays a vital role in preparing an organisation for the next generation of leadership. While some employees may seem potential candidates for management positions, their knowledge and skills must be carefully evaluated. Success in one area of management does not necessarily mean success as a manager which require training and guidance. A good management development plan, however, will bring to light any deficiencies and provide concrete opportunities for the manager to improve.

The overall success of the NSOs is closely linked to the effectiveness of management. By taking the time to invest in good management development, the benefit to the organisation can be increased.

It would be valuable to investigate and compare management development programmes across countries (how managers are selected and trained etc.) share experiences and learn more from good practices implemented in other offices.

### **Attracting and retaining people**

Attracting and retaining people is a key success factor. Attracting and retaining the best candidates is a major objective of HRMT. To achieve this “an attractive package” needs to be created, including positive work place atmosphere, flexible working time, quality training, diversity etc. The organisation needs to commit fully to make this happen – top management support, open communication and incorporation in policies and appraisal systems. Most important barrier is the competition with other government institutions and the private sector.

A specific challenge concerns the attraction of good candidates of the new generation, sometimes referred to as the *Y-generation* or the *Digital generation*. Because of demographic shifts in many countries less young persons will enter the labour market in the coming years, which will increase the competition among employers to attract the best candidates.

The young generation is more sophisticated in using social networks and new technologies. Statistical offices should consider how to utilize such competencies. The young generation may also have different expectations for a job and career than in the past. There is therefore a need to create stimulating, flexible and innovating working environment to attract the new generation. It will also be necessary for NSOs to consider their image in the public as this is influencing the possibility to attract candidates.

## **4. Types of HRMT activities**

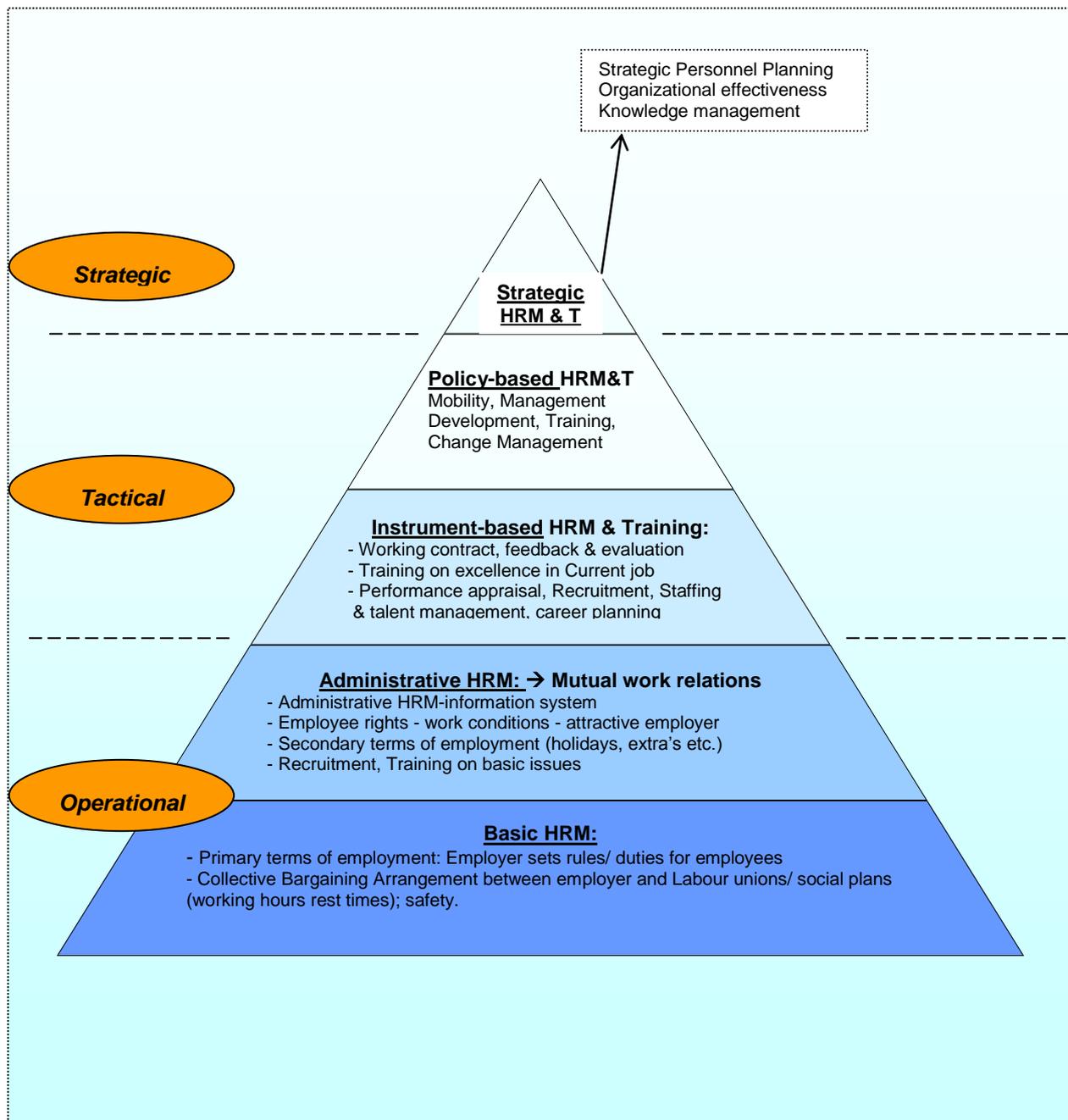
Looking at the challenges ahead, the question is not if statistical offices will need to change their organisation and working processes, but how radical these changes will be and in what way and in what time they can be implemented. It will not be sufficient to be reactive on these

processes or just do business as usual. It is important that HRMT is integrated in the changing process and plays an active role to facilitate and support the modernisation.

The statistical offices are operating under different economic and institutional conditions across countries, and the development of the statistical systems differs. HRMT practices also differs widely between countries. The HRMT challenges therefore are also different, and the challenges may be dealt with differently in different countries.

HRMT activities can be divided in five types of activities: Basic HRMT; administrative HRMT; instrument-based HRMT; policy-based HRMT; and strategic HRMT, which are illustrated in Figure 1.

**Figure 1: Types of HRMT activities**



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The five types of HRMT activities can be characterised as follow:

### **Basic HRM**

The key elements of basic HRMT includes primary working conditions (wages, working hours- and rest times) and bargaining arrangements between the employer and the unions. The key elements in basic HRM are also called “hygiene factors”. This means that if these elements are done perfectly they are not noticed, but if not they may attract attention (Vosburgh 2007).

### **Administrative HRMT**

Administrative HRMT aims to structure and organise the procedures concerning HRMT. This may be supported by a personnel information system. In many cases such a system includes the automated and computer software for personnel data, often with a view to managing staff. The level of administrative HRMT also includes arrangement on secondary terms of employment (such as holidays and holiday bonus, the pension scheme and the arrangements of the sickness benefit, childcare, and other benefits like training facilities) that may be use in attracting and retaining employees.

### **Instrument-based HRMT**

Instrumental HRMT is characterised by the use of HRMT tools used to standardize procedures which tends to reduce subjectivity in HRMT. Examples are protocols for recruitment, staffing and talent management and career planning. In this respect the yearly ‘management cycle’ is an important instrument, starting by articulating the working contract between manager and employee (expected output), half-way the year followed by giving feedback, and finally at the end of the year to evaluate the outcome. This instrument will help to articulate points of improvement in the current job. Specific training can be offered to improve work performance.

### **Policy-based HRMT**

In policy-based HRMT the activities are directed by an articulated policy within which HRMT instruments are put in place (Vosburgh, 2007), usually with a time horizon of one or two years. Key elementes are mobility-policy for employees, a management development program and training. Implementation of change management is also an example of policy-based HRMT.

### **Strategic HRMT**

The focus of strategic HRMT is to support the overall objectives of the organisation with focus on long-term development of business processes and personnel. Two strategically instruments are strategic personnel planning and knowledge management (to ensure the level of knowledge, taking into account the (external) mobility of personnel).

The first two types of activities, basic and administrative HRMT, can be characterised by the term *Operational HRMT*, because the main focus of the activities is to secure basic operational issues. The activities involved are mainly re-active in the sense that they are reacting on circumstances. Instrument-based and policy-based HRMT can be characterised by the term *Tactical HRMT* and require an active role of the HRMT department. These activities focus on ad-hoc demands of the moment and activities with short-term focus, onr or two years ahead. Finally, *Strategic HRMT* plays a pro-active role in the organisation in setting and reaching future goals of the organisation. This means that HRMT activities are aimed to plan and develop resources for their most efficient and effective use.

The pyramid can be used to assess the development of HRMT activities in the statistical office, and it also gives an indication of what may be required in order to develop and implement new HRMT activities. If, for example, in one NSO all HRMT activies are focused on primary terms of employment and in setting the rules and duties for employees, this would correspond to the



## Annex 1: Results of the short questionnaire: Main topics

Current challenges & focus points	Current Tools	2020: Biggest challenges	Ideal situation
<p><b>General</b></p> <p>1. Budget constraints (do more with less resources; increasing efficiency)</p> <p><b>Training</b></p> <p>2. Training (operational and strategic, specific)</p> <p>3. E-learning</p> <p>4. Leadership &amp; Management Development</p> <p>5. Job shadowing, training on the job, short training sessions etc.</p> <p>6. Knowledge management</p> <p>7. Training of trainers</p> <p><b>HRM</b></p> <p>8. Development and implementation of the HR concept</p> <p>9. Mobility (internal-)</p> <p>10. Recruitment, Attracting and retaining young and qualified staff</p> <p>11. Personnel performance evaluation Incentive for high performance/staff motivation</p> <p>12. Competences Management</p> <p>13. Staff opinion survey</p> <p>14. Flexible working times, modern work solutions, work from home</p> <p>15. Healthy work environment</p> <p>16. Quality Management</p>	<p><b>Training</b></p> <p>2. In-house and external trainings (specialised, exclusive etc.), ESTP, Civil service training Master and doctoral degree, home and abroad,</p> <p>3. E-learning system</p> <p>4. Training for the middle and top management</p> <p><b>HRM</b></p> <p>8. HR management system (database)</p> <p>9. Yearly interviews about training and development skills</p> <p>10. Web portal for recruitment and selection, High quality recruitment; Mentoring of new staff, Induction programme/training for new recruits</p> <p>Staff appraisal interviews, performance review/evaluation</p> <p>12. Competence database (competencies and skills)</p> <p>13. Staff opinion survey</p> <p>15. Upward feedback</p>	<p>1. Doing more with less (less resources and staff), efficient production, Business process redesign</p> <p><b>Training</b></p> <p><b>HRM</b></p> <p>8. To develop analytical skills to meet increased demand for the administrative data Identifying, developing and using competencies of employees</p> <p>10. Retaining qualified staff Recruitment of well qualified staff (demographic shift), Use of new staff selection methods</p> <p>13. Staff motivation (low wages, learning, development, etc)</p> <p>15. Better use of modern technologies, to adapt to the new process of survey production; Innovative work culture, smart working tools, remote work etc.</p>	<p><b>Training</b></p> <p>2. Investing in knowledge and training of employees; Further development of the ESTP; To develop degree in official statistics</p> <p>3. E-learning</p> <p>5. International exchange, study visits, secondment</p> <p><b>HRM</b></p> <p>8. HR metrics and analytics</p> <p>10. Recruitment and training new staff</p> <p>13. Performance linked payment; To develop non-financial incentive, motivation</p> <p>14. Smart working tools for smart working environment (flexi-time, remote work,</p> <p>15. Better working conditions (permanent posts, adequate renewal); Broader use of new technologies; etc.)</p>