AFROSAI-E

HUMAN RESOURCES MANAGEMENT

A Handbook for Supreme Audit Institutions

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2012

CONTENTS

APPENDIX

The appendix consists of templates and examples of best practice from the region, as well as other documents that can be of help when developing the human resources management within an SAI. The appendix is available at the AFROSAI-E website and will be updated periodically. www.afrosai-e.org.za

FOREWORD

Human Resources is one of AFROSAI-E's strategic imperatives and also one of the domains in the Institutional Capacity Building Framework. The AFROSAI-E Governing Board has also, in other ways, emphasized the importance of working with HR issues.

It was therefore time to look into HR issues from an African SAI perspective. The aim is to facilitate managers and professional HR practitioners in the region with a common framework when developing their organisations. The contents of this handbook are aligned with the AFROSAI-E Management Development Program and other material produced by the AFROSAI-E. The result is a handbook on human resources management to be used by the SAIs in the region. Hopefully, this handbook can be a useful tool to help Supreme Audit Institutions develop their HR policies, plans and tools in line with their specific needs and circumstances.

The handbook presents important general aspects, as well as specific issues and questions, which need to be addressed during the process of developing human resources management and the role of the professional HR function in an SAI. The content of the material is generic and needs to be adapted to the conditions in each specific country. It is focused on strategic HR issues and needs to be complemented with HR manuals that are corresponding with the rules and regulations for each country. Human resources management is a vast area. It is therefore important to point out that the handbook is comprehensive in some areas and brief in others. The choice of areas to be covered has been made together with SAI HR representatives from the region. The focus has been on covering the areas that most countries can benefit from.

The contents have mainly been developed during workshops in South Africa in close cooperation with HR managers from the region. The project benefitted much from the proficient and dedicated cooperation and input from Ms. Elizabeth Odede of OAG Kenya, Ms. Gloria Valhum of GAC Liberia and Ms. Beatrice Wambete of NAO Uganda, Ms. Bridget Mkuyamba and Mr. Munshya Makeleta of OAG Zambia. The Swedish NAO supported the project. The handbook has been further developed by Ms. Kerstin Ljungström, former Director of HR at the Swedish NAO and Ms. Eva Karlfeldt, HR Specialist at the Swedish NAO. The contact persons at AFRSOAI-E have been Mr. Göran Olson and Ms. Jenny Öhman Persson.

This handbook is a living document that will be updated periodically.

Wessel Pretorius
Executive Officer
AFROSAI-E

LIST OF ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
AG	Auditor General
CIPFA	Chartered Institute of Public Finance and Accountancy
CPD	Continuous Professional Development
CPE	Continuous Professional Education
DAG	Deputy Auditor General
FA	Financial Audit
HR	Human Resources
HRM	Human Resource Management
ICBF	Institutional Capacity Building Framework
ICPA	Institute of Certified Practising Accountants
IDI	INTOSAI Development Initiative
IFMIS	Integrated Financial Management Information System
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
NAO	National Audit Office
OAG	Office of the Auditor General
PA	Performance Audit
PM	Performance Management
PSC	Public Service Commission
SAI	Supreme Audit Institution

HUMAN RESOURCES MANAGEMENT (HRM) IN A SAI WITHIN AFROSAI-E

This chapter is an introduction to the handbook, and highlights the importance of HRM within AFROSAI-E. The SAI's mission is to promote accountability, transparency and best practice in government operations. In order to fulfil its mission in an efficient and independent manner it needs to be in control of its human resources decisions and procedures. The role of the HR professionals is thus vital to the success of the organisation. Some international declarations and a capacity building model are briefly introduced.

WHY HRM IS IMPORTANT

The role of public service is to provide good governance and serve public interest. Besides upholding democracy and being effective and efficient in providing public services, this includes:

- respecting and protecting the dignity of all
- not discriminating against anyone
- not abusing one's position to promote personal interests
- treating citizens as clients entitled to high standards of service
- serving the public in an unbiased and impartial manner.

The role of Supreme Audit Institutions (SAIs) is to provide parliament and the public with information about the government's ability to manage state resources. The task is to promote accountability, transparency and best practice in government operations. A SAI should act to build confidence and credibility. Auditing requires highly skilled and motivated professionals, who enable SAIs to meet stakeholders' expectations as institutions. Better and more efficient human resources management is a key to high quality and the foundation for building confidence and credibility.

A high-performing SAI needs to have sufficient and appropriate financial and human resources. It also needs to be in control of these resources in order to achieve its short and long-term goals. A SAI must be independent in regards to decision making on recruiting, training and managing their staff, and developing HR policies and procedures that support the strategic objectives of the SAI. This means that a SAI should have the final say on adverts, job descriptions, and recruitment procedures as well as on performance indicators. This is why the independence and integrity of SAIs is vitally important. A SAI must be able to recruit and manage its employees effectively using efficient procedures.

Human Resources Management (HRM) is the overall term for all the policies, plans, and procedures that enable the SAI to attract, motivate, and retain highly skilled professionals. Successful HR functions will need to evolve from being an implementer of good policies. HR must develop strategic leadership skills, drive change and focus on results. This will be HR's greatest contribution to the SAI. Clear, strategic and well-adopted HR procedures help a SAI's managers and employees understand what is expected from them and thus make a difference to society.

HR practitioners can use good policies and procedures from their civil service. A SAI that is still under the public service commission (PSC), or equivalent, should however try to gain as much control as possible over these decisions. The integrity of the SAI is an effect of such independence and must be supported by all hierarchical layers in the organisation. This means that all decisions should be transparent and clearly aligned with the basic values of all SAIs in the world – to ensure that public money is well spent. The SAI needs independence to set priorities and program its work in keeping with its mandate and adopt methodologies appropriate to the audits to be carried out.

HR units should assist managers in their responsibility to implement HR policies and procedures. To enable this, HR needs to be actively partaking in strategic planning, management meetings and activities that involve the development of work and competence. The HR practitioners should take an active and responsive position, and drive change processes by acting proactively.

INTOSAI declarations and standards on HRM

Supreme Audit Institutions provide the highest level of external audit of government bodies in a country. Being a SAI is a demanding role that calls for high standards and measureable quality. Managing its human resources in an efficient way must be done in accordance with the international framework for audit institutions and with regard to national and international best practice.

The INTOSAI [1] Lima Declaration of Guidelines on Auditing (ISSAI [2] 1) sets out the objectives of public sector auditing. In order to fulfil the objectives, the SAI must strive to be able to employ, develop and retain its employees in a sustainable way. Sufficient efforts must be undertaken in order to sustain professional knowledge and skills, as well as moral integrity. The Code of Ethics (ISSAI 30) establishes the fundamental values and principles, which should guide the daily work of auditors. These are equally true for HR practitioners. The HR issue of competence and professional development for auditors is specifically addressed later in the handbook. ISSAI 40 deals with quality control. In order to ensure a qualitative application of the principles stated under Element 4, HR management must be conducted in a strategic and coherent way.

Human Resources – part of AFROSAI-Es Institutional Capacity Building Framework

AFROSAI-E has developed and adopted an institutional capacity building framework which is used in the region as a basis for all institutional development work supported by AFROSAI-E. The framework is used for the SAIs self assessment as well as for benchmarking. The framework consists of five main development areas or domains, and Human Resources is one of them. Under each domain the model indicates a certain number of elements that must be in place in a SAI. The domains and its elements are based on INTOSAI standards and best practice. The elements under the HR domain provide guidance to the SAIs on how to develop their HR management. The model is described in a more complete way later in the handbook.

Figure 1   The Institutional Capacity Building Framework (ICBF)

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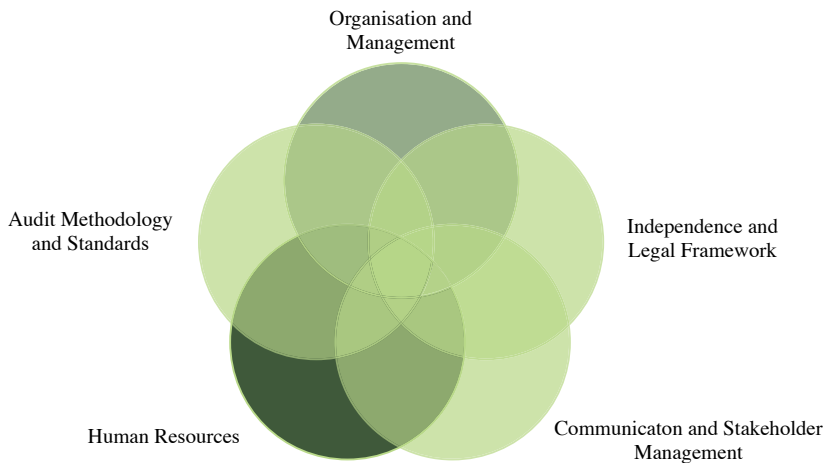
[1] International Organisation of Supreme Audit Institutions

[2] International Standards of Supreme Audit Institutions

VISIONS FOR HRM WITHIN AFROSAI-E

Visions for the organisation
- All SAIs within AFROSAI-E should be working towards being independent in regard to decision making on managing their staff, and developing HR policies and procedures that support the strategic objectives of the SAI.
- The SAI shall be seen as an attractive employer. It should be transparent in all procedures and act as a role model to other parts of the public sector. The SAI shall see their employees as resources, which shall be well used and relevantly cared for in healthy, good times as well as in hard times.

Visions for HR
- HR policies shall support the SAI in fulfilling its overall objectives and the SAI leaders in achieving their strategic imperatives.
- HR shall take a proactive and responsible position in the SAI, and drive change processes.
- Recruiting is a key HR process where people from various parts both within and outside of the organisation are involved. HR should lead the process, enhance quality in every step, and thus bring more value to the SAI.

Visions for management
- Good management requires moral courage, which means standing up for what is right, defending others who tell the truth and exposing corruption or other harmful practices. Good leadership also recognizes that people have the right to sometimes disagree with the direction of, or approach to, change.
- Managers should help each individual in understanding their role in making development and change successful.
- Managers and the HR manager/specialists should work closely together to create the maximum options for a sustainable, effective and reasonably quick change processes.
- Every manager and staff member must show what they do and how they contribute to the achievement of the strategic goals.
- The strategically formed work systems shall support each employee and manager to be sufficiently competent in delivering valuable results.
- What should be rewarded in the SAI are behaviours and results that really are wanted and needed for organisational prosperity.

THE HRM HANDBOOK

This handbook provides practical tips and guidance with examples from the AFROSAI-E region and its capacity building partners. It aims to assist the SAI in developing a HRM policy and put it into practice. The aim is to build strong foundations for further development and use of HRM tools. It also provides examples of best practice in some aspects of HRM.

The handbook can be used to build an HRM policy, or as guidance for developing a certain HR practice. Any handbook has to be seen as a living document in which further development is a natural process. Due to the differences between countries, a selection has been made to cover only the areas that most SAIs can benefit from. Thus, certain crucial HR areas like compensation and benefits are very briefly covered. Hopefully it will help you put theory into practice, and help you to develop your SAI by enriching your HRM tools further.

The first part of the handbook deals with strategic development in an SAI, HR policies and planning, and how HR can work in supporting a strategic development. The latter part describes the five HR areas as described in the IDI [3] /AFROSAI-E handbook on strategic planning.

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[3] INTOSAI Development Initiative

Figure 2   The content of the HRM handbook

Recruitment	Performance management	Training and development	Retention	Welfare

HRM and SAI capacity building

HR as a strategic function
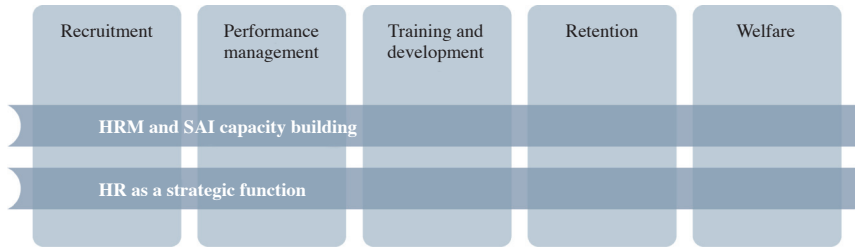
Who should use this handbook?

This document can be used by every SAI that recognizes the importance of HRM. A lot of information on HRM policy and all other HR areas is available on the Internet and in the literature. To implement the ideas presented in this document, the SAI needs to allocate adequate responsibilities and resources. This handbook can also help a SAI develop or refine its HRM policies. The contents can be applied in every development phase a SAI undergoes.

The handbook is for SAIs intending to develop an HRM policy, strategy, plan and procedures. It provides guidance to Auditor Generals, senior managers, managers at other levels, and HR practitioners in how and why to develop their HR tools. Hopefully the handbook can serve as an inspiration to build capacity within the SAI in using HR tools.

HRM AND SAI CAPACITY BUILDING

STRATEGIC DEVELOPMENT IN A SAI

Building capacity is about development. In order to develop there must be a clear vision or goal to strive for. Being strategic is about keeping a focus on that overall target, and being able to align everyday decisions to the overall direction. This chapter is about how HR can support and develop capacity building in an SAI. The aim of the chapter is to highlight some of the crucial planning activities as well as some of the fundamental mindsets and roles that HR can contribute with, to the benefit of the whole SAI.

The SAI and the HR planning process

In order to achieve the desired results in the area of HRM, a planning process needs to be followed. This process is similar to planning processes in other areas. It involves assessing the HRM needs of an SAI, developing an HR policy, strategy and planning to address those needs, implementing the policy, strategy and plan, monitoring and evaluating the implementation and reporting on the performance to the Auditor General. The lessons learnt help the SAI to make adjustments to the policy, the strategic plan and their implementation of it as time goes on.

Figure 3   A planning process in general
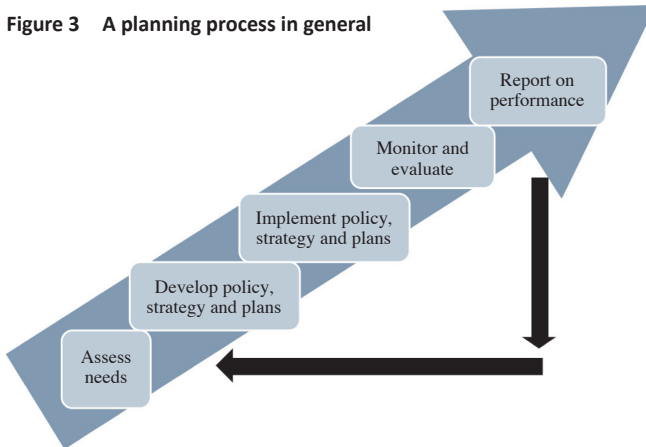
An HR policy is a way of expressing the basic values and principles that give guidance to the HR work in order to support the SAI in fulfilling its overall objectives. The HR policy must reflect the overall mission, strategy and values of the organisation as well as the legal framework. Often HR policies are the same for the entire civil sector. Then they do not need to be developed from scratch but rather adapted to the specific needs of the SAI. Sometimes there is a need to simplify them. The figure below shows how the HR policy, strategies and activities are linked to the SAI strategies and plans.

Figure 4   How to integrate HR into the SAI planning and audit process

Leadership in a SAI

THE LEADERSHIP IMPERATIVES

The demands on the leadership of any SAI are high and ambitious as the demand is that all SAIs shall act as role models. AFROSAI-E and IDI have developed a number of "leadership imperatives", roles and responsibilities for top, senior, and operational management as part of the on-going management development program. These are of vital importance in supporting HR to develop and unleash its full potential.

The imperatives state strategic challenges and requirements on leadership regarding
- Adding value, thus creating results in the SAI.
- Transformation and repositioning, thus supporting and driving change
- Optimising resources, thus managing people, tools, financial resources etc.
- Stakeholder inter-action, thus effectively presenting the SAI's vision, mission and objectives to relevant stakeholders
- Earning and maintaining independence, thus managing the SAI in such a way that the SAI's performance enhances its independence and reputation.

HR should support the SAI's leaders in achieving their strategic imperatives.

The leadership imperatives clearly state the importance of expressing personal leadership skills and the significance of setting an example at all levels of management in a SAI. Regarding other HR areas other than leadership skills, the imperatives focus the optimising of resources. Important tools are
- human resources policies,
- recruitment,
- developing access to structured professional qualifications,
- internal communication procedures,
- establishing systems and strategies for organisational learning,
- performance appraisal systems and feed-back,
- code of conduct,
- work environment and
- staff welfare.

The imperatives on level 1 (Auditor Generals) state the responsibilities for putting the systems in place and making sure they are aligned with overall strategic development, while the imperatives on level 3 (first line managers) stress the relationship to the employees and the importance of upholding the HR systems.

SAI LEADERSHIP IN SOCIETY

It is the duty of elected and appointed public sector leaders to safeguard good governance and other positive social values. In doing this, they provide moral leadership based on integrity, respect for human rights and the rule of law, openness and honesty. Any abuse of power undermines the public sector and public confidence in it. Good leadership requires moral courage, which means standing up for what is right, and also defending others who tell the truth and expose corruption or other harmful practices.

SAI LEADERSHIP IN A LEARNING ORGANISATION

Leaders serve as role models by themselves being open to learning and developing and by creating an open learning culture by sharing and developing new knowledge with their staff. A learning approach to strategy development requires that all audit staff participate in strategy review and improvement. Leadership in a knowledge-based organisation involves staff in every aspect of the organisation's business, as everyone has different experiences, networks and roles that contribute to collective intelligence, assessment and action.

Good leaders recognize that people have the right to express opinions on the direction of, or approach to, change. Different opinions to the choice of roads towards a certain goal can bring development to the process, and should therefore be encouraged. This can lead to a dialogue that develops understanding and improves

processes in ways that gain staff commitment. After the dialogue a decision is made, and at that stage each staff member has to align with the decision.

This is a learning process, where managers as well as staff have to be open to learning. Learning requires trust in others, since people in the process of learning are vulnerable as their old attitudes, experience and beliefs might be seen in a new light. When managers are open to questions, and start receiving feedback from staff, there are options for developing a learning culture. When staff members realize that their reflections are important for the development of processes and of the organisation, they may become more motivated and eager to reflect and bring forward questions and ideas.

THE HR POLICY

An HR policy expresses the values, basic principles and overall objectives of the SAI's human resources management. It helps set out the direction for different HR activities and serves as a framework. It also helps in prioritising what kind of activities need to be executed as well as showing which activities and procedures do not need to be executed.

Since HR is a vast area, the policy needs to cover different aspects of managing people. As stated in the IDI/AFROSAI-E handbook on strategic planning, the following aspects of HR need to be emphasized in a policy:

- Recruitment
  - Define the right diversity of competence at all levels, attract and select people by pre-defined criteria and bring people on board effectively and efficiently.
- Performance management
  - Establish system to provide timely and constructive feedback on individual performance, as well as open and clear appraisals.
  - Link performance management output to recruitment, to training and development and to a clear rewards system.
- Training and development
  - Establish a career development program that meets the SAI's needs for professional competence and the employees' needs for training and career development both from a short and a long-term perspective. Enhance individual abilities to create overall organisational ability to deliver.
- Retention
  - Offer stimulating and challenging work assignments, good working conditions, and a viable remuneration system.
  - Plan and manage competence transfers derived from resignations and other exits, and professionally manage staff adjustments when necessary.
  - Plan and manage gender and other diversity issues
- Welfare
  - Ensure motivation and good working conditions through active and professional leadership.

Most SAIs have adapted HR policies covering the main areas within HR. The organisation can develop detailed policies for many areas, or develop a general policy covering all areas.

Figure 5   Examples of HR policies from the AFROSAI-E region

Recruitment	Performance management	Training and development	Retention	Welfare
• Contracting • Recruitment	• Appraisals • Communication • Disciplinary actions • Grievance/conflict management • Performance management • Time management	• Career development • Rotation • Succession • Talent management • Training	• Career moves • Change • Protocol • Recognitions and rewards • Retention • Retirement	• Health • Staff welfare • Deceases

The structure of this handbook reflects these areas, after the initial issues of development and capacity building have been dealt with.

How to develop an HR policy

The idea of having an HR policy is to have a common framework within the organisation. An HR policy can be developed in two ways. You can develop an overall policy for the entire area of HR, and then analyse how this affects the different parts of HR, e.g. the recruitment process. An alternate way is to work through the HR processes one area at a time, developing the policy by formulating values and overall objectives for that specific process. Working with a HR policy as a whole has the advantage of getting it all done "by the book". It runs the risk, though, of being a paper in a file on a shelf with little impact on daily work as it easily becomes too wide and all covering.

When developing guidelines and procedures within one area, e.g. performance management, it is possible to develop the values, basic principles and objectives of that specific area, thus developing the HR policy area by area. The "area" method has the advantage of giving you the possibility to develop a policy and implement it simultaneously. It will take a longer time to get all areas covered, but you will benefit from having some in place and building from those.

The framework must be logical, consistent, and aim at the objectives of the core business. There is not one generic HR policy template that can be used by all organisations. An HR policy must be developed within your own SAI on the basis of the organisation's culture, values, and legal system. It simply must reflect the kind of work that is being done in the organisation. You can never copy someone else's; still you can get good inspiration from others. It is therefore recommended that all AFROSAI-E countries share their policies in order to develop them further. This can be done through the HR manager network.

It is essential that an overall HR policy be developed for the entire organisation and for all staff groups. It must reflect both the legal system i.e. the corporate culture and values that are intended. Once an HR policy has been developed it can be implemented by area, such as working through the performance appraisal system, or by parts in the organisation, such as head quarters before regional offices. Developing an overall policy and then gradually implementing it, starting with the most crucial areas may be an effective way of putting theory into practice and ensure that the HR policy, HR strategies and HR activities really are in pace with the SAI's overall development. What really is crucial is to make sure that HR specifically supports the development of the SAI.

THE INSTITUTIONAL CAPACITY BUILDING FRAMEWORK (ICBF)

An Institutional Capacity Building Framework (ICBF) has been developed as a tool for capacity building for SAIs within the AFROSAI-E region. It is a model for self-assessment as well as for benchmarking. The ICBF is developed by AFROSAI-E with the intention to summarize the key aspect a SAI needs to focus on to succeed in its operations and development. The ICBF is divided into five domains:

1. Independence and legal framework
2. Organization and management
3. Human Resources
4. Audit standards and methodology
5. Communication and stakeholder management

Each domain is composed of a number of elements. All elements have been further divided into different maturity levels (1-5), where level three corresponds to a SAI that has all its elements established and working according to international standards and best practice, although can be improved. All details regarding the ICBF can be found in the ICBF guideline available at the AFROSAI-E Secretariat (www.afrosai-e.org.za).

The most important human resources elements are presented below.

The ICBF presents a way to measure SAI capacity through self-assessment questionnaires managed annually by the AFROSAI-E secretariat. The Auditor Generals of the AFROSAI-E countries have agreed on developing their SAIs according to this common framework.

Figure 6   The five development levels and the institutional perspective in the AFROSAI-E Institutional Capacity Building Framework (ICBF)

	Institutional perspective				
Development level	Independence and legal framework	Organization and management	Human resources	Audit standards and methodology	Communication and stakeholder management
Level 5	Optimized level				
Level 4	Managed level				
Level 3	Established level				
Level 2	Developing level				
Level 1	Founding level				

The Human Resources areas to develop according to the ICBF
As human resources management is crucial to build capacity in any organisation, it is recognized as one of the five domains within the framework. There are six elements identified within the HR domain. There are five development levels for each element. The elements are the same for each of the five development levels.

An important objective in the AFROSAI-E Corporate plan 2010-2014, that has been endorsed by the Auditors Generals of the region, is that as many SAIs as possible should have achieved level 3 by the end of the 2014. For HR this means that the development indicators of the following six elements should be implemented by 2014.

The elements of the HR domain on level 3
As many SAIs as possible within the AFROSAI-E region should have achieved level 3 on the ICBF by the end of the 2014. For HR this means, among other things, that there should be a HR policy implemented, however with need for improvement. Details of the HR elements are listed below.

1   HUMAN RESOURCES POLICY
The SAI has implemented a human resource development policy covering the areas listed below. However the policy and/or processes may need improvement.
- recruitment policy based on best practice criteria
- remuneration policy based on job profiles and performance
- retention policy with mechanism
- performance appraisal/ management policy
- career development policy
- training policy
- staff welfare policy
- professional development policy
- job rotation policy
- exit policy

The SAI has also implemented a monitoring and evaluation system for the HR policy. However, the system needs improvement.

2   SAI DEVELOPMENT

The SAI's development plan is aligned with the annual operational plan and/or the strategic plan is implemented. However, improvement is needed.

3   MANAGEMENT OF PERSONNEL

The SAI has implemented management of personnel in line with international standards and best practice covering the areas below. However, improvement is needed.
- management of its recruitment process
- management of its development process
- management of its staff welfare program
- management of a performance appraisal system
- management of a system for retaining personnel
- management of a mechanism for filling vacant posts
- management of a system for exit of personnel

4   TRAINING ASPECTS WITH EVALUATION MECHANISMS

The SAI also has implemented training organised for different categories from a holistic perspective. However improvement is needed. The categories are:
- new entrants
- managers
- on the job training for staff
- training via secondments to other SAIs
- training via professional audit qualifications
- training via a coaching and mentoring process

The SAI also has implemented a monitoring and evaluation system for the different kinds of training and their results. However, the system needs improvement.

5   SAI CAPACITY TO TRAIN ITS STAFF

The SAI has implemented the use of full time/part time trainers providing in-house training in accordance with the strategic and annual operational plans. However, improvement is needed.

6   SAI CAPACITY TO USE INFORMATION AND DEVELOP KNOWLEDGE AND SKILL

The SAI has implemented a "system", which encourages the staff to find, use, manage and share information, knowledge and skill. However, the "system" needs improvement.

Building capacity a challenging task

This handbook aims at supporting SAIs in achieving level 3 for Human Resources, which is also an agreement between the Auditor Generals of the AFROSAI-E countries. It presents a challenging task. Level 3 means that the SAI has implemented, with minor problems, what is covered by the six different elements, e.g. a human resources policy with its various parts. The Guideline is referred to for details about the conditions for the elements on the different 5 levels. The strategic and the annual operational plans and their processes in the ICBF's Organization and Management domain are important elements in developing an SAI. It is therefore of importance for the elements in the HR domain to connect with these planning elements.

To be successful and to fulfil the targets, the Auditor General must make sure that everyone in the organization works together, towards the same goals. Capacity building almost always means managing change. HR is an important tool for top management in ensuring sustainable progress as the competence of HR staff can be used in the developmental and change processes.

NEEDS ASSESSMENT – A SIMPLE TOOL TO DEFINE THE HR STRATEGIES

To find which HR areas are crucial to direct in a policy or a strategy and to reflect on which HR activities do not meet the strategic goals of the SAI, there is need for an assessment. The process of assessment involves

top management and HR staff, and forms a platform for further development of the SAI as well as, specifically, the activities of the HR unit.

A method to create the basis for HR policies is to create a workshop with top managers and HR staff. Work through the strategic goals of the SAI. How do the overall strategic goals affect management and staff? How have the HR elements from the ICBF been used? In what ways can HR support progress? Use SWOT analysis or questions like: What should HR keep on doing to implement the HR elements? What should they stop doing? What do they need to start doing? This will help you set the strategic goals for HR.

Human resources strategies must be anchored in SAI strategies. HR practitioners that have specialist competence can be well used by management when they are shaping the strategic goals of the SAI. The goal setting process in the SAI strongly benefits from having HR specialist competence present.

Figure 7   A simple model for analysing how the SAI's strategic goals affect HR.

SAI strategic goal	Implications for the SAI	Implications for HR
Goal	Organization Processes Competence and resources	HR processes involved HR goals HR activities HR organisation and practitioners

In working through and creating one sheet per strategic goal, there are a number of steps identified that needs to be considered.

1.   Definitions
2.   Labour law and other local regulations
3.   Civil Service regulations or equivalent where applicable
4.   Document as per AFROSAI-E or international best practice
5.   Process and procedure
6.   Consolidate the first draft
7.   Consult stakeholders, such as auditee surveys
8.   Incorporate comments from them
9.   Finalize the draft document
10. Funding and resources needs
11. Get approval from AG
12. Sensitize and implement it

Figure 8   Example of strategic HR goals from the GAC of Liberia

- 20 per cent of staff will be certified accountants and 60 per cent certified fraud examiners by 2013.
- Performance Management System will be fully deployed by 2013.
- Turnover rate will not exceed 20 per cent in any given year within the next 5 years.
- All staff salary will be market tested annually to ensure that salaries and benefits are commensurate with prevailing wages.
- 100 employees will have completed MBA programs in Africa, Europe and America by 2013.
- By 2013, there will be a diversified workforce with women constituting a minimum 30 per cent of the workforce.

There is always a need to prioritize between different goals to avoid unnecessary conflicts. There is also a need to have common references on what human resources management is, since many practitioners lack professional training in human resources.

HR AS A STRATEGIC FUNCTION

This part of the handbook will focus on some aspects that are identified as crucial to consider if you want your HR practitioners to help build capacity in your SAI. Firstly, a model for how to view HR work and HR roles is presented. Secondly, ideas on how to organise an HR unit are discussed. Thirdly, an example of how to link HR work to the core business of auditing is presented. Thereafter three different chapters take up some fundamental organisational theories, of which HR practitioners need to be knowledgeable. First, a systems-oriented view on organisations is discussed, and then the aspect of diversity, and last but not least, a model for change management is presented.

THE HUMAN RESOURCES CHAMPION MODEL

This chapter presents a model[4] for how HR work can be seen, and what kind of roles HR practitioners need to take on in order to create as much value for the SAI as possible. The main idea is to show that HR, by acting in four different roles, can support the SAI in various ways, and thereby create options for a sustainable organisation.

HR is traditionally perceived as a support function rather than a key driver of progress. This perception probably stems from the fact that HR as a function is evolving from personnel management, which is predominantly administrative in nature. In gaining insight into the core business, the reality of auditing, HR can contribute in developing processes and procedures, championing employee issues, bring about change in a manner that offers least resistance and participate in strategic decision making.

Two basic dimensions

In an organisation HR work can consist of mainly handling daily matters or carrying out procedures, in other words work with an operative focus. HR work can also consist of designing, implementing or evaluating HR processes and activities, that is to say work with a more strategic focus. This distinction between an operative and a strategic perspective is represented in the model by the vertical line.

HR work can moreover focus on procedures, processes, monitoring activities and administrative systems. On the other hand it can mainly focus on people and how they perceive their everyday work life. This distinction between a process and a people's perspective is represented in the model by the horizontal line.

The quadrant

Combining these dimensions will result in a quadrant. The model shows how HR can support the organisation in both strategic and operative ways, and with regard to both people and processes. It identifies four distinct roles that human resources staff must assume; the roles of the administrative expert, the strategic partner, the change agent, and the employee champion.

What all four model roles have in common is that they partner with line managers. The HR practitioners are in charge of guiding and assisting the managers to make decisions in line with rules, regulations and codes of ethics, thus support managers and staff members. HR practices are supposed to help managers and staff members to keep committed and create results. The HR practitioner's job is to help managers commit to leading employees and to administer and live the existing policies.

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[4] *Ulrich, 1997*

Figure 9   The HR champion model, showing HR focus, activities and roles
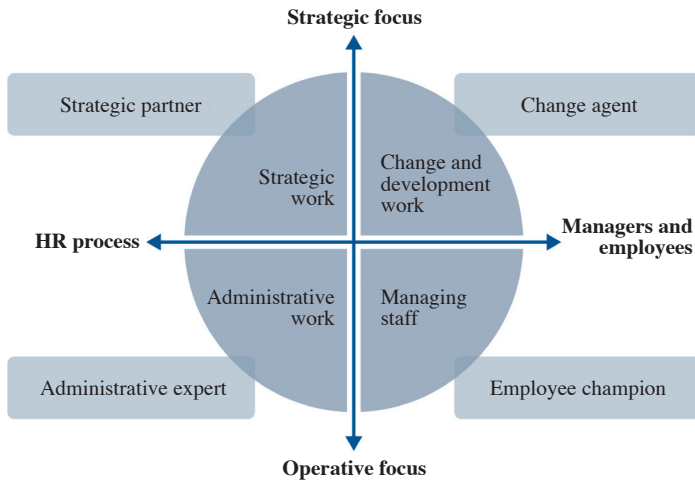
Source: D. Ulrich, 1997

ADMINISTRATIVE WORK – ADMINISTRATIVE EXPERT

Administrative HR work has an operative, day-to-day focus and deals with processes rather than with people. These HR practices are essential. Ideally both policies and practices are 100 % in line with SAI strategic objectives, well known, and are carried out effectively and efficiently. The role of the administrative expert is well known and appreciated in most SAIs within the region. The HR function must never fail to deliver these basics, and they can usually be more developed through IT solutions or through well-established and effective procedures. Excellent expertise and responsiveness in this area are what all SAIs expect from their HR function. Examples of areas for the administrative expert are record keeping, managing HR systems, giving service to both managers and employees.

STRATEGIC WORK – STRATEGIC PARTNER

Strategic HR work balances employee interests with SAI decision-making. HR must provide a thoughtful, objective and realistic assessment of the human resource aspects of pending decisions to help ensure that the best conclusions are reached. Sound decisions balance a series of factors that frequently conflict with one another. HR ensures that human resource issues are given the attention they deserve. HR puts a spotlight on the impact of decisions on employees' daily life and assignments. A failure to provide this perspective gives a serious disservice to SAI management as well as to the people who will be affected. The strategic HR partner is a professional, who engages in a strategic partnership with top and line managers. S/he has a consultative role and focuses on alignment of HR processes and systems to strategic SAI goals. S/he also proactively develops HR processes in close cooperation with the line managers, thereby maximising their impact. The role is all about making sure that HR work fully supports the audit process. Another suitable role for a strategic HR partner is to become a system integrator, and ensure that all different elements of a strategic plan come together in a coordinated way. Examples of activities for the strategic partners are assessing needs and designing HR systems that match the goals of the SAI, in close cooperation with managers at all levels.

CHANGE AND DEVELOPMENT WORK – CHANGE AGENT

Most SAIs within the region have an extensive agenda regarding development. Thus this is a crucial area for HR to be of assistance. An HR practitioner who acts as a change agent exploits his/her deep knowledge of

how the daily life in the SAI works, using the experiences from administrating and managing staff. S/he functions as an internal consultant; diagnoses organisational problems, makes plans for structured change processes. This HR practitioner helps managers appreciate that people do not necessarily resist change as such; they perhaps resist both being the focus for change and the top-down approach that is often used to introduce change. HR should help managers see that involving employees in the change process energises them, draws on their know-how, and helps produce a sound result. The HR practitioner can lead capacity building activities within his/her own field, and facilitate workshops, coach groups, keep information flowing etc. HR practitioners should be viewed as a reflective rhetoric, a thoughtful and resourceful supporter and facilitator of the changes and new ideas that contribute to the success of the SAI. It is all about making things happen. Examples of contributions from HR can be to design and implement change processes and influence others to act.

MANAGING STAFF - EMPLOYEE CHAMPION

Managing staff encompasses supporting managers and employees on a daily basis, with all the matters that occur. The role of the employee champion is all about employee relations, listening skills, and work environment issues. The employee champion needs to understand the reality of the auditor's daily life, to know what motivates the auditors, in order to advocate employee concerns to managers, and also to advocate management's concerns which often means to be clear on implementing tough decisions. Management by walking around is not a strategy only for the line managers. It has to be practiced by HR professionals as well, maybe even to a greater extent. Practical examples on activities in this area are to mentor individuals to develop talent, assess and balance competing values e.g., policies & mission needs, and to build trust.

An advantage of this model is its focus on operative versus strategic, and people versus processes. It helps in presenting a clear picture of the variety of HR assignments that can be used in creating value to the capacity building SAI, and which competencies that need to be put into practice. However, the basic functions that are expected from SAI management must always be present and well functioning. The administrative infrastructure is of vital importance, and must be upheld. Still, this work is often characterised by its repetitiveness, and can therefore benefit from streamlining. HR can build SAI capacity in developing infrastructure, championing employee issues, bringing about change in a manner that offers least resistance and participating in strategic decision making.

Another implication of this model is that HR practitioners must accept that constant learning and skills enhancement are essential to them being contributors to the SAI development. Most HR practitioners need to develop consulting skills and interpersonal skills if they want to take on the challenge of expanding their HR work from mainly administrative to be more strategic and change oriented. After all, HR must promote the fundamental idea that for people to be effective as employees, they have to be led effectively as people.

> *What can we learn from this model? Take some time and reflect upon where in this quadrant your HR function excels today, and where you need to develop. There is not one HR employee working within one role, but mostly all HR practitioners work in several roles. However, some people are better equipped to perform certain tasks, and hopefully this model can help you develop ways to make your HR practitioners understand and expand their roles further.*

ORGANISATION OF THE HR UNIT

This chapter presents some AFROSAI-E recommendations and ideas on how to organise the HR work in an SAI.

AFROSAI-E recommends that an HR unit should be a separate function and the HR manager a full member of the top management board. If not, the HR manager should be taking part in all their meetings. If there is a specific training unit, it should report to the HR manager.

An estimate of the needs for staff within a SAI HR unit is two HR professionals per one hundred staff in the SAI. But every SAI is unique and therefore the number of HR professionals must depend on the needs of the SAI. During the most intensive developmental years, the needs will certainly be higher.

When the HR team is built it is essential that the most vital, administrative functions such as pay-roll administration, filing of staff information, etc. are covered first. But as they also tend to take a lot of time, these issues can benefit from computerisation and effective administrative systems.

Essential for all HR units is that HR staff are really interested in and committed to the area of HR. This is especially important as many of the issues connected with the profession are subtle and need to be handled with care and confidentiality. Therefore it is a recommendation from AFROSAI-E that the SAI always recruits HR staff that are trained and educated in the area. This is vital for the professional handling of the area and for the successful organizing of the SAI.

The strategic issue of deciding what competence the HR team should deliver to the organization needs to be discussed. The human resources champion model, as presented earlier, shows various HR roles and how they relate to the strategic HR goals. And the strategic HR goals are interrelated with the overall strategic goals for the SAI. The main task is to assist managers to do their job, as most of the human resource activities are closely interconnected with day-to-day management.

With a clear organisational frame and a competent HR team in place, division of roles has to be done. HR specialists might have personal preferences and skills that can be used to propel the delivery of special areas. Experience shows that, for the various departments of the SAI, it is good to have one HR specialist that supports each one in one or a few areas. This specialist can react to situations that arise and be proactive in handling complicated matters. A well functioning, professional HR team can deliver both specialized competence to the whole organisation and general HR competence to each department. Each HR specialist is then in charge of the development of his/her speciality and at the same time in charge of the general HR issues of one or more department. This is depicted below.

The matrix shows one example based on each HR specialist being the contact person to each one department as well as in charge of one special process and competence. This is helpful when it comes to delivering qualified competence to the organisation.

Figure 10 Example of organisational and functional responsibilities for HR practitioners

Manager	Practitioner	Practitioner	Practitioner
Top management	Audit unit 1 Audit unit 2 Audit unit 3	Audit unit 4 Adm units Branch offices	Audit unit 5

Manager: leadership development, organisational diagnosis, conflict management

Recruitment process

Performance appraisal system

Training process

Adm exp: Payroll administration, adm of leaves
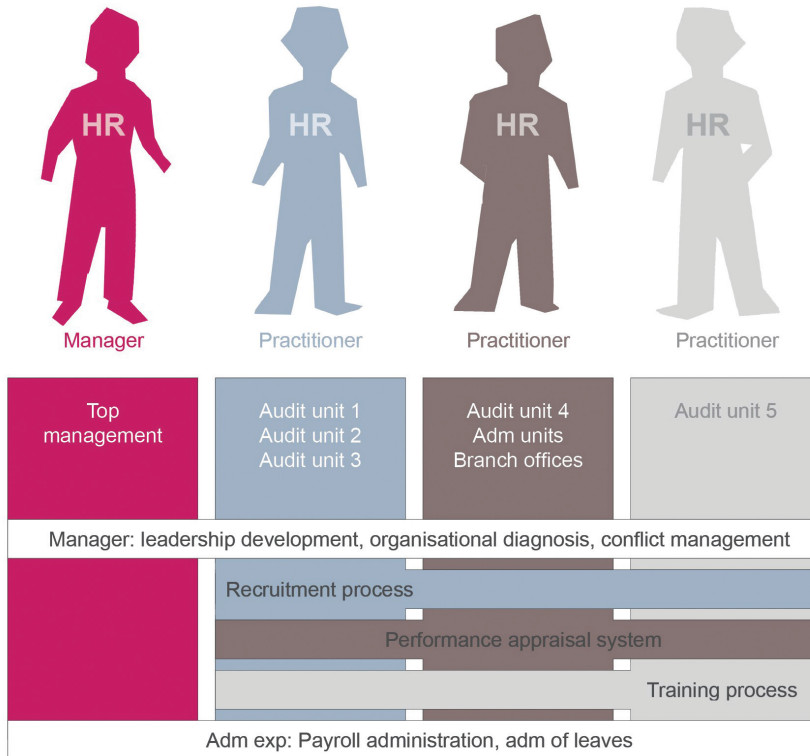
HR giving day to day analysis and support

HR competence is well used when each HR specialist is a speaking partner for the managers at all levels. HR listens to comments, reacts to sick leave and other leave, sees fatigue or misbehaviour and talks with the manager in charge about what they see. During this conversation the HR specialist can coach the manager in deciding how s/he can show responsibility towards the staff as well as towards the organisation. The HR specialist can also offer practical help by taking part in conversations about sensitive matters, conflict management, assisting in finding correct medical/social/psychological support etc. Any manager should experience the HR specialist as his/her prioritized speaking partner when it comes to staff issues.

WHY HR NEEDS TO BE MORE VISIBLE

Ideas on how and why HR can be more evident in the organisation are introduced below.

HR practitioners need to make the human resources work visible to managers and staff as there is still a lack of understanding on all the different aspects of HR. There is a more comprehensive list of ideas presented in appendix. Every single item can be expanded upon; these are some ideas to get inspiration from.

Making HR visible towards top management
- If HR is not in the management meeting – make HR indispensable by bringing forth questions until HR is a natural part in the meeting

Make HR visible to line management and team leaders
• Network with line managers – give and receive information.

Making HR visible towards staff
• Show interest in staff welfare – act when people are sick, spouses or children die, monitor that employee intently. Act quickly, use a proactive approach.
• HR shall be able to keep secrets – be confidential and show it

Lead by example towards managers
• Periodical follow up with managers individually or in small groups.

Regularly present HR output and make the benefits of HR available to the managers
• Process and keep information about staff systematically. Share in appropriate and proactive way in organisation.

HR competence
• Network with professional bodies outside the SAI, national or international.

Ideas on key indicators

Key indicators must be used to monitor the success of an organization and how various activities influence the development. They are important tools for HR practitioners in showing how HR contributes to the achievement of the strategic goals. The idea is to work with a few strategic indicators that can be monitored and both show what kind of activities that take place, as well as an idea on what impact certain activities have. In the appendix you will find a number of indicators within the HR area, and the SAI needs to analyse its situation and choose a few to follow regularly.

It is of vital importance that all statistics are divided by gender. Some indicators are important to monitor monthly, while others can be monitored quarterly or annually. Work out what you think is important to your top management and present how you would like to work with indicators. The administration of indicators usually takes some time, so make sure you spend your time wisely. In order to be able to work proactively and drive change issues, HR needs to present facts.

LINKING HR PLANNING TO AUDIT YEAR

An important part of getting the maximum value from HR for the SAI is the issue of timing. It is therefore essential that the HR annual plan is developed in cooperation with management and in connection with the annual operational plan [5]. In this chapter a model for linking the HR and audit year is presented.

Step 1 – make a list

Start by making a list of all HR activities and processes that involve managers and others outside of the HR function. This usually includes recruitment (numbers and categories of staff), training (internal and external), and performance appraisals, but there may be other areas of interest. Often the HR function as a team can come up with quite a long list. Some activities are performed once a year, such as recruitment of new financial auditors. Others appear several times yearly, such as various kinds of appraisals. Some services are performed throughout the year, such as administration of leave.

Fundamentally, in making the list, HR should do a lot of consultation within the organisation starting with senior management and the Auditor General. HR should assist them in coming up with a list that is feasible given the available resources and time. For instance, HR should insist on an annual approved training plan that is sufficiently funded before planning for recruitment and training.

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[5] *For information about the HR function's involvement in the annual operational planning process is referred to the AFROSAI-E guideline "Annual Operational Plan and Planning Process".*

Step 2 – the fiscal year

Draw a time-line from when the fiscal year starts until it ends. Over the line you put up major processes in the core business, such as audit of the annual report, the continuous audit of key processes and controls, annual operational planning process etc. It is vital that the processes that consume much of the auditors' and managers' time within the audit departments are there.

Step 3 – the HR year

Then it is time to put up all the activities from the list that the HR function has made on the wall, under the line. Put up all the HR processes when they are to be carried out during the year. Doing this, you can easily see where HR and audit activities interfere with each other, and when they interlock. Since everything in an audit organisation twirls around the fiscal year, it is vital that HR tries to perform their duties with this in mind. It is a way of maximizing the effect of the efforts you make. For instance, the recruitment process should start early enough to ensure that when the new employees have begun, and been inducted, their managers and colleagues should have time to induce them to suitable assignments and support them during their first period of employment.

Step 4 – the analysis and proposals for change

In doing this, you have perhaps discovered that some HR processes would benefit from being executed during another time of the year. Others might be of more value for the audit managers if performed at another time. And some are interlinked in perfect harmony. Analysing what changes could be needed is an important step in developing the HR work. Sometimes there is also a need for checking out the time line for donor collaboration, for funding reasons. Since there are many facts to consider, it is wise to do this exercise on the wall, using flip-chart sheets, so that everybody can see. It is also wise to have all HR practitioners active in this process, as each one has his/her perspective and assignments. It may not be possible to get a perfect link between audit and HR processes, but trying to will certainly lead to a more efficient way of performing HR support.

An example of linking an HR process to the audit year

Figure 11 Linking audit year to the HR process of performance appraisals

As was noted in the KENAO, the end of year appraisals that are conducted in July annually are performed in a well functioning manner. However, the mid-year appraisals that are performed in December are always hard to get managers to perform. Not because they do not want to, but because they need to prioritize performing their other tasks. Obviously, since the main focus of an SAI is to perform audits, HR should try to adapt the support process of appraisals so that it enables managers and employees to really put the effort in the process that is needed. One can perhaps perform it during another time of the year, or in a way that is less time-consuming. The basic idea is to have an understanding of how your HR work is aligned with audit work.

VIEWING THE ORGANISATION AS A SYSTEM

This chapter will focus on the aspects of organising that could be most interesting for the professional HR specialist. It will also describe some ideas around how the HR function can be organized and how HR can support top management with an SAI organisational diagnosis.

Talking about organisational aspects might sound odd to some HR practitioners. Frequently, these aspects are only managed by top management. Still, the professional HR specialist (the Change agent) can be of great assistance to the AG and the managers, as their knowledge of how people interact and react to various aspects of change or strain is necessary for a successful organisational development. This is also helpful in order to reach level 3 in the AFROSAI-E institutional capacity building framework and eventually move on upwards. Usually only a few HR specialists acquire the skills required of Change agents as a special field of knowledge. However, it is useful if all HR practitioners have some basic knowledge of the area.

The HR function (the Strategic Partner) is usually involved in managing surveys on how staff find their workplace. They usually take part in planning for developmental activities as well as in managing sensitive issues.

Whether in minor activities or in strategic processes, HR practitioners need to understand the organisational perspectives of the SAI. This means that a professional HR specialist always should consider general and overall perspectives when they deal with individual cases. At the same time, when he or she is working with strategic issues, the HR specialist needs to reflect on the effects and consequences for the individual staff member. This could be interpreted as a systemic view on the organisation.

Organisations as a systems-oriented model

Looking at the organisation as a system is helpful to all HR specialists, as well as to all managers. All activities in the system will create ripples or waves that affect all other functions or areas of the system. Therefore it is wise, in advance, to consider what will be the second and third wave caused by the activity planned. By reflecting in advance, you can manage the energy of the staff and the processes in a more effective and efficient way. HR specialists benefit from using a systemic and professional approach to all HR activities, whether strategic, organisational, individual, or relations oriented.

Creating an efficient organisation

Work within an organisation always has to be planned and structured to be efficient and effective. However, there is no such thing as a perfect organisation matrix. All ways of organising have flaws that need to be compensated for and managed. The wise AG sees to it that the organisation has a structure that enables it to work well in the areas that are essential for delivering the right results, optimizing all resources available – and also sees to it that all remaining problems are managed wisely. If the AG does not have a full mandate, it is hard to form an effective and efficient professional audit organisation. This is one of many reasons why a SAI should strive for independence from the civil service system.

Managers and team leaders have to see to it that each person and department/team is managed in a way that creates the right opportunities to deliver the desired results. The wise manager always checks with the top management group, including the HR manager, as to how various work methods will affect the work situation and the results.

HR managers, who are skilled in organisational matters, can be of great help to top management in their reflections on how to build a viable and professional organisation. Almost all issues that are raised at the top management table are interconnected with organisational matters.

Moving towards level 3 of the AFROSAI-E model of ICBF

To live up to the ambitions of the AFROSAI-E institutional capacity building framework all SAIs benefit from reflecting on how the learning and development of each team, team member and manager can be enhanced to

speed up the process for reaching level 3. This is very much interconnected with strategically forming work systems that support each employee and manager to be sufficiently competent to deliver valuable results. Therefore the organisation should be structured in order for each person to easily understand

- What are our visions, missions and values?
- What is my task?
- Who is my manager?
- Who are my team members?
- What are we supposed to deliver?
- What are excellent results?
- How can I/we receive accurate feedback on my deliveries?
- How am I/are we rewarded for exceeding performance or punished for not performing?
- How do I/we advance within the organisation – horizontally or vertically?

When the auditors and other core staff members can answer these questions and the work processes are managed accordingly, there is probably an efficient organisation in place. The idea of the efficient organisation is more to be seen as an ambition than as a status quo – it is a continuous developmental process. And the results produced will be what is counted for.

Organisational culture

The organisation is always influenced by the societal cultures where it is embedded, as well as from all values, norms, policies and ideas that are acted out in the society. Therefore it is important to reflect on how the organisational culture is supporting the development of a SAI. It is also vital to use active values e.g. around efficiency, professional attitudes and diversity to be the role model as SAI organisations should be.

Organisational culture is a sum of an organisation's values and the various backgrounds represented in the organisation. It can be described as professional, departmental, experiential backgrounds as well as its embedded contacts. The culture affects the ways people think and act, describe and anticipate situations.

When you are part of an organisation you will also be part of its culture, as soon as you get used to it. To get information about how the culture is perceived, it is interesting and important to ask visitors and new entrants how they experience the work climate, the activities and the conversations between people. It is also interesting to ask them for information about things that seem curious or odd to them. By using this information, there are options to look at and reflect upon which ingredients in the culture that needs change or development. The SAI should encourage a culture of trust and mutual respect throughout the organisation.

You can also look at who are considered to be the heroes and villains of the organisation and what they are doing to achieve this label. These individuals are role models and have great impact on all situations and staff. When there is a need for development, it is wise to ask for advice and assistance from the heroes!

The HR function can support development of a positive professional culture by using cultural aspects in employee surveys and in other assessments. This can be done by asking questions and also by observing daily activities

- what is prioritised – the culture of goals and values
- how is work best done – alone or together, the culture of cooperation
- what is rewarded and how, the culture of rewards
- interpersonal relationships at all levels and across the departments, the culture of communication
- gender issues – the culture of diversity
- dress code - the culture of the visible
- official languages in the work place – the culture of speech

HR diagnosing the organisation

When the HR function has a specialist in change processes, he or she can analyse, diagnose and give advice for bettering the organisational processes and results. This is a process that should only be used when

structural and strategic change is planned, as it is time consuming and requires full attention from the top management.

The process contains

• interviews with team members and teams, but also
• observations of what is happening in the organisation.

Whether the organisational diagnosis is performed through individual or group conversations it is important to both ask for situations that create problems as well as to retrieve ideas on how the work situation could be improved. It is vital for top management to receive feedback from the process, as it will give input to development of teams, systems and further conversations around goals and results.

Diagnosing in practice

When performing an organisational diagnosis, there are many optional models to choose from. No model is perfect, but this, the six-box model, has proven valuable in many SAIs as it gives an easy and clear structure of functions in an organisation. The model describes the organisation as an energy system, where energy flows or get stuck. The model was originally designed by PhD Marvin Weisbord and has been developed since the late 1970-ies [6]. Weisbord describes the model as a radar screen, where various aspects of organisational life interact and give signals. All interactions and signals have to be observed and reflected upon. What is creating a healthy and effective professional organization, what causes problems and a leakage in the energy flow?

Figure 12 The six-box model on organisational diagnose by Marvin Weisbord

Stakeholders forming assignment needing assistance

VISION
MISSION
VALUES

STRUCTURE
COMPETENCE
    Knowledge
    Skills
    Emotional intelligence
    Courage
    Willingness
    Attitude
    Professional network

SUPPORT SYSTEMS
    Technical
    Financial
    Administrative

MANAGEMENT/
LEADERSHIP
    Availability
    Competence
    Permission/ability to lead

REWARDS
RECOGNITION

RELATIONS
CONFLICT MANAGEMENT

CULTURE
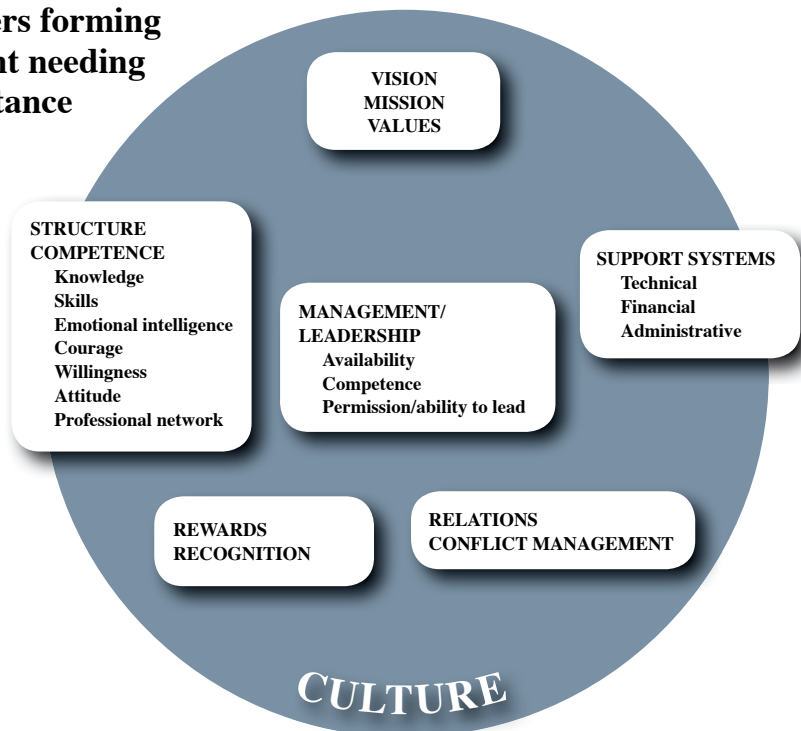
[6] Development by Ljungström

To start the diagnosing process and get the best possible results it is important to consider the needs for
- a clear assignment from the AG or top manager – who will also be the receiver of the results
- a good and true introduction to the manager and organisational part that will be part of the investigation. The top manager or AG should be taking part in this introduction
- a good time plan that gives enough time for conversations, analysing and description of what has been retrieved.

The full process of working with a diagnosis is further found in the appendix. In short the areas are focusing on how to create improvement needed for higher efficiency and effectiveness – and for a healthier, more efficient and effective system.

The areas in the radar screen in the six-box model
THE STAKEHOLDERS
The stakeholders for a SAI are, of course, the auditees and other staff, but also Parliament, sometimes the PSC, but also society in general, i.e. the taxpayers. For all SAIs of the world there are also demands and frameworks from INTOSAI and in the AFROSAI-E countries, the ICBF framework shows how the demands should be met.

The ideal situation is that the needs and demands from the stakeholders are well known in the organisation, that priority is given to the most important stakeholders and tasks and that there is an on-going dialogue between the SAI and its stakeholders. As a supreme audit institution there is also a need to be very clear in how you communicate the overall objective of the organisation to the stakeholders. A SAI is in charge of auditing and cannot be ordered about to do duties that are not in line with the reason for its existence.

VISION, MISSION AND GOALS/OBJECTIVES
In the best possible organisation, the visions, missions and goals are well aligned with the needs of the stakeholders and the basic principles and values of the SAI. Connecting the vision, mission and goals of the SAI with the wishes from each manager and team member to contribute is an important tool for building a strategic and learning organisation.

STRUCTURE AND COMPETENCE
The organisational structure – how power is used, how work is divided, how decisions are made and how competence is developed and used – are important tools for creating good work results. When the structure is clear it is easy to follow the workflow and the responsibilities, when competence needs are filled and continuously developed there are options to fulfil the growing demands on the SAI. One issue of importance to developing SAIs is to be able to recruit and offer career development to the right people with capacity, professional skills and attitudes that are necessary for the challenging work in a SAI. Therefore it is not healthy when another governmental department assigns people to the SAI, whether they are interested and competent or not. It is also vital that HR positions are filled with professional HR people.

SUPPORT SYSTEMS
The basic idea around support systems is that they are the oil in the machinery. These are all aspects and functions that give assistance to the organisation. This calls for office premises, computers, vehicles, filing cabinets, desks etc. as well as the soft systems (routines, financial capacity, administrative support, software to computers etc.) that make these tools workable. In developing countries these are frequently part of the problem, both the hard ware and the soft ware, or rather the lack of them.

RECOGNITION AND REWARDS
People tend to work better when they experience that the work they do is important, that they can contribute something of value and then get recognised for their input. It is a matter of motivation and commitment. [7]
Both positive and negative feedback is essential, as well as getting paid for the results they produce. Many governmental organisations are mainly focusing on how many years a person has been employed, which is not

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[7] *See work on attitudes and motivation in other part of the handbook.*

a guarantee of good professional performance. It is vital that all team members and managers can inform themselves about what is rewarded behaviour and results and which behaviour and results are punished – and how.

Furthermore, it is important that what are rewarded are behaviours and results that really are wanted and needed for organisational prosperity. When it comes to salaries, too low salary creates a risk of people taking on other jobs just to survive, which causes fatigue and risk of disloyalty, leading to corruption. Too high salaries might, on the other hand, encourage people to remain in the organisation even when they are no longer loyal to the goals or not really interested in creating good results, a so-called lock-in effect. As any employer, an SAI should pay salaries that enable employees to support themselves.

RELATIONS AND CONFLICTS
Good relationships are helpful in creating good results. But good relationships are not the main focus – they are tools and not goals in the organisation. When there are good relations it is easy to jointly reflect on various matters and difficult issues can also be raised with ease. Conflicts, on the other hand, are a part of life and grow when there is an expectation gap between people and their wishes and needs. Conflict management is vital for any organisation, not the least for a SAI where the work itself might cause conflict with the stakeholders.

LEADERSHIP AND MANAGEMENT
Management and leadership are the core issues of any organisation. These issues are well described by the documents produced in cooperation between AFROSAI-E and IDI and they are introduced through the management programs. Still, the day-to-day leadership and management issues need to be focused on. Management is all issues around the responsibility of delivering results; leadership is focused on keeping and developing the motivation and commitment of all team members and also to form the platform for continuous learning.

When working well the following functions are in place:
* Each team member knows to whom they relate as their manager; they know how they can get in touch with their manager and that they will receive a reasonable amount of time, attention and added knowledge for their questions.
* The manager will have competence (knowledge, skills, emotional intelligence, courage, willingness, correct attitude and a professional network) to manage the situation.
* The manager is also allowed to manage – i.e. there is no trespassing from top levels directly to team members – or from team members to top level. The manager allows himself/herself to act as a manager with the necessary reflections on the sole role and need for dialogue with peers on the same level. The team accepts that the manager leads, which means that they are interested in taking the advice and orders from the manager.

CULTURE
The culture of the organisation (also described earlier in this chapter) can be described as the water that fish swim in – we get used to whatever culture we live in. Newcomers and visitors usually can tell something about how we handle life – what are the actual working conditions that we create through our communication and standards of working. Ideally the culture of the organisation supports the values, goals and demands for excellent results.

FEEDBACK TO THE MANAGEMENT
It is necessary to give the management in charge a good report that includes both the challenges found and ideas on how to solve them. The dialogue during the reporting must be open, and focused on forming good solutions. It is dangerous if the discussions turns more into finding "who did what" than "what can we do now". When the HR specialists deliver a report on the organisational diagnosis it is vital that they also take part in the further discussions on what the consequences are, and how the further change process can be managed.

DIVERSITY AT WORK

This chapter looks at why it is important to deal with the challenging issues of successfully managing gender and other diversity issues, in an organisation as well as in a country.

The SAI benefits from a diverse workforce, assisting it to relate to its clients and bringing a variety of perspectives to examine any given assignment. The diversity issues can be focused from many perspectives – as part of the organisation's credibility, equality between genders and tribes as well as from an effectiveness perspective. The auditor promotes this by adopting and applying the ethical requirements of the concepts embodied in the key words Integrity, Independence and Objectivity, Confidentiality and Competence.

Transforming existing power inequalities forged along lines of race, class, gender or sexuality is hard work and challenges us all to dig very deeply into ourselves. It requires fundamental change at multiple levels of being –ways of thinking, attitudes, ways of feeling, and actions or behaviours. Working with these issues puts great demands on leaders at different levels in the SAI, and thus on HR that should support leaders putting the policies into practice.

One of the most pressing challenges facing organizations, and thereby human resources practitioners, is to foster a positive working environment characterized by tolerance and inclusion for workers from very diverse backgrounds. The Human Rights amendment formed and agreed by in the U.N. is a basic document that should govern all reflections and actions concerning diversity.

Figure 13 Excerpt from the Universal Declaration of Human Rights, as adopted by the United Nations General Assembly in 1948

Article 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 2

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. (…)

Article 23

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
(2) Everyone, without any discrimination, has the right to equal pay for equal work.
(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
(4) Everyone has the right to form and to join trade unions for the protection of his interests.

While issues related to race and gender are what often come to mind when thinking about diversity, they are not the only matters that HR professionals must take into consideration when implementing diversity initiatives in their organisations. Issues related to individuals with disabilities and to workers who become ill or who are responsible for the care of seriously ill family members, several generations represented in the workforce at the same time, an increase in cultural or tribal linguistic and religious differences contribute to an increasingly diverse workforce.

Human resources professionals are tasked with ensuring their organisations remain compliant with all applicable anti-discrimination and/or affirmative action legislation while also facilitating a culture where people who are different from one another are able to work together in a productive manner.

Research shows that diverse groups produce more effectively than other groups, as long as everybody is valued as individuals and encouraged to contribute. This means that a SAI could be more productive and create better results when the audit teams are mixed and each partner in the team is invited to contribute.

The SAI may change this approach if the particular circumstances of the issue require it. Any decision to vary the approach should be made at an appropriate level and be communicated to the affected employee. The SAI's policy should aim at attracting, retaining, motivating, and rewarding employees with the best skills, values, and attributes to meet the SAI's needs.

In particular, the SAI is required and committed to provide:
• good and safe working conditions for everybody
• equal employment opportunities
• impartial selection of suitably qualified people
• competence development of individual employees
• recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and
• recognition of the employment requirements of women.

The HR manager should focus on ensuring that practices and procedures in the SAI comply with policies and legislations on diversity. This is particularly important when it comes to:
• Recruitment
• Career planning
• Team building
• Performance management
• Benefits and remuneration
• Retirement and pension

It is recommended that the HR unit addresses the diversity issue and forwards indicators as well as recommendations on an annual basis to the top management.

Gender
Gender is a concept that refers to the social and cultural differences between women and men, i.e. the qualities and capabilities that a society attaches to each. Our perception of what constitutes female and male gender tends to change over time. Gender roles refer to what is expected, allowed and valued in the way a woman/man and girl/boy behaves. These roles are learned through socialization processes. They are not fixed but changeable. Gender mainstreaming is a strategy for integrating gender into all policies and areas of decision-making and at all levels. It is a way of working towards gender equality goals.

GENDER AND LEADERSHIP
Research shows that similarities in leadership styles tend to outweigh gender differences. An effective leader is an effective leader. Organisations tend to select both men and women who already show leadership

attributes and behaviour for leadership positions. However, research has also found some differences in the way women and men lead. Women tend to focus more on relationships and have a more participatory style, whereas men tend to focus more on tasks and results. Women tend to be more concerned with consensus building and caring. They are more willing than men to share power and information, to empower their followers, and to consider the feelings of staff. But again, these traits are found in both male and female leaders to differing extent.

GENDER EQUALITY
Gender equality means that women and men have the same rights, duties and opportunities in all walks of life. This includes:
- equal distribution of power and influence
- equal access to financial resources
- equal terms and opportunities in relation to business practice, employment, working conditions and advancement
- equal access to training and opportunities for developing personal ambitions, interests and talents
- shared responsibility for the home and family
- freedom from gender related violence.
-

GENDER STEREOTYPING
There is a danger of gender stereotyping. Men have historically defined what it takes to be a leader, and the perceptions of senior managers are sometimes based on gender stereotypes. This leads to misrepresentation of the true talents of men and women and contributes to the gender gap in organisational leadership. Women are seen as having better caring skills, such as supporting and rewarding, while men are seen as better at taking charge and making things happen. Another stereotyped view is that men are better problem-solvers than women.

Organisations need to take active steps to combat stereotyping by using more rigorous and unbiased assessment and selection processes. Managers also need to be trained to detect and counter gender stereotyping in their thinking and behaviour, and that of others. Particular attention is also needed to ensure that women and men participate more equally in decision-making.

THE GENDER ORDER
In many organisations, departmental boundaries coincide with professional and gender boundaries, with tasks, workplaces and machines being clearly 'gender-marked'. Women do some tasks, while others are the domains of men. This division between women and men varies between organisations. If the gender order is strong in an organisation, it sets up obstacles and barriers that become part of the informal structure, roles and norms. It is important to note that the gender order is part of the baggage that an organisation carries that hinders development, as it can become an obstacle to any change process.

GENDER EQUALITY ADDS VALUE
There is a correlation between gender equality and the development level of countries, which indicates that empowering women leads to more efficient use of a nation's talent. Research suggests that productivity goes up in organizations when men and women work together. Gender equality clearly adds value as it empowers both women and men. Women and girls make up half of the world's population and an increasing number of university graduates in most countries are women. There is a growing awareness that their talents must be used in organisations and in society.

It is important for managers to acknowledge the role of gender in organisations and in society, and discuss its validity and impact, as it affects
- the way we organise work - who does what and why, who sets the norms
- who has access to formal and informal decision-making power

- who decides what is important at work and in society
- what work should be paid and not paid
- who takes care of the children
- who has control over resources and why
- who should be leaders and managers and why.

It is the role of HR to provide managers with data, analysis, well-formulated motives, and tools for change. The HR staff must make sure that all managers accept that they must not use their positions to demand sexual or other favours from their female team members in return for continuing employment, promotion, salary increases or allocation of educational opportunities. Reducing the negative impact of gender inequality and unleashing the potential of all employees will benefit the performance of the SAI. In short, gender concerns power distribution, human rights and economic development. Gender inequalities are both unfair and costly in terms of lower efficiency and well-being. The best guarantee for sustainable development, in society and in organizations, is integration of the priorities and needs of women and men in all activities, so the potential of both sexes is utilized. Gender is relevant at all levels and in all sectors.

CHANGE PROCESSES

This chapter will focus on change processes, major and minor, and how to manage them. With the continuous state of flux and transformation in life, the aim is that all change activities should build a sustainable and efficient work environment.

All life contains change - even organisational life. For a SAI some change processes are obvious – taking the SAI one step further in the AFROSAI-E ICBF [8] means starting up and managing a number of change processes. The SAI has also to manage its activities in consent with the change processes within the country and calculate what consequences any vital new agenda in the governmental area can create in the audit processes and the audit office. To know what to investigate is as important as to know how to do it.

The ambition for most SAIs is also to be a role model for other organisations. Good change processes also affect organizational behaviour, leading to professional role stability and ultimately help in branding the SAI. The energy invested in creating good change processes is thereby well spent. When the auditors have their own, relevant experience of sustainable, efficient and effective change processes, and they understand the construction of effective change, they will also be more alert when auditing the procedures of governmental agencies and organisations.

Why it is important for HR to engage in the change processes

Change processes of major and minor kinds occur frequently in all organisations. All change process influences the cooperation, communication, meaning, leadership and work situation for staff. To channel the energy and power of change, it is essential that HR is involved and takes an active part in implementation procedures. HR expertise means that unnecessary delays or resistance to change can be managed and easier overcome.

Examples of changes in a SAI

There are multiple examples from the SAIs in the AFROSAI-E region.

- New laws/regulations from Parliament/Government or new input from the International or Regional SAI society. Changes in the SAI's legal framework: as a SAI moves towards independence there will be need for change in the planning and operations of the organisation.
- Implementation of strategic and annual operational plans
- Training – where major shifts in attitudes and competence forms a platform for change.

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[8] *Institutional Capacity Building Framework*

- Training Needs Assessment – where HR identifies areas which lack skills
- Recruitment and staffing – new people or new positions create new opportunities for development and thereby a craving for change
- Performance appraisals – where moving from old appraisal systems to new and more open ones implies change in communication and collective thinking. This calls for clarifications of targets and how a good dialogue is performed. Planning and documentation are essential. Performance appraisals will also make it obvious if conflicts are creating problems, which in return will call for change.
- Reorganisation or establishment of regional offices or new departments.
- Organisational culture change processes are important to focus on especially when merging offices, restructuring sectors or developing new professional roles.
- Use of computer assisted auditing techniques, such as Team Mate
- Introduction of IFMIS [9] or other changes of methods that influence daily work
- Managers accepting the role as manager, not as field auditor.

Whether the SAI is independent or still part of the civil service, all these examples are valid. The practical management of some administration processes might not be handled within the SAI, if it is still depending on the PSC, but the SAI managers must still manage the mental change processes.

Creating a sustainable and effective change process

Change Processes are always challenging to individuals, groups and organisations. Even when everyone can perceive the need for change, decisions when starting a major change process will cause eruptions and questions throughout the organisation. In all change processes it is necessary that the management and the HR manager/specialists work closely together to create the maximum options for a sustainable, effective and reasonably quick-change process. Together they can keep the focus on effective and efficient work, high loyalty to the task and healthy work conditions, as they, with their joint skills, can see to it that the change processes is professionally managed.

How rapidly a change process can be made is always related to what kind of impact of the change has. A change of work tools, rooms or colleagues can be very important for an individual even though they don't create much turmoil for the system. An organisational change can be perceived as traumatic, but not influence very much of the day-to-day activities. It all depends on how the change is implemented and what the results of the change should be. Change processes are also affected by the culture in the region as well as of the organisational culture. In some regions it is considered to be a quick change if something is altered within six months, in other areas a quick change has to be implemented within a week or a month. Experience from SAIs in other regions shows that organisational changes should benefit from be implemented and established within six months, with an expectancy to cause lag for another year. This is because of all new connections, collaborations and routines that have to be created, explored and developed. To support an effective change process takes a lot of insight and persistence in managing activities that managers on all levels, HR and staff have to engage in.

When a SAI moves towards higher independency, it is a challenging change process, involving routines, processes and activities connected with recruitment, retention, performance management, welfare as well as creating the right and valid results that are the tasks of any SAI. Therefore it is very important to plan for that kind of major change with great care.

The four main phases of a change process

A model of the four main phases of a change process in an organisation was first established by Scott and Jaffe (1995) and then developed by Ljungström (1996).

Figure 14 The four phases of a sustainable and effective change process (Ljungström, 1996)
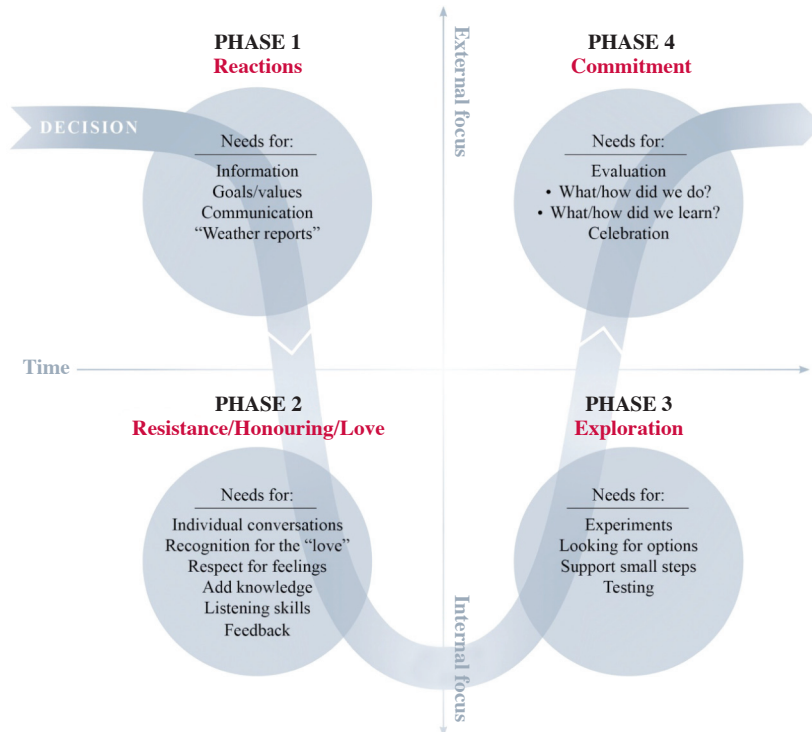
ABOUT THE CHANGE MODEL

The model shows how the focus of an individual or group varies during a change process. The change model has four main phases, Reaction; Resistance; Exploration and Commitment. It shows how a healthy process can be constructed and links the loyalty to the task with the staff and the actions of the management.

The horizontal axis is related to time, the vertical axis refers to focus – at the top connected with external orientation (focused on clients and external relations), at the bottom level connected with internal orientation (focusing on me/us/my assignments/my desk/my colleagues/our work). The best results of change processes are made when enough time is spent to manage the four different phases. What will be perceived as enough depends on both the character of the change, how important the changed situation is for the staff as well of how the needs for change are known and communicated.

Looking for where the focus of the organisation heads, - internally or externally - it is important to support the four different phases in different ways. To use this model for a sustainable and effective change process results in a quicker and more effective change than the traditional top down processes. Especially in a highly professional surrounding, people usually need to understand both the reasons for the change, the goals, how the process shall be handled and also experience that their professional input is appreciated and taken seriously.

THE CHARACTERISTICS OF THE FOUR PHASES OF A CHANGE PROCESS

Phase 1 – Initiation of change

The **initiation** of a change process can be perceived as traumatic, and for this reason often feared. It often starts with a decision made at top level. During the **first phase, the Reactions Phase**, any decision is often perceived as news to the staff. Even if "everyone" knew that something was brewing and no matter how well prepared the decision was, reactions are there. This propels the reaction phase, during which staff will vent their frustration and fear.

In order to shorten this phase, management and staff need to communicate on a frequent and planned base. This can be formed as "weather reports" during staff meetings, information given on the intranet or in a newsletter every week where change leaders (managers/HR) give information and asks for questions that then are posted. Even when "nothing" has happened and there is little to tell, it is important to inform and keep an open dialogue about the change process between manager and staff. If not, rumours will start and cause problems in the long run.

One of the important issues to talk about is the goals, visions and values that build the platform for the change itself. If people can see the connections and understand Why – they also get more interested in taking part in the processes of How, When and Who.

Practical ideas for the Reactions phase – this connects with both line managers and HR
- Interact with the decision makers to understand the new change and the possible impacts.
- Coach the managers during the change process in order to help them foresee and understand reactions
- Identify people who can champion the change process in consultation with the Line managers
- Meet with champions to strategize on the way forward
- Devise an effective communication strategy that will target and inform various stakeholders (AG, Line Managers and Public Relations officers)

Phase 2 – Resistance to change – but also honouring the present

In **phase two**, usually called the **Resistance Phase**, it is essential to remember that people usually show resistance towards ideas that they don't understand, or that they shun because they don't know how to handle the situation. The resistance can also be a sign of deep affection or love towards the goals, work methods, ideas, relations etc., whatever has been in focus during their work life before or if they know that the change will be to their disadvantage. Therefore it can be wise to call this second phase the **Honouring Phase** as this label gives everyone a more positive view of the reactions.

In this phase it is of high value that the manager or HR engage in individual conversations, to help each staff member reflect on their work situation and see how the change process can be formed. In these conversations the manager/HR can also get new aspects of the change process, which can help to form the new situation. Usually the energy is intensively internal – focusing on me/us/my assignments/my desk/my colleagues/our work. Give all possible assistance to the staff to help them to focus on options and new possibilities.

To support the change it is also vital to arrange rituals – farewell parties for the old system, the old IT technology, and old templates.

Practical ideas for the Resistance/Honouring phase (mainly to be handled by Line Managers are as follows. HR can support the Line Managers by coaching them on how to make good conversations)
- Identify those resisting and have individual conversations with them on the change, showing respect to their individual feelings
- Manager and champions should work together to come up with creative ways to manage change

Phase 3 – the Exploration phase

The **third phase, the Exploration Phase**, consists of all questions raised on "How shall we do this?" The energy is starting to turn outwards when individuals and groups are testing ideas and new work connections. It is important that management (with the support of HR) can show interest and say "thank you" to all new ideas that the staff come up with. Saying "this is the first time that we are trying this out the fifth time" supports the continuity of curiosity around what has been learned so far. That is a more helpful attitude instead of the traditional "you know, I tried to do that when I started, fifteen years ago. No news!" Supporting ideas and testing, looking for the positive, small steps are very helpful.

Practical ideas for the Investigation/Exploration phase (mainly to be handled by Line Managers). HR can support Managers in assisting them to plan for good conversations.
- Significant ceremonies, like Kick- off parties, to celebrate the launch of the new change (symbolic)
- Provide support for the new change.
- Observe and communicate progress – even the little things.
- Show gratitude for new ideas.

Phase 4 – the Commitment phase

In the **fourth phase, the Commitment Phase** you know that you are on the right track and see results coming. This is the time to celebrate and be happy about your contributions. This is a phase where it is important to recognize what you have done together and to thank each one for support. It is also essential to evaluate – both what and how you have performed, as well as what and how you have learned during the process. You will need this knowledge to develop better change procedures for the future. Surely there will soon be new challenges and change processes coming! At that time you can use the experience from this change process to develop further.

Practical ideas for the Commitment phase (cooperation between Line Managers and HR can be helpful. HR can support in evaluation)
- Take stock of where you have come from – and celebrate
- Ask questions to managers and staffs:
  - How did we reach this far?
  - What we have done?
  - How we have done it?
  - What has been learned?

Use the response for further training and development of the next change processes.

Staying ahead and in touch

Top managers and managers usually are many steps ahead of their staff. Top Management has to win the senior management over to the goals and methods of the change, if there is to be success. Therefore it is important that HR takes a lead in reminding the total management group about how people react, very soundly, to change processes. Through a well planned and well-managed change processes, the results will be easier and take less energy to achieve.

It is wise to remind all managers that when they want their staff to be capable and willing to perform, they also must give enough time to walk through the change process. Only those who are not really engaged – or are too obedient (but then maybe not really loyal to their task) – will move directly from phase one to phase four. And they will not be able to get out of all traps and potholes that exist on any road to change.

People react to change processes in various ways

There seems to be a strong correlation between the desire and willingness of any individual to participate in any given process and his or her feeling of participation and involvement in the process, both its execution

and formulation. It is also well known that most individuals need to know "what's in it for me" or "why is this important for societal development" to buy into the work that is caused by a change process. Furthermore, it is also common knowledge that when people risk losing their position, value of money or hierarchy they also avoid moving into the change process. The correlation of involvement, participation, knowing why and seeing possibilities is strong. When there is lack of proper willingness it frequently results in high resistance, which might cause a drop in performance, without even any individual in the process recognizing that this is the case.

Therefore it is useful for management that, when they implement change, they also give full information about the reasons behind the change, the process that will take place, the benefits and also the risks connected with the situation. Management should also help each individual to understand their role in making the change successful. This will be helpful to maximise loyalty.

It is also advisable for the manager to have a dialogue about the changes with the involved parties, before launching any important change processes. Thereby the manager has an opportunity to receive in-depth information about areas that otherwise might cause pitfalls and delay the change process. No manager can have knowledge and capacity to comprehend, recognize or control all the forces that influences the change process itself. Nor can any manager foresee all options or negative consequences that a change process can cause. Information gathered from staff will save time and effort in this context. Therefore it is vital to invite the staff and management to participate in a dialogue with open minds and a thorough focus on the loyalty to the assignment, to the task for the SAI. Still, these conversations must be held in the total expectancy of future compliance with whatever decision is finally arrived at.

During a change processes it is commonly seen that:
- Most people want to develop themselves, their skills and see positive results from their work and engagement.
- Most people want their organisation to succeed.
- Most people tend to resist change, especially when they don't see or understand the reasons behind the change or how the change is going to influence their daily life.
- Most people seem to support change more willingly if they have participated in the process of planning for the change.
- Most people resist change when they believe that the change will result in something that is to their disadvantage.
- Most people can learn to develop their ability to analyse a situation and to plan for how it can be developed.
- Most people in hierarchical systems have learnt how to avoid or suppress situations where confrontation or conflict can occur.
- Responses and input are taken seriously.

Managers have experienced that the change process works much smoother
- when staff have relevant and up to date information on the change process,
- the authority and power to handle day to day activities on their own and
- there is a working feedback system, better than when all details are just dictated from top to bottom. The feedback must be circular from top to bottom and back to top. Without information, no one can be asked to perform accurately. With relevant information, everyone can be requested to perform his/her role

HR should take charge and support all change processes
There are many roles that HR practitioners can take during a change process. The role as mediator is important, as well as the role of creating a process that really will support what is to be achieved. When you look into the chapter on HR roles you will find more examples on how each HR role can have an effect on supporting change in the SAI.

HR practitioners should also support top management in prioritising the change; invite them to spend enough time on the planning process and to bring in enough people to make the change possible. Frequently extra staff are needed to support the normal work process during a period of intensive change. When it comes to management training, the art of planning for and performing a good dialogue is vital for the success of any change process.

Possible pitfalls to observe
- The process is too fast – or too slow. A change process on organisational or methodical levels usually has a leap period of between 3-6 months. This must leave room for training and follow up procedures that ensure options to make corrections or further changes.
- Not sticking to the plan of communication – not delivering communication. If the change process does not include continuous communication with the staff that have to change, the change will not occur. This is all about feedback systems.
- 1) Leaving the steering wheel to others (i.e. donors …). Top management must always be heading and leading the change process, otherwise it is not legitimate. If only the donors decide, there is no real responsibility for management to develop the further process. Also the donors can have ideas that are working in their countries, but not in the African SAIs 2) This could call for relevant follow up procedures, that can add to a donors' knowledge of and insight in what has been helpful in the support or not. These two parts of steering the change process go together as they involve people outside of the SAI.
- Intervening in processes that you are not in charge of – this could happen when top managers start acting in processes where a senior manager has a delegated responsibility.
- Incorporating change processes with ordinary work plans without consideration of available time. The SAI always has to deliver their reports! See to it that there are enough resources to manage the day-to-day work.
- Failure by top management to recognise HR as a key leader in the change process.
- Not good relationships between manager and staff – if managers and staff do not cooperate well in everyday life, the change process will make these problems more visible.
- Being too much involved in the present (and not being far sighted enough)
- Authenticity of the decision – who took the decision about the change? For some people it is important to know who decided what, to trust that the decision is legitimate. If they trust the source of power they will be more willing to enter into the change process.
- If people have to leave the organization this will cause fear within the whole work group. And fear is contagious!

Further information and ideas
In the appendix you will find examples from other African SAIs and a true story about a change process from another kind of organisation, where the process was positively influenced by insightful actions of a leader.

MOTIVATION
In this chapter some fundamental ideas on human motivation are presented.

All HR activities need to be based on a reflected and genuine view on humans and motivation. What ever is used as means to support development and change processes will affect how people experience their work, how they perceive their professional roles and status, and their performance.

Throughout the last decade, researchers have looked into what motivates people at work. They found that people will not in the long run be motivated by titles or salary but through development, by experiencing satisfactory relations and by being met with respect and gratitude. Researchers also found that the basic attitudes from management were key to how well the development functioned.

Theory X and Theory Y
Douglas MacGregor was a researcher who taught psychology and industrial management at MIT, USA. In

1960 he published The Human Side of Management, in which he introduced the concept of Theory X and Theory Y styles of management.

Figure 15 Theory X and Theory Y by MacGregor

Theory X	Theory Y
Work is inherently distateteful to most people.	Work is as natural as play, if conditions are favourable.
Most people are not ambitions, have little desire for responsibility, and prefers to be directed.	Self-control is often indispensable in achieving organizational goals.
Most people have little capacity for creativity in solving organizational problems.	The capacity for creativity in solving organizational problems is widely disturbed in the population.
Motivation occurs only at the physiological and safety levels.	Motivation occurs at the social, esteem and self-actualization levels, as well as physiological and security levels.
Most people must be closely controlled and often coerced to achieve organizational objectives.	People can be self-directed and creative at work if properly motivated.

Interestingly, McGregor found that while many managers would disavow the assumptions of theory X, the majority do behave as if they believed them to be true, and that classical organization theory could only be based on the proposition that they are true. What McGregor realized was that even if the ideas about workers held by Theory X managers are untrue, when treated as they were by these managers, the workers came to adopt those behaviours. If workers are never permitted to make decisions, and if all of the decisions they do attempt to make are second-guessed, eventually they will stop making decisions and seek all direction from their managers.

What McGregor proposed instead was Theory Y, based on new discoveries in the social sciences. McGregor believed that generally, workers would act like mature adults, and would make decisions that were necessary for the good of the organisation, and presumably, the long term good of the employees. Adopting Theory Y would mean giving up both the stick (threatening to fire people) and the carrot (bribing them or being paternalistic). Without those two weapons, what leverage did a manager have? Only the ability to spark other people's involvement and commitment, by giving them the opportunities to do good work—hardly a strong incentive by conventional standards.

"McGregor realized that his suggested changes would be very difficult, perhaps even impossible to implement in their entirety, but he strongly believed that "staff will contribute more to the organization if they are treated as responsible and valued employees."

Maslow's hierarchy of needs
Researchers like Abraham Maslow and Frederick Herzberg have found other perspectives and results being valuable to managers and HR specialists. The Maslow theory on the hierarchy of human needs can be used to look into which areas will be most important in supporting staff and adding to their options for development. Taking the money matters off the table, as we talk about in another part of the handbook, is visible in the Maslow Hierarchy of needs. If a staff member has too low salary to support him/herself, a happy relationship with colleagues will not help. And if everything is fine with the basic needs, the staff member will be more eager to move into areas where self esteem and self actualization can be developed than to get something that is of simply material value.

Figure 16 Maslow's hierarchy of needs
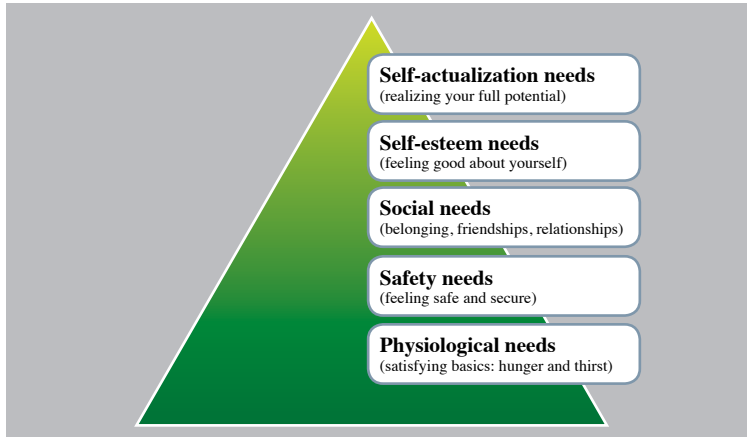
Herzberg's motivation-hygiene theory

Frederick Herzberg's research shows that when the basic needs for salary and a healthy environment are met, people find motivation more from expanding their areas of knowledge, experiencing good leadership and sound job conditions. He calls the basic factors Hygiene factors and the factors that support motivation Motivators.

Figure 17 Herzberg's two-factor theory, also known as the motivation-hygiene theory

Motivators	Hygiene factors
Motivators, such as challenging work, recognition, and responsibility, that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth	Hygiene factors, such as status, job security, salary, fringe benefits, and work conditions, that do not give positive satisfaction, though dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.
Motivation factors are needed to motivate an employee to higher performance.	Essentially, hygiene factors are needed to ensure an employee is not dissatisfied.

Extrinsic and intrinsic motivation

In recent years researchers have further explored the field of human motivation, and looked into the differences in extrinsic and intrinsic motivation. Classical examples of extrinsic motivators are what we know as "carrots and sticks". To perform simple tasks, extrinsic motivation works fine. An example can be kids who get a small reward such as a piece of candy picking up waste paper or cleaning up at home. To complete comprehensive tasks, such as learning how to apply different audit standards, it is more successful to work with intrinsic motivation. Examples of intrinsic motivation are mastery; the desire to become very good at something, or purpose; to understand how one's task fits with the bigger picture or the overall goal, or autonomy; to have a certain degree of liberty on how to go about your tasks. These aspects of motivation are generic to people in different parts of the world. [11]

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[11] *For further reading on motivation see Drive: The Surprising Truth About What Motivates Us (D. H. Pink, 2010) and a short movie on the internet. "RSA Animate – Drive: The surprising truth about what motivates us" http://www.youtube.com/watch?v=u6XAPnuFjJc*

RECRUITMENT

Recruitment is one of the key areas of any organisation. In a SAI, which is responsible for auditing government areas and public sector, it is essentially important to have competent staff, who are able to handle delicate situations with integrity and fairness. All individuals who are recruited to a SAI must have the right education and skills, but must also have a clear readiness to work in a complex and challenging area. In brief; knowledge, skills and attitude are equally important. When a SAI moves out of the civil service into independence, it is vital that the recruitment procedures are clarified and that the right tools are in place. Also, when the SAI is still organized under civil service, the SAI should strive for managing its own recruitment procedures.

This chapter on recruitment describes the entire process of recruitment, covering the various steps for both independent supreme audit institutions, as well as those under a public service commission or equivalent. The aim is to clarify the process of recruitment in an AFROSAI-E environment. This includes what can be done for an SAI still part of the civil service. A key aspect of independence is the possibility to recruit the right staff at the right time. Being in charge of these procedures is thus essential to the results of the SAI.

Good practices from the region show that it is advisable to try and bring on board the line manager as early as possible in the recruitment process, as this enhances commitment. Since recruiting is a key HR process where people from various parts both within and outside the organisation are involved, developing recruitment procedures further is a good way for HR to lead the process, enhance quality at every step, and thus bring more value to the SAI. So HR should be in charge of the process.

THE RECRUITMENT PROCESS

After describing the recruitment process in a table with focus on who does what, some of the various steps will be discussed more in detail.

Recruitment			
ACTIVITIES	**HUMAN RESOURCES UNIT**	**LINE MANAGER, OR IN SOME CASES TOP MANAGEMENT**	**APPOINTING AUTHORITIES, SUCH AS PUBLIC SERVICE COMMISSION**
Analyse staffing needs according to the organisational structure, strategic plan, annual operational plan, and budget.	Cooperate with management at all levels. Interview Line Managers on the needs to recruit – Number required, levels – Tools and facilities	Top management approval	Approval of the number to be filled
Develop a recruitment plan by gap analysis of organisational structure, strategic plan, annual audit plan, and budget.	HR is in charge and in close cooperation with management at all levels. Recruitment plan should spring out of strategic plan and cover the period of the plan. HR revises plan annually.	All management levels involved.	

ACTIVITIES	HUMAN RESOURCES UNIT	LINE MANAGER, OR IN SOME CASES TOP MANAGEMENT	APPOINTING AUTHORITIES, SUCH AS PUBLIC SERVICE COMMISSION
Develop job descriptions: Duties and responsibilities – not all duties in detail but main ones Education Experience Competencies (Skills & knowledge which reflects the doing and attitude & behaviour reflecting the being)	HR can be helpful especially in describing the soft skills, since they know what knowledge, skills and attitudes are desired in the SAI as a whole. HR can also balance the manager's need for short-term competence with the SAI's long-term need for competence. Check with organisation's chart and structure. HR makes sure that there are different levels of competence requirements corresponding to the job description.	Developing the job description in collaboration with HR. It is important that documents reflect what manager's stress as crucial. Decision on job description made by management.	Job descriptions can benefit from input from other stakeholders such as the PSC or auditees. Consultation with the Appointing authorities on numbers of positions, and as a quality assurance of the HR function's work.
Different types of employment • Permanent employment • Contract appointments • Short- term contracts • Part-time • Internships • Apprenticeships • Trainees	HR displays the different possibilities and advantages with them. Ensure proper documentation.	Manager decides on appropriate type of employment.	
Writing the advertisement	Writes draft in consultation with line managers and define attributes for short-listing.		Advertises and gives input
Advertising of vacant posts in appropriate media, such as national newspapers and through SAI's website	HR advertise on website externally		Advertise
Submission of applications for the amount of time needed. An individual applying for the job shall include the following either in paper or by e-mail. Application letters/ forms Certified copies of certificates (Diplomas/ Degree) Curriculum Vitae Passport sized photo	HR answers questions regarding the job. HR receives applications.		Receive applications

ACTIVITIES	HUMAN RESOURCES UNIT	LINE MANAGER, OR IN SOME CASES TOP MANAGEMENT	APPOINTING AUTHORITIES, SUCH AS PUBLIC SERVICE COMMISSION
Setting up a selection committee	HR in charge, takes part in recommending members to the committee		Part of selection committee
Short-listing of candidates	Short-listing according to requirements in the job description. If possible it can be an advantage to have adopted an application form that corresponds with the requirements in order to assess applications faster. If possible HR does the short-listing themselves, strictly using the criteria of the job description, with thorough documentation. Invitations to short-listed candidates.		Takes part
Assessment of applicants – different methods.	Recommends type of assessment method(s). Detailed assessment matrix and process.	Part of assessment process, especially interviews.	Decides
Selection of best applicants	Leads work of selection committee.	Part of selection committee	Decides/ approves
Approval of selected applicants Successful applicants are informed by letter/ print media advert	HR informs applicants, makes sure medical check-ups are conducted	Top management or department head makes approval of the selected candidates.	Decides/ approves
Background check-up. Medical check-up in connection with job offering	HR administrates		
Sending of Appointment letter to successful candidates. Attach scheme of service/job description.	HR sends letter stating salary, probation period etc.		
Notifying unsuccessful candidates	HR sends letters or e-mails.		
Signing of contract of employment	HR in charge of overseeing the signing	AG or the appointed manager.	
Placement	Consultation with Line Managers on placement	Decision	
Introduction/ Orientation 3-4 weeks or longer depending on the position	HR in charge of orientation program	Line managers facilitate the orientation program.	

Activities	Human Resources unit	Line manager, or in some cases top management	Appointing authorities, such as Public Service Commission
Follow-up on recruitments Follow-up with supervisor on performance Follow-up with employee on perception of recruitment process Management of probation appointments Verification of qualifications of selected candidates (no forged qualifications)	Prepares questionnaires, conducts dialogues with managers in order to get as much quality information as possible on new employees. Interview of the new employees. Follow-up on their induction period after 3-4 months. Crosschecking with institutions	Answers questions on performance of new employees.	
Quality check-up	HR officers, involved in recruitment process evaluate their recruitment process based on follow-up information and decide on possible adjustments.	Prompt feedback to HR on performance gaps.	

Analysing needs and coming up with a recruitment plan

One of HR's key responsibilities is to come up with a recruitment plan. The strategic plan and the annual operational plan state what the organisation must achieve. There must also be a realistic plan that states what competencies and numbers of employees are required. The recruitment plan must be developed along with the annual operational plan, and in close cooperation with senior as well as line managers so that it reflects the organization's needs both from a short and long-term perspective. Managers have a responsibility to make sure that HR has up-to-date information on employees' leaves, overall performance, planned promotions etc. HR has a responsibility to make this process as efficient as possible. Having all the data, HR does the analysis on who to recruit and add their knowledge on how to attract, assess, and bring on board successful candidates.

As a complement to written requests for recruitment, and as a means of ensuring that the recruitment plan is accurate, HR can interview managers about their needs in connection to their goals. After conducting a number of interviews, HR has an increased, qualitative knowledge of the needs of the organisation. Compiling and analysing these needs, with regards to the strategic plan of the SAI, HR has the requisite information to propose potential changes to the recruitment plan with the management.

Communicating well with line managers on their needs also has the advantage of building trust between managers and HR practitioners. It is a key aspect in developing their appreciation of the HR function as a strategic partner. Communication around recruitment issues tends to be perceived as very helpful to the managers. HR practitioners, who perform well in these kinds of duties often find themselves sought after in other, more difficult HR matters, where cooperation with the line manager is of even greater importance.

Job descriptions

Job descriptions [12] are useful tools clarifying what the content of the assignments are, what competence is required and where in the organisation the role is located. Job descriptions are connected to roles, not to individuals holding the roles.

Job descriptions are a management tool. They are part of the organisational structure for which the managers are responsible. The staff should be able to recognize their roles and their assignments in the job descriptions, but the details are not a matter for dispute with the staff. HR is responsible for managing the process of keeping job descriptions up-to-date. Line managers are, however, responsible for keeping job descriptions accurate.

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[12] Some organisations use the word job description, some use job profile, core profile or scheme of service.

There should be job descriptions for all posts within the organisation. They should be reviewed periodically to match new techniques and accommodate changes. When it is time to recruit it is wise to review them to see if there are any specific tasks or competencies that need to be considered. Since they do not cover all details on a specific job, revising does not necessarily mean that they are changed. However, the dialogue between the manager and HR is useful for the manager, and for HR, to make sure that the management tool of job descriptions is used in a proper way.

It is wise to try and separate the description of the work itself from the description of the requirements of the person holding the job, but still keep it in one template. This is to facilitate administration and ensure the logic of the content. The part referring to the job is usually also found in a document stating all the jobs in the organisation. Such a document is often helpful when it comes to defining career paths, making it clear to management and employees what can be expected on various levels of work in the organisation. The term job description is hence used in this handbook, with the first part referring to the job, and the second part to the competences required for the person holding the job.

WHY WE NEED JOB DESCRIPTIONS

First, job descriptions enable managers to recruit and select the staff they need and to make decisions that are as objective as possible on their development, education, training, career paths, wage levels, etc. In addition to these practical benefits, managers who use documented job descriptions can be confident they match person and position and have the requisite knowledge and skills in-house to achieve the planned results of the organisation.

Second, job descriptions enable staff to understand the broad lines of what is expected of them: what results they have to achieve and to what standard, and what knowledge and skills they have to command to achieve the agreed results. The staff themselves can then see where their personal development opportunities lie and where they must assume responsibility. The knowledge and skills required for another job are also clear to the staff and armed with this information they can consult their managers when they are ready to take on a new position. This is also a natural part of discussions around career development in connection with performance appraisals.

DESCRIBING THE JOB CONTENT

The first part of the job description refers to the job itself. It is a general description of the work, duties and responsibilities, main tasks etc. It provides information to distinguish between different job levels. Job descriptions are not limited; employees are expected to carry out any other duties or tasks assigned by their superiors. Thus the description should illustrate the main tasks and responsibilities of a job, and not be too detailed. If it is, employees might be tempted to do no more than what is listed. Time will be lost discussing whether a task is part of the job or not and minor changes will lead to unnecessary administration. A good piece of advice is to describe 75 % of the job. This leaves room for new tasks and initiatives that are appropriate to the level and the purpose of the job.

Experience shows there is a danger of getting bogged down in details. It is helpful that job descriptions are drawn up for a cluster of jobs, such as auditors, senior auditors, team leaders, directors, secretaries, etc. Making them work for a group of people tends to minimise the focus on details.

DESCRIBING THE JOB REQUIREMENTS

The second part of the job description refers to the job requirements; i.e. the necessary know-how, skills and attitude required for the specific job. The requirements need to be generic and should correspond with what is demanded in the performance appraisal templates. Sometimes job descriptions, especially in describing soft skills, tend to be rather extensive, almost like a wish list. The challenge is to define the most crucial competencies that are needed. This means defining the need-to-have knowledge, skills and competencies, as well as the nice-to-have ditto.

There are several ways of avoiding the pitfall of too detailed soft skills lists. One way is for HR to gather managers and other stakeholders in a workshop and analyse successful behaviour from employees with the purpose of finding the most critical attitudes and behaviours to ensure success. Through analysing success stories from various stakeholders' point of view, the idea is to come up with a description of the most critical knowledge, skills and competencies demonstrated. The method is thorough and involves different stakeholders, but it is time consuming.

Another way to make the manager decide on what soft skills are the most critical is by referring to the assessment process. Since there is a limit to what can be evaluated in a recruitment process it is wise to strive for evaluation of the most crucial factors, not everything we would want or wish for. If there are threshold competencies, perhaps even listed in the SAI's strategy, they should be enclosed in the job profile.

Figure 18 Steps in developing a job description. The first two steps refer to the job and the latter to the jobholder.

Step 1	General description. Give a brief description of the context in which the job is carried out within the organization and what its purpose is. Also provide a general description of what is expected from the position/staff member. If possible, describe briefly the goals that the person holding the job is supposed to fulfill.
Step 2	Tasks and responsibilities. List the tasks and responsibilities associated with the job.
Step 3	Job requirements. List the education, experience, knowledge and skills required. Distinguish between what is mandatory and what is considered an asset. Be aware that knowledge can also be gained from practical experience, and a specific, named course does not necessarily have to be taken to gain the required knowledge. This is not applicable, of course, at SAIs where certain courses are required by law.
Step 4	Specific competences required for the job. Skills and knowledge often reflects the doing of the person, whereas attitude and behavior reflect the being. Summarize the competences needed and make sure the list is not too long.

DECIDING ON MANDATORY REQUIREMENTS AND WHAT IS CONSIDERED AN ASSET
In describing the desired skills and knowledge it is of vital importance to define what is mandatory and what is considered an asset. The job content is most important, but it is advisable to consider how to manage the assessment procedures (interviews, tests, etc.) as well as the expected number of applicants. The more specific the description of the requirements, are, the more relevant, qualified, and motivated the applicants will be.

Reviewing job descriptions before starting a recruitment process should be mandatory as there are always new challenges that have to be met and adjustments that need to be made. It is also a way for managers to, with the help from HR, sometimes decide not to recruit but to find other solutions.

A selection committee
The purpose of a selection committee is to assess the comparative merit of each applicant against well-defined selection criteria and competencies, and to recommend for appointment the best person for the job. The committee should be comprised of the most suitable and qualified people to assess applicants in the discipline, including an HR recruitment specialist. A representative from the public service commission should be invited where this is compulsory by law. A prerequisite for attending the group is that all members set aside the time needed for the selection work.

Every selection committee should represent both genders and as far as possible should reflect the diversity of the SAI's staff. All selection committee members must be trained in merit based recruitment and selection, to ensure they are familiar with selection techniques, equality legislation and other policies and guidelines. No

person is permitted to continue as a member of a selection committee if a candidate applying for an appointment has a relationship with that person, as this might give rise to a conflict of interest or create bias in the selection decision-making.

The advertisement

Many SAIs within the region receive large numbers of applications when they recruit. It is of course positive from a SAI perspective to be perceived as an attractive employer, but still presents a challenge for the recruiting institution.

The advert should state what the mandatory requirements are, as well as what is considered an asset. These should be described in a way that is attractive to the right candidate. Stating asset criteria in the advert enables the selection committee to do their job more efficiently. If you have a communications department, ask for its support in designing the advert. However, make sure that HR stays in control since the wording in the advert is important when it comes to the legal aspects of who is short-listed for the next step of the recruitment process.

A good way of making sure that the people who are on the selection committee are committed, is to make sure that they are engaged in reviewing the job descriptions, deciding what should be in the advert, and that they are aware of the assessment methods that have been chosen.

Various assessment methods

As a recruiter one has to be aware of all the uncertainties that make human performance extremely difficult to predict. What makes one person perform well in one setting is no guarantee that he or she will perform well in another setting. There are many ways of assessing candidates; interviews, aptitude tests or other written tests, psychometric tests, telephone interviews, written references, telephone interviewing of references, and role-play or observation of candidates in a setting. Assessment procedures must be chosen and conducted with regard to both quality and cost effectiveness. Administration of aptitude tests can be more cost efficient as a selection procedure at an early stage of the process. Interviews are often considered inevitable at some stage. The HR practitioners are the experts in designing appropriate assessment procedures.

As recruitment research [13] shows, no single assessment method is particularly good. However, a combination of different, carefully designed evaluation methods can predict job performance despite the difficulties. For example; several SAIs in the region use aptitude tests in combination with structured interviews with good results. The Swedish NAO uses semi-structured interviews, reference checks and work sample tests in recruiting auditors. These examples stress the importance of adopting selection procedures that corresponds with the specific demands of the SAI, as stated in the job description.

Recruitment is an administrative, time-consuming and costly process that involves many people. It is not only costly money and time wise but also with the long time effect all recruitments have on the organisation, it being of strategic significance. Many countries in the region are currently experiencing that overwhelmingly many young professionals apply for jobs. Designing adverts focused on targeted groups is the first step to reach the right candidates. Choosing the right assessment method with regard to both results and cost-effectiveness is the next.

INTERVIEWS

An interview is one of the best ways of getting qualitative information from a person that cannot be obtained by, for example, work samples. In order to get information from a person that is accurate and really refers to the requirements, the interviewer needs to prepare accordingly.
1.   Prepare brief information about the posting and leave time for answering questions about the work.
2.   Decide on which key competences need to be assessed during the interview.
3.   Limit the number of competences to assess in order to be able to go deep enough during the interview.
4.   Limit the number of interviewers to those who really need to be present. The optimal number is two-to-three people since this ensures a fair assessment but still enables a proper ambiance.

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[13] *Predictive validity of different selection procedures for overall job performance (Schmidt, Hunter, 1998, p 262-274)*

5. Together with the other interviewer/s (the recruiting manager or other senior person) writes a questionnaire that is structured with open questions that also allows for follow-up questions. Use different kinds of open questions that are appropriate for the posting: knowledge questions, behavioural questions, case questions etc.
6. Decide on who does what during the interview.
7. Create an environment that is supportive and enhances confidence.

Make sure the applicants have plenty of time to develop their answers. After the interview, make sure the interviewers assess their impressions separately first, then together.

LABOUR LAW

Regardless whether the audit institution is independent or not, there are always labour laws and other national circumstances that need to be considered when you develop recruitment procedures. If you have a tradition or a development of strong employee organisations or trade unions in your country, these need to be addressed in developing procedures. From a human resources perspective, the HR practitioner always advocates the employer's view. However, in the role of HR as an employee champion, finding appropriate ways of cooperation between employer and employee organisations can be a way of adding value to the SAI's development. Building trusting relationships with union representatives is of great value to the SAI, and HR staff are the specialists who should handle these matters.

RECRUITMENT THAT SUPPORTS ORGANISATIONAL DEVELOPMENT

By participating in the formulation of the strategic goals and their implementation, HR can facilitate the capacity building of the SAI. Job descriptions and recruitment procedures are part of the infrastructure of the SAI. In order for the SAI to fulfil its mission, job descriptions must aim not only to fulfil today's needs, but also aim at fulfilling the needs of the future. Sometimes this support means discussions of managers' decisions and arguing for a different solution. As long as HR is well aligned with the strategic goals of the SAI and its own professional standards, the organisation will benefit. When HR has an insight in all parts of the organisation it enables them to analyse needs and propose changes if necessary.

Recruitment in a SAI must be performed in an open, transparent and non-biased way. Recruitment that supports organisational development must follow local laws and regulations. But equally important is that everybody in the process understands that his or her role is to find the best competence for completing the SAI's mission. It doesn't matter how well adopted your templates and procedures are if the people involved with the recruitment process looks at issues other than people's professional qualifications. It will have a detrimental effect and seriously hamper or harm the SAI if considerations are made on favouritism, nepotism or other non-professional grounds.

Getting the right staff at the right time is crucial for all organisations that want to make a difference. As a consequence, it is important to have qualified in-house staff, such as professional HR practitioners, who can help the managers do the job. There is always the possibility to outsource the entire, or parts of, the recruitment process. On some occasions, for instance, with contractors, it can even be advisable. However, it is hard to find anyone who can better do the job, than HR practitioners who know their core business and the people within their SAI. Recruitment takes a lot of time. Making sure that procedures are well-adopted, efficiently run, aim for both the strategic and the annual objectives of the SAI, and that people involved understand their role is the key challenge for HR.

INDEPENDENCE

Some SAIs in the region have left the civil service, others are on their way of becoming more independent regarding HR management. Although the vast majority is still under the civil service, even among them there are several SAIs who in practice are more independent than others. Taking initiatives by developing recruitment policies and procedures, and exploring the possibilities that are there, is a good way of contributing to the development of the SAI. There can be no doubt that an independent SAI must be in control of its human resources. Taking on a greater responsibility when it comes to recruitment issues is thus of vital importance.

PERFORMANCE MANAGEMENT

Professional performance management is a key driver in building capacity and increasing performance. It interconnects with information management, feedback systems and with issues of managing sensitive situations, where HR should be involved. This chapter contains tools for various parts of performance management i.e. performance reviews, performance appraisals, feedback and other ideas for achieving high quality. It also contains parts on internal communication models, conflict management and the management of other sensitive issues. Each of these areas can be further developed, and you can find a multitude of information on the Internet as well in the literature. Parts of the chapter are copied from the excellent document on performance management developed by the Audit Service of Ghana in cooperation with NAO of UK.

The parts on performance appraisal are intended to be used as a tool for helping both managers and staff to understand why, what, how, when and with what quality they are to perform their assignments. It also bears some ideas on how performance management will secure the success and full-bodied output of the SAI. Further material on the subject can be found in the appendix.

DEFINITIONS AND OVER ALL DESCRIPTIONS

> *Performance management (…) is using all the management tools including performance appraisals, to ensure achievement of performance goals. It is an on-going process of evaluating and managing both behaviour and outcomes in the workplace.*
> *Source: Human Resource Management in South Africa, page 262*

All performance management shall reflect the goals and visions of the organisation. Performance management seeks to provide a process for creating work results and a work environment where people are enabled to perform their best and enhance their abilities. Performance management is a systemic model that is intended to support managers to design the work situation in order to supply excellent results to the clients. It also includes the whole system of activities focused on each employee that begin after defining a job as needed, when an individual is employed and ends when the employee leaves the organization.

To facilitate the achievement of good results the use of a wide variety of performance management tools and activities are recommended. These are manifold – performance appraisals, time management, continuous dialogue and feedback, team meetings, training activities etc. The skilled manager knows which tools to use when. HR should support managers in finding and using the accurate tools.

This means that performance management contains all activities that managers use in order to get the work done well – and furthermore to support their staff to stay committed, to develop and to perform. To achieve these goals, all management processes can be used as tools for the performance management.

From an HR perspective the focus of Performance Management lies in performance appraisals (including documentation and rating), communication/feedback, managing internal communication and the issues of disciplinary actions. Remaining issues have to be managed from other perspectives.

Dialogue as a performance management tool

To build capacity into the SAI it is vital that the dialogue between manager and staff is continuous and includes respect for skills and experience, personality and commitment. People learn from feedback, and good feedback contains a dialogue, which means an eye-to-eye meeting between two (or more) individuals. One-way feedback hampers the possibilities for a learning experience and do not help the staff grow in

capacity. This is important as, when there are limited options to ask questions, it results in lots of room for fantasy or imagination. To understand what, why and how behaviour should be changed, is necessary for development. This cannot be achieved through one-way communication. Still some feedback is given only as a document, a filled in template with written comments. These might be helpful for a part of the development, but does not in itself give the opening for thorough dialogue. Through an open and clear dialogue, understanding of the written feedback will grow.

Dialogues are time consuming, and are still the best ways to add competence and form a base for loyalty. Therefore it is also an important part of building a learning organisation.

All professional conversations arising from mutual trust and openness are beneficial, whether they are made between peers or between manager and staff. Trust and openness can be achieved through committed activities and reflecting on working practices.

The performance management system
A performance management system will, in the HR area, be focused on
1. The feedback given throughout the year in connection with planning of work and all tasks that the staff perform
2. The specific processes that are arranged in connection with Performance Appraisals and their documentation.
3. Internal communication
4. Management of sensitive situations such as conflicts and poor behaviour.

When performance management methods are used well, they will influence and enhance the development and performance of the staff. It is recommended that the same format for performance management is used throughout the SAI and that the Performance Appraisal System is implemented with thorough training for managers. The staff should also be well informed of why the performance management system is used and how the results shall be further managed.

Performance management as a development tool
Performance management functions on the idea that through a clear structure the manager will get a full and valid picture of how each staff member is using his/her capacity. All staff, from the top to the lowest levels of the organisation, should be able to understand how they are part of the whole system; how they add value and to feel that they are contributing to the total results. The manager needs to know and define how s/he can use the staff they have, what they need to address to manage future challenges and how they can combine the various skills and personalities that the staff possess. The manager can also consider how developmental activities will be helpful in order to get more out of each individual.

The staff member benefits from knowing what s/he can do to improve their skills, and thereby possibly get higher job satisfaction or even a promotion or a salary rise. Each staff member also benefits from having work plans where they are in charge of activities that together add up to the goals. For purpose of accountability the staff should have reasonable control over the execution of their activities.

A performance management system supports the organisation with vital information. It creates a valid base for recruitment, for transfers, promotion and career development. All training activities should be based on dialogue between manager and staff member – these dialogues are part of the performance management system. Quality control, time management and project planning also benefit from a well-implemented performance management system. The systematic approach to and further development of the performance management is a key to success of the SAI.

Responsibilities for performance management
Top management is in charge of installing a system in the SAI that makes it possible to design organisation with options to be effective and efficient, with a divided workload. It is also in charge of creating systems to

measure performance, form professional roles and processes that support conducive and excellent deliveries. The top management should request from all managers in the SAI to deliver their performance management results in ways that support the results of the SAI. There should be no ways of keeping out of a performance management system.

Top management is also in charge of handling all rewards systems, which is important to remember when it comes to advancement, transfers or giving notice

Middle managers are in charge of doing all the day-to-day activities that are included in performance management, not the least of which is conducting performance appraisals with all their staff. When performance appraisals are held, the documentation from these conversations should result in a development plan for each staff member. All managers need to reflect on what their own department/team needs to focus on.

All managers need to design the work plans at their own organisational level in order to fulfil the goals and the objectives in the strategic and the annual operational plans. Activities lead to results, and therefore the work plans must contain activities and be delegated throughout the organisation.

HR is in charge of creating the performance management system and the appropriate templates and other tools that middle managers need to do a full performance management process and to follow up that they are well used. HR is the supporter of both training and coaching to managers as well as a receiver of information gathered during the performance appraisals. HR is in charge of using the information for planning of training and for coordinating other developmental activities. HR is also responsible for giving advice to top management on change processes or other organisational issues that have become visible during the process.

PERFORMANCE APPRAISALS

The performance appraisals are mainly the dialogues between manager and each staff member where they talk about the period that has passed and how they shall plan for a successful future. The dialogues shall be documented in order to follow up and to build training and development plans and other activities. One part of documentation is performance appraisal forms, which frequently are used in most AFROSAI-E countries.

Figure 19 A quote from the Audit Service of Ghana guide on Performance Management and Appraisal Framework (PMAF)

THE OVERALL AIM OF THE PMAF IS
• **To establish individual training needs and enable organisational training needs analysis and planning.** • **To monitor standards, agree expectations and objectives, and delegate responsibilities and tasks.** • **To assist in career and succession planning.** • **To identify and manage poor performance.** • **To assist in staff motivation, attitude and behaviour development, communicate the organisation's objectives and foster a positive relationship between management and staff.** • **To serve as input for identifying and determining staff promotions, according to policy.**

The needs for timing of performance appraisals

A good time for Performance Appraisals is after usually the intensive audit period, when the staff easily can relate to their performance and the results. This calls for keen observation from the manager, which in turns means that the manager must have time to observe, and not be totally involved with the audit processes.

The time frame for a performance appraisal dialogue must vary with the complexity of the role and the size of the team. Ideally a manager has appraisals twice yearly, although most managers have difficulty to handle that

amount of conversations. When the dialogue is good and effective, the conversation usually lasts about 1-1.5 hours. If they are poorly prepared they can be short, but they will then not give the optimal results. It is, on the other hand, not a sign of a good conversation that it is very long.

Every appraisal needs to be evaluated from both a management and staff perspective. This can be done at the end of the meeting by talking about how the performance appraisal added to both parties understanding of the situation and focus towards the future. HR should also carry out a strategic follow up to measure how content all participants are with the appraisals held in order to see further needs of this approach.

The performance appraisals process
- The performance appraisal process should preferably be a two-way communication system between manager and staff and therefore an open appraisal is recommended. In some organisations these two-way conversations also include a 360-degree feedback, i.e. from colleagues, clients and other persons who work closely with the staff.
- The performance appraisal should be focused on long-term and short-term goals, preferably at least two years, on action plans and on development.
- The appraisal should be planned for as part of the annual planning process, where staffing, development, training and advancement issues are in focus.
- The conversations should always be held as a mutually prepared and serious talk about various issues connected with the work situation.
- They should always look both towards the coming two-three years and reflect and give feedback to what has passed during the last year.
- During the appraisal, the manager and the staff member should be aware of what to focus on regarding improvement, especially when they talk about goals and action plans.
- The manager and staff member should also reflect on and talk about how the staff member's career development is influenced by the results of their performance, reviewed in the appraisals. Therefore it is important that the manager knows what will qualify for advancement and make this transparent to all members of his/her staff.

For the staff performance appraisal is the most vital and important conversation during which s/he will
- get feedback on the year that has passed – on performance and results and how they have contributed to the overall objectives of the SAI
- give feedback to the manager on how the work situation has been – options used and problems that have been handled
- get feedback on the results achieved and what will be expected for the coming period
- agree with the manager on how the forward planning of results and development should be
- get a clear focus on what improvements are needed for future and how to self-assess results
- get an opportunity to talk about work related issues or problems
- get a thorough discussion about future openings and what could bring success
- have an opportunity for updating job descriptions to ensure they accurately reflect the requirements of the job.

The manager will, of course, get the same benefits from the dialogue – and can also ask for feedback on which kind of leadership the staff member prefers. This will give the manager opportunities to tailor make their leadership styles and to focus on the issues of good results together with each staff member.

PLANNING FOR A GOOD PERFORMANCE APPRAISAL
In order to conduct good appraisal dialogues, it is essential to plan. The planning has to be done both by managers and by staff.
- Inform the whole team about the Performance Appraisals, the reasons behind them, how they will be carried out and deliver optional time slots for the conversations. This can be done orally (individually or at a team meeting) or in writing.
- Ask the staff to prepare as per the list below (included also in the appendix). Give each one a copy.
- Agree with each one on the length of the appraisal

THE CONTENT OF PERFORMANCE APPRAISALS DIALOGUES

As the performance appraisal is important for both the staff and the organisation it is vital to plan to and to see it as a positive meeting! The mutual preparation shall focus on reflections and feedback on

1.   What has happened during the last year and why – what are the results?
2.   How is the situation today?
3.   What should the future focus be?

Ideally the feedback shall contain both feedback and dialogue on
• Work results, efficiency and effectiveness. Did the staff member perform as planned – or above/below? Consequences of poor performance (if needed).
• Achievements – outstanding results – positive as well as negative. Timeliness and planning skills. Willingness to bring new ideas, openness for change.
• Development of roles, skills, ideas. Professional appearance and attitudes.
• Relations with colleagues and manager
• Health – own health and family health
• Environment, personal and professional
• Leadership – how does the staff member take responsibility to lead in accurate situations, what kind of leadership does the staff member need from the manager to perform well
• Cooperation with clients and other important connections
• Plans for the future – what are nice dreams and what can be planned and agreed upon
• Ethical issues as fulfilment of signed documents etc.

It is important that the performance appraisals
• are realistic,
• capture both faults and positive traits,
• are objective without bias,
• can be handled with simplicity and openness,
• are result driven and include everyone in the organisation.

FEEDBACK

Feedback means that someone gives information that makes a difference to another person and that this information helps them to perform better. In work life we usually talk about feedback as the main tool for managers to help their staff members develop. Feedback is the various ways a manager can inform his/her staff members about how they have performed and how much they are in line with what is expected.

When feedback is given it is advisable to consider:
• That you give positive feedback on behaviour, attitudes and results that you want to see more of or enlarged.
• That you give feedback on behaviour that is possible and important to change.
• That you always are intending to be helpful – never give feedback as revenge.
• That you give feedback as closely to the situation as possible. There is a better chance that the receiver will remember what you are referring to then.
• That negative feedback, i.e. complaining about poor behaviour, results etc., should have a focus on what is needed to change in order to succeed or in order for the staff member to be allowed to stay in the organisation.
• That you show respect for the receiver's intention to succeed and support their willingness to do a professional job.

It is also helpful if you check with the receiver if he/she is willing to listen to your feedback at this time, or if there is another moment in the near future that is better. This is to minimize the influence of momentary stress or other activities that can blur the capacity to listen to and understand the feedback given. Always ask the receiver of feedback how he/she has understood what was said. Ask them to revise in own words what they have heard and how they plan to change their behaviour, if that is what is needed.

Continuous feedback

The day-to-day dialogue between a senior or operational manager and their staff gives opportunities for performance development as the manager comments about what was well performed and how the results could be better. When the day-to-day contact is focusing on the betterment of each staff member's performance, the team gets focused, as each staff member understands how his/her input is essential. A manager who gives feedback on both positive and negative performance will also build higher trust between him/herself and their staff. Managers who don't give continuous feedback will experience a higher challenge in giving oral or written appraisals, as there is limited mutual experience in dialogues on sensitive and important matters. Daily practice leads to excellent performance.

Individual feedback

Positive feedback should, most of the time, be delivered in front of peers. This is helpful to showing and underlining behaviours and results that are wanted. Normally it is advisable to always give negative feedback behind closed doors. This reflects the attitude of not causing people to lose face in front of their peers. Sometimes it is still wise to show that bad performance or behaviour is punished, even if punishment is not a preferred activity.

Still, cultural aspects influence this, as in some cultures it is creating problems for the receiver, if you get positive feedback in front of your peers. It might cause envy and form a basis for distancing that individual from their peers and future negative cooperation. This has to be thought about for each culture. The feedback should always be helpful for good future performance for the individual. In some cultures positive feedback given to a staff member in front of peers will help the others to see and understand what behaviour is wanted and how they themselves can perform to also get good confirmation of their performance.

It is advisable for the manager to keep a clear record on who gets what kind of feedback, making sure even quiet people get appropriate attention.

Group feedback

When giving feedback to a group of people it is advisable to be very clear about what is positive and negative. Each individual has their own frame of reference, and with a group there might be many variations in how information given is perceived. Therefore the manager can say "this is what I like and want to see more of" and "this is what I don't accept and require you to do less of/or never again".

Also, in a team or a group, there can be individuals that have been extra committed or taken on an extra load. Giving them some extra and positive feedback in front of the group is usually meaningful. That also supports the ideas of doing a lot together, and also each one taking on as much as they can manage.

Developing the dialogue

Some ideas on how to develop the dialogue and what to talk about are:
Look at the appraisal dialogue as a funnel, a double one, with the big opening at both the beginning and at the end.

Figure 20 Model of dialogue
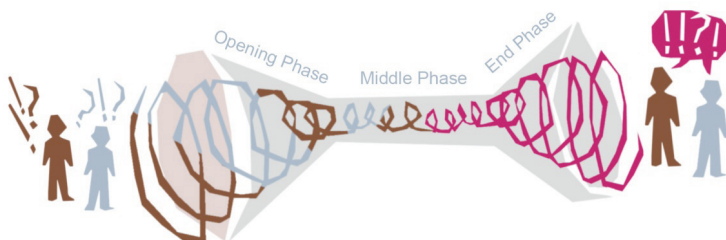
The basic idea is to start with an

Opening phase, where you are talking about general things and getting in touch with each other, finding a good conversation level, then moving into the

Middle phase where you discuss the important areas of performance and results under review pointing out positive and negative issues, reflect on options to solve problems or develop new ideas and, finally, to end the conversation in the

End phase with summing up, making decisions, forming a plan for the future and evaluating of the meeting.

Some recommendations for the opening phase
• Start by repeating the reasons behind, and the goals for, the appraisal
• Reflect on specific issues that you both want to cover
• Agree on taking notes, both of you, and to share them with each other at the end of the conversation

Some recommendations for the middle phase
• Talk about one issue at the time and dig into it enough to understand what influences various results, what can or needs to be done to improve the situation, what should be more or less in focus.
• Remember that the manager should give feedback but also listen carefully to understand how the staff member is thinking, what s/he is motivated by and where there might be causes for misinterpretation
• Ask for ideas on problem solving
• Be interested in digging deeper – ask the Why? or How? about all issues that are touchy
• Agree on goals and expected/desired results
• Make optional plans, but don't decide on areas that might have to be changed because of other appraisals or other managers' decisions.
• End each part of the appraisal by checking if you understand each other. Ask the staff member if s/he "would you please summarize this part of the appraisal" before you move onto the next part.
• When you experience disagreement it is important to dig deeper. If you, as the manager, only give orders at this stage, you might not get hold of important information or insight about your staff. To have excellent staff members it is important that they understand what is expected and how their loyalty is viewed and valued.

Some recommendations for the end phase
• Enjoy the appraisals – even if you don't do it "by the book" anyone can feel if you are really interested in what comes up during the dialogue. Faked interest always shows and always gives negative results.
• Make a plan or document that sums up what you have been talking about and what your intentions and agreements for the future are.
• Sign the document/the plan – both manager and staff member – on what has been agreed on. Be clear about what you can promise to do – and that changes might have to be made as the process moves on.

Who performs the appraisal

Performance appraisals should preferably be carried out by the operational manager closest to the staff, as they understand the staffs' working conditions. They will easily understand what is important to reward and how to analyse various aspects. It is difficult for a manager to give accurate feedback to a staff member when they have not observed their performance. Consequently, if the SAI is a large organization and the operational managers have more than twelve to fifteen staff, it is better that a manager lower in rank and closer to the staff holds the performance appraisals.

The staff will have to understand the importance of preparations before the performance appraisal conversations. They also need to use their professional courage to raise questions, add information that is necessary even if it sometimes is not pleasant and to talk openly about issues of concern for the betterment of their roles and the organization.

HR ROLES AND RESPONSIBILITIES

Any process in connection with performance enhancement and appraisals needs a thorough and joint coordination, to work well with the strategic plan and the annual operational plan. Therefore it is vital that the HR specialists are actively taking part in all planning procedures.

HR is in charge of creating a common template and a system for the appraisals to build trust needed for effective conversations. Examples of such templates are found in the appendix. It is vital to show that there are positive connotations with the system and that all penalizing formats are dismissed. This can call for training in the area – both for managers and for staff.

To help operational managers in creating good performance appraisal dialogues, HR should support their practice by delivering good templates, by coaching them and by arranging other developmental activities. It is also vital to help the senior and the top management in checking and keeping the instruction/order process. HR specialists should preferably coach the managers in reflecting on the feedback they give to their staff as well as on the reflections they get on their feedback. This support will enrich the line managers' management skills

HR needs the input (the results) from the performance appraisals in order to build development plans and training plans for the whole SAI. It is also vital for recording the individual performance in the personnel files as a basis for career planning and advancement. HR should sum up the reflections on the appraisals that are sent to the HR department or to the level above the manager in charge of the Performance Appraisal document. The SAI will benefit from HR using a common structure when they summarize the results, report to top management and make further plans for developmental activities. This report should contain areas covered, problems raised, options and other positive signs. It should be used as a basis for final discussions within the top management group on areas to focus in the future.

The management benefits if HR supports regular follow up sessions during the work period to review performance and agreements made. This means that HR alerts the manager in checking out that what s/he and the staff have agreed on really happens.

HR should check with the manager during their regular conversations how the follow up process is working.

Figure 21 A quote from the Audit Service of Ghana guide on Performance Management and Appraisal Framework (PMAF)

HUMAN RESOURCES DEPARTMENT
- Distributes, collects and collates all Performance Appraisal forms.   - Forwards Personal Development Plans to Training department.   - Compiles and collates information from the appraisal forms and forwards to the Appraisal Committee.   - Oversee the implementation of the approved Performance Appraisal recommendations by Management.   - Provides managers and supervisors with appropriate appraiser training covering their responsibilities under the performance appraisal framework.   - Provides relevant support and technical assistance to departments as and when required.   - Ensures the confidentiality of appraisal data.
TRAINING DEPARTMENT
- Uses information from the Personal Development Plans to identify organisational training and development needs.   - Implements appropriate training and development programs and courses according to priority.

Appraisal forms

Most AFROSAI-E members have performance appraisal forms. These forms vary in how detailed they are and how they are used. A recommendation is that the appraisal documents shall contain feedback on

- Knowledge within the field
- Skills
- Results
- Efficiency and effectiveness
- Time management
- Planning
- Personal appearance
- Attitude towards clients, management and colleagues
- Openness to change
- Willingness to bring forward new ideas
- Team skills

and end with recommended follow up actions.

The appraisal form is, in some countries, a one-way or "secret" feedback system. The manager fills in the form without dialogue with the staff. This method certainly gives feedback, but as there is no dialogue the learning options from the feedback are limited. To understand feedback the staff have to understand the various why, what, how, when, why not, who that are parts of the feedback. Human beings have a tendency to believe that others share their own perspective of things – although people realize through life that others see, hear and understand everything from differing perspectives. So, the dialogue, as an addition to the appraisal form, gives more opportunities for learning.

If the performance appraisal forms should be really influential, the template should contain a true opportunity to comment on the feedback given, not the least on negative feedback. This can be done orally or in writing but must contain the option to describe what has been influencing the situation.

Developing the whole work process

A manager who wants to be in control and to develop the group, the work assignments, the plans and the organisation needs to be systematic and to look at the whole process. The manager should think about:

- How do my staff understand and recognise the visions, the goals and the objectives?
- How do my staff understand what we are here to accomplish?
- How willing are my staff to bring their best to the assignments?
- How do my staff manage time, knowledge, technical tools, energy etc. to perform the best results?
- How do my staff keep their spirits high and a helpful and learning attitude towards each other?
- Is my role as a manager clear to my subordinates – and, if not, clarify it

The manager can use all these aspects in the performance appraisal dialogue to match directly with the situation of their staff.

UNDER PROBATION

For newly employed staff members, assessment and feedback is extra essential during the probation period, as this will help them to perform successfully or understand that they will have to leave the organisation. It has to be planned and handled in cooperation between managers and HR. This is a special process where the conversations need input that is quite similar to the performance appraisal but the timing is managed following the regulations of probation periods, which means well before the end of the probationary period.

Salary reviews

In most organisations the salary raise is delivered without much comment. If the management wish to support the staff in knowing what is especially vital for the organisation and how their performance could generate higher salary (if that option exists in the SAI), an individual conversation between the manager and the staff member is beneficial. This conversation can be quite brief, and could contain – "this is how you have performed; your excellence in this area/subject gives reasons for a raise; your poor performance in that area/

subject was not up to standards, therefore resulting in no salary raise". Preferably, the manager could then talk briefly about what could be positive next steps. This can only be a procedure that is used if the SAI and the manager in charge have an impact on how salaries are set.

When the situation for the SAI is that salary increases are managed by some other authority, the salary will not be the positive tool for bettering the performance or the results. The manager then has to find or create other means to influence the performance of the staff. In this situation the performance appraisals conversations are even more important.

Feedback within the managerial system

Ideally the appraisals start with conversations between the AG and the senior managers and move on to the lower levels. When top management asks for feedback on what has been the subject during the conversations at the lower levels, they might get information not possible to get hold of in other ways. Therefore it is vital that they arrange for summing up conversations with all layers in the organization. This can be supported by HR specialists (see further on in the text).

Top management should give feedback to the senior managers, and they in turn to the operational managers. Focus on the highest levels should be around
•   How senior managers have met their goals
•   How they have developed the capacity within their department

Appraising managers with focus on those skills will help them to keep their attention on goals and capacity building. If not appraised, they probably will just focus on performing the audits.

Some appraisal issues related to the managerial areas on the lower organisational levels are:
•   Capacity to support their own part of the organization
•   Managers' abilities to bring out the best from all their staff
•   Feedback between management levels is not necessarily comfortable! Does s/he support development of individuals and their skills – or is s/he reluctant to let the staff grow over his/her own capacity?
•   Is the department achieving the planned results and using their budget well?
•   How do the managers allocate time for the important feedback sessions with their staff?
•   How do the performance appraisals connect with timeliness of reports and audits? Is the timing of appraisals well aligned with the intensive audit periods?

Quality control of performance appraisals

It is necessary to check if the performance appraisals are managed in a decent way, reviewing the right things and performed consistently through the SAI. In AFROSAI-E countries an appraisal committee sometimes does this.

Figure 22   A quote from the Audit Service of Ghana guide on Performance Management and Appraisal Framework (PMAF)

THE APPRAISAL COMMITTEE IS A GROUP OF EMPLOYEES DESIGNATED TO APPROVE PERFORMANCE APPRAISAL SCORES AND FINALISE RECOMMENDATIONS, TO INCLUDE:

•   **Set guidelines for the implementation of the appraisal exercise.**
•   **Review and approve performance appraisal scores and ratings.**
•   **Meet at the end of the appraisal cycle to discuss collectively the performance of all staff and make recommendations (according to policy) concerning awards, promotions and incremental increases to Management, according to policy.**
•   **Arbitrates disagreements between individuals and appraisers.**
•   **Monitor and evaluate the success of the PMAF.**
•   **Provide a quality assurance review to ensure a fair and consistent application of the framework across all of AS.**
•   **Make recommendations for the improvement of the PMAF to Management.**

Some final words

All performance management tools can be used for bettering the output of the organisation. The main issue is to agree on how to do it, when to arrange the various processes and how to use the results. Just doing the procedures without taking the results into account is a waste of time and commitment. But using all the reflections, all the commitment and all the joint energy of an organisation will create a successful developmental process.

Further information

- Examples of appraisal forms
- List for preparation before appraisal conversations
- Examples of developmental plans
- The instruction from Audit Service Ghana on Performance Management and Appraisal Framework

INTERNAL COMMUNICATION

This part contains theories and practical application aspects of communicating in interpersonal relationships. The information flow can be upwards, downwards, horizontal or diagonal.

Internal communication is a task for managers at all levels and should be strategically supported by Human Resource specialists. In some of the areas the HR specialists also have to take complete responsibility of the process, especially when it comes to cases concerning conflict resolution and unacceptable behaviour that calls for disciplinary procedures. On the other hand, the AFROSAI-E Communication Handbook mainly targets external communication and communication strategies and systems, where top and senior managers as well as the communication specialists are in charge.

Why this area is important

The main concern in communication is information. Without relevant information, one can realistically not expect staff to act professionally. With relevant information, you always must demand that staff act in a professional way. It is important to understand what the word relevant information really means in various situations. It is an important assignment for all managers to provide relevant information to their staff in order for them to deliver excellent results. It is likewise important that all staff endeavour to understand the information, ask for clarification and deliver information without being punished.

Managers frequently forget that their staff members are not connected to the same "hive mind" as they themselves are. This means that managers need to investigate how their staff members understand various situations – and then fill in the gaps. Some managers will appear unwilling to do so, as information also is connected to power. They might think that if they support their staff with information, they will lose authority. Those who have information have the power to choose making decisions in some situations and foreseeing upcoming events. Data shows that managers who share information will achieve better results than those who keep it to themselves, as their staff will have the opportunity to act in relevant and professional ways and thereby develop themselves, the organization and the work methods.

HR should support the manager in thinking about how managerial behaviour connects with the attitudes, engagement, motivation and willingness of their staff to perform better and achieve excellent results. This can be done by coaching managers, but also by prescribing information models that are helpful.

Helpful information models

To support the staff with information, you can use the intranet, internal memos, manuals, procedures, policy statements, organisational newsletters, official documents and other written formats. These are helpful as they remain available over time and easily can be retrieved. But, they are not helpful when it comes to motivation, to long-term consideration or to managing the commitment of staff. There the connection between people in the same room is needed, where they focus on the same goal. A professional and engaged manager sees to it that each staff member understands his/her role in the assignments. The manager also makes sure that the staff

member understands and commits to the goal, and is engaged to do his/her best. This is a process that needs the personal touch and where the manager has to use his/her emotional skills to succeed. Understanding what motivates each staff member calls for the insight into each individual's emotions and longings – and also to where their urge for professional development lies.

These aspects are important to remember when planning feedback, for meetings and for managing difficult areas such as conflicts, disobedience, disloyalty or misbehaviour. When considering how the staff member understands and grasps a situation, the manager might find that there are information gaps that, when filled, will resolve the whole situation. A basic idea is then to assume (or maybe hope) that each individual hired in the organisation generally is eager to perform their best – to their best understanding.

Staff meetings

Staff meetings are frequently arranged in order to share information and to keep the staff focused on the same goal. But there are multiple other reasons for managers to arrange staff meetings regularly. Research shows that short meetings every fortnight can be helpful to keep the staff on track. Some other reasons for having regular staff meetings are
- forwarding information from the top management,
- keeping everybody focused on the work at hand,
- giving group feedback on results – talking about issues that are important to all the participants of the meeting
- for helping staff feel that they together are performing what will become excellent results.

It is vital that the only people relevant to the subjects of the meeting attend the meeting. It is also important the agenda includes follow up on plans as well as plans for the next period. This way the annual plan can be focused, divided into short periods and this continuous monitoring gives emphasis on creating results. In the meeting the manager has an excellent opportunity to influence their staff and thereby use the managerial power for bettering the efficiency and effectiveness as well as for developed wellbeing and work satisfaction.

To minimize the risk that staff meetings turn into rituals, the manager should focus on Why the work should be done, What should be produced with which results, Who should take charge, take part and do what, When the different assignments should be ready and delivered. There should also be enough time for participants to ask questions and reflect upon them.

FORWARD INFORMATION FROM THE ENVIRONMENT AND THE TOP MANAGEMENT

The managers are always in charge of forwarding information from top management to other levels. They must know what is permitted for them to talk about, and what still is under discussion. Managers also have the task of translating information from the environment into issues that are connected with the assignments for the staff.
Excellent managers also know how to listen to questions raised by their staff and bring them to top management's attention. Sometimes such questions can show the need to make clarifications to auditors, bring odd situations to common solutions and alert the SAI or the civil service about areas of concern.

GETTING THE STAFF ALIGNED WITH THE TASKS

Through good staff meetings, the manager can underline and focus on areas of main concern, and thereby help staff get aligned with their tasks in an effective way. This is done through dialogue and good examples, through feedback and information on results. Good statistics on relevant areas (i.e. audits performed and remaining, areas covered, interesting diagnoses in audits – but also rates for staff turnover, sick leave etc.) are helpful in these matters.

GET THE STAFF MEMBERS TO EXPERIENCE GOOD COOPERATION

Most people experience higher job satisfaction when they cooperate with others. They report healthier ways of working when they share ideas, enjoy helping each other, learn from each other and reflect on work results together. The trust built through team building exercises in these areas is helpful when it comes to developing individual skills as well as professional methods.

MANAGING SENSITIVE ISSUES

Conflict management

A conflict can be described as a disagreement that is fuelled by energy from the ideas of the participants, who believe that the outcomes will influence their lives, their opportunities and/or their efficiency/effectiveness. A thorough professional disagreement can also result in a conflict.

A conflict will usually be visible, when someone feels that
- s/he experiences needs
- that are not met,
- s/he feels frustrated over this and
- shows the frustration to those causing the frustration (or to someone else)

There is always a gap in expectations between the parties of a conflict. The expectations might relate to goals, methods, relationship, rewards, culture etc. All conflicts cannot be dissolved or resolved, but it is a managerial task to manage even those conflicts that might remain in the organisation, which calls for emotional skills and close cooperation with HR specialists. Conflicts are a natural part of life and are not bad as such. When managed well, conflict will help us to develop as human beings, as professionals, in our groups and in the methods we use. When poorly managed, conflict will just cause pain, create hatred and misuse of feelings, people, tasks and organisation.

An introduction to the area of conflict management

A basic reflection in many African countries seems to be that people should find ways to communicate, to respectfully cooperate and not openly disagree. Another base is the healthy idea of rather being helpful and agreeing than causing each other wounds from harsh words and irritation. It is also reported that an experience of living in hierarchical organisations and systems influences a seemingly unwillingness to show disagreement. Therefore it seems that, in many African countries and organisations, the idea of conflict management is not a commonly used concept or easily managed issue.

A lot of important developmental energy is contained when disagreements are not openly discussed. The need for development calls for adding new skills for managing disagreements and conflicts.

The ideas and reflections of intelligent, educated and experienced people should be used for betterment of results, work conditions and organisations. In audit organizations, the concrete, analytical and critically observant staff are the basis for excellent performance. This also means that the same staff are capable of delivering helpful ideas to the internal systems and management. So, when digging into the basis for conflict, one might find areas that can help the organisation to be more effective. It is also possible to find a variety of ideas and engagement in a situation that really might add to the prosperity and efficiency of the work. The experience from other organisations is also that the professional aspects as well as staff develop intensively by living through a well-managed conflict.

Finding out if there is a conflict

If the organisation is not familiar with the ideas of helpful and developmental conflicts, there might be a situation where managers describe staff behaviour as disagreeing, disobedient or disloyal. These might be true descriptions, but the results could be better if the manager starts asking the staff members questions, to help them uncover where their disagreement or the discrepancy in expectations are focused.

One difficulty might be that individuals are reluctant to describe their point of view. If they believe that their ideas are not being valued or that they might be dismissed, they will probably not bring forward their ideas. Therefore it is important that HR, top management and other management levels are committed to getting hold of all important information that the staff can bring forward. This calls for openness and a democratic attitude, which also is a part of the international values for all professional audit organisations. A quote from the INTOSAI Code of ethics is relevant to reflect on: Auditors should conduct themselves in a manner that promotes cooperation and good relations between auditors and within the profession.

To find out if there is a conflict or a thorough professional disagreement, it is important to ask the following questions to the individuals involved. The questions can be asked by their joint manager or by an HR specialist who is engaged for this conversation.

- What are your intended results, what do you want the situation to look like when it is finalised?
- Which are your needs – professional as well as personal?
- What are your beliefs when it comes to goals, means and procedures?
- What do you experience being the difference between your goals, needs and beliefs and the ones of the other party/person/group?
- What do you believe will happen if you don't agree with each other or if you don't get access to the results that you wish for?
- What are you willing to add to the situation that might help in solving of the problem?

When asking these questions, it is important to be listening intently to what the person says. It is also vital to ask in-depth questions on the issues that might be uncovered, to find as much clarity as possible to build options for conflict resolution.

As soon as the both parties agree that there is a conflict it will be possible to find ways to dissolve or resolve the conflict. When only one party experiences the situation as a conflict it will be more difficult to find a solution. But management/HR has to manage the situation in order for it not to influence work or results in a dangerous way.

Working to dissolve, resolve or manage a conflict

Conflicts might have dissolved when the interview phase is worked through. Sometimes conflict dissolves just as the two parties start listening to each other, even without the interview process suggested.

Dissolving happens when the parties understand that they have wanted to achieve the same results, although their language, ways of expressing themselves or perspectives of the situation or on their roles has varied. The dissolving process takes time and is important to honour, as it gives the parties an intensive experience of the importance of communication.

To resolve a conflict is a process quite similar to dissolving a conflict. In this situation there is more work needed to clarify the ingredients and to mediate between the parties. The manager can be a mediator, the HR specialist as well. When the manager is one part of the conflict, it is advisable that the HR specialist is in charge of mediation. A goal could be to achieve a situation where both parties experience that they win something (win-win solutions).

When a conflict is resolved both parties usually have had to give up some parts in order to get some benefits. It is also a learning process for the parties to listen to how the other person/group defines the situation and what they want to accomplish. When working with highly professional people, such as auditors, it is usually very important to stress the requests in the professional roles and the expectations from society and the organisation.

Managing a conflict calls for a variety of ways to handle situations. If you realize that there will be continuous imbalance between the values, goals, personalities or ideas of the parties, there are no possibilities for dissolving or resolving the whole situation. Still, staff or managers can be extremely valuable to the organization, as they, with their deviating perspectives, help the developmental process for the organisation. A conclusion could be to move the parties apart, in order for them to not experience constant conflicts.

Managing conflicts means handling a situation that is full of pitfalls, where there is a need for professional skills not to fall into them. This calls for professional HR specialists, clear routines and regulations, clear contracts between managers and staff members/groups or other administratively systemized activities. Conflict management is time consuming and must be valued. Good practice in conflict management supports keeping attractive staff in the organisation, as well as using conflicts as a means of professional development.

When management and staff agree on the importance of open and professional discussions, also when disagreeing, it fuels loyalty to the organization and the assignments. On the other hand, if staff members realize that their ideas/values/goals/personality will never be attractive or valued, they will leave the organization as soon as there are options to find other work. If they find themselves stuck, they might stay in the organisation but leave mentally or stop feeling committed to their tasks. It is a surviving strategy, but not good for the effectiveness or efficiency of the work. This survival strategy also has a tendency to penetrate the attitudes of their colleagues, so it could be called contagious.

When conflicting staff members are not attractive to the organization, conflict management should take steps towards separation. Management should then be aware that their colleagues and environment must understand the situation, in order to clarify that discussions with management still can be ok. If the separation is made in a decent way, it will not affect the options for the SAI to attract new professionals.

How to manage people in a conflicting team
When staff members are spending important time disagreeing on professional issues, the disagreement can be used to develop the professional area or competence. To manage this situation, it is vital that the manager spends time together with the disagreeing parties, asking what they mean, how they see their disagreement and what impact it has on the results of their tasks or the assignments for the organisation.

Sometimes the manager has to decide what is right or wrong, other times the discussion can lead to a third or fourth perspective that then has to be implemented. Then it is also important for the manager in charge to inform the rest of the department or organisation about new ideas or processes. If this is not done, new conflicts will arise.

When staff members experience conflicts caused by differing personalities or values, it is important to talk with them and the rest of the staff about the need for diversity. The audit organisation has to handle the wide variety of people in the public service area, and therefore it is good for the organisation to have staff that can understand variety in the whole of society. Then the challenge is mostly focused on "how can we talk with each other respectfully and listen to other people's ideas and perspectives?" The developmental process then comes close to the developmental aspects of a learning organisation.

When the manager is part of the conflict
For a manager it is usually challenging to be involved in a conflict, as they experience their position and their authority being under pressure and in focus. This calls for extra clarity when it comes to management training, as managers need the input and the critical thinking from their staff to manage the complex assignments of a SAI.

Developing the organisation after a period of conflict
When staff have been involved in conflict, whether within the group or with their manager, they are usually worn out by the process. Their recovery into fully potential staff again calls for continuous conversations with the manager or the HR specialist, where the subject for the conversations should be communication, role clarity, goals, respect, responsibility and awareness of own behaviour. It is well known that it takes a long time to rebuild trust after a period of conflict, so give it time and focus – you will benefit from it!

The roles for HR
HR should be a supporting partner in finding out if there is a conflict, as well as in managing the situation. Still, most of the responsibility to manage conflicting situations must fall on the manager in charge of the actual situation. S/he must therefore be trained in how to find out about, and manage, various aspects of behaviour – which is a part of most management seminars.

HR HAS IMPORTANT TASKS IN
- Forming routines for managing difficult or sensitive staff discussions
- Forming training situations for managers

- Coaching managers in dealing with difficult or sensitive staff discussions, performance-related as well as personal issues
- Developing own skills in managing conflicts, mediating and resolving difficult gaps in expectations

HR SUPPORTING THE STAFF

Even if the tasks for HR are mainly to support management in managing their organization and staff, HR should also support the staff in conflicts. This can primarily done by being a mediator in conflicting situations between staff member and manager, but also as standing as a role model when it comes to careful listening, deep inquiries, open questions and constructive problem solving. Mainly the staff members are advised to talk with their managers, and if that is not working, ask for assistance from their union if there is one.

Management of disobedience, disloyalty and other unaccepted behaviour

When a staff member is not following the rules, taking leave or referring to family problems too often, management and HR have to set the boundaries very clearly as to what is appropriate behaviour in a SAI. The rules for sick leave, family business, holidays etc. should be set and applied to the whole staff. If there are special needs for urgent situations, they must be handled by the line manager and HR specialists together, in order to have clarity, consistency and stability when applying the regulations.

As soon as disciplinary problems occur it is vital to take action instantly. It is a managerial responsibility to show the team members what is considered to be right and wrong when it comes to attitudes, behaviour and results and to immediately attend to the small things.

Any disciplinary problem that is not acted upon will show the rest of the organisation that the work and the results are not important – and that it is OK to behave as the person or group does. That is contagious! This also calls for being observant about any misuse of favours and that some staff can misbehave without punishment. Examples of disciplinary issues that have to be handled are: misbehaviour, absenteeism, abuse of office or position, drinking/drugs (which are examples of dismissible offenses), sexual harassment, dress code, bullying, tension between senior but less educated individuals and younger more educated ones.

The responsibility for all staff members is always with their closest manager. This manager should get support from the HR staff on how to plan and develop the situation.
HR shall support the managers and the team members in forming conversations around the areas concerned. HR's role is to support problem solving in the situation in order to produce results that are as good as possible. It is important that HR cannot take over the role of the manager until it is coming to a final stage, where HR possibly shall manage the formal procedures.

A tentative process between manager and HR can be:

1. HR gives advice to managers before the dialogue between manager and team member.
2. If the situation is not resolved HR can be a consultant to the manager and the team member. This role contains the following parts:
   a. Talk with the manager and plan for the process. Inform the manager of the need for clarity and a good description of what is causing problems.
   b. Invite manager and staff member to a meeting in a neutral location.
   c. Inform the staff member about what shall be discussed and ask him/her to prepare for the conversation
   d. Sit down together. Address the situation by describing what has been seen as the problem in behaviours, attitudes or results.
   e. Ask both parties about their view of the situation and invite them to give their picture of what has happened
   f. Ask for more specified information until the situation is clear to everyone. This might take some time and often has to include questions like: How do you translate what the other (manager/staff member) says about your perspectives? They have to fully understand the situation and the descriptions to be able to develop from it.

g. Formulate together with the manager and the staff member what a good situation could look like. Be clear about what is wanted and needed from the professional point of view.

h. Talk about what steps are needed to get back on track. Ask each of them for their contributions to succeed.

i. Help the manager and staff member to form a plan for getting back on track. Ask them to sign the plan.

j. Decide how the process shall be monitored and evaluated.

3. If the situation doesn't get better – then disciplinary procedures have to take place. This can include suspension or firing. The procedures must be clear, accepted by the organisation and the union. In the actual situation it has to be handled in cooperation with the manager and be managed rapidly.

HR HAS IMPORTANT TASKS IN
- Forming rules, regulations and routines for managing disloyalty and disobedience
- Forming routines for dismissing staff (if they are not decided by Civil Service/Public Service rules and regulations)
- Clarifying rules
- Communicating the rules and regulations to all staff so that they know what to expect

Further information in these areas is found in the appendix.

TRAINING AND DEVELOPMENT

This chapter will focus on learning as a desirable approach for knowledge based organisations to strive for. It will also cover responsibilities, the various steps in managing training and development, and a range of training methods. Since learning, training and development are vast areas to cover, the aim of this chapter is to give a brief overview, and hopefully an aspiration to find out more on how to develop your SAI one step further.

Learning is a continuous process for organisations as well as for individuals. It is an important goal for a SAI to keep a learning attitude. This is reflected in how managers and staff deal with challenges, success stories and poor performance. Learning happens both in day-to-day work situations and in training programs and other formally arranged developmental processes. A key aspect of learning is to set aside time for reflecting on lessons learned from performing daily tasks, cooperating with colleagues etc.

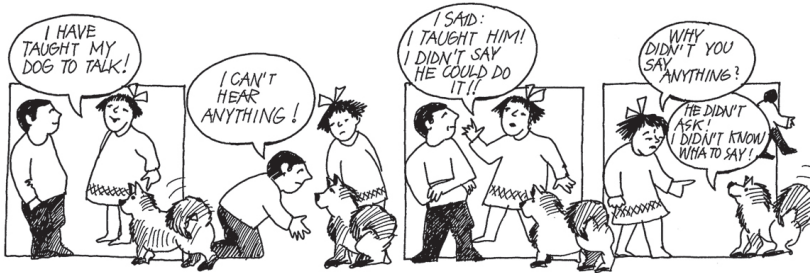**Figure 23 The difference between teaching and learning.**

Illustration by Viera Larsson

A LEARNING ORGANISATION

Why is it desirable to create a learning organisation? Changing citizens' needs, environmental conditions, political priorities, and other changes in our global world require public service organizations that can adapt to new demands. This can be achieved by consciously developing an organisational culture that promotes continuous learning and development, thus enabling change. Managers need to understand the essence of learning and how to lead change processes by identifying needs, involving and motivating staff and other stakeholders, and following through to sustain change. HR systems must be designed to support this development and HR practitioners must facilitate the transition.

What is a learning organisation?

A learning organisation is an approach to creating a culture of open communication and cooperation between staff, auditees and other stakeholders. It is not an organisational model. Learning involves processes for regularly reviewing and evaluating work procedures and results. This is used as a basis for continuous development and structured use of the experience. It is clearly linked to systematic quality development.

The concept of a learning organisation includes some important characteristics. It is an organisation
- where the staff can continuously develop their capacity to achieve the
- desired results
- where new thoughts and mind sets are nourished
- where a collective wish to build together is constantly present
- where everyone constantly thinks about how they learn and develop together
- which is an open system that is communicating with the environment –
- taking in and giving out information
- which remembers how the organisation has developed
- where people learn through various and unique learning opportunities

- where people learn on different levels – not only organisational levels but intellectual, physical, psychological and social
- which is a social construction and not a formal organisation –it is self conscious and builds on conversations
- which does not live on its own, but is dependent on how the staff thinks,
- learns and acts.

Knowledge, skills and attitudes

All learning involves three aspects – knowledge, skills and attitudes. One or other aspect may be the focus in different learning situations, but they are all involved to some extent. Effective and efficient learning always involves a combination of knowledge, skills and attitudes.

- Knowledge concerns content or cognitive learning. It involves concepts like understanding, remembering, relating and analysing information.
- Skills involve applying learning to performing work tasks.
- Attitudes are about values, feelings, motivation, awareness and sensitivity.

To achieve lasting changes in knowledge, skills, and attitudes, a learner needs time, support and opportunities to practice. Understanding is possible without practice, but skills only develop with practice. Each step in applying new knowledge and developing a skill that achieves better results is rewarding, and motivates further learning.

The employee's learning styles

People learn in different ways. Seeing, hearing, acting, feeling or using all the senses at the same time are different ways of learning. Some like to study on their own, others prefer to learn in groups. Some learn by trial and error, others read books and instructions. Some are good at drawing conclusions from observation, others like to listen and learn from others. A variety of information sources and approaches stimulates and enhances motivation and thus learning. Learning is not an event that happens to us, but an active process. Learning can be rapid, or involve a process over time. To support various learning styles it is helpful if the SAI can offer multiple ways of learning.

The management's role

Managers can reinforce motivation if they know how staff react, what they are concerned or enthusiastic about, what they are interested in, etc., and then link learning contents and activities to these reactions.

One management role in a learning system is to have a developmental and facilitative approach. To become effective learning facilitators, managers and HR practitioners need to understand learning processes and how people learn. Learning and development have become key concepts in modern management, but are hardly a new phenomenon. Performance management and competence development in a learning organisation are not separate HR systems, but the core process of management.

> *As Confucius (Chinese philosopher, 551–479 BC) stated on the subject of teaching and learning:*
>
> *• Tell me and I forget. Show me and I remember. Involve me and I understand.*
> *• Knowledge is recognizing what you know and what you don't know.*
> *• When it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps.*

Managers can contribute to creating a learning organisation by:
- Giving individuals space for learning and responsible experimentation
- Providing opportunities for a free exchange of ideas both inside and outside the organisation
- Explaining the strategic context of work, work processes and plans
- Seeking and communicating comments on strategies in relation to implementation
- Facilitating participation while ensuring decisiveness
- Creating a climate where existing work methods can be challenged and changed in a coordinated manner
- Enabling sharing of learning by encouraging learning through enquiry and constructive criticism, even across professional and departmental borders
- Encouraging questioning, and open-minded listening to ideas
- Making data on performance, quality, client satisfaction, etc. available to everyone, so they can make informed decisions and take responsibility
- Encouraging a 'solve and learn' rather than a 'blame and punish' approach to problems
- Personally and visibly modelling a learning attitude and approach
- Adopting a supportive management style, which facilitates decision making at all levels.

It is a challenge to HR practitioners to create systems that support a learning organisation, and it is a challenge to support managers in developing new skills and attitudes in their work. It is of vital importance that top management encourages the desired development and monitor their managers on these matters. This creates awareness among managers that these issues need to be taken seriously. HR practitioners can then support managers in encouraging employees to express opinions and alternative ideas. Management's more dynamic approach to communication will allow employees to feel valuable, competent and responsible.

Responsibilities for managing learning
To learn and develop is a collective effort and the responsibility of all staff within the SAI. Still there is an extra assignment for managers, as they are in charge of the final results of the SAI.

SENIOR MANAGEMENT NEEDS TO:
- Ensure that learning and development requirements are relevant and clearly identified to match the SAI's needs and strategic objectives.
- Create opportunities for openness
- Provide adequate funding and resources
- Establish a reward system to encourage learning in the work place
- Act as role models

LINE MANAGEMENT NEEDS TO:
- Plan and facilitate learning by conducting performance appraisals and development reviews, agree to individual development plans, help staff implement plans through providing learning opportunities and coaching
- Promote and support learning and development initiatives in line with strategic objectives.
- Lead development and learning as part of their day-to-day performance management.
- Assign team members to training options based on the organisational needs and the individual needs and eagerness to develop.

HR PRACTITIONERS NEED TO:
- Design, implement, modify and direct learning processes so that all individuals and teams are equipped with the knowledge, skills and attitudes they require to undertake their work.
- Take on a facilitative and advisory role in linking learning processes to the organisation's strategic objectives.
- Support and advise managers in upholding the HR processes involved.

EMPLOYEES NEED TO:
- Take responsibility for keeping their motivation and for managing their own learning with support from managers and good training and development systems.

ORGANISING TRAINING AND DEVELOPMENT

Training and development are key drivers to enhance knowledge and improve SAI performance. HR practitioners and managers must bear this in mind when they prioritise work situations and schedules. However, there is a need to adapt existing training and development procedures into the next level of learning.

Assessing the needs of the SAI

All training within the SAI areas must presume that staff members have the right basic education, which for auditors must be an academic exam with the right focus areas. Any need for development must be based on what the organisation needs to enhance performance and its success in the near or more distant future. Therefore it is important that all assessments are based on correct information regarding the strategic objectives of the SAI, as well as the environment and the current missions of the SAI. The record keeping of training acquired and of training needs is one of the main tasks for HR.

Sources of information on needs include:
- The Strategic Plan
- The Annual Operational Plan
- The Training Plan
- Development Plan
- Professional bodies
- AFROSAI-E, INTOSAI, IDI
- Other stakeholders such as auditees, civil service requirements

Some of the different requirements are hence discussed in detail.

SAI NEEDS
The SAI strategic goals and objectives will give an indication of the training requirements for the organisation. They are a basis for the training plan activities.

REQUIREMENTS FROM PROFESSIONAL BODIES
Professional bodies in which auditors are members specify the number of training hours that must be attended annually. These hours are commonly known as continuous professional education (CPE/CPD) or development hours. Examples of professional bodies are ACCA, ICPA, and CIPFA. The SAI should identify and support the staff in acquiring the required hours.

INTOSAI REQUIREMENTS
INTOSAI endeavours to uphold high auditing standards in the public audit. Auditors in SAIs should be exposed to continuous training covering new developments in the international standards for supreme audit institutions, the ISSAIs. This can be done through in-house training workshops and via Internet.

REQUIREMENTS BY AUDITEES
Auditors should be conversant with any new developments taking place in the entities they audit, for instance developments in the auditees' accounting system or other operational systems. Auditors must remain knowledgeable as they are also expected to play an advisory role. An example is the implementation of the integrated financial management information system, the IFMIS, where auditors require special training in order to be able to audit and advise government on efficiency.

CIVIL SERVICE REQUIREMENTS

For SAIs that are part of the civil service there may be a requirement for a minimum number of days of training for every employee, e.g. 5 days per annum. If civil service requirements do not apply, the SAI should develop a suitable policy.

ASSESSING STAFF TRAINING NEEDS

As well as assessing the needs and requirements of the SAI it is essential to assess the training needs of the employees that should meet the SAI requirements. There are a number of processes and procedures that can be used to collect and analyse the varying training needs of people in the organisation. HR is in charge of keeping the records and should cooperate with line managers to have them up to date.

Sources of information on staff needs:
- Information in the personnel files or data base
- Output from performance appraisals and individual development plans
- Reports from supervisors and line managers
- Quality assurance reports
- Stakeholder surveys etc.

ASSESSING DIFFERENT LEVELS OF TRAINING NEEDS AND EXAMINATIONS

Job descriptions and training needs can be defined for large groups of staff, such as financial auditors. The various levels of qualifications that are set in the job descriptions need to be matched with training and development activities. For each level, there needs to be some kind of examination. Just as there are job descriptions of different levels and groups, there must be training options to match the development that the individual must undertake in order to develop his or her career.

When it comes to different levels of examination, examinations recognized by the SAI should be clearly communicated within and outside the SAI, and should coincide with the demands of INTOSAI. Part of an HR procedure should address the issues of financial support to staff who wish to take such approved examinations, and also what are the procedures regarding study leave.

Coming up with a training plan

When the organisational and the individuals' training needs are assessed, a gap analysis is done. It aims at finding out what activities need to take place in order to "fill" the knowledge gap. In order to come up with a training plan it is necessary to consider not only the activities that are needed, but also have a realistic view on what can be achieved. Frequently this also contains tough prioritising between different interventions in order to manage restrictions in time or funding. This process should be managed by the HR unit or the training unit if there is one. HR needs to look into what resources the organization has access to, in order to provide training. What kind of competence is needed to provide different kind of training? How can internal resources be used, and what external resources such as the AFROSAI-E activities can be of interest? When assessing training options it is wise to consider such aspects as cost effectiveness, travel, sustainability of the action taken etc.

A "model" procedure to manage funding of training is
- The HR or training unit formulates a training plan containing a training budget
- The plan and budget is forwarded to the training committee for approval.
- The training committee approves budgetary allocation from government. This training plan is mostly for local training and additional funding can be sought from cooperating partners or donors for international training, certification, and professional development.
- When external sources such as donors and partners are involved, the procedure is coordinated through relevant authorities following local standards. If the funding is provided for by donors it is usually time limited and there are specific requirements to be met.

Who should be trained?

The SAI should make decisions on who should attend what kind of training. The procedures for identifying candidates for training must be transparent and perceived as fair. Considerations should be made with regard

to employees working in areas prioritized in the strategic plan of the SAI, or employees whose performance gaps could be addressed through training intervention. To evaluate and agree on training needs is an essential part of the performance appraisals.

Various types of training

INDUCTION PROGRAMS
New entrants should have a substantial and structured induction program to support adaption to the culture of the office and clarify the expectations and responsibilities in their new jobs. This is required for all staff, not only auditors. Induction programs need to be run whenever new recruits enter the organisation, as well as when staff members change department within the organisation. The better timing – the more effect the induction will have. Induction should also be carried out for newly recruited managers.

AUDIT TRAINING PROGRAMS
A process for creating audit training programs could include the following steps:
- Assess the minimum level of academic qualifications required for training programs.
- Develop structured training programs for financial auditors and performance auditors. The programs could span two years or more.
- Work with professional bodies and academic institutions to design the courses and give credibility to the examinations offered.
- Develop interventions to address individual training needs not catered for in the structured programs.
- Training on emerging audit issues could be organized on an ad hoc basis in order to effectively meet the needs of the SAI. Cooperate with other SAIs in the region if applicable.
- Other training programs that preferably should be offered include training in team skills, project management skills, interviewing skills, information systems audit, forensic audit, report writing, management development programs etc.

Most SAIs have training and development programs that address audit employees who are employed fresh from university. A good way to develop a systematic approach to training is to design training programs that stretch over several years for large groups of employees. The impact of training increases when many employees attend the same training program, especially when they have the possibility to apply their new knowledge in their daily work.

When already hired staff members do not have the correct basic education, such as a relevant academic degree, other options have to be found. One possibility is to put an internal training system in place, to provide training in the areas of relative weakness. An internal training system could function continuously and aim at achieving a quality comparable to one year of university education on auditing. Depending on whether the auditor will work in financial audit or performance audit the focus areas will differ.

AFROSAI-E offers various training programs to enhance competence for different categories of staff.

EXAMPLES OF MINIMUM TRAINING
Prerequisite for an assistant auditor is minimum a partly qualified ACCA holder or equivalent. Prerequisite for auditors is a first degree.

As shown in the table below, the Swedish NAO gives a training program for young inexperienced professionals that cover about 450 hours of training over 5 years. Written tests are used in order to provide quality assurance. Around 50 % of the auditors taking the tests during their first years of employment succeed. Having completed the program the authority encourages employees to spend around 40 hours of training annually in order to keep up with changes and to develop specialist skills.

Figure 24 The Swedish NAO training program for financial auditors with a university degree

Basic training first 5 years of employment
Total 450 hours

80 h

110 h

100 h

80 h

80 h

450 h

1   2   3   4   5

Examination 1

Examination 2
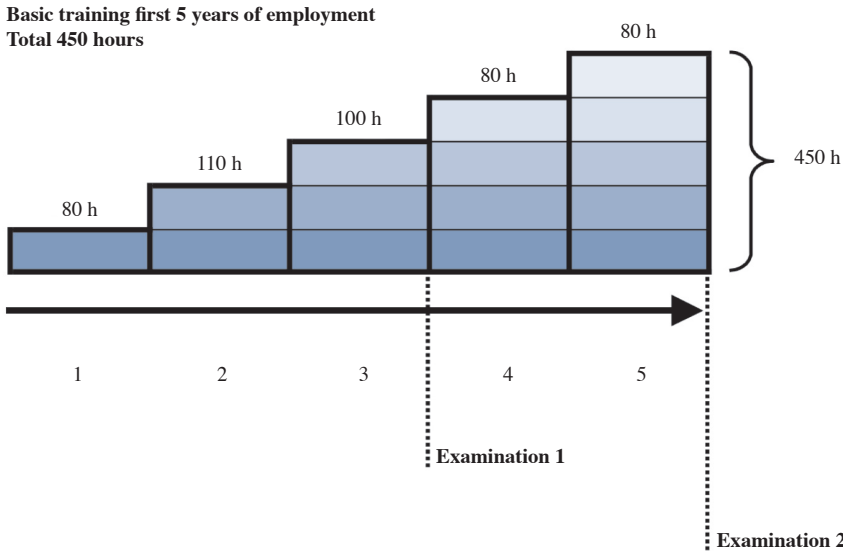
TRAINING FOR OTHER SAI STAFF

The SAI should have training designed to meet the development needs of the non audit staff such as human resources practitioners, ICT personnel, communication staff, secretaries, administrators, receptionists, drivers, messenger staff etc. Here it is a good idea to work with external partners, as these are not the core competencies of an SAI. AFROSAI-E can offer training and development in some areas, as well as other players nationally. Training should meet the needs of both new entrants and support the experienced ones in taking on new challenges.

MANAGEMENT DEVELOPMENT PROGRAMS

It is important to continually develop management skills and competencies in the organisation. This can be done through a well-structured program. AFROSAI-E and IDI provide a well-developed program that SAI managers can attend.

WHO CONDUCTS TRAINING?

Except for external programs where specific knowledge and skills are required, the SAI should develop its own pool of skilled trainers. Often these people work part time with training and part time with auditing.

CONTINUOUS PROFESSIONAL EDUCATION

There should be continuous professional development available for all staff categories. Of course the duration and the areas will differ, but all groups of employees need training or development activities regarding knowledge, skills or attitudes. Sometimes training for administrative support staff can have a deep impact on developing organisational efficiency, thus enabling better audit results.

AFROSAI-E recommends that all SAIs should have a policy concerning:
•   Minimum CPE hours required by the SAI
•   Role of SAI in enabling staff to acquire the CPE hours

PLANNING FOR TRAINING

One important step in succeeding in managing training and development is the planning of activities. HR is

responsible for conducting the performance appraisal process so that the output can be a platform for designing the training plan. The next step is to align the training plan to the audit plan or the annual operational plan to avoid conflicts. Courses with no participants are very expensive, and audits with no auditors present are a sign of an ill run business. It is important to consider availability of resource personnel especially from within the organisation.

MANAGING TRAINING AND SELECTION OF CANDIDATES

If there is a separate training unit it should report directly to the HR unit. The training unit ensures transparency, accountability, integrity and equity. The training unit support strategic and operational needs of the SAI. They are also responsible for coordinating bursary, scholarships that are funded by stakeholders, donors etc.

The SAI should have a transparent procedure for identifying candidates for training. Considerations must be made, for instance, for employees working in areas prioritized in the strategic plan, or employees whose performance gaps could be addressed through a specific training intervention.

The SAI should be in charge of deciding who should go to training. Decisions must be made in a fair and transparent way and of course free from discrimination based on gender, race, HIV status etc.

It is the responsibility of the HR unit to decide from policy or make a recommendation to the public service commission or other relevant authority for an employee to be authorised to proceed on paid or unpaid leave when accepted for a training program, nationally or internationally. If an auditor is granted a certain training intervention, HR can set up a contract stating that the employee must stay with the organisation for a certain period of time. The contract should preferably be tied for a maximum of two years for motivational reasons.

It is the responsibility of managers to uphold staff development as a key competency requirement. Managers should be able to conduct training needs analysis, they should also plan for training needs and development and work along with HR practitioners for implementation. Training decisions should be based on job requirements, job performance, and commitment.

Evaluation of Training

Evaluation of training should be carried out after every training intervention in order to assess the extent to which the desired objectives had been achieved. There are several stakeholders who are interested in the results of a specific training activities such as the organiser, the facilitator, the managers whose employees attend, top management who may be responsible for funding or are focused on quality aspects etc. This demands well-developed evaluation techniques and forms.

When conducting training evaluation there are some aspects that need to be considered. First, it is interesting to find out how all the participants felt about the training, what their immediate reactions are. Second, one can find out what they actually learned through, for example, a test. Third, evaluations can be carried out by supervisors some time after the training intervention to see to what extent participants have used their new knowledge in their work setting. Fourth, to really assess what impact different training activities have is difficult, but can be addressed by looking at the achievements of, for example, a department. Another way of evaluating training is to see how much of the knowledge that has been passed on to colleagues. It is well known that by teaching others something, the individual acquires a deeper understanding of the learned knowledge.

REPORTING ON TRAINING

The HR unit should make sure that staff report on training activities that they have attended. These reports should include the staff member's commitment to apply the knowledge and skills gained to a specific area of their work. Such reports will form a useful basis for tracking the transfer of learning to the work environment. Remember that commitment is a driver from within and cannot be forced.

Who does what? – An attempt to summarize different steps and responsibilities

Activity	HR Department	Line Manager
Assessing needs	Check relevant documents and other sources	
	Discuss organisational needs with AG and Top management	Inform HR about optional and planned assignments and external needs known through dialogue with auditees and other stakeholders.
	Design processes and templates to assess training needs.	Inform HR about needs found during Performance Appraisals and other dialogues with team members
	Form competence requirements for different levels and roles.	
	Decide basic educational levels for various training programs.	
	Train managers to assess training needs through observation, monitoring, evaluation and performance appraisals.	Participate in training programs to develop skills for observation, monitoring and evaluation. Conduct open performance appraisals.
	Decide annually how the training budget shall be processed and divided between departments and training options.	
Training plans	Decide which training programs shall be delivered and what kind of methods and providers shall be used	Assess training needs during performance appraisals and other observations or conversations.
	Form or adapt policies for study leaves and for financial support for study periods to the SAI. Inform the organisation.	
	Decide and inform about rules for CPE.	
	Develop structured training plans for auditors and other team members	Assign team members to training options based on the organisational needs and the individual needs and eagerness to develop. Plan for ordinary work procedures with one or more staff members in training.
	Align training plan to audit plan and annual operational plan. Choose training methods to reach the desired goals	Be a partner in developing structured training plans for auditors and other team members
	Decide about evaluation methods in line with the goals for the training	

Activity	HR Department	Line Manager
	Plan for all practical arrangements as venue, time plan, costs, allowances etc.	
	Invite to training – make training plans for one year or one semester. When needed, make programs for emerging audits or other issues. Register the participants and their results.	Plan for and send team members to relevant training. Inform them about the desired results and that they are expected to report to you as a manager and to the team. Plan for assignments so that employees can put new theoretical knowledge into practice in their daily work.

Means of training

ON-THE-JOB TRAINING
COACHING is when a personal supporter or professional partner meets regularly with an employee to support him/her in his/her work. The person acting as coach must have time and competence to coach. A variant of this is when a manager acts as a teacher, which requires that the manager is an expert in the field and that knowledge, skills and attitudes can be learned on a daily basis. The latter method is particularly frequently used with newcomers as part of the induction process.

MENTORSHIP is another way of getting a personal/professional supporter and coach. The mentor (the one who has the relevant experience) meets with the mentee (the seeker) regularly, at least once a month. The mentee decides which questions or subjects are important to focus on and the mentor responds to those. The mentor can also suggest what other areas to cover. This process is made within the ordinary work schedule and usually doesn't require travelling. It is, of course, important to find professionals who are willing to share their experience.

ATTACHMENT OR SECONDMENT are professional affiliations with someone who has the same profession in another organisation in the same country or abroad. The employee joins this person for 3-6 months, works together with him/her and learns about practical and professional ways to handle various situations.

STUDY VISITS in special areas that can be visualized during a short time span, usually less than one week, sometimes only one day. It is important that the employee has a clear goal for the study visit and that the organizer checks out in advance that the host organisation has the skills needed and that the person who will host the employee is informed.

SPECIAL ASSIGNMENTS are temporary assignments that enable the individual to grow and learn new skills. Such an assignment could also be to take on a greater responsibility for at limited period of time within the individual's department.

JOB ROTATION is a career development strategy where the employee moves laterally into different positions in the organisation, thus learning not only knowledge and skills in all positions and departments, but also gains an idea about what kind of attitude is required for different positions.

EXTERNAL TRAINING
External training can be short, lasting up to six months, or long term, lasting more than six months. It is usually offered by professional and/or academic institutions. The programs, institutions and examining authorities must be recognized. The SAI must make a thorough investigation in what faculties of university studies will be relevant for the auditing processes that will be used in the future.

PART-TIME TRAINING OR DAY RELEASE

This kind of training arrangement is sometimes called day release, and allows employees to attend training courses on a part time basis, e.g. evenings, one day a week or afternoons while they continue to attend to official duties for the rest of the day. Some SAIs pay for literature demanded during these training opportunities, while the employee invests the time used.

OTHER MEANS OF TRAINING

By e-learning employees can pursue courses of training through the Internet. Care should be taken to ensure that recognised bodies offer the courses.

In distance learning students have limited contact with trainers at specified times throughout the year, e.g. two weeks every three months. These training opportunities are sometimes offered by universities oversees and can be followed by Skype or via Internet.

Networking includes meeting peer professionals from other organisations in a formal or non-formal setting, discussing common issues. Networking can be done both nationally and internationally.

These are a few of many training possibilities that are available to a SAI that wants to develop its training and development procedures. The HR specialist can probably come up with many more options, or variations of the learning methods above. The main issue is to see the variety of possibilities that the SAI can use in enhancing learning and thus developing its activities.

Continuity of competence – sharing methods

All employees who have participated in any kind of training should submit a written report to the training unit. Employees who attend training should also be facilitated to transfer knowledge through seminars or workshops. The trainees or graduates could also be encouraged to initiate such sharing on their own.

To keep the competence in the organisation is a challenge to any organization. In the SAI it is extra important, as the assignment of keeping the eye on how taxpayers' money is spent, has developed over time. This calls for developed ideas on

- How to train new staff and team members that are climbing the career ladder
- How to keep information flowing between team members and project groups
- How to access and file information on auditees
- How to develop ideas from one level to the next
- How to support and reward those who assist in the development
- ... And other areas that need to be recognized/developed

These are some challenges that have to be handled. Some ideas and methods on how to keep and share competence within the system are listed below.

1. Supervisors must be skilled to lead new entrants at the work place. It is not enough just to have good induction programs. To retain attractive staff it is wise to support a good relationship between manager and staff member and this can be done through excellent supervision.
2. Recognise older/more skilled colleagues that guide the less skilled ones and act as mentors. When mentors are rewarded and recognized for sharing knowledge it becomes a more attractive assignment.
3. Write processes and procedures and file them for everyone to find. Knowledge is an important power tool. To use open systems where each staff member can look for information, and file information, makes the whole system more useful.
4. Use mentors and attachment to learn more from each other. Make sure that the mentors get a lot of recognition for their work!

5. Recognize and reward all staff members who assist and teach/train other colleagues.
6. Use competent staff members as teachers and mentors. This requires good planning as the most competent staff members frequently are busy with audits. Staff members who train peers often develop a deeper understanding of the work itself and therefore become specialists. Putting peer training into the system is a powerful tool in maintaining continuity of competence.

COMPETENCE DEVELOPMENT AND QUALITY MANAGEMENT IN AN SAI CONTEXT

Quality management is essential in any modern organization, and ensuring quality in all aspects of an SAI's work is a key responsibility of SAI leaders. This is even more important in an audit institution, which identifies quality defects in other organisations. Mistakes and poor quality in an audit report can have a very negative impact on the credibility of the audit and the SAI concerned.

The AFROSAI-E institutional capacity building framework establishes the basis to promote institutional development towards total quality management and benchmarking of the SAIs. The framework makes provision for the requirements of the INTOSAI standards and best practices with additional aspects to be considered by SAIs. Based on these requirements the SAIs may be able to establish the quality control system that will ensure a holistic approach in delivering quality services by the SAIs. AFROSAI-E and IDI have also developed a Quality Assurance Handbook which is based in the ICB framework and gives practical guidance to the SAIs in establishing a quality assurance function, assessing their own internal processes and how to improve the performance of the organization and the quality management at the institutional and professional levels of a SAI.

After all, the ability to learn from mistakes and to share knowledge is essential in all skilled work. This includes creating an organisational climate that supports sharing mistakes as well as success stories. Thus quality management and competence development benefit from sharing both processes.

Guidelines and good practice

A country's audit legislation provides the basis for SAI quality management, and is, in turn, based on international and audit profession guidelines and standards, with which all audit work should comply. This general framework should be concretized and turned into good practice by a strong quality management focus in an SAI's vision, values, policies and management practices. Quality management also provides a framework for developing and adapting audit methods and associated technical and administrative support. It can never be successfully implemented if the organisation is not ready to learn.

It is important that SAI leaders set quality criteria and objectives that are applied in practice. As quality assessment includes subjective views, managers and audit staff need to cooperate to develop sound judgment and a good sense of quality. SAI quality assurance policies, systems and procedures should be understood and implemented continuously in daily operations by all staff. This is best promoted by involving staff in developing, reviewing and taking responsibility for quality.

A well-defined quality management and assurance system facilitates good audits, in which quality objectives and criteria are known from the start. A further benefit of quality management is that interaction with auditees and other stakeholders are based on clearly articulated professional quality standards and good practices.

Manager's role: more support than supervision?

Quality management is an integral part of developing organisational competence. Effective SAI leaders create working conditions and a culture that generate quality by:
*   promoting openness, delegation and mutual trust

- continuously discussing quality and quality management matters in all aspects of the SAIs operations, internally and with auditees
- encouraging auditors and audit teams to take responsibility for quality assurance and develop a sense of quality
- regularly reviewing and improving the quality assurance system and processes, as part of an SAI's professional obligations.

In an information-based and highly professional activity such as auditing, it is essential for managers to lead and support their auditors in all their efforts to achieve good quality. This should lead to goal-oriented activities rather than detailed and close supervision in the traditional sense.

Please read more on the subject of training, development and learning in "Learning for impact – a practice guide for SAIs" by IDI (INTOSAI Development Initiative, 2009).

RETENTION

This chapter will focus on staffing, career development, succession planning, and exit procedures. Training and performance appraisals which also have great impact on staff retention are presented in separate chapters.

Part of being an attractive employer is to make sure that people, once they have entered the SAI, are able to build competence, perform well, stay motivated and develop both themselves and their work, and when the time comes, leave the organisation in a respectable way. This is a challenge to any organisation, and one of the key tasks for HR. Employee retention has to do with a whole range of processes. Many of them correspond with what makes an employer attractive to young professionals, such as career opportunities and a competitive salary.

However, once employed, performance and motivation are highly dependent not only on work tasks, but also on managers, colleagues and the general work environment. Thus leadership training and team skills training are important as well.

Accurate planning for retention requires close follow up of
•   Retirement ages and people
•   Contracts
•   Early retirement
•   The normal rate of turnover as found in past years' records

On staffing
Staffing of teams and units is often a job that takes a considerable part of a manager's work and time. It is a challenge to come up with the right staffing number. In order to determine how much and what an auditor can do there is a need for an instrument to monitor and plan the individual's work. In addition, part of the manager's responsibilities is to know what to expect from each employee, and also how to help people motivate themselves to perform better.

ROTATION
In line with fundamental controls within the SAI, an auditor should not become too close to his/her auditees. Consequently it can be wise to rotate staff between different authorities every 4-5 years. To be capable of rotating staff and maintaining good performance, the SAI needs to have a system for keeping track of people's skills and competences. HR's responsibility is to make sure that there is a staff rotation system in place, and that this system is designed so that staffing discussions take place at a time when audit managers are able to put enough effort into the work. Often a good time is during appraisals and during the planning process.

For audit institutions with branch offices all over the country, staff rotation is even more challenging. Sometimes it is inevitable to make it compulsory to take on a job at a different site for some time. If this is the case, it is of vital importance that this is explained to everybody during the recruitment process preferably as early as in the advert. HR should play a role in designing and communicating a rotation policy and plan. When people are aware of the fact that they will be rotated once every 3-5 years in accordance with the policy, they will not resist as much as they otherwise might have.

The fact that people want to change teams or units is often positive for the organisation. It enables people to develop their competencies, and reduces unwanted turnover. Moreover, it helps the organisation to develop informal networks that often are great ways of facilitating organisational learning. It is not always well perceived by the single manager who may feel they are losing a valuable person. In this case HR plays an important role enabling people to make the desired transition. It is always necessary to try and find out what lies behind a certain wish for change. A poorly functioning team or manager needs to be addressed accordingly, and the solution is seldom that everybody leaves the team.

Career development and promotion

One of the key responsibilities for managers is to make sure that their employees can deliver in the short perspective and also develop and take on greater responsibilities. To ensure success both today and in the future, staffing needs to be conducted and planned with both a long-term and a short-term perspective.

People need to know what lies ahead of them. Since most auditors are young when they enter the SAI, a career development plan must be made clear to them. They need to experience that their training, their work assignments, and the continuous appraisals correspond with and point towards their career objectives.

The HR tools that are recommended to monitor this process are the performance appraisals and the training plans. These are to be in line with the SAI's development plan that includes training and other capacity building activities. A performance appraisal is not only a way for the manager to make clear how he or she understands the work of the employee. It is also an opportunity to get information on what kind of tasks that the employee enjoys doing, and in what direction the employee can develop.

An important part of the manager's job is to ensure that there are people who can move on within the organization, by having had a fair chance to develop the necessary skills in order to get the job done. A simple way of describing career development is to say that it's all about matching employees' needs with organizational needs.

The manager is of the utmost importance when it comes to ensuring that there are people who are capable of taking on new challenges. It is seriously detrimental to the organisation to promote people only because of seniority or length of service, that they have attended some courses, or because of reasons that lie outside of the SAI. Seniority is not a guarantee for well-developed skills. In all effective organisations, promotion is always based on ability, performance, qualification and potential, never just on length of service and age.

HR has a very important role to play in creating viable and sustainable systems in order for promotion procedures to seriously become a tool for capacity building and progress within the SAI. Ultimately the manager is responsible for the staff's opportunity to grow by attending training and mastering new tasks. HR working closely with managers in a partnership is a good way to give support and make sure the HR tool of promotion works well.

When it comes to promotion, most organisations have their fixed procedures. An example from Kenya shows that in order to get promoted you need to have the proper qualifications, for instance a CPA (Certified Public Accountant), have the work experience needed, and good, if not outstanding, performance appraisals. Sometimes vacant senior positions are advertised internally, so that several people can apply and thereby show that they are interested in taking on new challenges.

It should be possible for all staff to have the possibility to develop their careers if they have the capacity to do so. However, this can be hard to offer for small groups of specialized staff, such as IT specialists or performance auditors. This might be demanding, especially for smaller SAIs, but still all SAIs need to do something to promote development.

When advancements are planned it is important to reflect on inflation in titles, levels and salaries. Too beneficial remuneration packages can create a lock-in effect with employees and managers, who never leave even if they have lost motivation for their work long ago. Beware of creating a system in which people will never leave since this will cause your organisation to stagnate. As stagnation is the opposite of the desired capacity building development that is sought after by all the SAIs of the region, top management really needs to pay attention to these HR matters and make decisions from a strategic perspective.

HR expertise is often sought after in recruitment procedures, but not always in staffing or promotion discussions. For HR to be able to deliver competence and contribute in a strategic way, the procedures of recruitment, career development and training, promotions, and exit procedures need to be linked. The HR

practitioners need to be involved in all these areas. Interacting with the managers is the key. In Zambia this is done by HR in cooperation, by recommending promotion to the PSC. In Uganda the process is done by adverts with clear requests for certain qualities.

Succession planning

It is of vital importance to any organisation that it has the capacity to bring forth new leaders that are capable of taking on greater responsibilities. Keeping systems for career development and promotion in a clear and transparent way and using tools like performance appraisals and management by objectives are good ways to ensure successful succession planning. It is also advisable to reflect on diversity issues when it comes to succession planning.

A rough indicator is to calculate, considering your own SAI, how long it would take you to fill the gap when people leave. If it takes more than four months to fill a senior position, the work results of the SAI are at stake. If the task proves impossible with many positions, you need to put more effort into the HRM systems and tools mentioned above. You need to get to a point where people exiting are quickly and correctly replaced, and when people leave for higher positions, there should preferably be several staff members who would be both able and willing to take on a new challenge.

To reach this level of correct and quick replacement and career planning requires timing and focus from managers as well as HR units. There is also a clear demand to keep the tempo up. The process requires capacity building by training and by continuously exposing employees to more demanding tasks. In short, it represents a constant need for change since it puts the focus not only on the challenges of today, but also on the ones of the future.

Another aspect of succession planning is how to prepare staff for managerial positions. This can be done by using them as acting managers during holidays or other leaves, short term leader roles in projects, by training in preparatory management training programs etc. It is also advisable to be open to the staff's willingness to take on activities with leadership demands and in the performance appraisal conversations ask about an individual's willingness to sooner or later become a manager.

Retirement planning

In many countries the retirement benefits are not adequate to support a family. Therefore the prospect of reaching retirement age is frightening for some people and they get fearful when seeing their retirement date coming closer. To others retirement means an opening to a new career, to new options. As a good employer the SAI can assist employees who are about to retire, with career development planning for "the third age". When this is done in a healthy way, it is easier to receive good energy and competence back to the organisation, for example by asking retirees to be mentors during their last few years, helping young auditors to get on track quicker and assisting young managers in their first and most demanding years. The way that the employer builds HR procedures that care for the employees during the whole work life is not only cost efficient, it also adds to the attraction as an organisation.

One way of reminding people to plan for their future is to put the date of retirement on the pay check. The procedure is used with good results by several SAIs within the region, among them the KENAO.

A practical example from Zambia is the Future Search training program, offered to individuals approaching retirement, or newly retired. The focus is teaching survival skills; how to start a new business venture, how to stay productive, how to use the small retirement package, how to invest. This has been very well received, not the least by managers who have been used to living an easy life with free transportation and other benefits.

Turnover

All organisations need a certain turnover, as there always is a need for new ideas, fresh thoughts and for an exchange of experience. To measure turnover there are often key index figures that are used within the public sector in each country. If not, a common index is the number of employees who have left the organisation

during the year divided by the average number of employees during the same year. The idea of measuring is mostly to compare over time, not to compare with other institutions.

A healthy turnover should be described by multifunctional measures. The HR function must know what the turnover is both in the organisation as a whole and for different groups. It can be the group of line managers, different sites, professionals who have just completed a certain kind of training, and so on. Moreover, HR needs to find out the main reasons for departure. Different kinds of turnover require different measures. Unwanted turnover because of health issues should be avoided. Here the employer can do something that is beneficial both to the employee and the organisation.

Too high turnover among young professionals can be brought down with good leadership and clear expectations on what career development they can expect. A good induction is also critical to keep young professionals loyal to the organisation. When they experience respectful care, clear options and a fair picture of what they can expect in their current workplace it makes them less prone to accepting external offers.

In Kenya research shows that most young professionals in all fields stay with their first employer for only three years. The HR manager should be conversant with current trends in their country and plan accordingly, as well as making managers aware of the challenge they have in keeping their qualified staff.

FIXED TERM CONTRACTS FOR MANAGERS
Sometimes the turnover among managers is too low. A dynamic organisation needs a mix of stability and newcomers among the managers. Some SAIs within the region are trying out fixed period contracts for managers. Experiences from this need to be further explored, which could be a task for the HR manager network [14]. Some experience is that contracts are good as they offer the employer an opportunity to reflect on whether to renew/retain someone within a reasonable time frame. It is also cost effective as contractors should already have the competence needed and therefore do not need to attend long training programs. The contractors are also highly mobile and easy to use on various assignments. It is recommended that only senior positions should be on contract to avoid a lock-in situation.

In some countries the contract period for managers is five years with options for renewal. It is vital to adapt a robust appraisal system to monitor their success or failure. If the procedure for renewal is properly put in place, it will help managers to stay and to leave the position with grace – whichever choice there is. Poor procedures create distress for managers who are leaving their managerial position.

REMUNERATION
Salary levels are often mentioned as a major reason for a too high turnover. One of the drivers of becoming independent is to take control over remuneration levels. Becoming independent means the SAI is independent in many ways, but the role as an employer within your own society might not have changed. You still compete with other public authorities for competent and motivated staff, as well as the private sector.

Setting salaries that go way beyond corresponding jobs in other authorities or even private companies will have serious implications for the SAI's development. Some SAIs have had the opportunity to raise salaries, with the unwanted effect of bringing down turnover to a minimum, thereby creating an ageing workforce.

There may be many reasons behind an increase in salaries. But one has to seriously analyse the effects, both the wanted and the unwanted ones in the short- and long-term before taking such a decision. People who have lost interest in their jobs and who will not leave because they cannot get a comparative salary anywhere else are very damaging to preferred SAI development. By raising salaries above the local market level you get a virtual lock-in effect [15]. These examples stress the importance of HR retention work on remuneration to be handled with specialist competence, and in line with strategic development.

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[14] *The HR manager network is formed by AFROSAI-E HR managers, taking part in the annual Human Resource Management training workshop, arranged by AFROSAI-E. The network will be further expanded as the training continues and more professionals take part.*
[15] *Lock in effect – people tend to stay in a workplace because they cannot get another job with the same or better salary. They stay not because they love their assignment, but just for the pay. This is bad for competence, moral and productivity.*

Exits

There are a number of reasons why people leave an organisation. All kinds of exits need to be managed in a decent way. Different kinds of exits need different kinds of action. In the list below some important measures are stated, and are discussed in more detail in different parts of the handbook.

The most frequent exits from the organisation are:
• Career steps
• Transfers
• Resignation
• Termination of contracts
• Lay-offs
• Dismissals

In connection with these types of exits the people will go on working inside or outside the civil service sector. It is important to note that former employees are often very positive ambassadors for their previous employer. The problem is that you don't always know what message they are sending. Most audit institutions recruit young professionals straight from university, and train them for several years. After that period, many professionals leave the organisation to work someplace else within the public sector, or in the private sector. This is impossible to avoid completely, but to understand why people leave, is a basis for developing a plan to reduce a too high turnover within this group of people.
• Retirement
• Deaths

In connection with retirement or death it is of vital importance that the SAI designs supportive procedures in order to support former employees and their families. Retirements are discussed in further detail earlier in this chapter while deaths among staff are further discussed in connection with the chapter on Wellness.

EXIT INTERVIEWS

Before leaving, the employee should have one exit interview with HR and preferably also one with their manager. From a HR perspective it is of vital importance to understand why people are leaving, in order for adequate measures to be undertaken to curb a poor organisational development. Carrying out exit interviews is an excellent procedure for gathering valuable information for HR.

People tend to be more positive towards their former employer once they have had the opportunity to make a neat finish. Once the issues of purpose and confidentiality of the interview are clear, most people enjoy commenting on what they have experienced. When people with experience from a work place are talking, they are seen as very valuable and trust worthy as "sales persons" for the organisation. It is natural to ask someone who has worked at a certain office how work life was. And, SAI staff tend to meet many former employees in other roles within the public sector. Keeping in good contact can be very helpful to the SAI as the loyalty to the SAI tasks can support forwarding valuable information.

Common areas to be covered during the interview are:
• why someone is leaving and to where;
• how their skills and capacities have been used;
• how they understood their career development possibilities;
• how work load and cooperation within the unit/team has been;
• how they experienced the leadership in the organisation,
• how they experienced their performance appraisals,
• other issues that are important to the SAI – or to the individual.
It is also interesting to find out what had attracted that person to leave and what he/she thinks about how they could have been able to bring more value to the organisation if they had stayed on.

WELFARE

In this chapter some fundamental health and safety aspects of work life are discussed, along with organizational responsibilities for welfare.

> *The Dalai Lama, when asked what surprised him most about humanity, answered:*
> *"Man. Because he sacrifices his health in order to make money. Then he sacrifices money to recuperate his health. And then he is so anxious about the future that he does not enjoy the present; the result being that he does not live in the present or the future; he lives as if he is never going to die, and then dies having never really lived."*

HEALTH AND WELLNESS POLICY

A healthy and happy team and their manager are essential for producing excellent results. Health issues are not only connected with terminal illness but rather a holistic approach on how human beings function in a work situation. People perform better and more efficiently when they feel safe and happy than when they are scared and feel their lives at risk.

It is vital that each SAI develops a health and wellness policy that is adopted throughout the organisation. There is also a natural responsibility for each individual to live in a way that creates options for health and wellness. The communication between managers and employees around health and wellness issues should be continuous, in combination with work plans, performance appraisals as well as in recruitment procedures. HR has a vital role in formulating guidelines and support managers and employees in these matters.

To work with prevention is more cost effective than taking action after problems have risen. A well-used formulation is "manage problems as close to their source as possible". This is relevant as well in combination with physical matters as in work satisfaction issues.

WORK ENVIRONMENT

There are many issues connected with the themes of work environment, some of them are mentioned below. In all these areas, as well as in emergency procedures e.g. evacuation in case of fire, staff should be aware of where to assemble and exit the premises.

Example on safety work from KENYA

In 1998 there was a bomb attack on the American Embassy in Nairobi. The impact destroyed two other buildings in the vicinity and many people died or were injured. Many people working in these buildings did not know what the emergency evacuation procedures were or how they should have acted to make their chances of survival higher. Since then there has been a requirement that workers in all buildings are made aware of such procedures.

KENAO has put in place a disaster preparedness program to train the staff on how to respond in emergency situations. A Disaster Preparedness Committee has been set up to ensure that staff are prepared for emergencies. Emergency exits are checked on a regular basis, new staff are taken through emergency procedures and relevant information has been placed in strategic places.

Work place

Research shows that people are more at ease and can concentrate better when they have their own desk and have a permanent work place. Research also shows that a certain amount of change helps people to develop in

mind set and creativity. Even where office space is in short supply the balance between stability and flexibility has to be observed by the manager.

Ergonomics [16]

Chairs, desks, computers affect the human bodies – sometimes causing pain and illness. It is recommended that safety engineers and physiotherapists educate the staff in how to sit, stand, lift and walk so as to not increase the physical stress on their bodies.

Other physical issues

The SAI should have a policy on how to manage injuries sustained by staff members while on duty. For staff whose working condition expose them to high risk like heavy loads, disturbing sounds, inefficient lighting and pollution, it is vital to address prevention skills.

In some areas, driving is demanding and the risks of having an accident are obvious. Having skilled drivers providing safe means of transport, realistic time frames for travelling and stressing the importance of employees observing traffic rules and regulations can reduce the risks of serious injuries or harm.

Impact from other aspects of the society

When people work in a society heavily impacted by terminal diseases, poverty, effects of catastrophes in the environment etc. it influences the stability of the organisation as well as the emotional energy of the staff. Therefore all activities should be balanced with respect to what is most needed to make the work situation as viable as possible.

Prevention and support

It is vital for the organisation to create plans and programs for prevention of illness, abuse and injuries. This is a good way to save lives, create a sense of security and a feeling that the employer really cares. Prevention also creates a more viable organisation as the knowledge about how to handle various situations also adds to the self-security of the individuals. It's a question of attitude, everybody has to take care of their own life – but they can get support from their employer through serious training and information to know how to do it.

Diseases

Diseases like HIV/AIDS, TB and different life style deceases are all serious and sometimes cause long absences for illness and/or death. All medical support that can ease the situation is recommended and should be described in guidelines or policies and all support that gives knowledge on how to prevent the illness is vital. Vaccination, medication, and disinfection are important as well as information that helps overcome prejudice.

The basic idea should be that the organisation is showing responsibility, respect and care about the employee and his/her life. The SAI should also create a policy on how to handle diseases within the families of the employees.

Alcohol and drug abuse

The HR policy should address alcohol and drugs abuse. It should state what is prohibited, the consequences of drug use and the possible remedial action. A rehabilitation program should be put in place.

Death

The loss of a loved one causes grief. The SAI should have a support system for emotional, financial and legal matters when there is death. SAIs should also have procedures for managing the effects of staff deaths on colleagues, the workload and the staff member's family situation.

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[16] Ergonomics is the study of designing equipment and devices that fit the human body, its movements, and its cognitive abilities. The International Ergonomics Association defines ergonomics as follows: Ergonomics is employed to fulfill the two goals of health and productivity. It is relevant in the design of such things as safe furniture and easy-to-use interfaces to machines and equipment. Proper ergonomic design is necessary to prevent repetitive strain injuries, which can develop over time and can lead to long-term disability.

Leave for burials and family matters

Even if it is natural to want to attend funerals and be with the family when it comes to hard times, there must be regulations on how many days' leave the staff can have without deduction from the salary. HR should put in place a policy that shall grant leave to employees for the purposes of attending funerals and for them to recover from the shock. This should preferably be regulated in the same manner as for all governmental offices.

When it comes to accepting the policies, managers have a great responsibility in building values among staff groups that ensures that people abide by the rules.

Rehabilitation

During and after long periods of illness or after injuries there is usually a need for rehabilitation. This has to be performed in cooperation with HR specialists, the manager in charge, and the employee and sometimes also with another professional person involved. Local laws and policies on redeployment apply, but even so the employer has a responsibility to adapt work tasks to what can be expected, so that the employee can be productive. Redeployment to another department or task, rather than dismissing the individual, is always preferable when the SAI wants to be considered a good employer. When the employee is functioning at their original desired level again, the rehabilitation process should end.

WORK SATISFACTION, HAPPINESS AND WELLBEING

A healthy life style

To support a healthy life style it is wise to establish contact with a local medical clinic that can ask the organisation's doctor or nurse to inform staff about healthy eating habits, exercise, drinking and driving and other issues that can cause problems in the long run. Some organisations support weight loss and healthy exercise habits, sometimes through friendly and popular competitions among the staff.

Work satisfaction

Research shows that multiple issues influence work satisfaction. Examples include
*   knowing what you are supposed to bring to the situation, what are considered to be good results – and what is not appreciated
*   receiving relevant feedback
*   having good work relations
*   understanding how results produced influence the overall results of the team and the organisation

Social activities

When people enjoy their time at the work place they are more relaxed. This is a thesis that must be viewed in combination with performing results. The issue is not just having a jolly good time together, chatting and socialising, but more using each individual's resources in a healthy way. To support a relaxed and focused work climate, it is wise to, for instance:
*   Sit down together for a joint weekly coffee break
*   Have a dinner and dance party with the staff and their partners once or twice a year
*   Arrange family outings for the whole staff, maybe with football (or other group exercises) tournaments, adults against children etc.
*   Start a choir, theatre group, exercise groups
*   Support creative work methods where a good laugh lightens the mind

Problems in connection with work satisfaction

STRESS AND BURN OUT

When active and engaged staff are constantly very busy and get little or no relevant feedback, there is always a risk of stress reactions. This is a serious matter, as the brain becomes less effective when the pressure is too

high. A certain amount of pressure and load is very healthy, but too much and too little is troublesome. Lazy people do not get burnt out - it is only an illness that committed and busy people encounter. Therefore, one should not punish people that enter that stage, rather support their recovery.

Knowing how much strain each individual can bear is certainly an issue for each staff member, but also for the manager. There is always a personality issue involved and this is touchy. The areas of stress should be discussed during the annual performance appraisals. Therefore it is important that managers receive good information and thorough knowledge about stress signals and burn out processes.

Some warning signals are
• problems with organising time and assignments
• concentration problems
• sleeping disorders
• fatigue
• frequent headache, stomach problems, high blood pressure, muscular tension, malaise
• memory lapses

To create options for recovering a healthy strain and pressure pattern, information and knowledge-based discussions are vital. Supporting exercise, meditation, forming healthy feedback patterns and creating clear goals and result reports all add to the health of the staff.

BULLYING AND HARASSMENT
In many work cultures, people that don't easily fit into the group can experience being bullied by their peers. This can be done by barbed comments, not being invited to conversations (professional as well as private), not being informed about meetings, change, processes or other important issues, being left alone at lunch or meeting tables etc. This is contagious behaviour and the manager has to observe and put an immediate end to these situations and to those who are bullying. Sometimes, when the situation has developed too far, it is necessary to move either the bullies or the bullied to another group.

Bullying and harassment in the workplace are viewed as unacceptable behaviour, and they should not be tolerated as employees have the right to a secure and safe workplace. Sexual harrassment of female staff is totally unacceptable in a prefessional workplace.

There must be clear procedures on how to address these issues. Complaints should be treated seriously and be investigated in a sensitive and fair manner. HR practitioners must be skilled in handling these matters.

SEXUAL HARASSMENT
Sexual harassment in the workplace is common at various levels and it happens in many ways. This behaviour is not acceptable and has to be openly and directly confronted by the manager. Sometimes the harasser also threatens further violence if the harassed person reports the matter. This behaviour has to be clearly punished. If any individual feels threatened by their colleagues or professional contacts this causes inefficiency as well as an undignified work situation.

Medical Insurance Schemes/Plans
The SAI could consider having a pool of funds that can be used to pay for health care. The funds can be managed by the SAI itself or by an external company. Whichever way, the Insurance Scheme should be structured in a way that gives the staff the highest benefits. The benefits available under the Schemes should be clearly communicated to all beneficiaries. Staff should also know their obligations.

MANAGERIAL RESPONSIBILITIES

Recommendations from the HR managers:

1)   Develop a health and wellness policy.
2)   Find the money!
3)   Teach managers how to check health issues and be observant to stress signals in the daily work.
4)   Make health issues part of appraisal templates.
5)   HR should check in with managers regularly on wellness issues.
6)   Make rehabilitation plans for
    a)   Drugs/alcohol addictions
    b)   Stress and burnout
    c)   Illness and serious diseases

It is always a manager's duty to keep an eye on the health and wellness of the team members – and HR needs to support the managers with strategies, knowledge and also more hands-on assistance.

GLOSSARY OF HUMAN RESOURCES TERMS AFROSAI-E

Affirmative action or Positive discrimination
Carried out on behalf of women and disadvantaged groups and members of such groups are placed in dominant positions.

Attrition
A term used to describe voluntary and involuntary terminations, deaths, and employee retirements that result in a reduction to the employer's physical workforce.

Behavioural based interview
An interview technique which focuses on a candidates past experiences, behaviours, knowledge, skills and abilities by asking the candidate to provide specific examples of when they have demonstrated certain behaviours or skills as a means of predicting future behaviour and performance.

Benchmarking
A technique using quantitative or qualitative data to make comparisons between different organisations or different sections of the organisations.

Bereavement leave
Paid days off following the death of an employee's spouse, parent, child grandparent or in-law so that the employee may arrange and attend funeral proceedings, etc.

Capacity building
A term used to describe the general development of any organisation by improving the competence, qualifications and quality of the team members and managing them in a more effective manner.

Change management
The deliberate effort of an organisation to anticipate change and to manage its introduction, implementation, and consequences.

Competency-based pay
Competency based pay is a compensation system that recognizes employees for the depth, breadth, and types of skills they obtain and apply in their work. Also known as skill based and knowledge based pay.

Competitive advantage
'People are the source of competitive advantage'. Other systems in an organisation can be copied but not the people in the organisation.

Confidentiality agreement
An agreement restricting an employee from disclosing confidential or proprietary information.

Core competencies
The skills, knowledge and abilities that employees must possess in order to successfully perform job functions that are essential to business operations.

Distance Learning
The process of delivering educational or instructional programs to locations away from a classroom or site to another location by varying technology such as video or audio-conferencing, computers, web-based applications or other multimedia communications.

Dismissal
is when you are removed from employment

Emotional Intelligence
Describes the mental ability an individual possess enabling him/her to be sensitive and understanding to the emotions of others as well as being able to manage their own emotions and impulses.

Employee retention
Employee retention covers all organisational policies and practices designed to meet the diverse needs of employees, and create an environment that encourages employees to remain employed.

Empowerment/Enablement
Empowerment is a strategy aimed to give people more control and responsibility over their work.

Equity theory
Based on the notion that people are motivated by a desire for fairness, that is, to be treated fairly and will compare their own efforts and the rewards of others in the organisation with a view to judging the fairness of their treatment.

Fixed Term Employment
An employee and an employer may agree that the employment of the employee will end at the close of a specified date or period or on the occurrence of a specified event or at the conclusion of a specified project.

Flexibility
describes changes in the size of the workforce, depending on short-term changes in market conditions

Freedom of association
The right to belong to a union. As protected by the Human Rights Act 1993.

Functional job analysis
The preparation required for the construction of a job description. It is necessary to collect data on the job to be advertised.

Goal Setting
The process of setting and assigning a set of specific and attainable goals to be met by an individual, group or organisation.

Grievance
A complaint brought by one party to an employment contract against another party.

Group dynamics
The social manner in which people interact with each other within a group.

HR Audit
A method by which human resources effectiveness can be assessed. Can be carried out internally or HR audit systems are available.

Hawthorne Effect
A term produced as a result of an experiment conducted by Elton Mayo whereby he concluded that expressing concern for employees and treating them in a manner which fulfills their basic human needs and wants will ultimately result in better performance.

Hierarchy of needs
A psychology theory ascribed to Abraham H. Maslow in which he proposed that people will constantly seek to have their basic needs (sleep, food, water, shelter, etc.) fulfilled and that such needs ultimately determine behaviour

Human Capital
The collective knowledge, skills and abilities of an organisation's employees.

Induction
The process of introducing a new employee into the organisation.

Intangible rewards
Non-monetary re-enforcers such as praise given to an employee in recognition of a job well done, or a particular achievement.

Job analysis
The preparatory stage for writing job descriptions.

Job evaluation
Used for compensation planning purposes, it is the process of comparing a job with other jobs in an organisation to determine an appropriate pay rate for the job.

KPIs
Key Performance Indicators. Tasks that have been agreed between an employee and line manager/HR with an expectation that they will be completed satisfactorily in the time agreed or as an ongoing task.

KSAs
Knowledge, skills and abilities – the personal attributes that a person has to have to perform the job requirements.

Management-by-Objectives
means each management team identifying its key tasks and goals and using these as a yardstick against which performance is measured.

Mediation Services
The process of intervention by a specialist in an employment dispute.

Mentoring
A one-to-one process between an outside trainer and an employee, whereby the former will 'train' the latter. See also Coaching.

Motivation
The reason(s) why a person works at a particular job and for a particular organisation. Subject to various theories relating to the way they do things.

Motivational theories
An attempt to explain how people are motivated, in the form of work behaviour and performance.

Negotiation
The process of discussion with a view to mutual settlement usually by the means of a conference.

Nepotism
Favouritism shown to relatives by individuals in a position of authority such as CEOs, managers or supervisors.

Observation interview
The process of observing employees while performing their respective jobs or tasks used to collect data regarding specific jobs or tasks.

Onboarding
A relatively new term, it is more far reaching than historical orientation programs It links new employees with team members very early in the employment process and continuing after the traditional orientation program ends.

Organisational Culture
A pattern that emerges from the interlocking system of the beliefs, values and Behavioural expectations of all the members of an organisation.

Outplacement
A benefit offered by the employer to displaced employees that may consist of such services as job counselling, training, and job-finding assistance.

Outsourcing
A contractual agreement between an employer and an external third party provider whereby the employer transfers responsibility and management for certain HR, benefit or training related functions or services to the external provider.

Peer appraisal
A performance appraisal strategy whereby an employee is reviewed by his/her peers who have had sufficient opportunity to examine the individual's job performance.

Performance Management
This is a process of identifying, evaluating and developing the work performance of employees in an organisation, in order that organisational objectives are more effectively achieved and understood by employees.

Performance Improvement
Performance Improvement Plan when you have identified a performance problem and are looking for ways to improve the performance of an employee. The Performance Improvement Plan plays an integral role in correcting performance discrepancies. It is a tool to monitor and measure the deficient work products, processes and/or behaviours of a particular employee in an effort to improve performance or modify behaviour.

Performance Indicators
Performance indicators measure the improvements in throughputs, outputs and outcomes.

Performance planning
A total approach to managing people and performance. Involving setting performance aims and expectations for the organisation, departments and individual employees.

Personal grievance
A complaint brought by one party to an employment contract against another party.

Quality management
The process or system of ensuring that a product or service should do what the user needs or wants and has a right to expect. There are five dimensions to quality, design, conformance, availability, safety and field use.

Random Testing
Drug and alcohol tests administered by an employer that selects employees to be tested on a random basis.

Replacement charts
A summarisation in visual form of the numbers of incumbents in each job or family of jobs, the number of current vacancies per job and the projected future vacancies. See Succession planning.

Right to manage
The 'right' of management to make decisions and to run an organisation without interference from external or internal forces.

Strategic Planning
The process of identifying an organisation's long-term goals and objectives and then determining the best approach for achieving those goals and objectives.

Succession planning
Involving identifying a potential candidate to replace core individual employees either known t be leaving the firm at some point in the future and/or whose sudden departure would pose a risk to the operation of the firm.

Summary dismissal
The act of dismissing personnel immediately, usually because the person has committed some act of Gross Misconduct.

Suspension
A form of disciplinary action resulting in an employee being sent home without pay for a specified period of time.

Talent Management
Talent Management, often times referred to as Human Capital Management, is the process recruiting, managing, assessing, developing and maintaining an organization's most important resource—it's people!

Team Building
brings together employers and employees, with the goal of increasing performance by strengthening relationships within the workplace

360-degree feedback
An appraisal process whereby an individual is rated on their performance by people who know something about their work. This can include direct reports, peers, managers, customers or clients; in fact anybody who is credible to the individual and is familiar with their work can be included in the feedback process. The individual usually completes a self-assessment exercise on their performance, which is also used in the process.

Training and development
A process dealing primarily with transferring or obtaining knowledge, attitudes and skills needed to carry out a specific activity or task.

Training Needs Analysis
A method of analysing how employee skill deficits can be addressed through current or future training and professional development programs, as well as determining the types of training/development programs required, and how to prioritize training/development.

Turnover
Describes changes in the number of people in the work force resulting from voluntary or involuntary resignations.

Unions

Groups of workers who have formed incorporated associations relating to the type of work that they perform.

Wage curve

Depicts pay rates currently being paid for each job within a pay grade in relation with the rankings awarded to each job during the job evaluation process.

Work-life Balance

Having a measure of control over when, where and how an individual works, leading to their being able to enjoy an optimal quality of life. Work-life balance is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society.