

United Nations Development Programme



*Empowered lives.
Resilient nations.*

Functional review of the HR function and management capacities in Montenegrin municipal administrations

Final Report

Richard Allen

Milena Biro

November 2011

•UNDP in Montenegro promotes sustainable development, which is economically viable, socially inclusive and environmentally friendly •

Bul. Sv. Petra Cetinjskog 1a, 81000 Podgorica, Montenegro, Tel: +382 20 22 55 33; Fax: +382 20 22 55 51
e-mail: registry.me@undp.org; web: www.undp.org.me

richard@richardallen.eu
mlenabiro@hotmail.com

Contents

1	SUMMARY	5
2	INTRODUCTION.....	7
2.1	Overview	7
2.2	Purpose.....	7
2.3	Definitions/Framework	8
2.4	Methodology	8
	PART I - FINDINGS.....	10
3	OVERALL CONTEXT	10
3.1	Background	10
3.2	Legal, Policy and Institutional Framework	12
3.3	Budget and Finance.....	14
3.4	Conclusion	15
4	CURRENT STRUCTURES AND FUNCTIONS	17
5	HR PLANNING.....	19
6	RECRUITMENT AND RETENTION	21
7	TRAINING AND PROFESSIONAL DEVELOPMENT	24
8	PERFORMANCE MANAGEMENT	28
9	CONCLUSION ON FINDINGS	31
	PART II RECOMMENDATIONS	32
10	A GENERAL MODEL FOR HRM IN MUNICIPAL ADMINISTRATIONS	32
10.1	Overview of Organisation Change Required	32
10.2	HR Planning	34
10.3	Recruitment and Retention, Career Development	35
10.4	Training and Professional Development	36
10.5	Performance Management	38
11	MODEL FOR HRM IN MUNICIPAL ADMINISTRATIONS	41
12	SPECIFIC RECOMMENDATIONS	42
12.1	Structures and Functions	42
12.2	HR Planning	43
12.3	Recruitment and Selection	44
12.4	Training and Professional Development	45
12.5	Performance Management	47
13	A STRATEGY FOR IMPLEMENTATION.....	48
	ANNEX 1 SPECIFIC MUNICIPAL RECOMMENDATIONS.....	51
	MUNICIPALITY OF ANDRIJEVICA	52
	MUNICIPALITY OF BAR	58
	MUNICIPALITY OF BERANE.....	64
	MUNICIPALITY OF BIJELO POLJE	70
	MUNICIPALITY OF BUDVA	76
	HISTORIC CAPITAL OF CETINJE	82
	MUNICIPALITY OF DANILOVGRAD	88
	MUNICIPALITY OF HERCEG NOVI	94
	MUNICIPALITY OF KOLAŠIN.....	99

MUNICIPALITY OF KOTOR.....	105
MUNICIPALITY OF MOJKOVAC	111
MUNICIPALITY OF NIKŠIĆ	117
MUNICIPALITY OF PLAV	123
MUNICIPALITY OF PLJEVLJA	129
MUNICIPALITY OF PLUŽINE	135
CAPITAL CITY OF PODGORICA	141
MUNICIPALITY OF ROŽAJE	147
MUNICIPALITY OF ŠAVNIK	153
MUNICIPALITY OF TIVAT	159
MUNICIPALITY OF ULCINJ.....	165
MUNICIPALITY OF ŽABLJAK.....	171
ANNEX 2 INTERVIEWEES AND PARTICIPANTS.....	177
ANNEX 3 GLOSSARY OF TERMS	181
ANNEX 4 NATIONAL TRAINING STRATEGY – GOALS AND OBJECTIVES	184
ANNEX 5 HUMAN RESOURCES TRAINING AVAILABLE FROM THE HRMA	185
ANNEX 6 ABBREVIATIONS AND ACRONYMS	188
ANNEX 7 BIBLIOGRAPHY	189
ANNEX 8 SUGGESTED CONTENTS OF HUMAN RESOURCES PLAN	190

1 Summary

Key Findings

Municipal administrations in Montenegro are faced with broad challenges regarding their human resource management (HRM). In 2010, 14 of the 21 administrations had ‘surplus’ staff of 10% or more. At least five municipal administrations could not pay salaries on time, and more had problems to pay employers’ contributions. They reported low motivation levels, poor performance, and high absenteeism. Partly in response to these challenges, the National Training Strategy for Local Self Government (2008), the Public Administration Reform Strategy (2011) and the new Law on Civil Servants and State Employees (2011) set out the main elements of the policy framework for HRM in municipal administrations.

The legal framework for HRM in municipal administrations is primarily determined by the Law on Civil Servants. The current law has been updated, and the new (2011) law will come into force in January 2013. Both current and forthcoming laws are applied ‘by analogy’ at the local level, a practice which results in confusion and inconsistency.

The direction of civil service reform is towards a unified and homogenous legal framework for the civil service at both national and local levels. This creates a tension with other reform efforts, such as the Public Administration Reform Strategy, which seeks “a higher level of functional and fiscal decentralization”.

The National Training Strategy for Local Self Government is a key instrument for improvement of Human Resource Management at the local level. However, it does not define how the training system it proposes will be financed so implementation to date has been slow.

Municipal administrations in Montenegro face wide discrepancies in their incomes and operating environments, and as a consequence staff conditions and HR costs vary dramatically. This in turn affects their abilities to invest in people and develop their HRM capacities.

All 21 municipal administrations in Montenegro have made efforts to incorporate HR functions such as performance appraisals and training into their formal structures. These formal arrangements have not yet taken effect in practice. Only one municipality has conducted a training needs analysis; the few municipal administrations that tried performance appraisals found them too difficult to maintain in practice. None engage in human resource planning, and the quality of recruitment and selection is patchy. There is, however, recognition that improvements in HRM practice are necessary, and a strong willingness to improve.

Responsibility for HRM in municipal administrations mainly rests formally with the Secretariat for General Administration (or its equivalents). This maintains the focus of HRM as an administrative function, mainly engaged in personnel record keeping and employment procedures.

Recommendations

The following are highlighted recommendations. Recommendations are proposed for discussion and as guidance for municipalities and other institutions involved in HR management, and should not be considered as binding. For a full list of recommendations, see sections 10 and 11.

- HR coordination functions in municipal administrations should be allocated to the Chief Administrator and his/her office.
- HR administration functions should remain with the Secretariat for General Administration.

- The application of the new Law on Civil Servants to local government needs to be clarified. This should take the form of paragraph-by-paragraph guidance prepared by the HRMA to explain how it applies at local level.
- The National Training Strategy should be revised to identify the mechanisms for financing training and professional development in municipal administrations.
- A revision of the National Training Strategy should reflect the new national legal framework covering education standards and licensing of training providers.
- Municipal administrations should set aside an amount equivalent to at least 2% of its payroll costs for the purpose of training and professional development of their staff. This budget then becomes the driving factor in determining the training needed by municipal administrations, and sustaining provision of training and development over time.
- The UoM should prepare a set of competencies for all key functions in local government. This set of competencies should provide the basis for training needs assessments, development of training, and quality assurance.
- The UoM and HRMA should prepare and test model procedures for key HRM functions (recruitment, HR planning, performance appraisal, training needs assessment and training planning), for adaptation and adoption by each municipality. Each of these procedures should be supported by a training programme for municipal staff.
- The HRMA should revise the official performance appraisal process so that it becomes a helpful management tool for monitoring and improving performance.
- All municipal administrations should be treated as a single employment market, to encourage promotion and mobility, facilitated by the Union of Municipalities.
- The HRMA should lead a campaign to promote values of investing in staff and developing their capacities throughout the public sector, perhaps supported by an ‘investors in people’ award or certification system.

Implementation

The recommendations from this Functional Review should be implemented as far as possible within existing reform projects – implementation of the National Training Strategy, and Public Administration Reform. The key implementation issues that will need to be addressed are:

- i) Leadership – who will take responsibility for identifying the recommendations from this report that are acceptable, and for ensuring that they are implemented?
- ii) Funding – how will implementation of recommendations from this report be funded?
- iii) Sequencing – not all the recommendations should be implemented at once – some are needed as a foundation on which others can be built. A proposed sequence of priorities is presented in section 13.

Conclusion

Despite the challenges of the current situation with regard to human resource management in municipal administrations, there are substantial strengths on which reform can be built. Among these, the most important is the willingness of central government and local government leaders to engage with reform efforts that may at times be difficult and frustrating. Using and building upon the knowledge of the HRMA and the Union of Municipalities, with the strategic use of EU funding, it is quite possible to see improvements in human resource management within a short period of time.

2 Introduction

2.1 Overview

Since Montenegro's independence in June 2006, the country has worked hard towards European Union accession. A Stabilisation and Association Agreement was signed in 2007, and in December 2010 the EU awarded candidate status to the young country. The prospect of EU membership requires substantial levels of reform both at the national level and in local government. The 35 chapters of the *acquis* need to be absorbed into national legislation, and the institutions of the Montenegrin State need to show that they can, in practice, uphold European values in order to become a full member of the Union. On the path to membership, substantial amounts of funding are available from the EU, which have to be managed according to high standards and rules. This 'absorption capacity' for EU funds is needed both at national and at local levels.

The Government of Montenegro has embarked on a process of decentralisation, devolving substantial fiscal responsibility, and authority for a wide range of service provision. The local self-government units of Montenegro consist of 19 municipalities, the Capital City of Podgorica and the Historic Capital of Cetinje¹.

These municipalities face many challenges. There are substantial pressures on their scarce funding, they have out-dated assets, many are burdened by debt and over-staffing, they have new responsibilities which they are learning to deal with, and there are high expectations that they will be able to apply for, win, and manage substantial amounts of EU funding according to (high) EU standards.

The study carried out by the authors of this report aims to tackle one of these key challenges faced by municipal administrations, that of human resource management. Human resource management lies at the heart of municipal performance. If officials and staff are skilled, and work effectively and efficiently, they are the key to dealing with all the other challenges faced by municipal administrations.

2.2 Purpose

This report is the final report from the "Functional review of the HR function and management capacities in Montenegrin Municipalities". The project aimed to contribute to strengthening the human resource management capacities of municipal administrations by "drafting [a] Functional Review of the HR function and management capacities for all Montenegrin (21) municipalities, in cooperation with all main national and local beneficiaries and relevant stakeholders in the process".

The Functional Review provides guidance to i) municipalities, ii) Government bodies, iii) UoM, and iv) upcoming EU and other technical assistance projects on how to support strengthening human resource management in municipal administrations.

In particular, the Functional Review provides assistance and guidance to the forecast IPA 2010 project "Support to Local Self-Government for implementation of the NTS".

This study was conducted by the United Nations Development Programme, and it represents a contribution to the IPA project fiche "Support to Local Self-Government for implementation of the NTS and provision of grants to municipalities".

Recommendations from this report are addressed to the Ministry of Interior, the Human Resources Management Agency, the Union of Municipalities, and to all 21 municipalities. A separate set of documents provides individually tailored recommendations for each municipality.

¹ For simplicity, this report will refer to the local self-governments collectively as 'municipalities'

The recommendations are considered as *guidance* only for the municipalities and other institutions. Recommendations are the opinions of the authors of this report, so cannot be considered as binding, although they are based on extensive research and consultation with municipalities and other institutions.

2.3 Definitions/Framework

For the functional review, Human Resource Management (HRM) was considered to include the following key activities.

Human resource planning: the identification of present and future needs for people, positions, and skills, based on the current and future performance requirements of the municipality. In other words, the way in which the municipality identifies what staff, jobs, skills and competences are needed in order to deliver effective services now and in the future, and how it will ensure that these are put in place. This also includes assessing overstaffing and downsizing.

Recruitment and Selection: the way in which municipal administrations identify the need for a particular job, develop the job description and required knowledge and competencies, attract people to apply for the position, and how they choose the best person for the job.

Career and Skills Development: the way in which municipal administrations provide support to developing the skills of their employees, identify opportunities for promotion either within the municipality or to other municipal administrations, and matching the skills development of their employees to the needs of their services and activities, as identified in their human resource planning.

Performance Management and Motivation: how municipal administrations affect the motivation of employees, how good performance is encouraged and rewarded, and how poor performance is dealt with.

These functions are the primary functions defined in the Law on Civil Servants and State Employees, and are legally required to be implemented in municipal administrations.

Cross-cutting factors

In addition to the above key functions, there are two aspects of human resource management that affect good practice across all functions.

One is the extent to which the main leaders of the municipality value and emphasise good human resource management. The second is concerned with the quality of communications within the municipal organisations. This can include communications between leaders and staff, and the extent to which staff are informed about human resource management activities.

For this report, these HR functions are described as *HR coordination* functions, and are distinct from the 'traditional' *HR administration* functions, such as preparing employment contracts, recording holiday time, and maintaining working records.

2.4 Methodology

The research for this report was conducted in two phases. The first phase consisted of research meetings with key staff in every municipality in Montenegro.

In each municipality, at least two senior staff were interviewed (out of the President, Chief Administrator, Secretary of the Secretariat for General Administration). Two 'ordinary' staff members were interviewed, one a recent recruit, and one a long-standing member of staff.

At national level, interviews were held with key officials in the Ministry of Interior, Union of Municipalities, Human Resources Management Authority and the European Union.

Key documents and legislation were reviewed. A list of the most significant is attached in Annex 7.

For the second phase, initial findings and draft recommendations from the field research were discussed at a workshop involving national and local level officials. Specific recommendations for each municipality were drafted, and each set discussed with senior officials at meetings in each municipality. Feedback from the workshop and the individual municipal meetings led to modifications to the report recommendations, and the final recommendations are as set out in this report.

Although consultation was wide and intense, the findings and recommendations in this report are the opinion of the authors only, and do not represent officially endorsed plans or policy of any institution.

PART I - FINDINGS

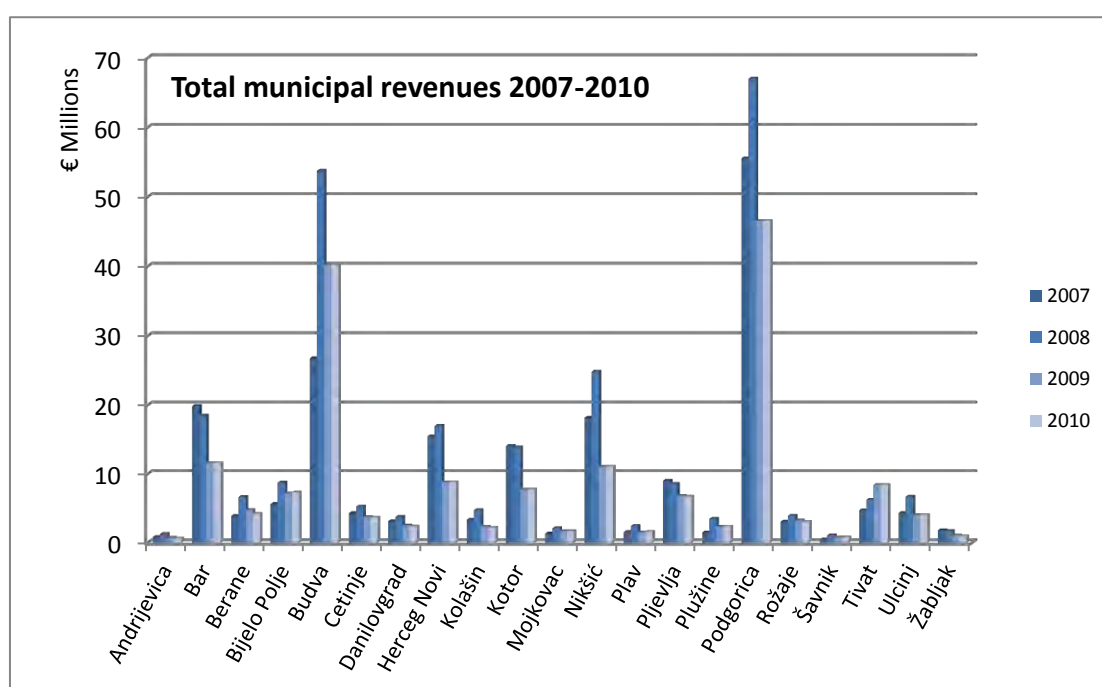
3 Overall Context

3.1 Background

The year 2008 was a bumper year for Montenegro. Its GDP grew to a record USD 4.5 billion, and municipalities experienced a significant increase in their funding. Local and national elections took place the same year, so newly elected politicians employed trusted aides in municipal administrations in order to assist in their new work. The boom, however, came to a dramatic end with the global financial crisis beginning in 2009. Local government revenues fell dramatically, and some municipal administrations began to struggle to pay salaries and service their debts. By 2010, the scale of the problem was clear. In some places, revenues were nearly 50% less than in 2008, local government debts were rising, many municipal administrations were severely overstaffed and for some, salaries had not been paid for several months.

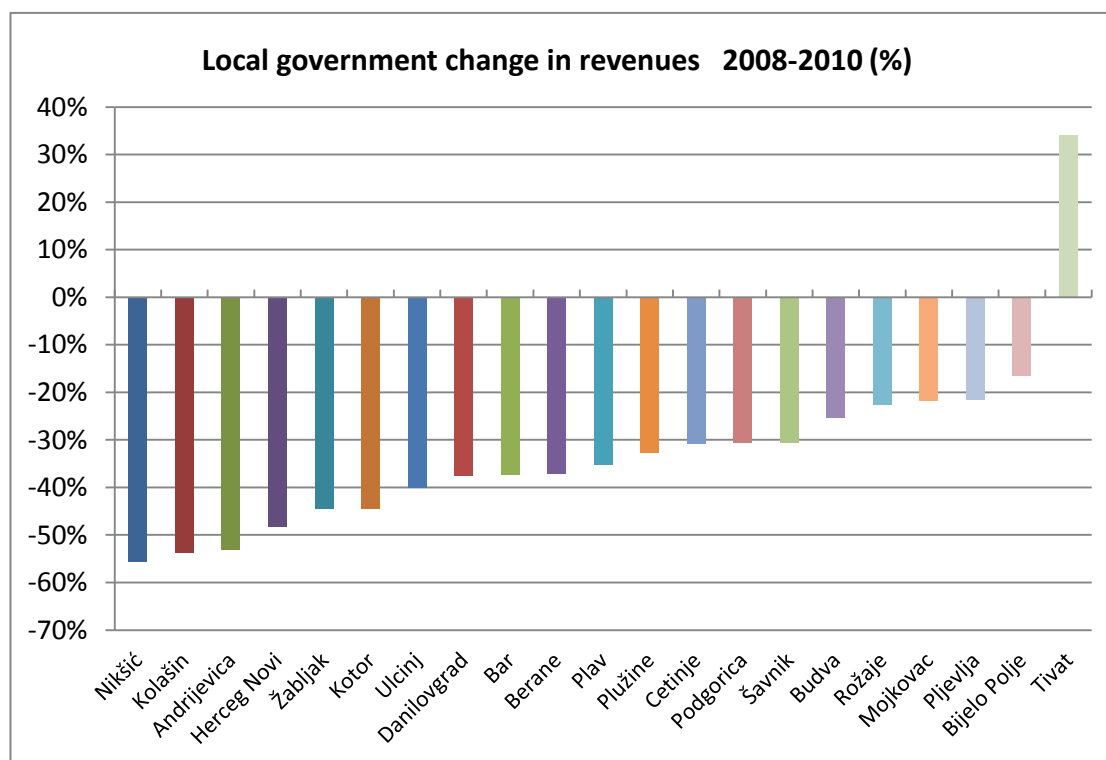
Action taken by the Ministry of Interior included a study of staffing levels, and a study commissioned to look at what would be appropriate levels of staff for municipal administrations. There are no European standards on the staffing levels of local government, because functions and responsibilities vary widely. In countries in which municipalities have responsibility for education and health, for example, local government employment levels are considerably higher than in countries where a narrower range of responsibilities have been decentralised.

There are wide disparities in Montenegro between municipalities. The richest municipality (Budva) spends 18 times more per inhabitant than the poorest (Rožaje). The fattest municipality (Budva, again) employs over 20 staff per 1000 inhabitants, compared to the leanest, (Podgorica) with only 3.7 staff per 1,000 inhabitants. The most generous municipality (Podgorica) has payroll costs six times higher than the most thrifty (Bijelo Polje). Mojkovac spends nearly half of its total budget on its staff, while at the other extreme, Budva spends only 6%. These variations suggest that there are wide differences in both the conditions and the management effectiveness in Montenegrin municipal administrations, despite the attempts of the Equalisation Fund to reduce these discrepancies.



The report from the Ministry of Interior on optimisation of staffing levels in 2010 suggested that 14 municipal administrations had severe problems of overstaffing, with surpluses of 10% or more².

Since human resource expenditure is a big part of the overall budget, and human resources are the key to municipal effectiveness, it clearly makes sense that tackling human resource management in municipal administrations is a priority. While the top priority is to reduce numbers and to ensure regular payment of salaries, improvements to the quality of human resource management are needed in order to prevent the same challenges from arising again, and to even out the overall extreme differences between municipalities.



At the same time as these challenges were unfolding, the Government and its partners have been putting the wheels into motion for the implementation of the National Training Strategy for Local Self-Government. The strategy was developed and approved by the Government in 2008. Implementation has been supported and monitored by a National Local Self-Government Training Council established for this purpose. The slow progress of implementation has been partly a function of the low level of resources available to the Union of Municipalities, one of the key organisations charged with implementing the strategy.

By early 2011, the Government had approved a new “Strategy of Public Administration Reform in Montenegro 2011-2016 (‘Aurum’), which included strong support for local government reform. The objectives of this strategy for local government include establishing a “quality system of human resource development and management of personnel management in local government”.

The IPA 2010 “Support to Local Self-Government for implementation of the NTS and provision of grants to municipalities” project is expected to start implementation in Spring 2012. This will give a great boost to the efforts to improve human resource management in

² Ministry of Interior, “Informacija o optimizaciji broja zapošljenih na nivou lokalnih samouprava”, June 2010

municipal administrations, and it is hoped that the findings and recommendations in this report will provide substantial support to this project.

3.2 Legal, Policy and Institutional Framework

Legal

The legal framework for human resource management in municipal administrations is mainly defined by the Law on Local Self Government and the Law on Civil Servants and State Employees. The former law defines the functions and authorities of municipalities, and specifies the roles and responsibilities of the key officials, including the President of the Municipality and the Chief Administrator.

The Law on Civil Servants and State Employees regulates many aspects of human resource management, including recruitment, performance appraisal, discipline, record keeping, and grading. A new Law on Civil Servants was passed by the Parliament of Montenegro in September 2011, and will come into force in January 2013.

The Law on Civil Servants – both old and new versions – do not explicitly mention their application to local level civil servants. The application of the Law on Civil Servants to the local level is defined by the Law on Local Self Government, article 90, which says that “[i]n relation to the legal status of local functionaries and local servants, legislation that regulates the status of state level functionaries, civil servants and employees is applied *shodno*, unless otherwise provided for by this law”.

The key word here is ‘shodno’ which is difficult to translate into English, but roughly means ‘as appropriate’, or ‘by analogy’. This concept of analogous application of the law can cause problems of interpretation and application, and this is addressed later in the report.

For local government employees, the primary legislation is the Law on Local Self Government; the Law on Civil Servants is subsidiary to this, and the Labour Law is in turn subsidiary to the Law on Civil Servants.

Other laws that apply to human resource management in municipalities include the Law on Salaries of Civil Servants and State Employees, and the Decision on Official Titles of Local Civil Servants and State Employees³.

Policy

Policy on human resource management in public administration (both national and local) in Montenegro is largely driven by the Human Resources Management Authority. The HRMA (authorised by the Regulation on Organisation and Working Methods of State Administration⁴) is responsible for, among other things, recruitment procedures, monitoring implementation of the law on civil servants, contributing to the preparation of secondary legislation in the field of human resource management, and training for civil servants. The HRMA is a leading agency when it comes to the preparation of the Law on Civil Servants, and was responsible for the 2011 Policy Paper for the New Law on State Civil Servants.

This policy paper clearly sets out the guiding principles for the revised Law on Civil Servants adopted in September 2011. One of the key principles for the purposes of this study is that “The law should provide a homogeneous legal regime for all posts exercising public authority conferred by public law and safeguarding the general public interest. This should in principle include the municipal level...”⁵

³ Uredba o službenim zvanjima lokalnih službenika i namještenika i uslovima za njihovo vršenje u organima lokalne uprave

⁴ Uredba o Organizaciji i Načinu Rada Državne Uprave 2011

⁵ Policy Paper for the New Law on State Civil Servants, Human Resources Management Agency 2011, ed. Svetlana Vukovic, authors Prof. Dr. Ljubomir Sekulic and Doc. Dr. Drazen Cerovic, p. 77 English, p. 22 Montenegrin

The more general reform of local government administration is part of the March 2011 'Aurum' overall strategy for public administration reform. Local government is one of three key areas for continued reform of the public sector. The strategy identifies over- and under-staffing, poor motivation of employees, and "insufficient capacity of the Union of Municipalities and local governments in the conduct of personnel management"⁶ as key problems related to human resource management. A key goal for the strategy is "to put in place a high quality system of human resource development and guiding policies in local self-government, by securing modern society and competent and motivated staff". Achieving this goal is primarily to be achieved through three related actions: training of staff, improved reward mechanisms, and opportunities for career advancement. The strategy foresees a leading role for a 'human resources development unit' in the Union of Municipalities, and suggests establishing human resources units in all local self-governments⁷. Specific activities for 2011 are defined in an action plan for the reform of local government.

Local government reform is overseen by a local government reform coordination committee, composed of representatives from five ministries and five representatives from the Union of Municipalities.

Institutions

Of the main institutions relevant to human resource management in municipal administrations, the most influential is the HRMA because of its guiding role in policy and legislation, and its active role in providing training for municipal staff.

The Ministry of Interior has ministerial responsibility for local government, and is required by the Decree on Government Organisation⁸ to execute administrative affairs related to, among other things, how local government is organised, its territorial distribution, and legislation related to local self-government.

The Union of Municipalities is the main body representing the collective interests of municipalities, and will be the home of a new unit for supporting and coordinating training for municipal staff. It has conducted some research related to human resource management in municipal administrations, including a training needs analysis⁹.

A National Local Self-Government Training Council was formed jointly by the Ministry of Interior, HRMA and Union of Municipalities of Montenegro and "secures the respected role of its key stakeholders and cooperation of the Union of Municipalities, Ministry of Interior, and the Human Resources Management Authority to work for the implementation of a system of training in local government, development of training programmes, delivering training, and other [activities]". This council has met regularly since its foundation, and generally monitors the implementation of the training strategy. It does not have the function of an executive body, so has no budget, and no mandate for actual implementation.

Of the international organisations involved in human resource management in municipal administrations, the EU Delegation will be funding the IPA project for the implementation of the National Training Strategy, commencing most likely in March 2012. UNDP is the leading international organisation when it comes providing practical support to government policy-making in the field of local government reform. OSCE is active in supporting local government reform in the areas of transparency and accountability.

⁶ Government of Montenegro, Draft Strategy of Public Administration Reform in Montenegro 2011-2016

"Aurum" Podgorica, March 2011, p.38

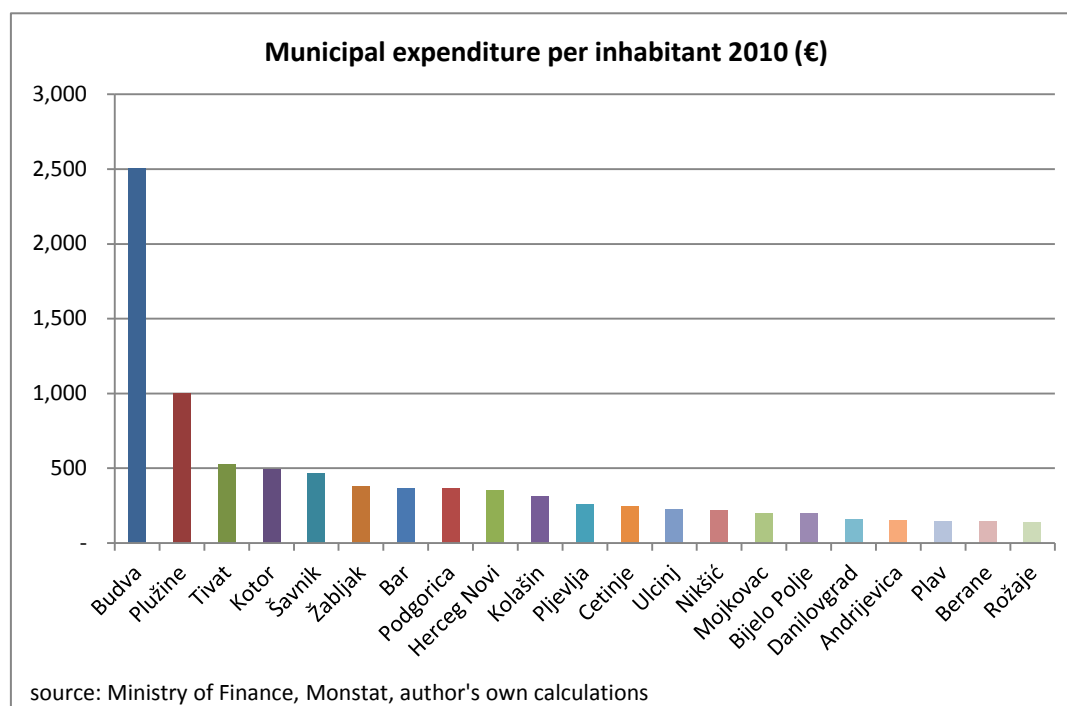
⁷ 'Aurum' strategy. Section 2.3.9 p.49 English version

⁸ Uredba o organizaciji i načinu rada državne uprave 2011

⁹ This training needs analysis was not available to the authors of this report, and so has not been taken into consideration for the findings of this study.

3.3 Budget and Finance

While the legal and policy framework for municipal administrations is homogenous and we find only small variations in local legislation between municipalities, the financial situation reveals huge discrepancies which indicate that municipal administrations have widely



varying conditions in which they conduct their daily work.

In terms of absolute income we find, as we would expect, big differences between the large municipalities and the small. Podgorica (population 186,000¹⁰) had a municipal income in 2010 of €75 million, while Andrijevica (population 5,000) had an income of only €800,000. One would expect, however, that adjusting for population, the municipal resources per inhabitant would even out. The graph above shows that this is not the case. The richest municipality, Budva, spends 18 times more per person than the poorest, Rožaje.

One of the striking findings from this research is the extent to which municipal administrations vary in their apparent treatment of staff. In municipal budgets and financial reports, staff costs are allocated under accounting code 411 for salaries, and 412 for social contributions and other allowances (also including allowances for Assembly members). The chart below shows that the highest spending municipality spends 6 times more than the lowest spending municipality, in terms of average staffing costs. This variation does not appear to depend on relative poverty or wealth of the municipality: Rožaje, for example is a relatively high-spending municipality in staff terms, but a poor municipality in terms of municipal budget per inhabitant. Conversely, Budva, the richest municipality, is rather modest in its spending on its staff.

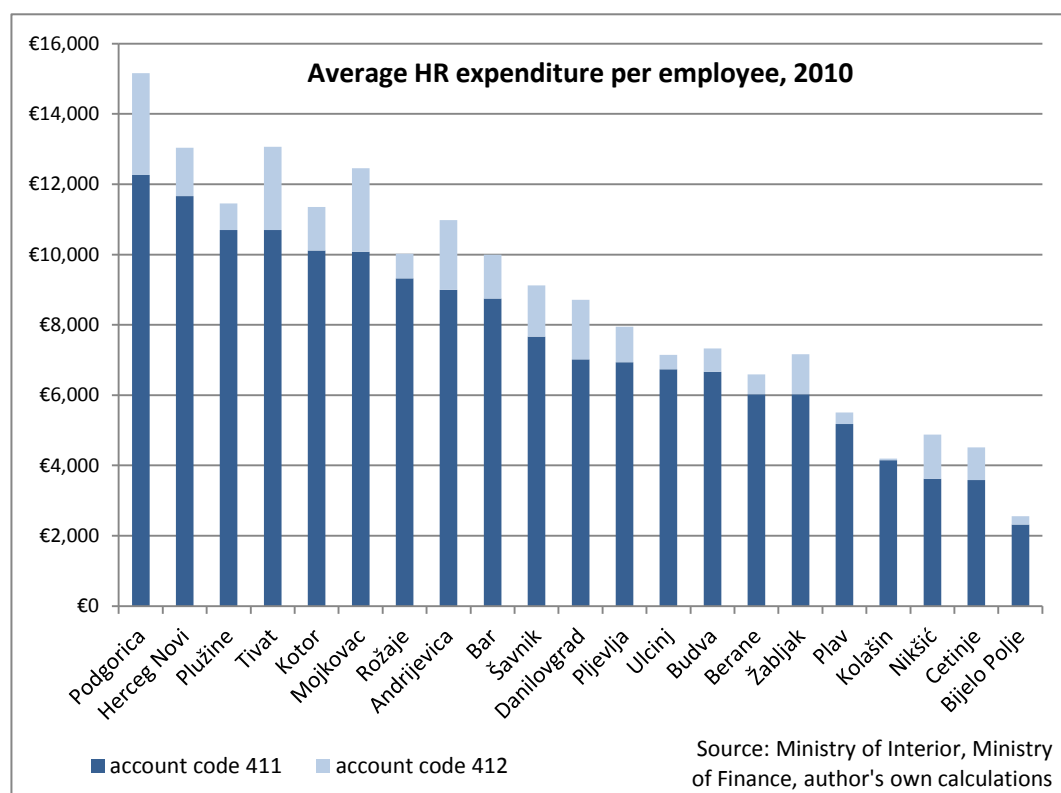
This variation is partly explained by the level of debt of each municipality. Where debt repayment is a large proportion of municipal expenditure (Budva, Nikšić, Cetinje, Kolašin¹¹) we see a low level of expenditure on staff costs relative to size of budget. From anecdotal information, we understand that debt repayment is prioritised over salaries. In 2010 salaries and allowances in some municipal administrations were paid late, or not at all. In Kolašin,

¹⁰ All population figures are based on the preliminary findings from the 2011 census, Monstat, unless otherwise stated

¹¹ Data on debt finance from Spahn 2010

for example, no social contributions were paid in 2010, and in Plav salaries are 5 months late and employers' contributions have not been paid for 2 years. Municipal administrations are now trying to catch up, and some are paying both current salaries and unpaid back-pay from a previous year. Unpaid salaries, and the payment of back-pay both help to account for the wide variations in salary costs specifically in 2010.

Another factor affecting the average costs per staff member is the educational (and hence salary) structure. Municipal administrations that have a relatively small number of better qualified staff (e.g. Tivat) have higher average costs than those with larger numbers of lower



qualified staff (e.g. Bijelo Polje).

Finally, the large differences in the proportion of total expenditure that goes towards staffing, illustrated in the graph below, are can also be explained by the level of capital expenditures. Smaller, poorer municipalities spend a larger proportion of their expenditure on staffing than the larger, richer ones. This is to be expected where there are big differences in capital expenditures. Capital expenditure requires relatively few staff compared to provision of services, so those municipalities with high capital expenditure will generally show a lower proportion of staff costs from their total expenditure.

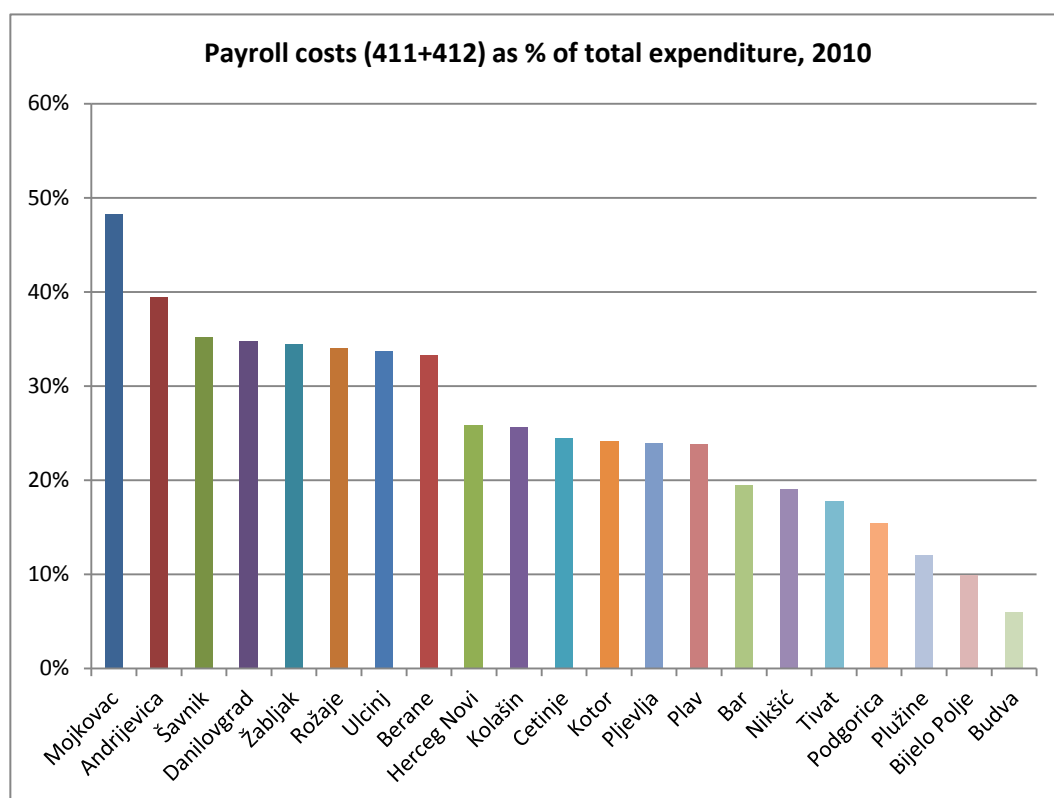
3.4 Conclusion

The policy and institutional framework clearly establishes a supportive environment for reform of human resource management in municipal administrations. All engaged institutions are working towards this goal. However, there are unresolved differences of direction for local government. On the one hand, the public administration reform strategy is moving towards strengthening of decentralisation and autonomy of local government, in line with the constitution of the Republic of Montenegro. This would imply greater autonomy for local government in terms of setting their own human resource policies. On the other

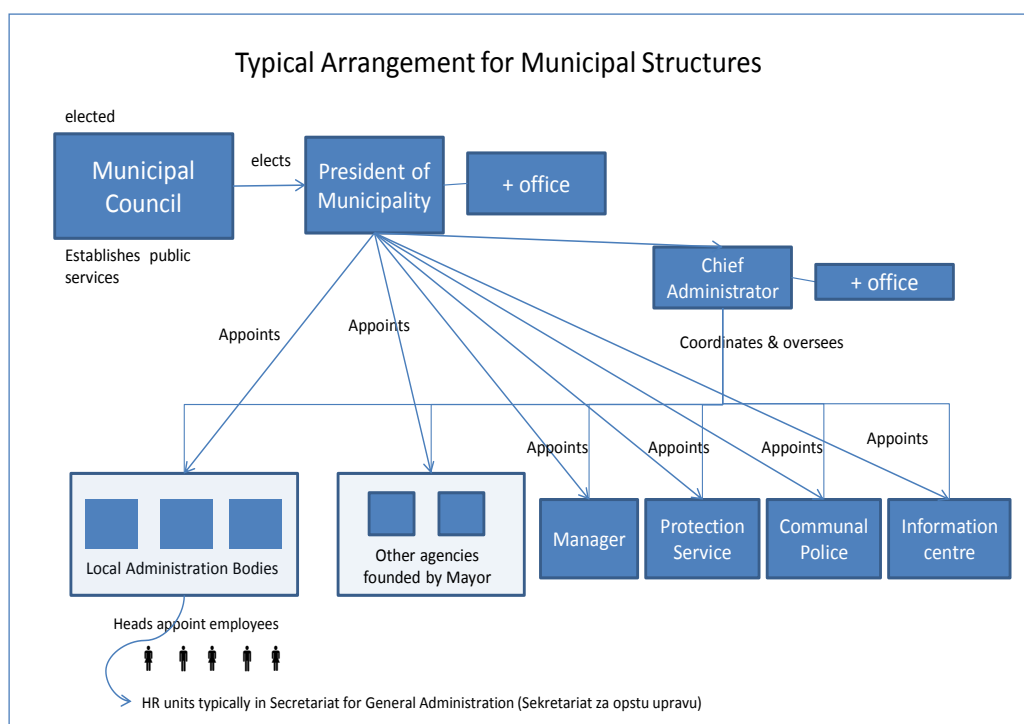
hand, the vision for the new law on civil servants points in the other direction, towards a uniform and unified civil service, including both state level and local self-government administrations. This would imply a single set of policies and practices applicable across central and local government. These tensions are apparent in the findings from the research conducted for this paper, and are further discussed below.

At the same time, there are huge discrepancies in financial capacity between municipalities, which means that their ability to deal with human resource challenges is also variable. Municipal administrations that are heavily over-staffed and need to make redundancies have problems finding the finance to make severance payments. In some cases they are turning to commercial bank loans, pushing them further into debt. Others are meanwhile procrastinating, hoping that next year's budget transfers will enable them to repay unpaid salaries.

These basic challenges need to be resolved before, or at least in parallel to, any efforts to improve human resources management in municipalities.



4 Current Structures and Functions



Municipal structures are based on the Law on Local Self Government, last amended in 2009 and are further defined in each municipality's 'Decision on Organisation'. The 'Decision on Organisation' is the legal instrument which establishes the departments and sub-divisions of the local administration, and describes their functions and areas of responsibility. Most municipal administrations have revised their 'Decisions on Organisation' since the Law was last amended. Together, these instruments guide the formal powers and scope of responsibility of the key positions within municipal administrations, and many provisions have an impact on human resources management.

The chief administrator and all heads of departments are formally appointed by the President of the Municipality. This means that the President is the line manager of the Chief Administrator and all heads of department, while the Chief Administrator is responsible for 'coordination' and ensuring the legality and efficiency of the administration's work.

Heads of departments and units are responsible for designing the internal structure and distribution of functions under their control through a 'systematisation' document. This document sets out the internal organisation of a department, and the job titles, pay grades and responsibilities of each position, together with educational and experience requirements.

Heads of departments are therefore formally responsible for some far-reaching aspects of human resource management within their sections, and are additionally responsible for the day-to-day practical management of their staff.

The Chief Administrator does not have formal line management authority, but is responsible for coordinating the work of the municipal administration. The interpretation of what 'coordination' means in practice varies from municipality to municipality, but it is generally seen as relatively hands-off. In many cases, Chief Administrators are seeking to find a greater role for themselves, and welcome guidance in how they can provide supportive coordination.

Most municipal administrations have formally incorporated human resource management responsibilities into their Decisions on Organisation, with the majority of functions being under the responsibility of the ‘Secretariat for General Administration’. The majority of municipal administrations, however, are not currently carrying out the human resource management functions that are the subject of this study; they are mainly engaged only in regular personnel administration functions.

In most municipal administrations, except the very largest, personnel administration functions are being performed by one person, sometimes with the part time support of a second administrator. This person is typically a qualified lawyer with many years of work experience.

In 2009, the National Training Council for Local Self Government recommended all local governments to establish a unit for managing and developing human resources. Some municipal administrations, such as Berane and Podgorica, did formally create such a unit. In Berane, the unit is responsible for, *inter alia*, conducting performance appraisals, preparing training programmes, conducting training needs analysis, and coordinating training activities. In practice, however, the unit does not perform such functions, but instead concentrates on the time-consuming work of personnel administration tasks.

In the majority of municipal administrations, such a ‘unit’ was not created, but they did include similar HR functions under the responsibility of the Secretariat for General Administration. As for Berane, these functions are generally not being performed at present, except for personnel administration tasks.

Formally, therefore, municipal administrations have adopted the language and terminology of ‘modern’ human resources management, including references to performance appraisal and training needs assessments in their portfolio of functions. In practice, however, these functions are rarely being performed. There is considerable interest in these functions, and a willingness to move forward. However, there appear to be several stumbling blocks for change. These include an underlying dependence on the President of the Municipality to introduce change, resource limitations, and a generally poor knowledge of human resource management issues among middle-management levels.

5 HR Planning

Human resource planning is the function of examining future needs for numbers and profile of staff and the skills they need to have, and planning how a municipality will achieve the optimal deployment of human resources to be able to deliver services as effectively as possible. This is necessary for most municipal administrations for four main reasons.

First, the over-staffing as a result of increased budgets in 2008, followed by severe budget shortfalls in subsequent years has left many municipal administrations unable to pay salaries on time.

Second, there is a tendency for newly elected local governments to bring in their own people whom they trust. This, and the relative difficulty with which staff can be released means that municipalities which have frequent changes of government have new layers of senior staff imposed every time the government changes, increasing overall staff numbers unnecessarily and leaving many staff demotivated. An amendment to the Law on Local Self-Government in 2009 introduced the principle of 4-year term-limits to the senior management staff of a municipality (heads of department and Chief Administrator)¹². It was intended to reduce the problem of over-staffing, and may well do so after the next election. However, at the same time it has meant that heads of departments are now seen as political appointees—since term limits coincide with that of the President of the Municipality—and are no longer seen as neutral and impartial civil servants.

Third, dramatic population changes in many municipalities are leading to major increases or decreases in demand for services and are affecting local revenues. These trends are likely to continue, meaning that municipal administrations must plan to ensure that they have appropriate numbers of staff for anticipated future needs.

Finally, the nature of work in municipal administrations is changing, with greater reliance on information technology, dramatically different approaches to work in a more decentralised political economy, and a need for more flexible skills which can respond to EU funding opportunities and other project based work.

All of this means that municipal administrations need to be looking at how to achieve the optimum affordable staffing levels, and how to develop or acquire the required competences in the medium term.

At present, HR planning is conducted only at the level of design of current structures in response to immediate needs. Heads of department are responsible for designing their systematisation documents, which includes descriptions of the main responsibilities for each position and qualifications required. They do not look to future requirements, nor look at how job design may need to change in the future.

In some municipal administrations, the Chief Administrator has formal responsibility for ‘optimisation’ of staffing levels defined in the Decision on Organisation. His/her role is described in the Law on Local Government as to “coordinate[] the work of local administration bodies and services, [and] oversee[] the legality, efficiency and economic effectiveness of their work”. The responsibility for overseeing the economic effectiveness of the work of the municipal administration bodies can clearly be linked to a concern for the staffing levels, particularly when over-staffing results in excessive expenditure. In practice, where municipal administrations have a large surplus of staff, Chief Administrators are playing a key role in the plans to reduce staff numbers, whether formally defined in the Decision on Organisation, or not.

¹² Articles 28 and 30 of the Law on Amendments and Additions to the Law on Local Self Government, 2009, in reference to articles 75 and 77 of the Law on Local Self Government

There are no municipal administrations in which human resource planning is formally defined as a responsibility of any department or official, and in no municipal administrations is human resource planning for future needs carried out, other than at a very informal level.

Human resource planning is made more complicated by factors that affect the predictability of needs and resources. Municipal administration budgets, especially in small municipalities, are dependent on (re)distribution of funds from central government, and these can be highly volatile and unpredictable¹³. Municipal administrations report that functions delegated by central government ministries can be imposed on local government at short notice, requiring additional staffing but without adequate financial compensation¹⁴. Municipal administrations also report widespread abuse of sick leave entitlements, suggesting that many employees are absent from work for long periods, claiming salaries, but are not actually sick. This imposes additional, unpredictable burdens on municipal budgets.

Municipal Assemblies are generally not involved in human resource planning issues. Issues relating to the municipal administration are usually considered to be of internal interest only, and do not usually involve the Assembly. The President or Mayor makes policy decisions relating to the internal administration, and his or her responsibilities are defined in detail in the municipal statute. The main exception to this rule is for financial affairs. Municipal assemblies adopt the municipal budget and the annual final accounts¹⁵. Budgets of course include budgeted expenditure on staffing. However, they generally do not include information about the proposed number, composition or salaries of staff. Further, budgets are typically submitted to the Assembly with only the current year's figures, without a comparison with previous years. Assembly members therefore have no immediate information on the trend – whether staffing costs and numbers are increasing or decreasing. A contract of employment, especially an indefinite one, is a long term financial obligation and these are of crucial importance to the financial sustainability of a municipality. On average, staff costs make up 26% of total municipal expenditures (as high as 48% in one municipality), so are a substantial long term financial obligation of which municipal assemblies ought to be aware.

While there are major difficulties in planning ahead, good planning methodology that includes explicit assumptions about future conditions can help to make HR plans a useful tool. Flexible and adaptable plans can provide focus and enable quick decision-making as conditions change, and enable municipal administrations to improve their staff cadre. Involving municipal assemblies by providing more information about human resource plans will also help to increase the transparency and accountability of financial management and human resource planning in municipal administrations.

¹³ See the Council of Europe “Report on Local Government Finances”, Paul Bernd Spahn, May 2010

¹⁴ For example, the recent requirement for municipalities to have a person responsible for dealing with drug and alcohol abuse

¹⁵ Law on Local Self Government, Article 45, point 6

6 Recruitment and Retention

The functional review aimed to explore the way in which municipal administrations identify the need for a particular job, develop the job description, attract people to apply for the position, and how they choose the best person for the job.

At the time the research for this paper was being conducted, a civil service recruitment freeze ordered by central government as a response to the financial crisis had been in place for about 2 years. This meant that municipal administrations had not recruited new staff in any great numbers. The few recent recruits were mainly in response to specific central government requests for new functions (e.g. the officer responsible for drug and alcohol abuse). The evidence base for this section is therefore thin and not necessarily representative of 'normal' times, but nevertheless, the authors consider that there is sufficient information on which to base the following findings and conclusions.

Legal Framework

The main legal instrument governing recruitment in municipal administrations is the Law on Civil Servants and State Employees. The law currently in force is from 2008, and the new 2011 law will come into force on 1 January 2013. Both versions of the law were written with central government institutions in mind, and do not mention local government or municipalities. The law is applied to municipalities only by virtue of Article 90 of the Law on Local Self Government (2009 amended version), which says that the Law on Civil Servants applies by analogy (*'shodno'*) at the local level.

Given this, there is a substantial amount of interpretation that has to be made in order to make the law workable at local level. This interpretation has been given during various training courses organised by the Human Resources Management Authority, but has not been formally written down in the form of guidance for municipal administrations.

For example, the main responsibility for recruitment in central government lies with the 'state body'. Municipal administrations have been directed to interpret this to mean the secretariat or department within a municipal administration, not the municipal administration as a whole. Therefore responsibility for identifying a vacant position and managing the recruitment procedure sits with the head of department rather than the President of the Municipality, although the President ultimately approves any appointment.

Under the current law, the Human Resources Management Authority plays a key role in ensuring that recruitment is fair and open. For example, the HRMA is responsible for preparing a list of candidates meeting the vacancy requirements (Article 22). The 'shodno' application of this law has been interpreted to mean that the personnel officer usually in the Secretariat for General Administration carries out the short-listing.

At the national level, the HRMA is an independent government agency, with its own budget, and therefore relatively isolated from the influence of any one Ministry or other government body. The intention of the law was to involve the HRMA to ensure that recruitment in central government is, as far as possible, based on merit and not connections or favouritism. Applying the law analogously at local level is problematic for at least two reasons. First, the 'shodno' application could be interpreted in various ways, resulting in procedural variations, not just between municipalities, but from one recruitment procedure to the next. Second, the intention behind the role of the HRMA as an independent agency at central government level cannot be directly applied at local level, since all the 'organs' of local government administration appear on the same budget, and are all under the control of the President of the Municipality. Therefore, the personnel officer cannot play the same independent role at local level as the HRMA can at national level.

Findings in Practice

Municipal administrations all report that they follow the Law on Civil Servants in their recruitment procedures. In practice, this means that the head of department initiates a recruitment, taking the job description from the systematisation document if the position is already defined. The personnel officer in the Secretariat for General Administration is responsible for advertising the position, receiving applications, documenting the process and participating in the interview panels.

In a large majority of recruitment cases that this research investigated, it was found that there was only one applicant for vacant positions. This one applicant was always someone who was already working in a municipality – either as intern or on a temporary contract – and this applicant was always offered the job. The regularity of this pattern suggests that it is normal practice when seeking to appoint a person to a permanent contract that only one person is encouraged to apply, even when the job is advertised in the national press, according to law.

Municipal administrations reported that some specific profiles of people were hard to find. These were mainly professional positions for civil engineers, architects and, often quoted, good lawyers, with the emphasis on ‘good’. The main reason given for finding it difficult to recruit is the low pay on offer, even though people working in municipal administrations seem to value highly the regularity of the work, generous holidays, and the reliability of employment.

The municipal administrations in which salaries are not being paid regularly are those that have the most difficulty attracting and retaining new professional recruits. They have lost their reputation as reliable employers, and so cannot use the good working conditions to compensate for the lower salaries on offer.

One striking finding was the importance which municipal administrations attach to the intern system. Many of the recent recruits were former interns, and it seems that there is a strong preference to hire people who are already known to a municipality, and who have proven themselves to be good workers. Some municipal administrations reported that they would like to know more about reliable methods of selection of candidates for a position, since they did not trust interviews as the only selection technique.

What is interesting about these findings is that they suggest that municipal administrations are very careful about whom they recruit, especially into permanent positions. They prefer to recruit someone who is known, and proven, rather than a stranger. This is entirely rational and understandable, even though it means that municipal administrations have to make adjustments to the legal procedures to ensure that their preferred candidate is appointed when the position is openly advertised.

Career prospects in municipal administrations are limited. Most are small or medium sized organisations: the average number of staff is just over 200. Therefore, promotion cannot happen only on merit, but it is necessary to wait for a suitable position to become vacant. Staff turnover is very low, and people leave mostly due to retirement. Only recently as the redundancy programmes have started to be implemented are more people leaving municipal administrations, but these jobs will not be replaced. The suggestion from interviews is that people who join generally work hard when they are interns, and when they subsequently obtain a temporary contract. The goal, however, is to obtain a permanent contract, and it was frequently reported that when an employee obtains a permanent contract their performance drops, and they become complacent. This is partly due to the absence of any realistic or planned career path. Promotion through an organisation is rare. The recent 2009 change to the Law on Local Self Government giving term limits to the heads of departments has meant that these jobs are now more for the politically connected and less for the career civil servant.

Conclusion

The legal framework for recruitment is open to interpretation, and municipal administrations are generally able to follow the letter of the law without complying with its spirit. Fair and open recruitment almost never happens (although there are some examples of good practice), but the reasons appear to be entirely rational, and based on municipal administrations' lack of confidence that an open recruitment procedure will result in the selection of the best candidate.

Tighter recruitment procedures defined specifically for municipal administrations, together with more awareness and knowledge of good approaches to selection will help municipal administrations to make their recruitment more fair and open. This will be especially important if the financial crisis draws to a close, and the recruitment freeze is lifted.

7 Training and Professional Development

The functional review researched the way in which municipal administrations provide support to developing the skills of their employees, identify opportunities for promotion, and match the skills development of their employees to the needs of their services and activities.

Training and professional development needs for municipal administrations generally fall into three categories. There are the needs for professional development within professional and technical disciplines, such as for architects, civil engineers, and rescue services. These might range from knowledge of more environmentally friendly approaches to waste disposal, to mountain rescue techniques, or EU standards in construction. The second area is in general management skills, which could apply to any organisation. Here we think about managing people and projects, creating and managing a budget, dealing with conflict, organisational strategy and policy, and team work, for example. The third area is specific to local government, and relates to, for example, the legal framework, administrative procedures, codes of conduct, how to run public consultations, local revenues, and a whole gamut of other issues unique to local administration.

The division of training needs into these three areas is important, because each of these are likely to be met in different ways. Technical and professional skills are the responsibility of subject matter experts, perhaps linked to professional associations or academic facilities throughout Europe. Training and development in general management skills are widespread throughout the private and non-profit sector in the Western Balkans. Only the third area, specific local government knowledge, is unique to the government sector in Montenegro, and will need solutions originating in the public sector, or academics linked to the public sector in the country.

This section looks at how these needs are currently being met.

Legal and Policy Framework

The guiding legal framework at present is the Law on Civil Servants 2008. The updated 2011 Law on Civil Servants has some minor but significant amendments. In general, a civil servant has both the “right and obligation to undergo professional training and development for the purpose of improving professional competencies and skills to perform the tasks pertaining to their job positions”¹⁶. According to the 2011 Law, the HRMA is responsible for proposing training programmes, which are then adopted by the Government. Funding for training comes from the Government budget instead of from the state body, as under the 2008 law.

For municipal administrations, these provisions of the law are in theory applied *shodno*, by analogy. However, using the principle of *shodno* it is still not clear whether some clauses are applied directly, or by finding an analogy at local level. Should, for example, municipal administrations rely on the Government budget to fund their training (direct application), or should they be establishing a training budget and training programme themselves (one interpretation of *shodno* application)?

The Government of Montenegro, led by the Ministry of Education, is developing a system of national qualifications. This is encoded in the “Law on Montenegrin Qualifications Framework”, which seeks to be “an instrument that allows classification, comparison development and understanding of qualifications, their links and clear overview of paths for acquiring qualifications for the needs of labour market and the society”. At present, training offered by the HRMA and others is not linked to the qualifications framework. Nevertheless, it offers the prospect of recognised, portable qualifications that emphasise competences, and is more readily subjected to quality assurance.

¹⁶ Law on Civil Servants and State Employees 2011, article 115

Municipalities in Montenegro have a training strategy and action plan: the National Training Strategy for Local Self Government. This ambitious strategy was developed in 2008, and goes beyond establishing a training system for municipal administrations. Its goals and objectives (see Annex 4) suggest reform to the legal and financial framework for local government. The strategy is aiming to improve human resources management in municipal administrations as a whole, and is not just looking at training provision.

The Training Strategy and its implementation plan were adopted both by the Government and the Union of Municipalities in 2008. The National Local Self-Government Training Council was established in spring 2009 and is mandated to oversee the implementation of the National Training Strategy. Interviewees report that implementation of the NTS has been slow, mainly due to a lack of resources. It appears that progress is slow also because the roles and responsibilities for implementation are not sufficiently clear, nor are those responsible institutions able to access sufficient resources for implementation. One of the main shortcomings of the strategy is its failure to address the question of resources: it does not explain how the training system for municipal administrations will be financed in either the short or the long term.

The resource question will be addressed in the short term by a forthcoming EU funded programme (this study is part of the project fiche for this project) for the implementation of the National Training Strategy. Contractors will be appointed through a tender process, and have up to €600,000 to support implementation of the NTS. At the time of writing, the Terms of Reference for this project are not available, so the detailed implementation arrangements are not known. The long term financing of the training system is unknown. This report proposes that in the medium term finance should primarily come from municipalities. This is addressed in more detail in section 12.4.

Findings in Practice

All but one municipal administrations have explicit responsibility for training of staff included in their Decisions on Organisation. In most cases, responsibility lies with the Secretariat for General Administration, while in eight municipalities, responsibility for execution sits with the Secretariat while an oversight role is given to the Chief Administrator.

Only one local self government, Podgorica, has acted upon these responsibilities however. The city has conducted a training needs analysis and prepared a list of skills required by staff in each department. For all other municipalities, these responsibilities exist only on paper, and they require some guidance in putting them into practice.

Municipal administrations do not have substantial training budgets. Information was available from the final municipal accounts for 2010 in 10 municipalities, and this showed that municipal administrations budgeted an average of €1,750 per year for training, or around €11.60 per staff

	Formal responsibility for training		
	Secretariat	Chief Admin	None
Andrijevica	X		
Bar	X		
Berane	X		
Bijelo Polje		X	
Budva	X		
Cetinje	X	X	
Danilovgrad		X	
Herceg Novi	X		
Kolašin	X	X	
Kotor			X
Mojkovac	X		
Nikšić	X	X	
Plav	X		
Pljevlja	X	X	
Plužine	X	X	
Podgorica	X	X	
Rožaje	X	X	
Šavnik	X	X	
Tivat		X	
Ulcinj	X		
Žabljak	X		

member per year. Typically these budgets are used for travel costs to and from training courses organised by other institutions, and in one municipality, the training budget was used for Christmas and New Year celebrations. According to interviews, two municipalities put aside much more substantial amounts for training, but the use of these funds was for more general human resource development in the municipality, including grants for students to attend universities.

The absence of a sufficient training budget is the main reason why municipal administrations do not identify and pay for training themselves. Instead, they rely on others to offer free training, and then find people who are available and who wish to attend. And as long as there is training provided for free, it will be hard to argue that municipal administrations need to find a budget to pay for it. Nevertheless, interviewees in municipal administrations understood the importance of a training budget, and were supportive of the idea. They see it as a means to ensure that training meets their needs.

Municipal administrations also commented that they found it very hard to motivate people to attend a training course. These anecdotal comments are supported by attendance data from the HRMA. Average completion rates of the courses organised by the HRMA have been very low, averaging 4.4 people per course in 2009 and 2010. Significant improvement has been made in 2011, with average completion rates soaring to 15.3 people per course for the first half of the year. The indications are that the training provided now is more relevant and more appropriate. A key factor is the location of training. Completion rates between 2008 and 2011 at courses organised in Podgorica averaged 3.3 people per course, whilst for courses outside Podgorica attendance rates averaged a much healthier 8.5 participants.

The HRMA has recognised the need for more locally based training, and the significant improvements in the numbers for 2011 suggest that the training provided better meets the needs of participants. This would help in the motivation of people to attend training. However, it is unlikely to be enough.

Comments from interviewees about the training organised suggest that it can be too academic, and not practical enough; that it is often too difficult for people to follow or understand, but that the participants are not comfortable to show that they do not understand; and often interviewees said that they did not learn anything on a training course that they couldn't have learned from just reading a law. Other reasons given for the poor motivation of staff to attend training included the feeling that attending a training was not going to be of help in performing their jobs, or in leading to a promotion or increased pay. On the contrary, people are afraid it will lead to more work and more responsibility, but without any of the rewards.

Delivery methods of training are entirely 'seminar' or classroom-based, and no-one reported having any experience of other methods such as self-study or computer-based learning.

The one training needs analysis conducted by a local government (Podgorica) shows that the HRMA training on offer does meet many of the needs identified by the city, although the city's needs go beyond the training provided by HRMA. Some of these additional needs are very specialised and technical such as the use of surveying tools, and some are very broad ("management").

The absence of effective performance appraisal and performance management tools and processes (see section 8) means that municipal administrations do not have a systematic way of assessing training needs, and linking them either to improved performance or to possibilities of promotion and advancement. Without these explicit links, it is hard both to justify the cost of training, and to motivate people to attend. Non-attendance at a training course constitutes a 'severe violation of official duty'¹⁷, and is a disciplinary offence. This reinforces the perspective that training is a duty more than of benefit to the individual, and does not therefore encourage a healthy learning environment.

¹⁷ Law on Civil Servants and State Employees, 2011, Article 83, point 17

As yet, no municipal administrations were systematically recording information about training attended by staff in their personnel files, despite this being a legal requirement under the Law on Civil Servants (by analogous application).

Training provided at present generally is not accredited by any professional institution, with the exception of training offered towards the state exam. There is little in the way of quality control of training providers, other than immediate feedback from participants. The Law on the Montenegrin Qualifications Framework was adopted by Parliament in 2011, but so far there have been no moves to connect training provision for local government to this national qualifications framework.

There were no examples identified of people being promoted systematically on merit. The absence of a performance appraisal system means that there are no 'objective' means for assessing merit. Where there was career progression, it was mainly on the basis of either length of service, or association with a particular political party.

Conclusion

The situation in municipal administrations in terms of training and professional development is at present very passive. Municipal administrations wait for offers of training, and then attend only if it is convenient and if someone is available to attend. In order for the implementation of the National Training Strategy to be successful, municipal administrations have to be activated to identify their own needs, commit themselves to investing in their staff with an adequate budget, and actively select training and learning opportunities that not only meet their needs, but are real *priorities* for skills that will be needed to improve the performance of the municipality.

8 Performance Management

The functional review examined how municipal administrations affect the motivation of their employees, how good performance is encouraged and rewarded, and how poor performance is dealt with. The focus was on the performance appraisal system that was recently introduced as a legal requirement for all civil servants. Discipline and general motivation were also explored.

Legal and institutional framework

The 2008 Law on Civil Servants and State Employees established the HR policies on discipline, and introduced the obligation for all civil servants to have a performance appraisal. The performance appraisal is linked to requirements for dismissal from office in the event of poor performance, and to career progression and advancement. This law, as stated elsewhere in this report, is not written specifically with local government in mind, but is applied '*shodno*': by analogy or as appropriate. The new 2011 Law on Civil Servants and State Employees has broadly the same provisions relating to performance appraisal as the 2008 law. Under both laws, staff are to be given a performance appraisal once a year, and assessed according to four grades, 'excellent', 'good', 'satisfactory' and 'unsatisfactory'. Senior managers have a different appraisal regime, and are appraised only according to two grades, 'satisfactory' or 'unsatisfactory'.

The appraisal form for most staff is based on 15 criteria against which an employee is appraised. These criteria are shown in the box, right. Each of the criteria is assessed by the supervisor on the four-point scale, with no requirement for written justification or examples to indicate why a particular grade was selected. There are no opportunities for the employee to identify personal work objectives, or personal learning objectives. There is also no space for a supervisor or an employee to indicate future plans for improving work performance. The appraisal process is a simple one-time event, and not an annual process of performance management.

The system has the advantage of simplicity, but is hampered by being too abstract and disconnected from the real work of an individual, especially those performing routine clerical or manual work. There are no possibilities for setting individual targets. For example, when appraising 'volume of work' what is the baseline? What is reasonable performance? And how to account for factors such as the lack of availability of appropriate equipment? Should a building inspector be given a lower grade for 'volume of work' if he does not have access to a car to take him from site to site? Instead, the system is concerned only with giving a grade to an employee, and is not an instrument for supporting and helping to improve performance. It is also intended to make it easier for a poor performing individual to be dismissed.

The Law on Civil Servants links the performance appraisal grade to obligatory consequences. An employee who receives an overall 'unsatisfactory' grade twice in a row automatically has his employment terminated (Article 111, paragraph 7, 2011 Law). And an employee who receives an 'excellent' grade within a period of two years has to be promoted to a higher salary level within the same employment grade (Article 112). The 2011 Law

Performance Appraisal Criteria

- Expertise
- Volume of work
- Punctuality
- Independence
- Creativity
- Customer service
- Cooperation with colleagues
- Organisational skills
- Aligning work with the priorities of the organisation
- Team work
- Written expression
- Oral expression
- Engagement in affairs of other positions
- 'Interdisciplinarity'
- Modernising the approach to work

removes an earlier obligation under the 2008 Law that a person who receives five consecutive 'excellent' grades should be promoted to a higher employment grade.

Findings in practice

Many municipal administrations reported that low motivation and low performance of staff were key problems that they are facing with regard to human resource management. The reasons for this were generally given as low pay and the low qualifications level of the cadre. Few had constructive suggestions for improving performance, other than to increase salaries. One comment was heard in two municipalities: that interns and staff on temporary contracts tend to perform very much better than staff on permanent contracts, implying that the very idea of permanent employment was undermining the incentive to perform.

On the whole, interviewees in municipal administrations were very supportive of the idea of performance appraisal, and argued that a form of appraisal was necessary in order to 'objectively' identify those who are working well, and those who are not; there was also strong support for the idea that performance appraisal should be linked to some form of reward and punishment.

Ten out of the 21 municipal administrations have an explicit mention of responsibility for performance appraisal in their Decisions on Organisation. Of these, all but one place responsibility with the Secretariat for General Administration (or its equivalent). The exceptions are Tivat and Herceg Novi, where responsibilities have recently been moved to the office of the Chief Administrator.

A handful of municipal administrations have tried to put the performance appraisal process into practice, but with mixed results. Municipal administrations report problems of conflict arising where people feel that the grades they are awarded were unjustified. More than one municipality reported that everyone was given a 'petica' or top grade, regardless of actual performance in order to avoid conflict between staff. In one municipality, the awarding of a top grade was banned, so everyone was awarded a second grade. There are no municipal administrations in which the performance appraisal form has been used more than once. The majority of municipalities have recognised their legal obligations to carry out performance appraisals, but managed to find ways to avoid actually putting it into practice.

Where it was implemented, performance appraisal was seen as a tool for evaluating staff below the level of the heads of department. Since heads, the Chief Administrator and the President of the Municipality do not face a performance appraisal, the system loses legitimacy in the eyes of the more junior staff. In some municipalities Presidents of Municipalities would face a heavy additional workload if a system were to be introduced: several municipal administrations have around 15 different departments and organisational units all reporting to the President. In these cases, the President would have to

Formal responsibility for performance appraisal			
	Secretariat	Chief Admin	None
Andrijevica			X
Bar			X
Berane	X		
Bijelo Polje			X
Budva	X		
Cetinje	X		
Danilovgrad			X
Herceg Novi			X
Kolašin	X		
Kotor			X
Mojkovac			X
Nikšić	X		
Plav	X		
Pljevlja	X		
Plužine			X
Podgorica	X		
Rožaje			X
Šavnik			X
Tivat		X	
Ulcinj			X
Žabljak	X		

carefully monitor the performance of the fifteen heads of department and carry out performance appraisals.

Concerns of municipal administrations include the legally binding consequences of awarding either top grades, or 'unsatisfactory' grades. They argue that there are rarely realistic possibilities for awarding a promotion to people who perform well, and they are uncomfortable with the consequences of 'unsatisfactory' performance.

The problems of poor performance are not just a human resources problem. Annual work planning in municipal administrations tends to be a list of activities to do, rather than a set of positive changes to achieve. This partly stems from the routine nature of much of a municipality's work, and partly from the inherited planning tradition. However, at a time of great transition, municipal administrations are having to deal with work that is far from routine, and which requires a more project-type planning approach. They are also facing demands from citizens to improve the quality of their work which requires that they set, and meet, quality targets to demonstrate to citizens that they are progressing. Without annual organisational targets to achieve, individual performance appraisals cannot be aligned with what the organisation is hoping to achieve.

There are few administrative mechanisms in common use for delegating responsibilities, monitoring performance and ensuring that people work well in municipal administrations. This means that, as a substitute, the President of the Municipality appoints people that he or she can trust to work effectively, without administrative supervision. The absence of effective planning and control mechanisms leads to political patronage, and this is explained quite rationally as the best means to ensure work is done. If patronage and political appointments in civil service positions are to be reduced, it is essential that the President of the Municipality has effective administrative tools for delegating responsibility and monitoring the achievement of agreed targets.

The performance appraisal system is not accompanied by any tool to help supervisors improve the performance of their staff. Where there is poor performance, it is simply recorded. Only very poor performance may result in disciplinary proceedings. Equally, there are few formal rewards for good performance. Interviewees report that the salary increases mandated by the performance appraisal system are too small to be either an effective incentive or a valued reward.

There are varying attitudes towards the disciplinary process. Many municipal administrations report that they never use it, because it is counterproductive. Some report that when they have used it to dismiss people, and those people have then challenged the municipality in court. The municipality always loses, and the person ends up back at work; compensation and back pay have to be paid, so the municipality is in a worse situation than before. In other cases, disciplinary procedures are used to punish offences by cutting pay. A few municipal administrations report doing this, but are not satisfied that it is a helpful procedure.

Conclusion

Municipal administrations generally lack an adequate means of motivating their staff and working towards improved performance. This is partly driven by inadequate systems of work planning, and this means that staff do not have clear and consistent objectives to work towards. It is also partly a consequence of the legal framework and poor performance management tools that are currently available. For improved performance, local self government would need much more supportive and constructive tools to help staff perform better.

9 Conclusion on Findings

Municipal administrations recognise the challenges they are facing to ensure that they get the best out of their staff. When the big bonus year, 2008 was followed by a big bust, municipal administrations realised that it is much more difficult to get rid of staff than to hire them. Along with finding an affordable size of staff, they also had to deal with the challenge of improving performance. It was no longer possible to hire additional staff to compensate for those that were not delivering their obligations. At the same time, there were huge variations in incomes and conditions between the wealthy municipalities and the poorer ones, which meant that municipal administrations did not have the same access to resources to be able to resolve the situation.

The legal framework was designed with the best intentions; to create a fair system for all public servants at both national and local levels, in which people are recruited on merit, good performance is rewarded, and poor performance is not tolerated. However, the legal framework has not lived up to its promise. The local '*shodno*' application of the law has led to confusion, and the instruments developed such as the performance appraisal system have proved to be counterproductive. The emphasis on a unified system of human resource management at both national and local level goes directly against the principles of decentralisation, and unnecessarily constrains municipal administrations from innovating and adapting approaches to their own conditions.

Finally, the level of understanding in municipal administrations of human resource management could be better; the techniques and insights that have been developed over the past six decades of management study have not been absorbed by municipal leaders.

Solutions are therefore required in four directions: to make the financial conditions for municipalities more equitable; to finally deal with the surplus staff and unpaid salaries without creating more debt and without encouraging moral hazard; to clarify the way in which the law on civil servants applies to municipal administrations; and to improve the understanding and approaches of people in supervisory positions to their subordinates and create a culture in which municipal administrations invest in their people as well as in their infrastructure.

The next section provides some recommendations for how the Government of Montenegro, the Union of Municipalities and municipal administrations themselves can do to deliver the necessary improvements in human resource management, and achieve a consequent improvement in municipal performance.

PART II Recommendations

The recommendations for this report fall into three parts. The first part provides a picture or vision of what ‘good’ human resource management might look like in municipal administrations. This part has suggestions for a practical model of the leadership, responsibilities, procedures, skills and competences that would make for effective human resource management in municipal administrations. It also describes the role of national level institutions in supporting this goal.

The second part provides detailed and specific recommendations for action by municipal administrations, the Union of Municipalities and the central government, which would lead to the achievement of the model described in the first part.

The final part gives some guidance on the strategy for implementation – how these recommendations might be implemented, with regard to resourcing, sequencing and obtaining the political will necessary.

10 A General Model for HRM in Municipal Administrations

The guidance for preparation of this report suggests that changes to the Law on Local Government are unlikely within the next two years, and so the main recommendations focus on what can be done within this legal framework. Nevertheless, this report will identify areas for improvement in the Law on Local Government where appropriate, as guidance to those who might be considering amendments in the coming years.

10.1 Overview of Organisation Change Required

The Chief Administrator in a municipality is ideally situated to take a leading role in human resource management. His/her mandate (“coordinat[ing] the work of local administration bodies and services, oversee[ing] the legality, efficiency and economic effectiveness of their work, giv[ing] them technical guidelines and instructions on procedures to be taken in the discharge of their duties”) means that he/she can provide top level guidance for human resource management, in terms of both planning and procedures, and ensuring that practice is in the interests of municipal effectiveness. Instruments such as Human Resources Planning assist with coordinating the work of the municipality, and performance appraisals provide a tool by which the Chief Administrator can oversee efficiency and economic effectiveness.

Ideally, the Chief Administrator would also take on responsibility for the administrative tasks relating to contracting, administering the recruitment process, recording holidays, sick leave, pension entitlements and other tasks that are collectively known as personnel record keeping. This would mean that the Chief Administrator would have within his or her office a unit devoted to human resource management. However, according to interpretations of the Law on Local Self Government, it is argued that the Chief Administrator cannot be responsible for both primary decision making and the ‘second degree’ role in reviewing decisions of other staff. This means that for now the administrative tasks have to remain outside the Chief Administrator’s responsibility. Given this, the obvious location for these administrative tasks is the Secretariat for General Administration, where responsibility for these tasks are mostly located at the moment.

The recommendations of this report are made on the understanding that it is not currently possible for the Chief Administrator to have both primary and second degree decision-making powers.

If the law were to change, or if interpretations of the law were to allow a Chief Administrator to have *both* primary and secondary decision making capacity (as long as there were appropriate appeal mechanisms for his/her primary decisions), then it is recommended that

municipal administrations move the human resource administration function to the office of the Chief Administrator.

Similarly, as long as the Law on Local Self-Government retains the role of the President of the municipality (or Mayor of the Capital City) as the effective chief executive officer, the decision making and control of budgets will remain with this office. This means that final decisions on recruitment, budgets and expenditures, approval of HR plans, and providing HR reports to the Assembly are the responsibility of the President.

A better arrangement might be to have the President responsible for policy making and overseeing the implementation of policy, while the Chief Administrator takes on a stronger chief executive role, tasked with implementing policy, and reporting to the President on the achievement of policy goals. However, this would require changes to the Law on Local Government and considerable improvements in systems of planning, target setting and reporting.

The Assembly should have a stronger role in overseeing human resource issues. While internal organisational issues are not strictly the concern of the Assembly, the budget and the effectiveness of municipal administration's ability to execute Assembly decisions are. All recruitment decisions on permanent contracts have long term financial implications, and Assemblies need to have confidence that the municipal administration has the organisational capacities to carry out their policies – which is primarily a function of the human resource capacity. Therefore, the municipal administration, through the President, should be reporting regularly to the Assembly on human resources issues. At the simplest, it would consist of Assemblies approving a Human Resources Plan for the municipal administration, and the President delivering an annual report on the human resources situation. The report should contain at least the following data (see example table below), together with some narrative explanation of how the human resources decisions made are contributing to the achievement of the targets set out in the human resources plan.

Municipality Name	Previous year	Current year	Next year (forecast)
Cost of staff pay (411)	€1,2 m	€1,3 m	€1,1 m
Cost of staff other costs (412)	€450.000	€250.000	€200.000
Investment in staff training (41393)	€3.450	€5.230	€23.450
TOTAL STAFF COSTS	€1.653.450	€1.555.230	€1.323.450
Number of staff at start of year	135	155	112
Number of people leaving	10	50	5
Number of people joining	30	7	3
Number of staff at end of year	155	112	110

At the national level, the legal and institutional framework would need to be more responsive to the needs of municipal administrations. In particular, the confusions that result from 'shodno' application of the law need to be removed. This can be done in one of three ways: providing detailed paragraph-by-paragraph non-binding guidance on how the Law on Civil Servants should be implemented at local level; developing secondary legislation to clarify the application of the Law for municipal administrations; or developing separate primary legislation for regulation of civil servants at the local level. The first option is obviously the quickest and least far-reaching. However, there are indications from municipal

administrations that if the legal framework is to become clear and supportive, then specific primary legislation might be needed.

Regardless of the legal framework, municipal administrations ought to be developing specific procedures for their human resource management at the local level. These procedures need to be in conformity with the law, but provide specific guidance to municipal administrations on exactly who is responsible for what, and how the procedures will be carried out. Here there is a solid role for the Union of Municipalities in preparing model procedures, which can be adapted to each municipality's specific needs, and adopted by a decision of the President.

Municipal administrations can also make considerably greater use of information technology, particularly in helping them with the administrative functions. The burden of administration is likely to increase, with additional requirements for recording training and learning, and performance appraisals. Since IT costs are continually reducing, it would make sense for all but the smallest municipal administrations to invest in simple systems to automate the process of HR administration.

Finally, and most importantly, all municipal staff who are in a supervisory position – that is heads of all organisational units – need to develop their human resource management skills. For all people in such a position around the world, this is a long term learning process, and requires constant reflection and adjustments to behaviour at the workplace. Attitudes to people at work need to change; people should be seen as a resource that needs investment and nurturing to grow in capability, and not punishment. Therefore substantial investment is needed to train all supervisors, and encourage a change in organisational culture. Such change could be stimulated by an award for municipal administrations that reach certain standards of investment, behaviour and systems in their human resource management – an 'investor in people' award, or something similar. Change and development can further be stimulated by ensuring that people in municipal administrations are able to share their experience with, and learn from, other municipalities. Regular gatherings of human resources specialists from every municipality could help to spread innovative ideas and accelerate change. And small municipal administrations which have no capacity for human resource specialists could be mentored and supported by larger municipalities which do have such expertise. Other models of inter-municipal cooperation could also be explored and tested.

The following sections give more detail to the 'model' for human resource management in municipal administrations, according to the four main aspects that are addressed by this report.

10.2 HR Planning

Human resource planning needs to look ahead towards the future of the municipality. What are the services and activities it will be carrying out more of? More tourism, more project management, more EU funding, more environmental protection, more tax collection? If there are growing activities, it may need in four year's time more people with the right skills to be able to do these tasks. How many people will be retiring over the next four years? Will they be replaced? Are there people who have the skills and experience to take over? If not, how might the retirees be replaced? And are there services which will be decreasing over the coming years? Will decreasing population mean less work? Will new technology bring efficiency savings requiring fewer people in the finance department? Or an end to the typing pool?

A human resources plan needs to link the future strategy of the municipality to the current pool of staff and skills at its disposal. By making a human resources plan, a municipality can gradually develop skills that will be needed, and make humane arrangements for either moving staff to where they will be more useful, or planning redundancies further ahead.

Human resources plans also help with developing training plans and training budgets, simplifying the task of identifying training priorities.

Human resources planning is primarily a coordination task. It links current resources to future plans, so the process of developing a human resource plan entails listening to citizens, to Assembly members, to staff and heads of departments, and taking into account legal and policy changes coming from central government. Since the Chief Administrator is responsible for coordinating the work of the municipality, human resource planning falls neatly into his/her remit.

The Chief Administrator should coordinate the development of the HR plan, but consult heavily with heads of departments and the President. In larger municipal administrations, much of the work can be carried out by an advisor in the Chief Administrator's office, with the Chief Administrator overseeing its development. Ultimately, the plan must be approved by the President, and ideally go to the Assembly for their endorsement. Assembly involvement would help to increase accountability of the municipal administration particularly in terms of proposed budget increases for staff costs.

Annex 8 proposes the contents of a human resources plan for municipal administrations.

In order for HR planning to begin in municipal administrations, the Decision on Organisation has to formally include the Chief Administrator's responsibility in this area. There also needs to be some support from the HRMA and Union of Municipalities to establish a model approach or methodology for HR planning, test the model in selected municipal administrations, and then train Chief Administrators and senior advisors in how to conduct HR planning exercises.

10.3 Recruitment and Retention, Career Development

The key challenge for municipal administrations is finding civil engineers, architects and good lawyers to fill specific positions. Municipal administrations feel they are in an uncompetitive position because they cannot offer higher salaries. At a time of economic difficulties, it is not wise for this report to recommend the Government to pay higher salaries. Instead, municipal administrations should be aware of their opportunities, and take advantage of them. First, most (though not all) municipal administrations have a reputation as reliable employers, with good working conditions, reasonable hours and generous holidays. For many people, this can offset the relatively low salaries on offer. Second, they are in a position to innovate with employment, such as offering half-time jobs, (now a legal possibility). This could be particularly suitable for small municipal administrations that may not require a full-time engineer or architect, but need a qualified person able to perform the tasks on a regular basis. Finally, municipal administrations are members of a network of municipalities, so they are potentially able to advertise vacancies to all corners of the country.

The term limit for heads of departments should be removed by amending the law on local government. Contract periods coinciding with elections are counter-productive for a civil service whose vision is to have professional employees who are neutral, and able to reliably serve whatever political party or coalition is in power.

Municipal administrations should have greater confidence in their ability to select candidates from an open recruitment procedure. Armed with improved selection techniques, they will be able to rely less on the personal recommendations and political connections, and make sound judgements about the best person for the job.

An individual municipality offers on average around 200 working positions, a very limited pool of opportunity for anyone who would like to see his or her career progress on merit. All municipal administrations together have around 4,500 working positions (or 10,000 if local public utilities are included). Municipal administrations should be extending their outreach to attract recruits from other municipalities. This will have two major implications. First there will be more career movement between municipalities, and good employees will be

motivated to search for more senior positions in other municipalities. If this is based on their career achievements, they will be more motivated to work and succeed in their current positions. Second, it will stimulate some competition between municipal administrations to offer better working conditions, investment in training and interesting work. This enlarged pool of career opportunities can be facilitated by the Union of Municipalities offering a web-site service to post job opportunities for all municipal administrations.

In the longer term, the Union of Municipalities NTS Unit should be working with the educational institutions – Universities and Technical Schools – to ensure that their curricula are better meeting the needs of municipal administrations (and the wider job market).

At the same time, municipal administrations would find it easier to recruit if they were able to focus on competencies rather than formal qualifications. However, since the legal framework does not allow much flexibility to emphasise real work competence over formal qualifications, such a change will need to be driven from the central policy and legal perspective; municipal administrations alone can do rather little.

Municipal administrations should, however, make sure that they have their own recruitment procedures formally adopted by the President of the Municipality (or Mayor) or the Assembly. Recruitment procedures would specify exactly who does what in the recruitment process, in which circumstances, and who has the authority to make certain decisions. While the outline is contained in the law, the '*shodno*' application of the law means that the individuals and departments involved at municipal level are not clearly defined.

Further support to a competence-based approach to recruitment will be given if there is a strong base of training and guidance available in the area of selection. There must be people in municipal administrations who have the skills to design a basic selection process, (including appropriate interview questions, written and oral tests, 'assessment centres' and other approaches) tailored to the positions being recruited. Emphasis on competences rather than formal qualifications would mean that municipal administrations could be more confident in their recruitment decisions.

Finally, there should be an end to the practice of appointing a person if there is only one applicant for a vacancy. Vacancies should be re-advertised, and open for a longer period to allow people a chance to apply. This will be difficult, because public institutions have a reputation for opening positions for specific known individuals, and this discourages others from applying. Better employment practice and more enthusiastic promotion of open positions will gradually help to convince people that vacancies are not 'fixed'. The new law on Civil Servants partly addresses this problem by extending the period for advertising a vacancy from a minimum of 8 days to a fixed period of 20 days. Nevertheless, an amendment to the legislation is needed to ensure that there is always a short-list of at least three qualified candidates in order to make a proper and informed choice about the most suitable person for the job. The legislation should also require that a list of *all* applicants is prepared, and when applicants do not meet the basic requirements reasons should be given and recorded in the file.

10.4 Training and Professional Development

The major change should come from municipal administrations. They should be setting the training and development agenda, deciding what training they need, in what form it should be provided, and by whom it is delivered. This should mean that training offered will be more relevant to each municipality's specific priorities.

In order to achieve this, municipal administrations will first of all have to have a training budget. This should be equivalent to around 2% of its total expenditure on staff costs (the sum of budget lines 411 and 412). This will average around €200 per employee per year.

A training budget will enable a municipality to decide what its priority training needs are, to organise training when and where it wants, and to determine the method of training delivery,

by a person or company that it chooses. Neighbouring municipalities could also combine resources to organise training and development opportunities for common needs.

Municipal administrations should also have the capability to perform their own training needs assessment, and develop their own annual training plan. Training needs assessment will be linked to the human resources plan, and also based on findings from the performance appraisal process (see next section).

Responsibility for coordinating the whole training process should rest with the Chief Administrator. He/she sits in an appropriate position removed from the departments and units, and has a mandate to coordinate the work of the municipality. In larger municipal administrations, the Chief Administrator would receive expert support either from a person in his/her own office, or from an expert in the Secretariat for General Administration. Decisions on actual expenditure of the training budget would be proposed by the Chief Administrator, but approved by the President of the Municipality (or Mayor).

State level providers of training services (such as the HRMA, Union of Municipalities, Universities, and other quasi-public bodies such as RESPA) specialise in training for public sector workers, so they will often be the default choice for training provision in areas specific to local government. In other areas such as general management skills, or specialist professional knowledge, training providers such as NGOs, private companies, professional associations and state bodies such as the Directorate for Development of SMEs may have an advantage. Ensuring that municipal administrations have a training budget and are able to make informed choices about which training provider to use would have the advantage of increasing competition and driving up quality of provision.

To encourage municipal administrations to increase their training budgets, state level training providers should start to charge municipal administrations for the training provided. Initially charges should be set at a lower-than-cost rate, and in subsequent years as municipal administrations are able to budget more for their training costs, charges could increase. Charging for training helps to identify real municipal priorities: they will only pay for and attend training that is important so providing better feedback than after training assessment forms. It would mean that participants are more likely to attend once booked onto a course. And it can also provide more resources for developing new training provision.

The Union of Municipalities should be defining a set of core competencies for municipal administrations: what are the basic abilities, skills and capacities considered critical for effective performance of civil servants in municipal administrations? These core competencies should be organised by key municipal function or responsibility (e.g. urban planning, financial management) and cross-cutting competencies such as managing people. These competencies should be defined in terms of what staff *should be able to do* to perform their function.

With a clear definition of expected competencies, training providers can design and develop training courses and other forms of skills development which can support trainees to develop those competencies.

A defined set of competencies for municipal administrations should be linked to the Montenegro Qualifications Framework, using competencies defined in that framework wherever possible. This will enable efficiencies especially for providers of training for competencies which can apply to people working in both municipal administrations and other types of organisations (e.g. project planning).

Municipal administrations will also be able to use the defined set of competencies to support their own training needs assessment. Instead of defining the competencies they need from scratch, they can select those priority competencies from the overall list of core municipal competencies that they consider to be priorities.

In the medium term, quality could be further assured by introducing a system of accreditation. It is not clear at the moment which institution should be responsible for accreditation; what is clear is that an organisation that is providing training services should

not at the same time be responsible for accreditation. As the institutions for the Montenegro Qualifications Framework are developed, these may provide the best solution for an accreditation system for local government training.

Accreditation and recognition of qualifications would help to increase the incentives for local government staff to develop their own skills. At present, the incentives are low because additional, unrecognised skills are neither rewarded in a current position, nor eligible as qualifications for a higher position. Formal accreditation and recognition may help to address this.

Placing the training budget in the hands of municipal administrations would also help to innovate the delivery of training. Self-study, and computer-based forms of learning would be very appropriate for local government staff, enabling them to study at times convenient to them, and without requiring travel. Training providers that are able to deliver effective training at lower cost and in a more appropriate form would be rewarded by more contracts with municipal administrations. It may also be possible that some municipal administrations become training providers themselves. Those that have particular, useful experience in, say, implementation of IT systems or tax collection, could provide more appropriate and more realistic training than academics or private companies.

It is important to recognise that the market for training would not be large. If the municipal administrations did reach the target of 2% of payroll costs for training, it would make a total annual sum of over €750,000 (based on 2010 figures) – enough maybe for a handful of small independent providers plus the big state institutions.

Substantial support would be needed to develop municipal administrations' skills in managing the training and development of their own staff. Training and guidance would be needed for performing training needs analysis, developing a training plan, and procuring and evaluating training providers. This could be done through the EU project supporting the implementation of the National Training Strategy, and equipping the Union of Municipalities to provide continuing guidance to municipal administrations.

The National Training Strategy itself should be revised and clarified. There should be clear roles for each institution, which do not overlap or conflict. For example, responsibility for quality assurance should not rest with an organisation that also provides training, in compliance with the legal framework for education and training. The responsibilities of each institution should also be in proportion to its funding, capacities and potential for sustainability. Most importantly, the strategy needs to explain how the training provision and support to HRM in municipal administrations will be financed in the medium and longer term.

Finally, the Human Resources Management Authority will be playing a leading role in changing the culture of public sector employers. The HRMA should be campaigning to change attitudes to staff, to emphasise that staff are the most important resource of all organisations, and that they are worth investing in, being listened to and valued. One way in which this could be done is by establishing an 'investor in people' award scheme, in which the HRMA sets standards for good practice in HR management. Any state institution (Ministry, municipality or other agency) that meets the standards can use a certificate or 'Investor in People' logo to demonstrate that it has excellent HR management.

10.5 Performance Management

The current performance appraisal system should be modified to become an annual performance management process. The main changes that are necessary are as follows.

The appraisal should have three sections: core competencies, individual work targets and individual learning objectives. The core competencies would be similar to those at present, but reduced from the current 15 to a more manageable 5. For each core competency, the supervisor should be required to give a score, as at present, but the score should be supported by a written justification of why that score was given, together with examples of the

individual's behaviour that justify the score. The individual work targets and learning objectives would be set at the beginning of the year in a joint meeting between the individual and his/her supervisor. In mid-year, the individual and his/her supervisor would meet to discuss performance and progress, but not to give scores. The meeting should be recorded in writing, and a copy of the note included in the individual's personnel file. At the end of the year, the individual has a formal appraisal meeting with his/her supervisor, at which work performance is reviewed, and the individual is scored for achievement in each of the three sections of the appraisal. Every score should be justified with a written comment and examples of behaviour. Finally, the individual is given a chance to comment on the form, and the supervisor's supervisor is also required to sign and comment on the appraisal.

The performance management process should be integrated into wider municipal procedures. Individual work targets should have a connection to his/her responsibilities within his/her department's annual work plan. Individual learning objectives should then help to inform the municipality's training plan.

The purpose of the performance management process should be to help improve every individual's performance, not just to establish a 'grade'. Therefore, where performance is not of the required standard, the first response should be to make a 'performance improvement plan' in which the individual is required to state how he/she will do better at work, and how the supervisor and other colleagues may help the individual. Only if this fails should disciplinary action be taken, the individual moved to a more appropriate position or steps to help the individual leave the municipality and find work elsewhere.

To put this into practice, the HRMA should revise the government approved performance appraisal process along the lines described above. Before seeking final government approval (as required by the new Law on Civil Servants) the HRMA should work with the Union of Municipalities and three or four selected municipal administrations to test the process, and make modifications if necessary.

Training in performance appraisal should be obligatory for all staff in a supervisory position who will be conducting performance appraisals. This will require a substantial investment in training. As an estimate, around one quarter of municipal administration staff are in a supervisory position. This means that over 1,000 people will need training in performance appraisal. With an average class size of 15 people and a one-day training course, it would require 67 training days to cover the whole of Montenegro municipal administrations.

Introducing performance appraisal will not be straightforward. The concepts of competencies and performance are not well understood, and do not have a place in the municipal culture. Since annual work planning is task-based rather than target or achievement based, it will be difficult to introduce effective performance appraisal without better planning. There will be a steep learning curve over the coming years, and the Union of Municipalities should be in a position to support that learning. It is suggested that each municipality nominates a person (or two people in larger municipal administrations) in a supervisory position to be the expert on performance appraisal in that municipality. That person would then be charged with attending advanced training and six-monthly workshops where he/she would be able to learn more about performance appraisal, find out from colleagues in other municipalities how they are dealing with particular issues or innovations, and sharing his/her own experience with peers.

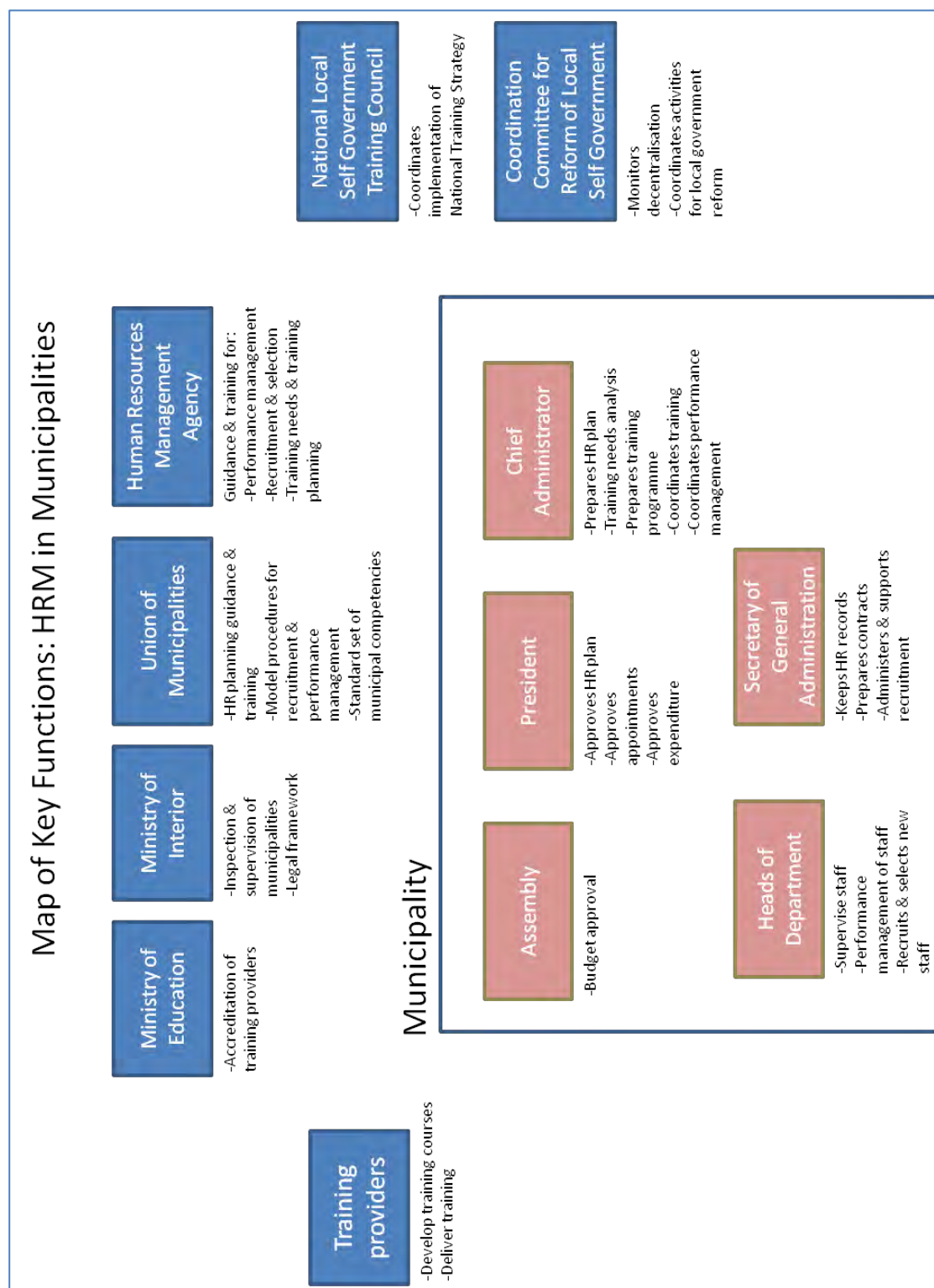
In municipal administrations, where there is responsibility for coordinating performance appraisal, it is with the Secretariat for General Administration. It is suggested that this responsibility is moved to the office of the Chief Administrator. The Chief Administrator is in a better position to set the timetable for the annual appraisal process, and to ensure that all supervisors perform the performance appraisals on time, including the President of the Municipality. (In many municipal administrations, the President has more supervisory responsibilities than any other staff). The collecting and filing of the performance appraisals

should remain with the Secretariat for General Administration, with the person responsible for personnel administration.

Finally, if the performance appraisal is to be a tool for support and improvement of performance not a mechanism for shaming staff, the scores of the appraisals should be kept confidential. Only the individual, his/her supervisor and the supervisor's supervisor will have access to the file, as well as the personnel officer. Only the individual him/herself should be able to give this information to others, and his/her permission should be required if others want to see his/her performance appraisal.

11 Model for HRM in Municipal Administrations

The diagram below represents all the main institutions and positions that are relevant for human resource management in municipalities, and summarises their key functions. These functions are those recommended by this report, but based on the current legal framework. In other words, the diagram shows how things should look assuming that there are no changes to the law or mandates of the stakeholding institutions.



12 Specific Recommendations

This section sets out the recommendations from this study addressed to the four main stakeholders: municipal administrations, Ministry of Interior, HRMA and Union of Municipalities. The recommendations for municipal administrations are necessarily general, in that they are recommendations to *most* (if not all) municipalities. Some municipal administrations will have already addressed recommendations in this section of the report, and so should ignore them. An addendum to this report contains specific recommendations for each municipality in response to its needs and circumstances.

12.1 Structures and Functions

Municipal administrations

- Municipal administrations should revise their Decision on Organisation so that Human Resources coordination functions (HR planning, training coordination, oversight of performance appraisal, preparation of reports to Assembly) are located in the office of the Chief Administrator
- Personnel administration functions (contracts, documentation and filing) should remain with the Secretariat for General Administration
- Municipal administrations should designate one person to be the focal point for HR management in the municipality (in smaller municipalities, should be a head of department or chief administrator; in large municipalities, head of HR unit) and his/her alternate.
- The Chief Administrator, Head of the Department for General Administration, and the Information Centre should explore the potential costs and benefits of greater use of IT in their administration of personnel administration (and other functions, if appropriate).

Union of Municipalities

- The UoM should design a set of basic HR competences for the HR ‘designated person’
- The UoM should design a set of basic HR competences for all municipal staff in a supervisory position
- The UoM should consider organising 6-monthly (regional) meetings of HR people, with a facilitator who can provide some training input, and some problem-solving and sharing of experiences.
- The UoM should find ways to promote examples of good practice in IT use for HR administration (e.g. Bar) to other municipalities, and support visits and exchanges within the country

Human Resources Management Authority

- HRMA should assist UoM to develop a comprehensive training programme for HR designated people
- HRMA should assist UoM to develop a training programme for all municipal staff in a supervisory position

Ministry of Interior

- The MoI should explore the possibility for revising the Law on Local Government so that Secretaries and Heads of Department no longer have term-limits.

12.2 HR Planning

Municipal administrations

- Municipal administrations should revise their Decision on Organisation so that it explicitly allocates responsibility for coordinating the preparation of a **human resources plan** to the Chief Administrator. The wording could be as follows: “the Chief Administrator is responsible for coordinating the preparation of a human resources plan, in accordance with guidance from the Union of Municipalities”
- Municipal administrations should revise their Decision on Organisation so that it explicitly allocates responsibility for preparation of a human resources **annual report** to the Chief Administrator. The wording could be as follows: “the Chief Administrator is responsible for preparing a human resources annual report for approval by the President and submission to the Assembly, in accordance with guidance from the Union of Municipalities”
- Municipal administrations should ensure that the Chief Administrator and/or at least one senior official/advisor is trained in human resources planning.
- Municipal administrations should prepare a human resources plan for submission to the Assembly. Human resources plans, once approved, should be copied to the Union of Municipalities for information
- Municipal administrations should prepare an annual report on human resources for the Assembly. This can either be a stand-alone report, or a section to be included in the President’s report to the Assembly. The report should include at least the following data.

Municipality Name	2010	2011	2012 (forecast)
Cost of staff pay (411)	€1,2 m	€1,3 m	€1,1 m
Cost of staff other costs (412)	€450.000	€250.000	€200.000
Investment in staff training (41393)	€3.450	€5.230	€23.450
TOTAL STAFF COSTS	€1.653.450	€1.555.230	€1.323.450
Number of staff at start of year	135	155	112
Number of people leaving	10	50	5
Number of people joining	30	7	3
Number of staff at end of year	155	112	110

Union of Municipalities

- UoM should produce guidance on how municipal administrations can do human resources planning, including a suggested format for an HR plan.
- UoM should work with HRMA and/or a suitable training provider to develop a training course for Chief Administrators and advisors on human resource planning.
- The training and guidance should first be tested in two or three municipal administrations before being revised and made available to all municipalities.

Human Resources Management Authority

- The HRMA should support the UoM with technical advice on the content and means of delivery of training for HR planning, including access to existing training materials
- The HRMA should support and provide comments on draft guidance for municipal HR planning, and support UoM in the testing of HR planning methodology

Ministry of Interior

- The Ministry of Interior should give instructions to municipal administrations that they should be regularly engaging in human resources planning, and that this should be coordinated by the Chief Administrator

12.3 Recruitment and Selection

Municipal administrations

- Municipal administrations should have their own recruitment procedures, in accordance with the Law on Civil Servants and State Employees. Procedures should be based on a model procedure, to be developed by the Union of Municipalities, and adapted by each municipality to its own specificities. The procedure should be adopted formally by a decision of the President.
- Where there is only one applicant for a vacant position, municipal administrations should re-advertise the position, and encourage as many people as possible to apply. Municipal administrations should not be making an appointment if there is only one applicant.
- Municipal administrations should examine any current or forthcoming vacancies to see whether they are suitable for half-time employment instead of full-time.
- When there are vacant positions, municipal administrations should advertise as widely as possible, including national jobs websites, and the UoM website (if it accepts the recommendation to include job vacancies on its website).
- Where municipal administrations have jobs that have been vacant for a long time, they should examine the option of investing in the training and development of existing staff to move into that position, instead of recruiting from outside.
- Municipal administrations should encourage senior staff with recruitment responsibilities to attend training courses on recruitment and selection.

Ministry of Interior

- The Ministry should explore the possibility to tighten up inspection of recruitment procedures and documentation in municipal administrations. In particular, in cases where only one qualified person applied, inspection officers should examine what happened to any other applications, and whether and how they were assessed as not qualified.

Union of Municipalities

- The UoM, with support from HRMA, should commission a training course in recruitment and selection for municipal administrations, based on the new Law on Civil Servants and current Labour Law. In particular, it should focus on selection methods, with reference to the sorts of skills and profiles that municipal administrations most commonly recruit.
- The UoM, with support from HRMA, should develop model recruitment and selection procedures for municipal administrations. It should test these procedures

in 2-3 municipal administrations, modify them if necessary, and then provide support necessary for municipal administrations to adapt and adopt them.

- The UoM should develop part of its website to display current job vacancies in municipal administrations throughout Montenegro.

HRMA

- The HRMA should develop and test guidance for municipal administrations on recruitment procedures in accordance with the new law on civil servants. This guidance should be accompanied by model procedures for municipal assemblies to adopt, developed by the Union of Municipalities.

12.4 Training and Professional Development

Municipal administrations

- Municipal administrations should revise their Decision on Organisation to assign responsibility for coordinating training to the Chief Administrator. All training coordination work should be carried out in close consultation with the heads of department and the President of the Municipality/Mayor.
- Municipal administrations should establish a training budget (account code 41393) equivalent to 2% of their expenditure on staff (the sum of budgets 411 and 412).
- Municipal administrations should conduct a training needs assessment regularly. This should be based on a methodology developed by the Union of Municipalities, and for which training should be available.
- Municipal administrations should develop an annual training plan, based on the training needs assessment and within the available budget.
- The training budget should be used to identify and obtain training or other skills development opportunities according to the training plan.
- Municipal administrations should ensure that the training plan includes a development programme for interns
- Municipal administrations should ensure that *all* employees have some form of training or development opportunity at least once every three years.
- Municipal administrations should communicate their training needs and training plans with neighbouring municipalities, and identify any opportunities for municipalities to work together to organise training for their staff.
- Municipal administrations should prepare an annual report for the Assembly on the implementation of the training plan, including costs, numbers of people trained, in which subjects, and with what improvements in organisational performance.

Ministry of Interior

- The Ministry of Interior should work with the Committee for the Implementation of the National Training Strategy and the IPA 2010 Implementation of the National Training Strategy programme to revise the National Training Strategy. In particular, the roles and responsibilities of the various parties should be clarified. The strategy should clearly explain what are the mechanisms for financing training and professional development in municipal administrations. The strategy should also reflect the new national legal framework covering education standards and licensing of training providers.
- The Ministry of Interior, in consultation with the Ministry of Finance, should consider ways of encouraging municipal administrations to establish training budgets. This might be in the form of matching funds (e.g. if a municipality spends

- €5,000 on training, the MoI would contribute an equal amount), or a voucher system to give poorer municipal administrations more funding to spend on training.
- The Ministry of Interior should consider establishing guidelines for municipal administrations to set standards for investing in training. This should include guidance in the amounts of money that should be invested in training and development, how budgets should be allocated in terms of priority skills, priority staff profiles, and guidance on how municipal administrations can treat all staff fairly with regard to investing in training. The MoI should consult with the HRMA in the preparation of such guidance.

Union of Municipalities

- The UoM should develop a standard set of core competencies for all municipal functions. The competencies should be related to municipal administrations' mandates and responsibilities under the law, and to take into account competencies that will be needed for the implementation of their strategic plans. Competencies should be in line with the National Qualifications Framework as far as possible.
- The UoM should consult with municipal administrations to identify core competencies which are priorities for municipal administrations to develop.
- Once priorities are identified, the UoM should take steps to commission or develop training and other HR development approaches to develop the priority competencies.
- As part of the next IPA programming phase, national stakeholders should consider a voucher system to assist municipal administrations to pay for training that meets their priority needs
- The UoM should develop and test a methodology for municipal administrations to conduct a training needs analysis, using the set of core competencies identified. The methodology should be tested in at least 3 municipal administrations, and modified based on the lessons from the pilot testing.
- The UoM should develop and test a methodology for municipal administrations to develop a HR training and development plan
- The UoM should commission or develop training programmes to support municipal administrations with both training needs analysis and HR training and development planning.
- The UoM should consider other forms of support for municipal administrations to conduct training needs analysis and training planning, such as guidebooks on methodology, telephone and consultancy support, and examples of good practice.
- The UoM should encourage training providers to be innovative with forms of training provision. These should include pilot testing self-study courses and computer-based learning approaches.

Human Resources Management Authority

- The HRMA should lead a campaign to change the culture and values of public sector organisations and their attitudes to their staff. The HRMA should consider establishing an 'Investor in People' award scheme, or something similar.
- The HRMA should find ways in which it can charge municipal administrations for the training it provides. Prices should be low, but sufficient to encourage municipal administrations to establish training budgets, and learn to prioritise
- The HRMA should consult with the UoM and some municipal administrations to find out how it can make training offered more practical and relevant to the needs of municipal administrations.

- The HRMA should lead experiments with alternative forms of training delivery, including computer based training. Computer based training could be particularly appropriate for those studying for the state exam.

12.5 Performance Management

Municipal administrations

- When a revised performance management process is made available, municipal administrations should formally decide to introduce the practice by a decision of the President/Mayor.
- Municipal administrations should adapt performance management procedures provided by the Union of Municipalities to their own specific needs, within the framework of the law, and have them approved by a resolution of the President of the Municipality or Mayor
- Municipal administrations should modify the Decision on Organisation so that the Chief Administrator's office has responsibility for overseeing and coordinating the performance management process.
- Municipal administrations should ensure that all staff in a supervisory position, including Presidents/Mayors, Chief Administrators and heads of departments, have training in performance management.
- Municipal administrations should designate one person to be a mentor for the municipality in performance management. That person should him/herself be in a supervisory position, should have more intensive training in performance management, and will be able to support other staff.
- The performance management mentor and Chief Administrator should give a basic training and introduction to all staff when the performance management process is implemented.
- Municipal administrations should respect the confidentiality of performance appraisals, and take all necessary steps to ensure that the results of performance appraisals are known only to the individual, his/her supervisor, the supervisor's supervisor and one person responsible for personnel administration.

Union of Municipalities

- The UoM, with support from the HRMA, should develop and test a model performance management procedure for municipal administrations
- The UoM should develop a training plan for training all supervisors in municipal administrations. This would probably involve training trainers, and identifying supporting funding from Ministry and the IPA 2010 Implementation of the National Training Strategy programme.
- The UoM should lead the implementation of the training programme for performance management in municipal administrations, with HRMA support.

Human Resources Management Authority

- The HRMA should revise the standard procedures and form for performance appraisal so that it is an annual performance management process, based on standard competencies, individual performance targets, and individual learning objectives.
- The revised standard procedures and associated training should be tested in 2-3 municipal administrations (and other state bodies as necessary) before being rolled out for use across the public sector.

13 A strategy for implementation

So far, this report has described the current situation with regard to human resource management in municipal administrations, described a picture for what improved HR management could look like, and given some specific recommendations for each of the key stakeholders.

If the improvements to HR management are going to be realised, these elements will not be sufficient. Three key factors will be required for success. The first is leadership of the efforts to reform HR management. This should come in the form of giving directions to the stakeholders on what they should be doing and when, monitoring the process of implementation, and modifying the strategy as necessary. The second is funding. With a diverse stakeholder base and a very varying financial situation across the 21 municipalities, paying for the reforms will be a crucial aspect of success. The final element of a strategy for implementation is the sequencing of reforms – making sure that actions take place in a logical sequence, each one building on the achievements of the previous.

The recommendations from this Functional Review should be implemented as far as possible within existing reform projects – implementation of the National Training Strategy, and the Public Sector Reform Strategy. It should not seek to add additional steering committees or coordination roles, but to integrate these recommendations into existing projects.

Leadership

At present, the reforms in the area of training are led by the National Training Council (for the implementation of the National Training Strategy). This body has so far been meeting regularly, monitoring implementation of the NTS, and making recommendations to the stakeholders.

This report recognises that reform to human resource management requires more than training, and covers issues of recruitment, HR planning and performance management as well.

While a body such as the National Training Council is necessary to provide legitimacy and oversight to a process of reform, there is also a need for a more active, full-time position of leadership to encourage all stakeholders to play their roles. This could come from the Union of Municipalities, or from the Ministry of Interior. Some discussion will be needed between the stakeholders to agree which institution should be providing daily, hands-on leadership, and how this can be properly mandated. Ultimately, responsibilities for implementation need to be clear, agreed between all parties, adequately resourced in both financial and human terms, and endowed with sufficient authority to achieve the necessary results.

Funding

One of the key recommendations of this report, that municipal administrations establish training budgets, is one of the ways in which the reforms proposed here will be funded. Further project funding will come from the IPA 2010 Implementation of the National Training Strategy programme. The IPA funding will be helpful for the start-up costs, and investments required in developing and testing procedures and training. In the longer term, municipal training budgets will help contribute to the ongoing development of human resource management. Other funding may be needed for specific initiatives, and this will have to be found either from Ministry budgets, or from additional project funding from EU or other donor sources.

Sequencing

The recommendations set out in this report cannot and should not all happen at once. The delay in the implementation of the new Law on Civil Servants to January 2013 provides a useful opportunity to put in place the support required before the law comes into effect.

The following table shows a possible sequence for implementation. In general, 2012 is the year for developing standards, procedures, and training. 2013 is the year for starting the work in practice for the first time. The following year, 2014, should be the year for beginning to undertake these HR processes more regularly and routinely, and for identifying any areas for improvement and continuous development.

2012

General

- Complete necessary down-sizing of staff in municipal administrations (Municipalities)
- Establish new responsibilities for Chief Administrators (Municipal administrations)
- Revise national training strategy to 1) expand scope to include HR Management and 2) clarify roles of stakeholders (National Training Council)
- Plan 'investing in people' award/campaign (HRMA)

HR Planning

- Develop and test methodology and format (UoM)
- Develop and deliver training (UoM)

Recruitment

- Develop and test standard procedures (UoM with HRMA support)
- Advertise vacancies more widely (municipal administrations)
- Amend law to prevent 1 candidate shortlists (HRMA)
- Modify instructions to inspectors to look more closely at recruitment processes in municipal administrations (Mol)

Training

- Establish training budget (41393) of 2% of payroll costs into 2013 budget
- Attend training on training needs assessment and training planning (Municipal administrations)
- Explore and plan connections between National Training Strategy for local government and the National Qualifications Framework (UoM)
- Develop standard set of competencies for local government (UoM)
- Develop methodology & training on training needs assessment and training planning (UoM)
- Look at options for voucher system for local government training (UoM)

Performance Management

- Revise performance management procedures (HRMA)
- Test performance management in municipal administrations (HRMA with UoM support)
- Develop performance management training programme and plan for training all supervisors in municipal administrations (UoM)
- Performance management mentors trained (UoM)

2013

HR Planning

- Develop first HR plans (Municipal administrations)
- Prepare first HR reports (Municipal administrations)

Recruitment

- Adapt and adopt recruitment procedures (Municipal administrations)
- Ensure 2-3 staff attend training in recruitment and selection (Municipal administrations)

Training

- Conduct training needs analysis (Municipal administrations)
- Develop training plan (Municipal administrations)
- Start implementation of training plan (Municipal administrations)
- Identify priority competencies for municipal administrations (UoM)
- Start with development of training to meet priority competencies (UoM)
- Identify 2-3 sets of priority competencies for developing pilot computer-based training courses (UoM)

Performance Management

- Adapt and adopt performance management procedures (Municipal administrations)
- Ensure supervisors all trained in performance management (Municipal administrations)
- Introduce performance management to all staff (Municipal administrations)
- Conduct first round of performance management cycle (Municipal administrations)
- Performance management 'mentors' in each municipality meet at least twice this year (Municipal administrations)

Annex 1 Specific Municipal Recommendations

The Functional Review of the HR function and management capacities in Montenegrin municipal administrations was tasked to provide specific recommendations for each municipality, based on their own needs and circumstances.

For municipalities to have specific recommendations is necessary for five main reasons.

First, as we have seen in Part I of this report, while the legal and institutional framework for municipalities is homogenous, there is a great deal of heterogeneity in the financial and practical aspects of their work.

As part of the move towards greater decentralisation, it should be recognised that different municipalities should respond in different ways, which are appropriate for their own circumstances.

Feasibility of specific courses of action is heavily determined by the financial situation of each municipality. Poorer, smaller municipalities may not be able to recruit new staff, for example. Equally, the action proposed should respond to the size of a municipality. Larger municipalities will require more work to introduce new practices, and the effects of reform will be greater.

Fourth, municipalities are implementing the instruction to establish an HR unit in different ways. Some have already established and recruited staff to a HR unit in the office of the Chief Administrator (e.g. Tivat), some have established a HR unit in the Decision on Organisation, but it is not functional in practice, while others have not incorporated HR functions into their Decision on Organisation. This means that recommendations must take account of their current status as the starting point for next steps.

Finally, by allowing different responses in different municipalities, it is possible to stimulate innovation, to test different practices and to assess those that are most effective. These different courses of action may evolve out of the specific knowledge, preferences, beliefs, or experiences of individuals within municipalities, and by testing new ideas, can add to the richness of experience and knowledge.

Therefore, the recommendations that follow take account of the homogenous legal framework, while at the same time responding to the specific conditions found in each municipality.

Municipality of Andrijevica

Current Organisational Structure



Description	Year	Value	Comment
Population	2011	5.071	Census data
Population change	2003 – 2011	-12%	Census data
Municipal expenditures	2010.	€779,321	Mol report
Municipal expenditure per person	2010	€154 (18/21)	Financial report/ census 2011
Number of employees (local administration)	2010	28	Mol report
Surplus/deficit (Mol report)	2010	/	Mol report
Number of recently employed (last year)	2011	3-4	Interview data
Number leaving/retiring	2011	1	Interview data
Number of employees (interview data)	2011	28	Interview data
Budget for training (41393)	2010	€30,000	Interview data

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Service for general affairs, civic affairs, urban planning, residential and communal affairs, commerce and inspection affairs, under the Secretariat for Local Administration.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to Unit for General Administration. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Unit for General Administration takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to Service for general affairs, and it envisages “preparation of a proposed training programme for civil servants and interns and provides assistance with implementation of training and human resources development“. According to the Municipality’s website, the Chief Administrator is responsible for “proposing training programmes for local civil servants“. This function is not currently being performed nor is it included in the original text of the Decision on Organisation. The current budget for training and development in this municipality is €30,000. Responsibility over expenditure of this amount is under the President.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. The Municipality has developed its own performance evaluation approach based on a report system which foresees regular reports prepared by the Secretary of the secretariat. The reports mainly task-based, and are given to the President for review. These reports are also a basis for possible disciplinary actions.

Recommendations for Municipality of Andrijevica

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;

- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most

qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Continue to maintain a training budget and find ways of spending it according to the training needs.

The President should continue to include an amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located in the Unit for General Administration, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Unit for General Administration

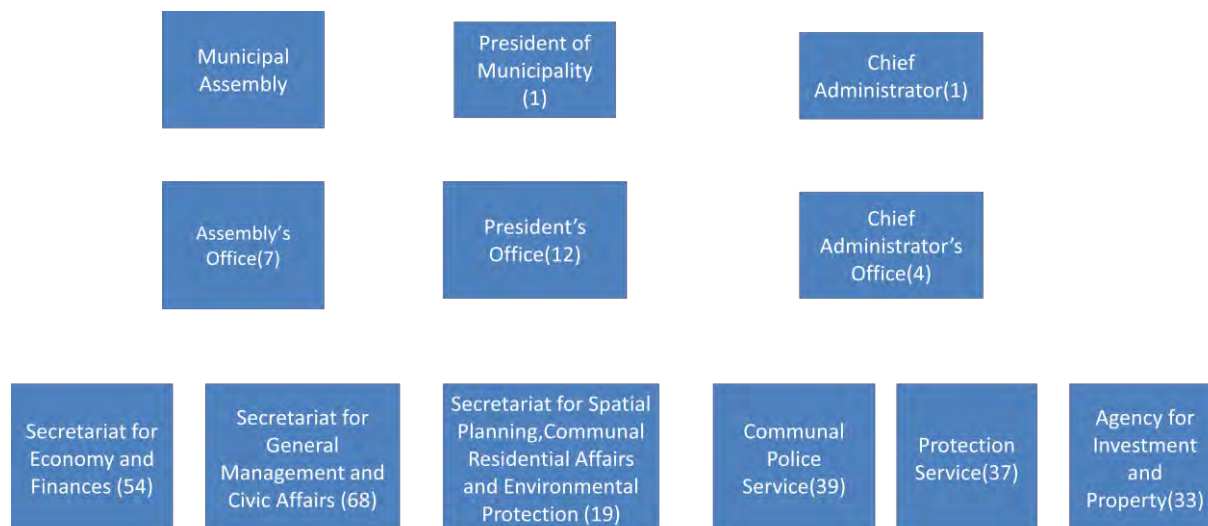
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Unit for General Administration.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for Local Management and the head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

MUNICIPALITY OF BAR

Current organisational structure



Description	Year	Value	Comment
Population	2011	42.041	Census data
Population change	2003 – 2011	+5%	Census data
Municipal expenditures	2009.	€11.6m	MUP spreadsheet
Municipal expenditure per person	2010	€275	Financial report/ census 2011
Number of employees (local administration)	2010	301	Mol Report
Surplus/deficit (Mol report)	2010	46	Mol Report
Number of recently employed (last year)	2011	1-2	Interview
Number leaving/retiring	2011	4-5	Interview
Number of employees (interview data)	2011	275	List of employees
Budget for training (41393)	2010	Plan €1.500 Actual €909.00	Financial report 2010.

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Department for General Management within the Secretariat for General Management and Civic Affairs. According to the Act on systematization, there is a Senior Advisor for working relations designated to perform these functions.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to Department for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Department for General Management takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to Department for General Management for, and it envisages “preparation of programmes for professional improvement of civil servants and interns and oversees implementation of training and human resources development“. The Act on Systematization envisages that training needs analyses and assistance in organising and implementation of trainings is, also, a responsibility of this Department. These tasks are not currently being performed. The current budget for training and development in this municipality is €1.500. Responsibility for expenditure of this amount is with the President.

1.5 Performance management

The performance appraisal system proposed by central government has been introduced. Responsibility for coordination of performance appraisals is with the Secretariat for General Management. The system is based on a rule that heads of units perform evaluation of their staff, and Secretary give final signature, after which evaluation sheets are given to the President for review, usually during collegiums or on demand. The general opinion of this system is that it could be revised and improved.

Recommendations for Municipality of Bar

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;

- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically

for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

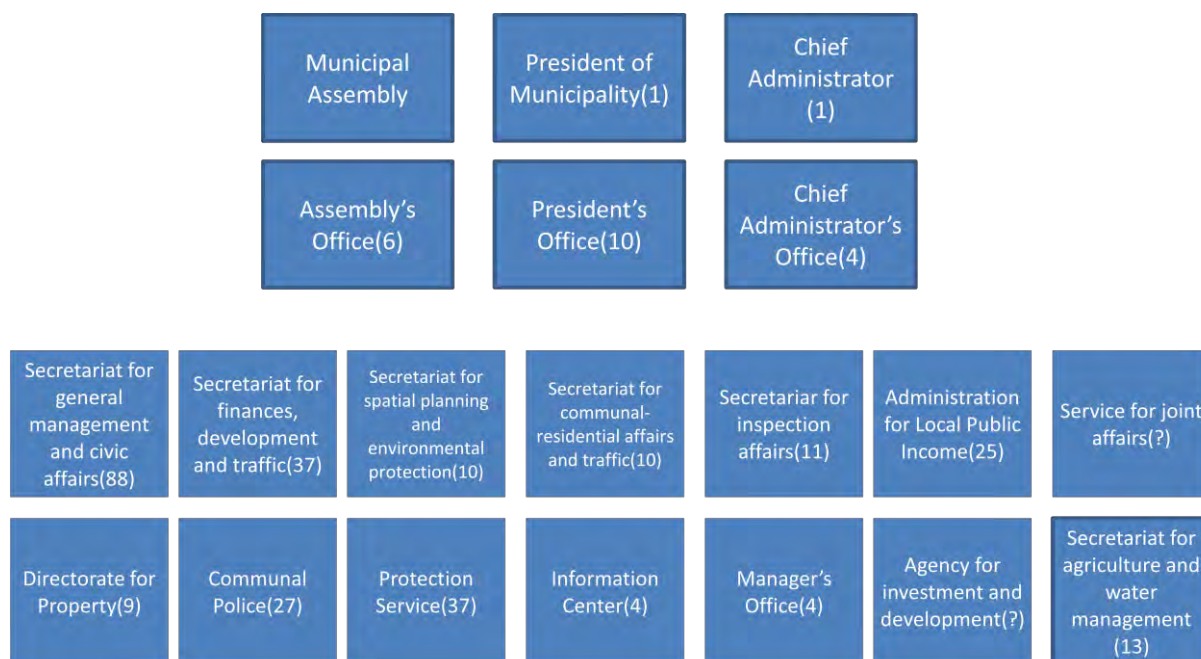
The personnel administration functions should remain where they are located in the Unit for General Administration, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Department for General Management.

As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Department for General Management.

Municipality of Berane

Current organisational structure



Description	Year	Value	Comment
Population	2011	33.970	Census data
Population change	2003 – 2011	-3%	Census data
Municipal expenditures	2010.	€4.8 m	Mol
Municipal expenditure per person	2010	€141 (20/21)	Financial report/ census 2011
Number of employees (local administration)	2010	241	Mol report
Surplus/deficit (Mol report)	2010	127	Mol Report
Number of recently employed (last year)	2011	0	Interview
Number leaving/retiring	2011	0	Interview, list
Number of employees (interview data)	2011	297	Act on Systematization
Budget for training (41393)	2010	/	No data

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management and Civic Affairs, and are performed at the level of a separate HR Unit. According to the Act on systematization, there is a Senior Advisor II for working relations and HR management designated to perform these functions, as the function of central human resources evidence is a responsibility of Associate III.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the HR Unit. There is no written municipal procedure for the recruitment procedure as a whole. In practice the HR Unit takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants. Recruitment and selection procedures in accordance with the Law on civil servants were closely explained to individuals dealing with them, so there are no doubts is practicing them, but these practical steps are not formally adopted, nor written as guidance for future usage.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the HR Unit, and it envisages “preparation of programmes for professional development of civil servants and interns and oversees and coordinates implementation of training and human resources development“. The Act on Systematization envisages that training needs analyses and assistance in organising and implementation of training is, also, a responsibility of this Department. These tasks are not currently being performed. There is no data on the current budget for training and development in this municipality.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Berane

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;

- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most

qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues.

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Move training and professional development responsibility from the HR Unit to the office of the Chief Administrator

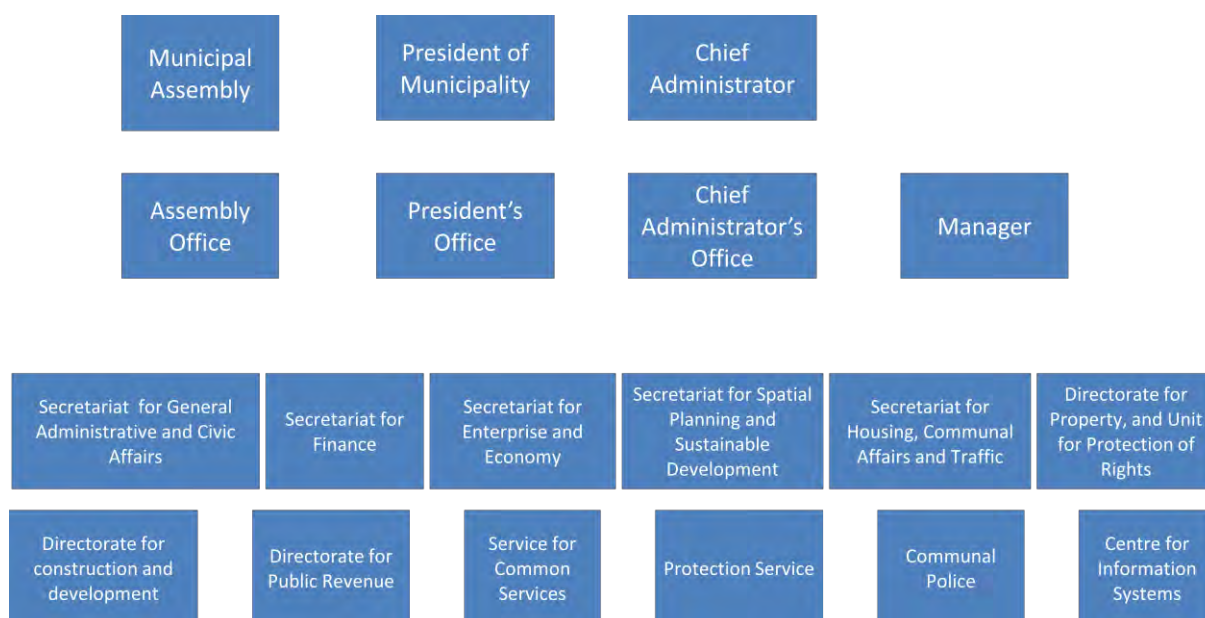
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat for General Administration and Civic Affairs.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Bijelo Polje

Current organisational structure



Description	Year	Value	Comment
Population	2011	46.051	Census data
Population change	2003 – 2011	-8%	Census data
Municipal expenditures	2010.	€7.3m	Financial Report
Municipal expenditure per person	2010	€159	Financial report/ census 2011
Number of employees (local administration)	2010	348	Mol Report
Surplus/deficit (Mol report)	2010	130	Mol Report
Number of recently employed (last year)	2011	1	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011		
Budget for training (41393)	2011	/ no	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Managerial and Civic Affairs. According to the Act on systematization, there is a Senior Advisor for Human Resources designated to perform these functions.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Managerial and Civic Affairs. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes an active role in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, proposing of training and development plan is delegated to the Chief Administrator, while the implementation of it is under the Secretariat. These functions are not currently being performed. There is no established budget for training and development, according to the financial report from 2010.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Bijelo Polje

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for general managerial and Civic Affairs.

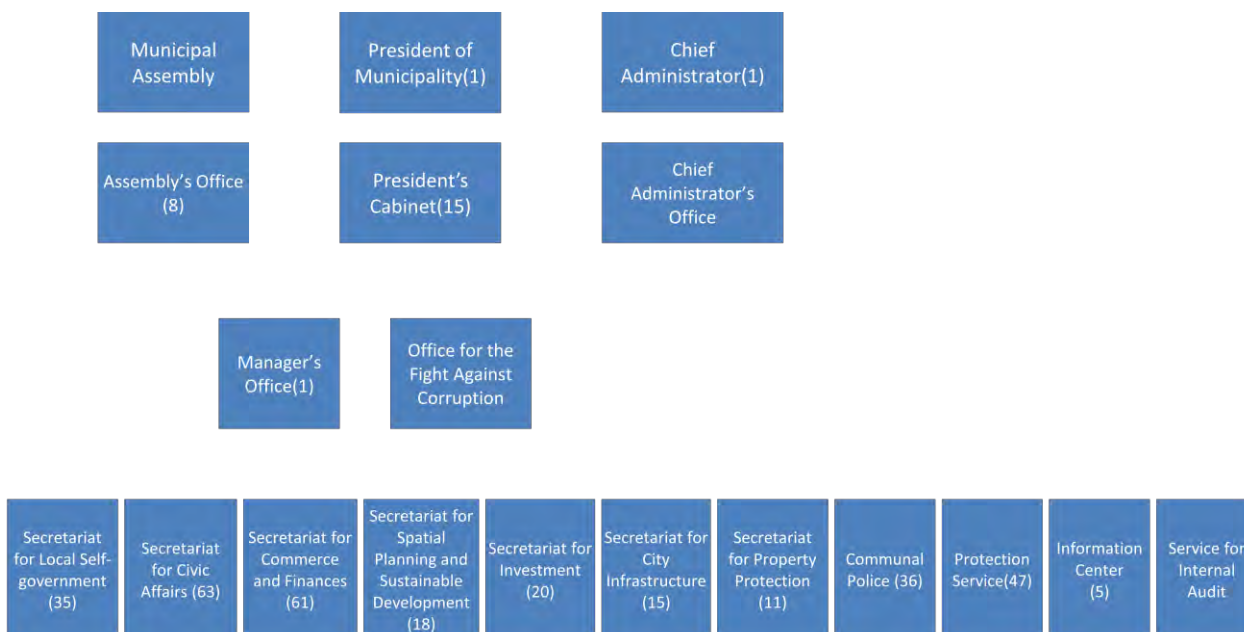
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Managerial and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Budva

Current organisational structure



Description	Year	Value	Comment
Population	2011	19.218	Census data
Population change	2003 – 2011	+21%	Census data
Municipal expenditures	2010	€40.2m	Mol Report
Municipal expenditure per person	2010	€2.091	Financial report/ census 2011
Number of employees (local administration)	2010	390	Mol Report
Surplus/deficit (Mol report)	2010	112	Mol Report
Number of recently employed (last year)	2011	around 11	Interview
Number leaving/retiring	2011	30-40 people applied	Interview
Budget for training (41393)	2010	/	Financial Report and interview

Summary of Findings

1.1 HR Administration

According to the new Decision on Organisation from September 2011, HR administration activities are delegated to the Secretariat for Local Self-government, and are performed at the level of a separate HR Unit.

1.2 Human Resources Planning

HR planning is not currently being carried out.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to HR Unit. There is no written municipal procedure for the recruitment procedure as a whole. In practice the HR Unit takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to HR Unit, and it envisages “preparation of programmes for professional development of civil servants and interns and oversees and coordinates implementation of training and human resources development“. The Decision on Organisation envisages that training needs analyses and assistance in organising and implementation of trainings is, also, a responsibility of this Unit. These tasks are not currently being performed. Currently, there is no budget for training and development in this municipality.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. In addition, responsibility for overseeing the performance appraisal practice lies with the Secretariat, or, to be more precise, with the HR Unit.

Recommendations for Municipality of Budva

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for coordinating and overseeing the HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an opinion to HR annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Assign responsibility for HR planning to the Secretary of the Secretariat for Local Self-government.

Revise the Decision on Organisation so that it includes the following responsibilities for the Secretary of the Secretariat for Local Self-government:

- The Secretary is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality, and obtained opinion from the Chief Administrator.
- The Secretary is responsible for preparing an HR annual report to the President of the Municipality on the progress of implementation of the human resources plan, after obtaining opinion of the Chief Administrator.

Recommendation 2.1.3: Develop a 2-3 year Human Resources plan

The Secretary of the Secretariat for Local Self-government should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, Chief Administrator and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Secretary would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.4: Annual HR report for Assembly

The Secretary of the Secretariat for Local Self-government should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Secretariat for Local Self-governance with obtained opinion of the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Secretary of the Secretariat for Local-self-government, in consultation with the President, Chief Administrator and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and Secretary of the Secretariat for Local Self-government should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training activities implementation coordination and overseeing function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “the Chief Administrator is responsible for coordinating and overseeing all training related activities, training needs assessment and training plan.”
- The Chief Administrator is responsible for overseeing the implementation of the training plan.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Secretary of the Secretariat for Local Self-government should prepare training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Secretary of the Secretariat for Local Self-government should develop a training plan in close consultation with the President, Chief Administrator and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Secretary of the Secretariat for Local Self-government should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Secretary of the Secretariat for Local Self-government should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Secretary of the Secretariat for Local Self-government should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Secretary of the Secretariat for Local Self-government should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for ensuring the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for ensuring the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Secretary of the Secretariat for Local Self-government, in consultation with President, Chief Administrator and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate The Secretary of the Secretariat for Local Self-government as a person to have more intensive training in performance management (‘Performance Management Mentor’).

The Secretary of the Secretariat for Local Self-government, with the approval of the President, should be designated in the municipality to be a mentor and advisor to other supervisory staff. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues.

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

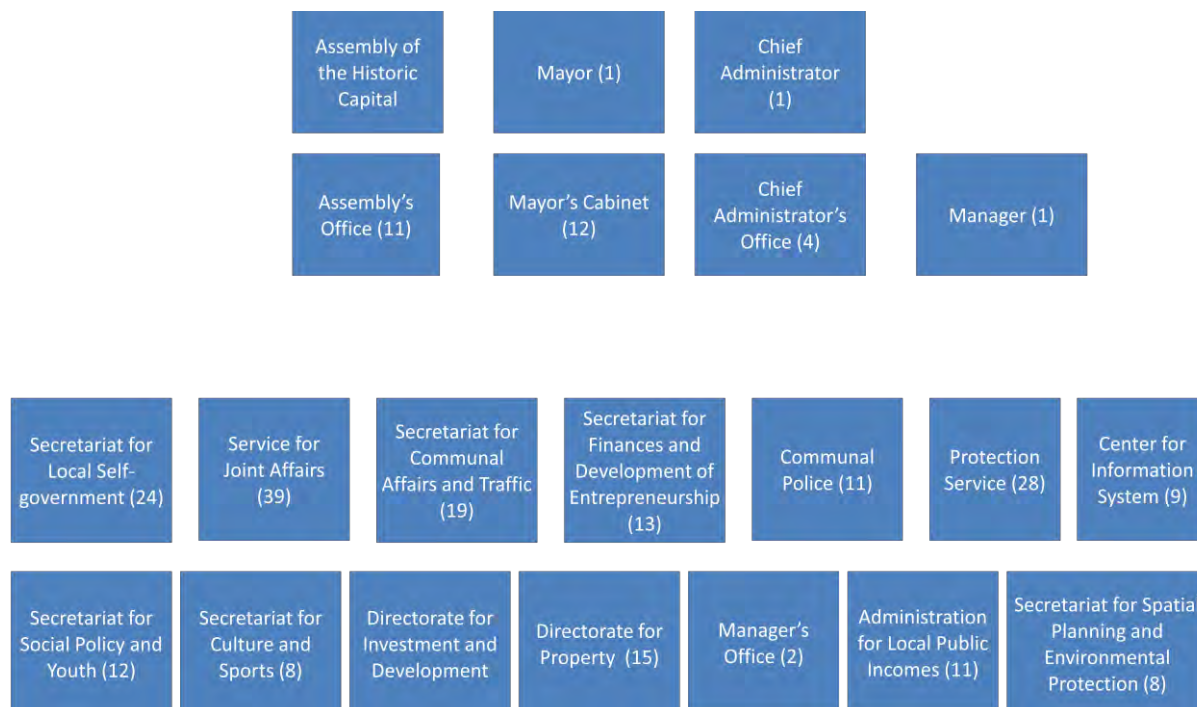
The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for Local Self-government and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Historic Capital of Cetinje

Current organisational structure



Description	Year	Value	Comment
Population	2011	16.657	Census data
Population change	2003 – 2011	-10%	Census data
Municipal expenditures	2010.	€3.6m	Mol Report
Municipal expenditure per person	2010	€219	Financial report/ census 2011
Number of employees (local administration)	2010	220	Mol Report
Surplus/deficit (Mol report)	2010	40 (including public services)	Mol Report
Number of recently employed (last year)	2011	New ruling structure	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	270	Interview
Budget for training (41393)	2011	1.139.00eur	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for Local Self-government. The Act on Systematization of that Secretariat envisages one position for Senior Advisor I for working relations and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for Local Self-government. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages “preparation of programmes for professional development of civil servants and interns and a coordinates implementation of training and human resources development“. The Act on Systematization envisages that training needs analyses and assistance in organising and implementation of trainings is, also, a responsibility of this Unit, whereas Chief Administrator has the responsibility of overseeing activities related to training and analyzing the effects of those trainings. These tasks are not currently being performed. The current budget for training and development in this municipality is €1.139.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. In addition, responsibility for overseeing the performance appraisal practice lies with the Secretariat, or, to be more precise, with the Senior Advisor II for working relations and HR management.

Recommendations for Municipality of Cetinje

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;

- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most

qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including Mayor, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for Local Self-governance.

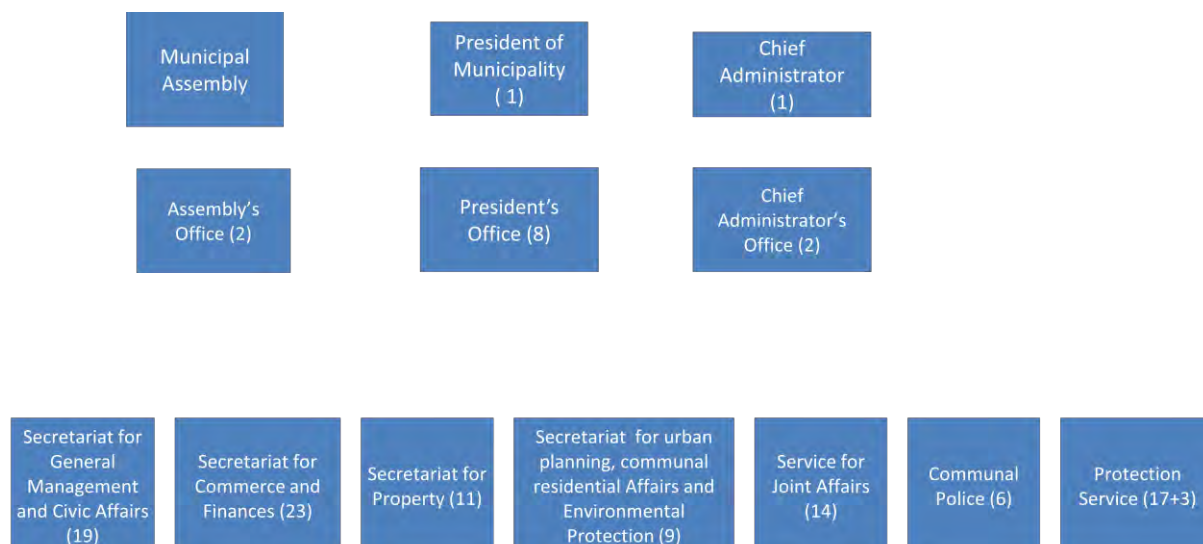
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for Local Self-government and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Danilovgrad

Current organisational structure



Description	Year	Value	Comment
Population	2011	18.472	Census data
Population change	2003 – 2011	+12%	Census data
Municipal expenditures	2010.	€2.4m	Mol Report
Municipal expenditure per person	2010	€127	Financial report/ census 2011
Number of employees (local administration)	2010	115	Mol Report
Surplus/deficit (Mol report)	2010	/	Mol Report
Number of recently employed (last year)	2011	/	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	116	Interview
Budget for training (41393)	2010	€3.208	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Department for General Affairs, within the Secretariat for General Management and Civic Affairs. The Act on Systematization of that Secretariat envisages two positions for Senior Advisor III for HR management and Senior Advisor II for central human resources record keeping.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management and Civic Affairs. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes an active role in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation preparation of programmes for professional development of civil servants is delegated to Chief Administrator. These tasks are not currently being performed. The current budget for training and development in this municipality is €3.208.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Danilovgrad

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

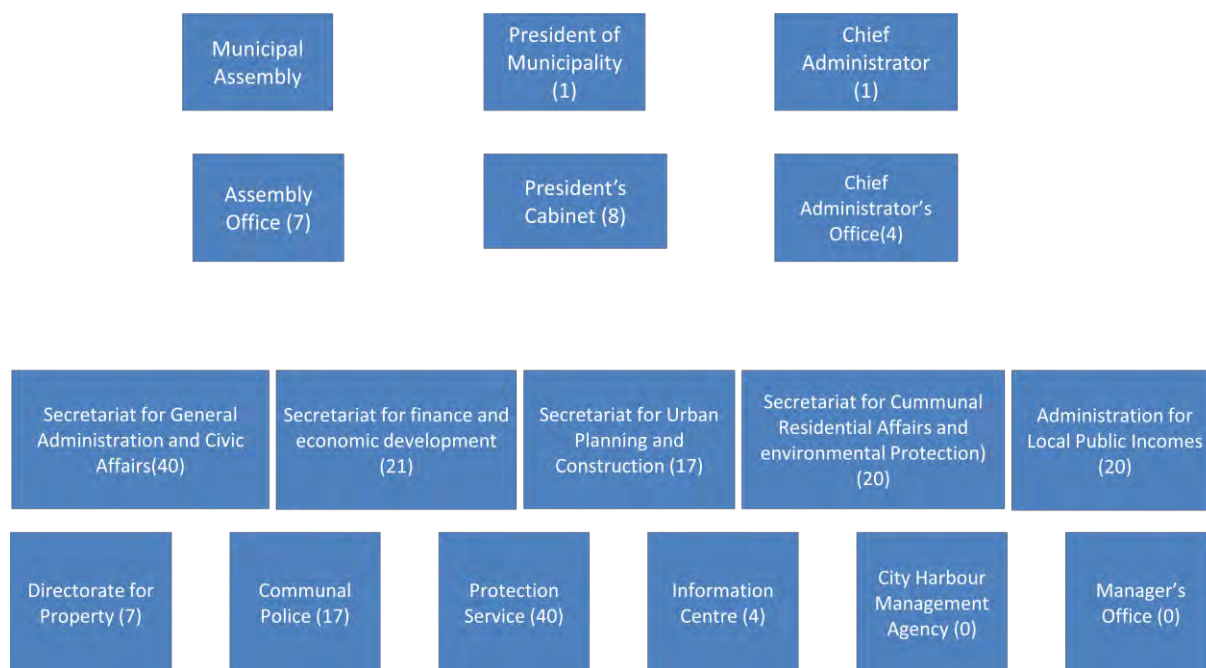
The personnel administration functions should remain where they are located, within the Secretariat.

Recommendation 2.5.2: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Herceg Novi

Current organisational structure



Description	Year	Value	Comment
Population	2011	30.864	Census data
Population change	2003 – 2011	-7%	Census data
Municipal expenditures	2010	€8.8m	Mol Report
Municipal expenditure per person	2010	€284	Financial report/ census 2011
Number of employees (local administration)	2010	237	Mol Report
Surplus/deficit (Mol report)	2010	33	Mol Report
Number of recently employed (last year)	2011	/	Interview
Number leaving/retiring	2011	17	Interview
Number of employees (interview data)	2011	212	Interview
Budget for training (41393)	2010	No data	Interview

Summary of Findings

1.1 HR Administration

According to the new Decision on Organisation from September 2011, HR administration activities are delegated to the Secretariat for General Management and Civic Affairs.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management and Civic Affairs. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Chief Administrator's office, and it envisages preparation of programmes for professional development of civil servants and interns and oversees implementation of training and human resources development. These tasks are not currently being performed, since a new Decision on Organisation came into force in September 2011. There is no data on current budget for training and development in this municipality.

1.5 Performance management

The performance appraisal system proposed by central government was introduced two years ago, but the system was not functioning properly because of the lack of realistic evaluation. At that time, performance appraisals overseeing function was under the Secretariat. Now, according to the Decision on Organisation, it is under the Chief Administrator's office.

Recommendations for Municipality of Herceg Novi

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.2: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.3: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.4: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.5: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.2: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.3: Support the local servant from Chief Administrator's office in developing into a Performance Management Mentor, in order to be able to provide support and guidance to other supervisory staff in HR management.

He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues.

Recommendation 2.4.4: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain within the Secretariat.

The personnel administration functions should remain with the Secretariat.

Recommendation 2.5.2: Designate a second person as support to local servant for HR management from Chief Administrator's office, to participate in training regarding performance management.

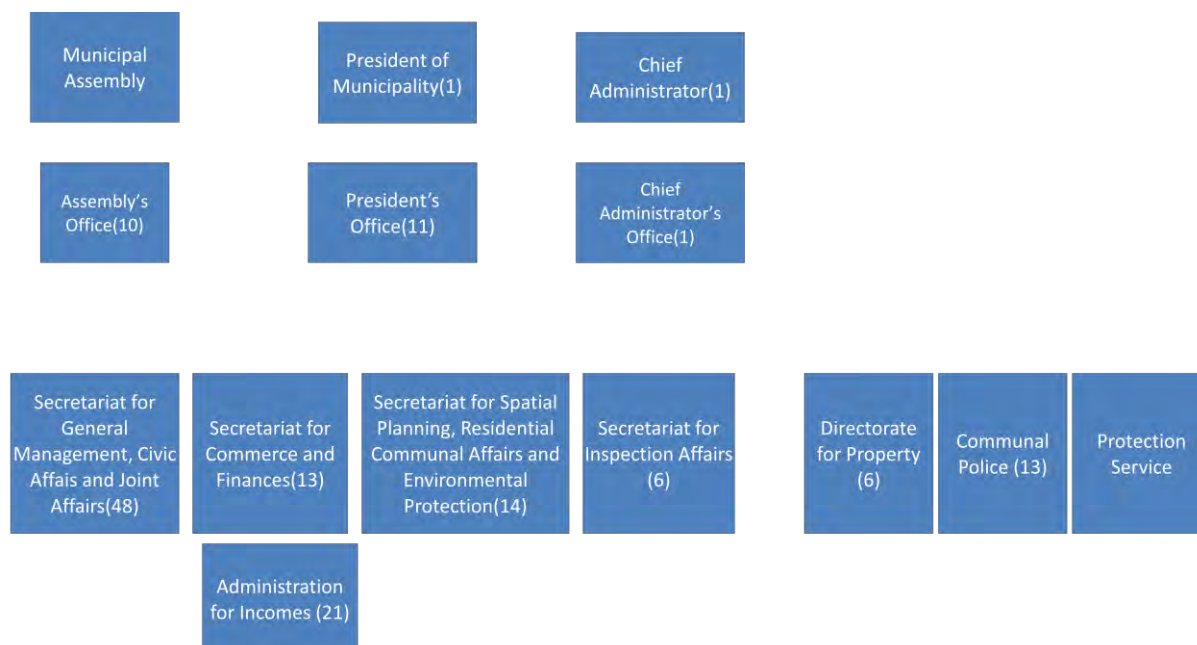
It is expected that this person should be in supervisory position and represent additional support to the local servant for HR management from the Chief Administrator's office in advising colleagues on performance management procedure and practice.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for Local Self-government and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Kolašin

Current organisational structure



Description	Year	Value	Comment
Population	2011	8.380	Census data
Population change	2003 – 2011	-16%	Census data
Municipal expenditures	2010.	€2.2m	Mol Report
Municipal expenditure per person	2010	€262	Financial report/ census 2011
Number of employees (local administration)	2010	160	Mol Report
Surplus/deficit (Mol report)	2010	63	Mol Report
Number of recently employed (last year)	2011	6	Interview
Number leaving/retiring	2011	approx. 48 people applied	Interview
Number of employees (interview data)	2011	145	Staff list
Budget for training (41393)	2010	€1.919	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management. The Act on Systematization of this Secretariat envisages one position for Senior Advisor I for HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages training needs analyses, preparation of programmes for professional development of civil servants and interns and coordinates implementation of training and human resources development, whereas the Chief Administrator has the responsibility of overseeing activities related to training and analyzing the effects of those trainings. These tasks are not currently being performed. The current budget for training and development in this municipality is €1.919.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. In addition, responsibility for overseeing the performance appraisal practice lies with the Secretariat.

Recommendations for Municipality of Kolašin

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for General Management.

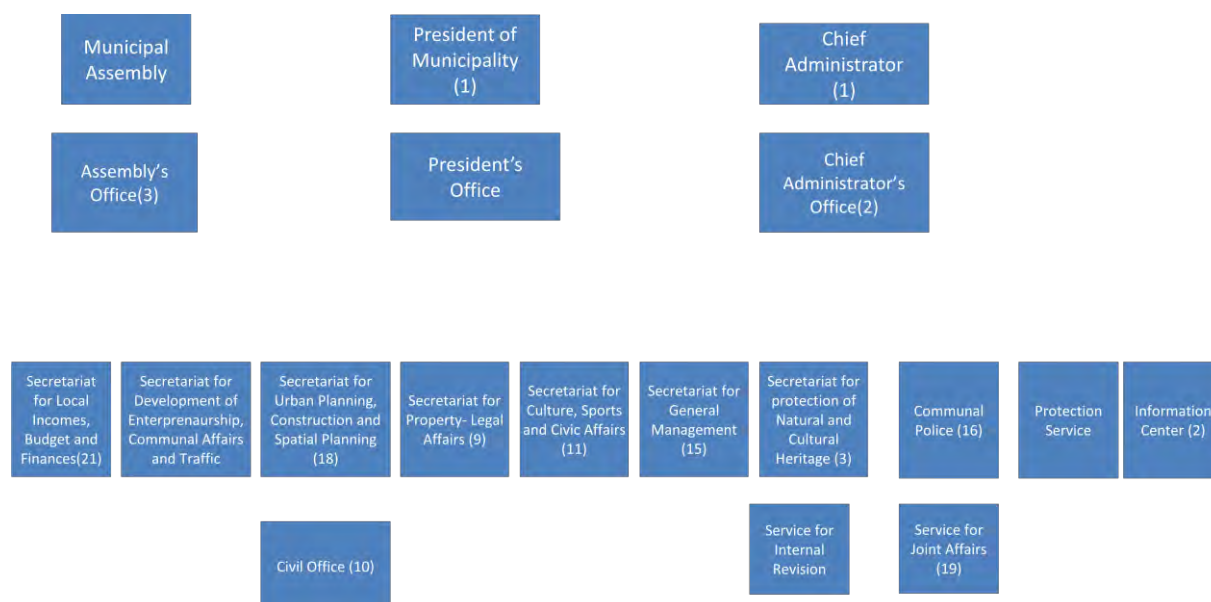
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Kotor

Current organisational structure



Description	Year	Value	Comment
Population	2011	22,601	Census data
Population change	2003 – 2011	-1.5%	Census data
Municipal expenditures	2010	€7.7 million	Municipal financial report
Municipal expenditure per person	2010	€341	Financial report/ census 2011
Number of employees (local administration)	2010	198	MUP report
Surplus/deficit (MoI report)	2010	7	MUP report
Number of recently employed (last year)	2011	7	From interviews
Number leaving/retiring	2011	10	From interviews
Number of employees (interview data)	2011	153	From interviews
Budget for training (41393)	2010	€1.265	Municipal financial report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management. The Act on Systematization of that Secretariat envisages one position for Senior Advisor I for personnel and general management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, the subject of training and development of civil servants is not tackled. The current budget for training and development in this municipality is €1.265.

1.5 Performance management

The performance appraisal system proposed by central government was introduced last year. According to interviewees, there were problems with the objectiveness of appraisals, and so the practice ended.

Recommendations for Municipality of Kotor

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

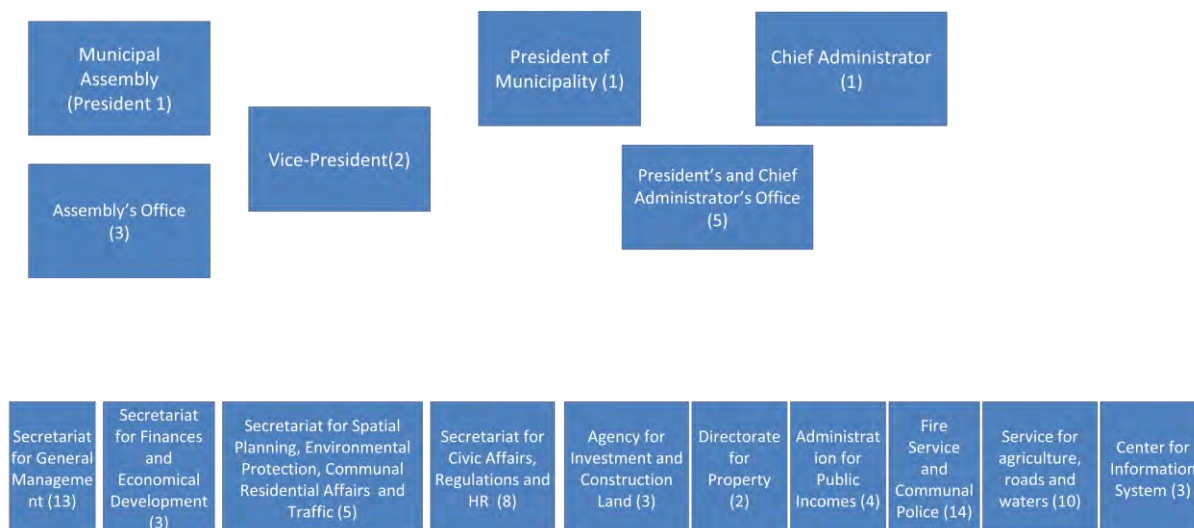
The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Mojkovac

Current organisational structure



Description	Year	Value	Comment
Population	2011	8.622	Census data
Population change	2003 – 2011	-14%	Census data
Municipal expenditures	2010	€1.7m	Mol Report
Municipal expenditure per person	2010	€192	Financial report/ census 2011
Number of employees (local administration)	2010	66	Mol Report
Surplus/deficit (Mol report)	2010	10	Mol Report
Number of recently employed (last year)	2011	3	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	77	Staff list
Budget for training (41393)	2010	€2.145	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for Civic Affairs, Regulations and Human Resources. The Act on Systematization of that Secretariat envisages one position for Senior Advisor II for regulations and human resources.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for Civic Affairs, Regulations and Human Resources. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes an active role in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages preparation of programmes for professional development of civil servants and interns, assistance in implementation of training and human resources development, as well as providing expert assistance to Chief Administrator and President in human resources matters. The Chief Administrator has responsibility for proposing training for civil servants. Training needs analyses is not tackled. These tasks are not currently being performed. The current budget for training and development in this municipality is €2.145.

1.5 Performance management

The performance appraisal system proposed by central government was introduced approximately three years ago. As a result of lack of objectivity in evaluating performance, the practice came to an end.

Recommendations for Municipality of Mojkovac

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for Civic Affairs, Regulations and Human Resources.

As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for Civic Affairs, Regulations and Human Resources and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Nikšić

Current organisational structure



Description	Year	Value	Comment
Population	2011	72.443	Census data
Population change	2003 – 2011	-4%	Census data
Municipal expenditures	2010.	€15.8m	Financial Report
Municipal expenditure per person	2010	€219 (14/21)	Financial report/ census 2011
Number of employees (local administration)	2010	617	Mol Report
Surplus/deficit (Mol report)	2010	/	Mol Report
Number of recently employed (last year)	2011	/	Interview
Number leaving/retiring	2011	270+240	Interview
Number of employees (interview data)	2011	435	Staff list
Budget for training (41393)	2010	€2,333	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to a separate HR Unit within the Secretariat for Local Self-government and General Managerial Affairs.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for Secretariat for Local Self-government. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages training needs analyses, preparation of programmes for professional development of civil servants and interns and coordinates implementation of training and human resources development. The Chief Administrator has responsibility for overseeing activities related to training and analysing the impact of training. These tasks are not currently being performed. The current budget for training and development in this municipality is €2.333.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. Formal responsibility for overseeing the performance appraisal process lies with the Secretariat.

Recommendations for Municipality of Nikšić

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Clarify and assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located – in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for Secretariat for Local Self-government.

As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for Local Self-government and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Plav

Current organisational structure



Description	Year	Value	Comment
Population	2011	13.108	Census data/Monstat
Population change	2003 – 2011	-5%	Census data/Monstat
Municipal expenditures	2010.	€1.85m	Mol Report
Municipal expenditure per person	2010	€141	Financial report/ census 2011
Number of employees (local administration)	2010	80	Mol Report
Surplus/deficit (Mol report)	2010	3	Mol Report
Number of recently employed (last year)	2011	2	Interview
Number leaving/retiring	2011	1	Interview
Number of employees (interview data)	2011	121- 124(total)	Interview
Budget for training (41393)	2010	€537	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management. The Act on Systematization of this Secretariat envisages one position for Senior Advisor for labour relations and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages preparation of programmes for professional development of civil servants. These tasks are not currently being performed. The current budget for training and development in this municipality is €537.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. Responsibility for overseeing the performance appraisal process lies with the Secretariat.

Recommendations for Municipality of Plav

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within

local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the following example.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for General Management.

As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Pljevlja

Current organisational structure



Description	Year	Value	Comment
Population	2011	30.786	Monstat
Population change	2003 – 2011	-23%	Monstat
Municipal expenditures	2010	€8.0	Mol Report
Municipal expenditure per person	2010	€260 (11/21)	Mol 2010/Monstat 2011
Number of employees (local administration)	2010	241	Mol Report
Surplus/deficit (Mol report)	2010	36	Mol Report
Number of recently employed (last year)	2011	0	Interview
Number leaving/retiring	2011	24	Staff list
Number of employees (interview data)	2011	254	Staff list
Budget for training (41393)	2009	€6.035	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management. The Act on Systematization of this Secretariat envisages one position for Senior Advisor for working relations and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages preparation of programmes for professional development of civil servants. These tasks are not currently being performed. The current budget for training and development in this municipality is €6.035.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. Responsibility for overseeing the performance appraisal process lies with the Secretariat.

Recommendations for Municipality of Pljevlja

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within

local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a centralised training budget and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for General Management.

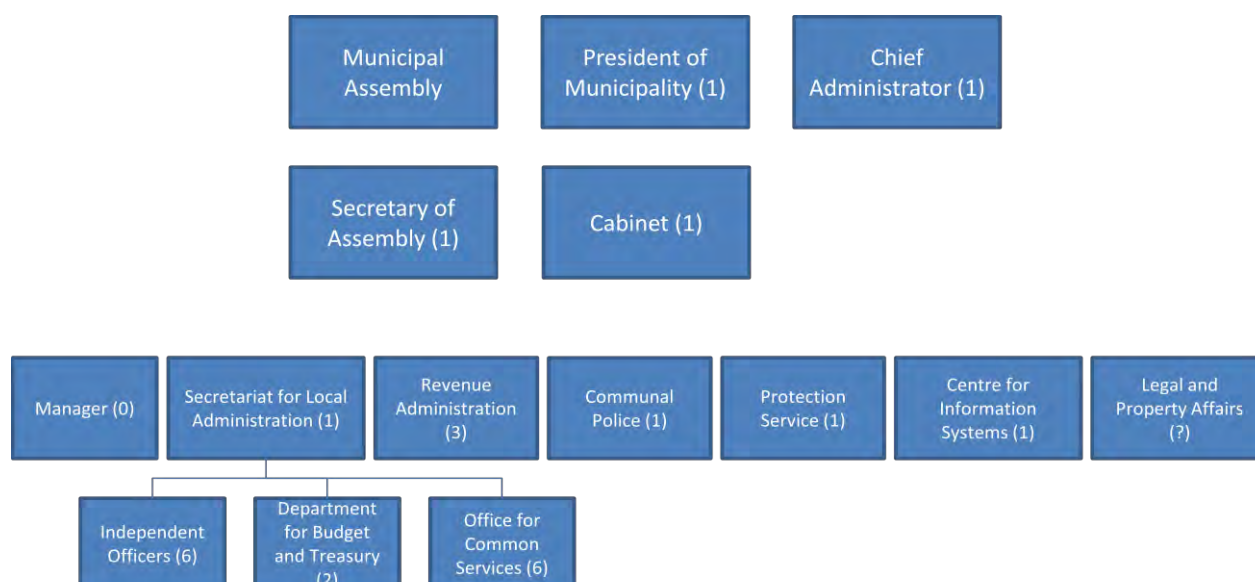
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary for General Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Plužine

Current organisational structure



Description	Year	Value	Comment
Population	2011	3.246	Monstat
Population change	2003 – 2011	-24%	Monstat
Municipal expenditures	2010.	€3.2m	Mol Report
Municipal expenditure per person	2010	€997 (2/21)	Mol/Monstat
Number of employees (local administration)	2010	34	Mol Report
Surplus/deficit (Mol report)	2010	10	Mol Report
Number of recently employed (last year)	2011	0	Interview
Number leaving/retiring	2011	9-15	Interview
Number of employees (interview data)	2011	31	Staff list
Budget for training (41393)	2010	no	Interview

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat of Local Administration. The Act on Systematization of this Secretariat envisages one position for a Senior Advisor for personnel and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat of Local Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training needs analyses and assistance in organising trainings is delegated to the Secretariat, while the Chief Administrator has responsibility for preparing a proposed training plan. These tasks are not currently being performed. There is no budget for training and development in this municipality.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Plužine

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a centralised training budget and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat of Local Management.

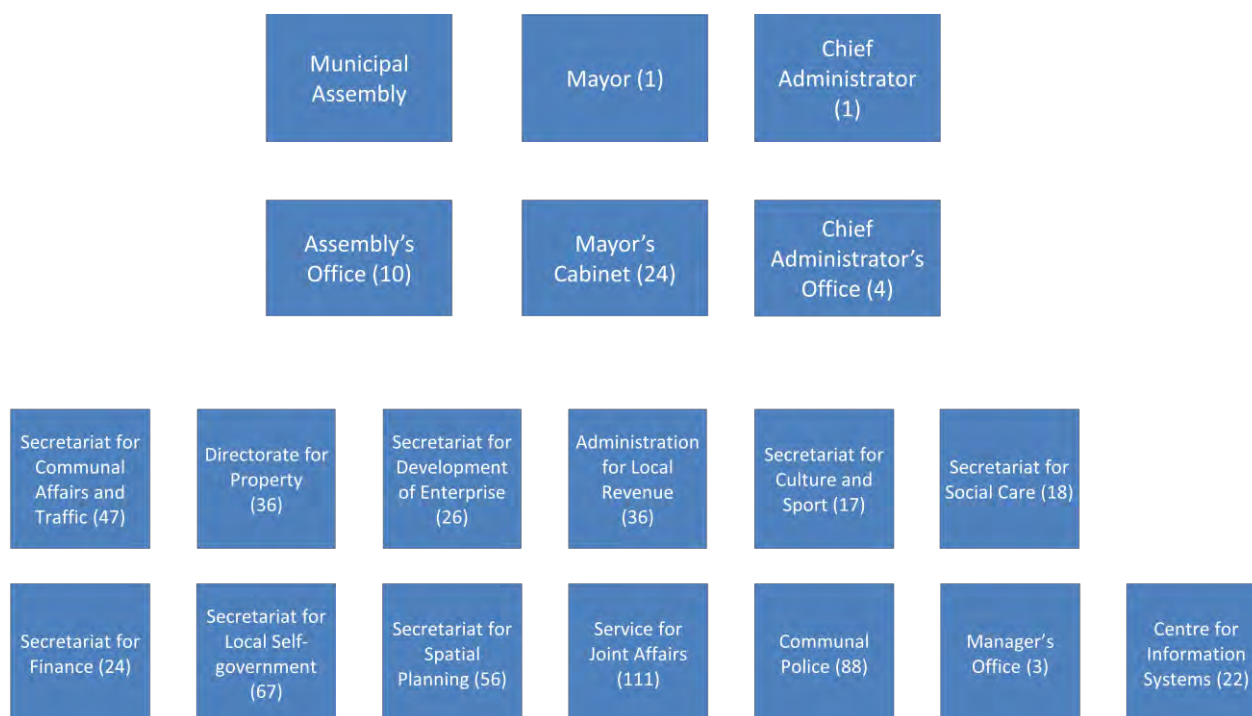
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat of Local Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Capital City of Podgorica

Current organisational structure



Description	Year	Value	Comment
Population	2011	185.937	Census data
Population change	2003 – 2011	+10%	Census data
Municipal expenditures	2010.	€46.5m	Financial Report
Municipal expenditure per person	2010	€250	Financial report/ census 2011
Number of employees (local administration)	2010	685	Mol Report
Surplus/deficit (Mol report)	2010	278	Mol Report, total
Number of recently employed (last year)	2011	/	No data
Number leaving/retiring	2011	Approx. 100	Interview
Number of employees (interview data)	2011	602	Staff list, protection service excluded
Budget for training (41393)	2011	/	No data

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Department for General Affairs, within the Secretariat for Local Self-government. The Act on Systematization of this Secretariat envisages three positions related to HR management: two positions of Senior Advisor I for training of staff and one position of Senior Advisor I for personnel.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for Local Self-government. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating lists of candidates and forming selection commissions, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training needs analyses, organising and coordinating trainings is delegated to the Secretariat, as well as the responsibility over preparation of a training plan proposal. The Chief Administrator has a responsibility of overseeing activities related to training and HR development. These tasks are regularly being performed in Capital City. There is no data on budget for training and development in Podgorica.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced, but the needed framework for its implementation is established.

Recommendations for Capital City of Podgorica

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the following example.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: Develop a career progression strategy;

Where there will be a need for specific high-level skills in the future, identify individuals who could be trained and given experience to eventually fill these roles.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

The Chief Administrator should look for expert assistance from the Secretary of the Secretariat for Local Self-government regarding the preparation of this assessment.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and the Secretary of the Secretariat for Local Self-government, as well as with Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including Mayor, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for Local Self-government.

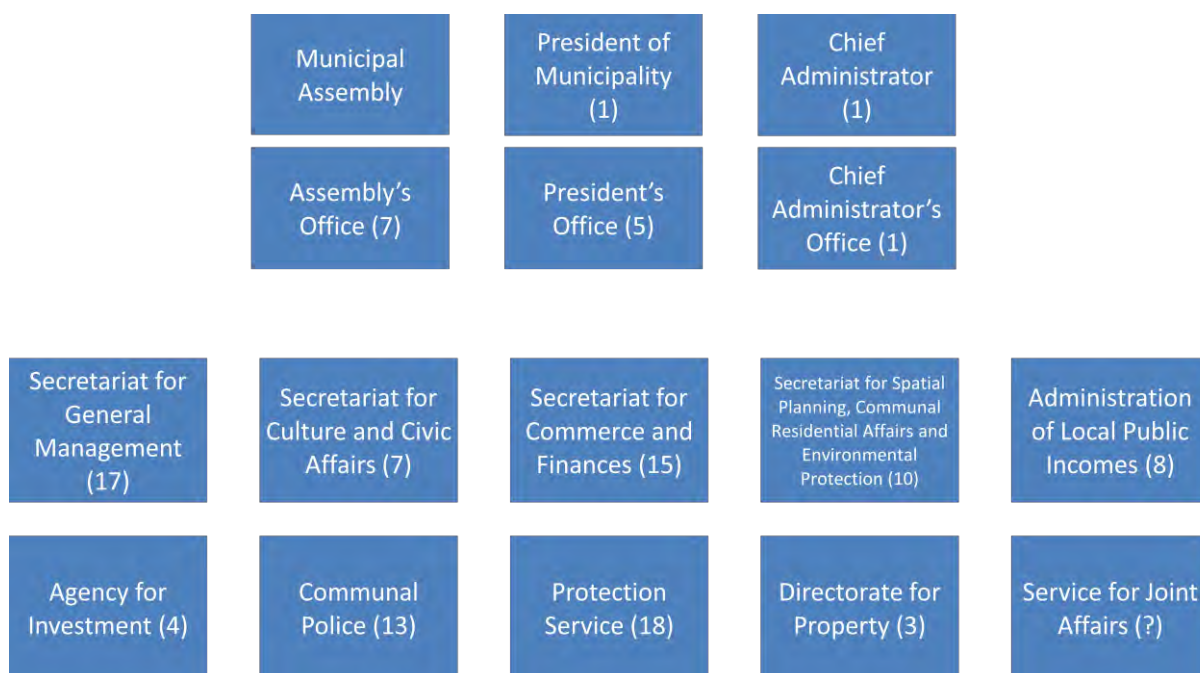
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for Local Self-government and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Rožaje

Current organisational structure



Description	Year	Value	Comment
Population	2011	22.964	Census data
Population change	2003 – 2011	+1%	Census data
Municipal expenditures	2010.	€3.1m	MUP
Municipal expenditure per person	2010	€135 (21/21)	Financial report/ census 2011
Number of employees (local administration)	2010	105	Mol Report
Surplus/deficit (Mol report)	2010	/	Mol report
Number of recently employed (last year)	2011	0	Interview
Number leaving/retiring	2011	0	Staff list
Number of employees (interview data)	2011	110	July 2011 payroll
Budget for training (41393)	2010	No precise data	Interviews suggest around €50,000 is available for various types of human resource development.

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Management. The Act on Systematization of this Secretariat envisages one position for Senior Advisor I for working relations.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for General Management. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, responsibility for preparation and proposal of professional development programmes for civil servants and interns is with the Secretariat. These tasks are not currently being performed. The current budget for training and development in this municipality is not clearly defined, but there is a significant amount of approximately €50.000 allocated for broad HR development, most of which is spent of scholarships for students from the municipality to attend university.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Rožaje

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2 Allocate a portion of the funds identified for broader human resource development (currently €50,000) specifically for staff training (indicatively at least 2% of payroll costs, or about €20,000) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality.

This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for General Management.

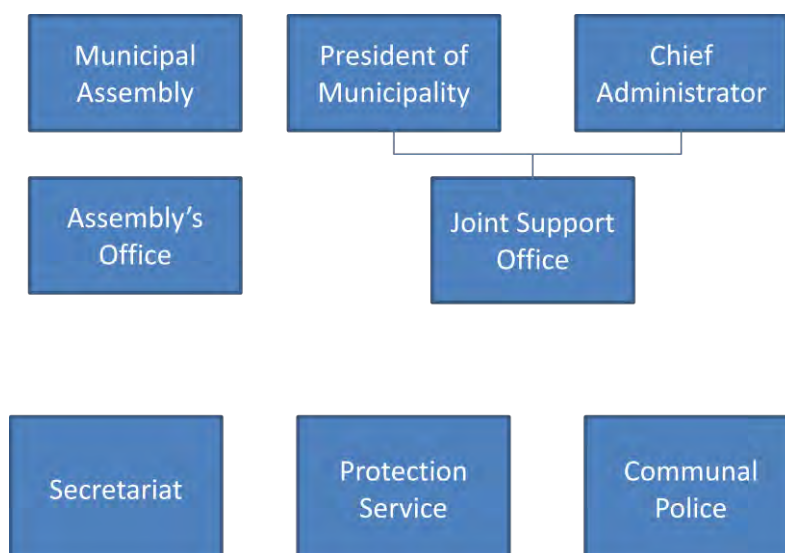
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for General Management and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Šavnik

Current organisational structure



Description	Year	Value	Comment
Population	2011	2.070	Monstat
Population change	2003 – 2011	-30%	Monstat
Municipal expenditures	2010.	€959.000	Mol Report
Municipal expenditure per person	2010	€219 (14/21)	Financial report/ census 2011
Number of employees (local administration)	2010	37	Mol Report
Surplus/deficit (Mol report)	2010	13 (total)	Mol Report
Number of recently employed (last year)	2011	/	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	51	Staff list
Budget for training (41393)	2010	€200	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages training needs analyses, preparation of programmes for professional development of civil servants and interns and gives assistance to the implementation of training and human resources development. The Joint Support Office (which serves both President and Chief Administrator) has the responsibility for identifying training and development needs. These tasks are not currently being performed. The current budget for training and development in this municipality is €200.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced.

Recommendations for Municipality of Šavnik

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- in the HR Unit, within the Secretariat.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat.

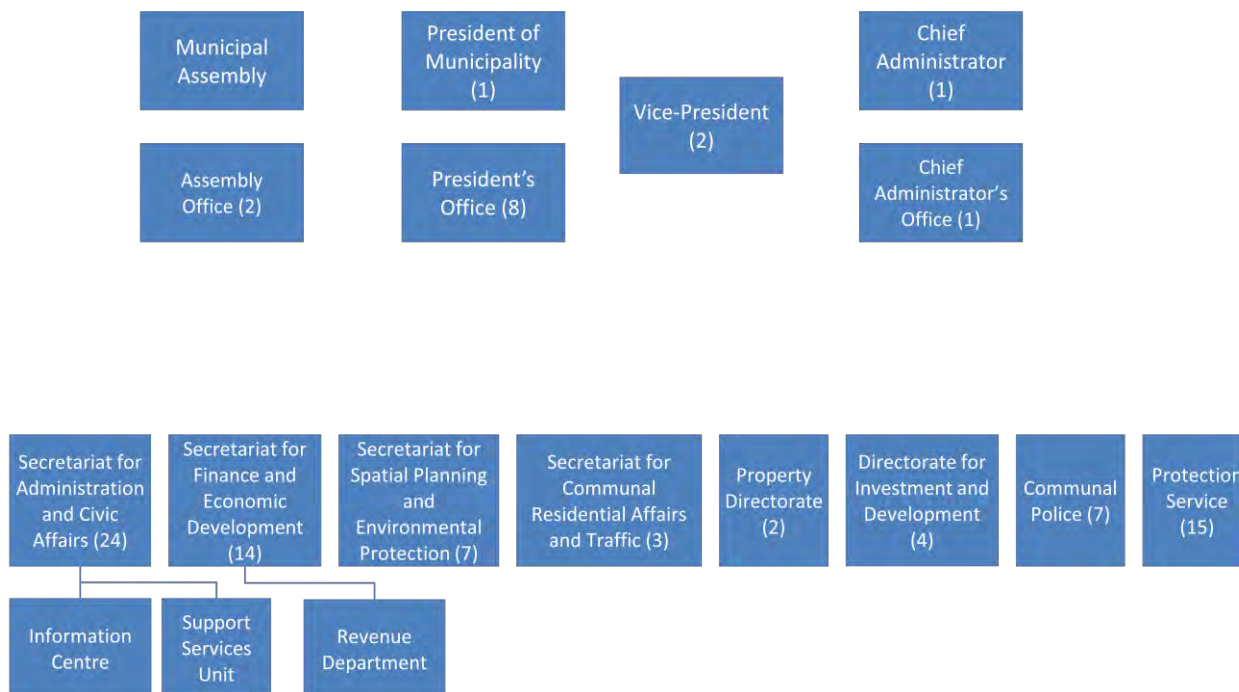
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Tivat

Current organisational structure



Description	Year	Value	Comment
Population	2011	14.031	Census data
Population change	2003 – 2011	+3%	Census data
Municipal expenditures	2010	€8.4m	Financial Report
Municipal expenditure per person	2010	€597	Financial report/ census 2011
Number of employees (local administration)	2010	111	Mol Report
Surplus/deficit (Mol report)	2010	17 (total)	Mol Report
Number of recently employed (last year)	2011	1	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	81 + 9interns	Interview
Budget for training (41393)	2010	€960.00	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities have been recently (in mid 2011) given to the Chief Administrator's office. They were previously with the Secretariat for Administration and Civic Affairs. According to the Act on Systematization, there is one position of Senior Advisor II for HR management envisaged for performing these functions. This person was recently recruited and began work in August 2011.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Chief Administrator's office. There is no written municipal procedure for the recruitment procedure as a whole. Prior to mid 2011, responsibility for recruitment had been with the Secretariat for General Administration. At the time of the study, there had been no recruitment processes managed by the Chief Administrator's office.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Chief Administrator's office, and it envisages preparation of programmes for professional development of civil servants and interns, and oversees implementation of training and human resources development. These tasks are not currently being performed, because the newly recruited HR Advisor had not yet started work at the time of this study.

1.5 Performance management

The performance appraisal system proposed by central government was introduced two years ago, but the system was not functioning properly because of the lack of realistic evaluation. At that time, responsibility for coordination of performance appraisals was with the Secretariat for Administration and Civic Affairs. Now, according to the Decision on Organisation, it is with the Chief Administrator's office.

Recommendations for Municipality of Tivat

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;

- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most

qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.2: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.3: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.4: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.5: Ensure all staff have some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have

the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.2: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretaries have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.3: Support the HR Advisor in developing into a Performance Management Mentor, in order to be able to provide support and guidance to other supervisory staff in HR management.

He will be expected to, even with current experience in HR management activities, attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues. He should also be in a position to network with Performance Management Mentors in other municipalities, and share knowledge and experience from the Tivat example.

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: Give HR administration functions back to the Secretariat.

The personnel administration functions should be assigned back to where they previously were located- within the Secretariat for Administration and Civic Affairs. Since administrative functions require specific legal knowledge, and are time consuming, they require a full time legal advisor. Moreover, the current interpretation of the Law on Local Self Government suggests that Chief Administrators are unable to take the primary (or ‘first degree’) decisions typically required for exercising the HR administration function. Therefore, HR administration functions should be handled by a person with a legal background in the Secretariat for Administration and Civic Affairs.

This move would also free up the time of the HR Advisor in the Chief Administrator’s office to concentrate on the HR coordination functions.

Recommendation 2.5.2: Designate a second person as support to Senior Advisor II for HR management, to participate in training regarding performance management.

It is expected that this person should already be in supervisory position, and be able to support the HR Advisor in advising colleagues on performance management procedure and practice. It is important that at least one person in a municipality who is in a senior supervisory position can be able to mentor other supervisors in performance appraisal. The mentor function is best performed by someone who is regarded as a peer, and who has experience in supervision and execution of performance appraisal.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for Management and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Ulcinj

Current organisational structure



Description	Year	Value	Comment
Population	2011	19.921	Census data
Population change	2003 – 2011	-2%	Census data
Municipal expenditures	2010	€4m	Financial Report
Municipal expenditure per person	2010	€202	Financial report/ census 2011
Number of employees (local administration)	2010	210	Mol Report
Surplus/deficit (Mol report)	2010	22	Mol Report
Number of recently employed (last year)	2011	/	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	no data	Interview
Budget for training (41393)	2010	Plan €1,000 Actual €50	Financial report 2010

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for Administration, Regulations, HR and Civic Affairs. The Act on Systematization of that Secretariat envisages one position for Senior Advisor for personnel and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for Management, Regulations, HR and Civic Affairs. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat, and it envisages preparation of programmes for professional development of civil servants and interns. These tasks are not currently being performed. The current budget for training and development in this municipality is €1.000.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. Responsibility for overseeing the performance appraisal process lies with the Secretariat for Management, Regulations, HR and Civic Affairs.

Recommendations for Municipality of Ulcinj

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues.

The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills,

or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- within the Secretariat for Management, Regulations, HR and Civic Affairs.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for Management, Regulations, and HR Civic Affairs.

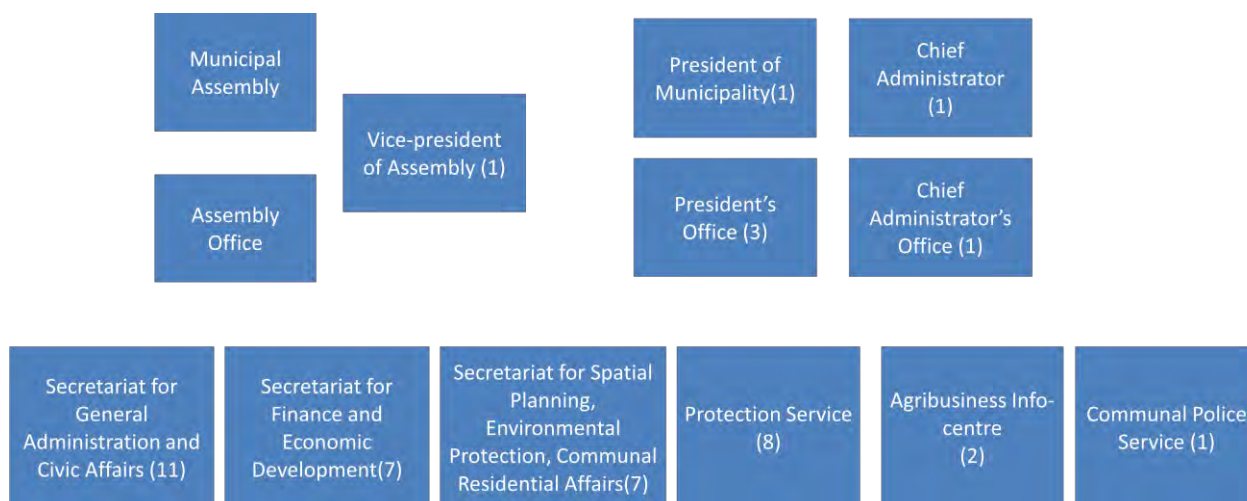
As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for Management, Regulations, HR and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Municipality of Žabljak

Current organisational structure



Description	Year	Value	Comment
Population	2011	3.569	Census data
Population change	2003 – 2011	-15%	Census data
Municipal expenditures	2010.	€1.35m	Mol Report
Municipal expenditure per person	2010	€378 (6/21)	Financial report/ census 2011
Number of employees (local administration)	2010	65	Mol Report
Surplus/deficit (Mol report)	2010	20	Mol Report
Number of recently employed (last year)	2011	1	Interview
Number leaving/retiring	2011	/	Interview
Number of employees (interview data)	2011	46	Staff list
		permanent, including protection service.	
Budget for training (41393)	2010	€326	Financial Report

Summary of Findings

1.1 HR Administration

HR administration activities are delegated to the Secretariat for General Administration and Civic Affairs. The Act on Systematization of that Secretariat envisages one position for Senior Advisor for working relations and HR management.

1.2 Human Resources Planning

HR planning is not currently being carried out, nor is it envisaged by the Decision on Organisation.

1.3 Recruitment and Selection

Responsibility for advertising vacant positions and administering the recruitment process is delegated to the Secretariat for general Management and Civic Affairs. There is no written municipal procedure for the recruitment procedure as a whole. In practice the Secretariat takes active part in receiving applications, selection, creating the list of candidates and forming the selection commission, in accordance with the Law on Civil Servants.

1.4 Training and Development

According to the Decision on Organisation, training and development is delegated to the Secretariat for General Management and Civic Affairs, and it envisages training needs analyses, preparation of plans and programmes for professional development of civil servants and prepares projects related to training and development of local servants. The Chief Administrator has responsibility for overseeing the performance of interns and preparing the projects related to interns' training and professional development. These tasks are not currently being performed. The current budget for training and development in this municipality is €326.

1.5 Performance management

The performance appraisal system proposed by central government has not yet been introduced. Responsibility for overseeing the performance appraisal practice lies with the Secretariat for Administration and Civic Affairs.

Recommendations for Municipality of Žabljak

2.1 HR Planning – Recommendations

Recommendation 2.1.1: Assign responsibility for HR planning to the Chief Administrator.

Revise the decision on organisation so that it includes the following responsibilities for the Chief Administrator:

- The Chief Administrator is responsible for preparing a human resources plan in consultation and cooperation with all heads of units for approval by the President of the Municipality;
- The Chief Administrator is responsible for coordinating implementation of the human resources plan;
- The Chief Administrator is responsible for submitting an annual report to the President of the Municipality on the progress of implementation of the human resources plan.

Recommendation 2.1.2: Develop a 2-3 year Human Resources plan

The Chief Administrator should be responsible for developing a 2-3 year human resources plan, in consultation with President, heads of departments, and other relevant colleagues. The purpose of the plan is to envisage numbers of people and types of skills needed within local administration to continue to deliver high quality services for citizens, and to achieve municipal strategic goals.

The Chief Administrator would be expected to have support in developing the HR plan from training provided by the HRMA and/or UoM, together with a standard format and guidelines for HR planning.

It is anticipated that a plan needs to be developed every 3-4 years, with annual updates, depending on significant changes to budgets, municipal authorities and functions, and the HR environment.

Recommendation 2.1.3: Annual HR report for Assembly

The Chief Administrator should be responsible for preparing an annual report to the Assembly to inform members of the main trends in relation to staffing, recruitment and associated costs. The report should be simple, and include a table such as the example given in the main report.

The HR report could be a stand-alone report for the Assembly, or be incorporated into the President's annual report. The HR report should include some narrative text that links the basic data in the table to the municipality's human resources plan, explaining whether the plan is on target for implementation, or not, and the reasons for any deviation.

2.2 Recruitment and Selection – Recommendations

Recommendation 2.2.1: Adopt own recruitment procedure and policies

The municipality, led by the Chief Administrator, should develop its own recruitment procedure, in accordance with the Law on Civil Servants. The procedure should be based on a model which will be developed by the Union of Municipalities and HRMA.

The procedure should clarify each stage of the recruitment procedure and the precise roles of local officials for the whole process, and should be adopted formally by the President.

The procedure should be adapted from the model by the Chief Administrator, in consultation with the President and heads of department.

Recommendation 2.2.2: Experiment with half-time jobs, job-sharing and other forms of employment flexibility.

The Chief Administrator and the Secretary of the Secretariat for General Administration should explore options for more flexible employment when a vacant position arises. This is to allow flexibility when recruiting highly skilled individuals with specific knowledge that are hard to find. In particular, half-time employment may be an attractive offer for women with young children.

Recommendation 2.2.3: Advertise vacancies as widely as possible, and actively seek applicants from other municipalities.

When advertising a vacancy, the personnel officer should make sure that the position is advertised as widely as possible, to ensure that there is a better chance of finding the most qualified person for the job. As far as possible, use e-mails to inform contacts, job advertising websites, and, if it is developed, a UoM website for job vacancies.

Recommendation 2.2.4: For long-term job vacancies, explore the possibility to train existing workers to a higher level instead of looking to find formally qualified people.

Where a job is vacant for a long time, the Chief Administrator and/or Secretary should examine the possibilities of training an existing staff member to acquire the necessary skills, or re-designing the job so that two or more lower qualified people could perform the necessary tasks.

2.3 Training and HR Development – Recommendations

Recommendation 2.3.1: Assign the training coordination function to the Chief Administrator.

The Decision on Organisation should be revised so that the Chief Administrator has the following responsibilities:

- “The Chief Administrator is responsible for coordinating the preparation of a training plan, in consultation with the President and Heads of Department, which sets out the training and development opportunities needed for all staff over the coming year, together with a budget for realising the plan.”
- “The Chief Administrator is responsible for coordinating the implementation of the training plan, including informing heads of departments about appropriate external training opportunities, and organising training and development opportunities for municipal employees as appropriate.”

Recommendation 2.3.2: Establish a training budget (approximately 2% of payroll costs) and find ways of spending it according to the training needs.

The President should include suggested amount in the municipal budget for the purpose of staff training, and link this amount to the annual training plan and budget prepared by the Chief Administrator.

Recommendation 2.3.3: Training needs assessment to be based on HR planning and performance appraisals.

The Chief Administrator should coordinate the preparation of a training needs analysis, based on the needs identified in the HR plan and from training needs identified through performance appraisals. It is anticipated that a simple methodology for conducting training needs analysis should be prepared by the Union of Municipalities, and accompanied by a training course.

Recommendation 2.3.4: Develop a training plan based on training needs.

The Chief Administrator should develop a training plan in close consultation with the President and Heads of Department. It should be based on the findings of the Training Needs Analysis, and link to training opportunities available in the country. Where training is needed, but is not available, the Chief Administrator should explore options to identify individuals or organisations that would be able to provide appropriate training specifically for the municipality. The Chief Administrator should also be in contact with neighbouring municipalities to explore the potential for organising training jointly where there are needs in common.

It is anticipated that the Union of Municipalities would develop a format and guidance for preparation of a training plan, and accompany this with a training course for those responsible for developing the training plan.

Recommendation 2.3.5: Develop training programme for interns.

The Chief Administrator should, in consultation with the President, and Heads of Department, prepare a training programme for any interns employed by the municipality. This is a legal obligation, and could help to meet future human resources needs of the municipality.

Recommendation 2.3.6: Ensure all staff has some form of training or development opportunity at least once every three years.

The Chief Administrator should ensure that the training plans developed address the needs of all municipal employees. According to the Law, all civil servants and state employees have the obligation to undergo training, so training plans should ensure that they respect this legal requirement.

2.4 Performance Management – Recommendations

Recommendation 2.4.1: Assign responsibility for overseeing and coordinating the performance management process to the Chief Administrator.

The Decision on Organisation should be revised to include the following clause:

- “The Chief Administrator is responsible for overseeing and coordinating the performance management process.”

Recommendation 2.4.2: Formally adopt performance management procedures

The Chief Administrator, in consultation with President and Heads of Department should adapt model procedures to be developed by the HRMA and UoM for use by the municipality. The adapted procedure should then be adopted formally by the President of the Municipality.

Recommendation 2.4.3: Ensure all people in supervisor position, including President of the Municipality, Chief Administrator and Secretary have training in performance management.

The President, with the support of the Chief Administrator, should ensure that all staff in a supervisory position attends training on performance management which will be organised by the UoM and HRMA. This will ensure that all supervisors have the proper training needed for conducting performance management duties.

Recommendation 2.4.4: Designate one person to have more intensive training in performance management (‘Performance Management Mentor’).

The Chief Administrator, with the approval of the President, should designate one person in the municipality to be a mentor and advisor to other supervisory staff. This person should himself/herself be in a supervisory position, and be interested to learn more about performance management. He/she will be expected to attend more intensive training on performance management than other staff, and will therefore be expected to provide support and advice to colleagues,

Recommendation 2.4.5: introduce the performance management process to all staff, and give basic introduction.

The Performance Management Mentor, with the support of Chief Administrator, should give a training workshop for all staff to explain how the performance management process works, and what staff will be expected to do. Training and guidance for this introduction is expected to be available from the UoM and HRMA.

2.5 Human Resources Administration – Recommendations

Recommendation 2.5.1: HR administration functions remain with the Secretariat.

The personnel administration functions should remain where they are located- within the Secretariat for Management and Civic Affairs.

Recommendation 2.5.2: Remove Training and Professional Development responsibility from the Secretariat for General Management and Civic Affairs.

As it is suggested above, responsibility for coordinating training and professional development activities should be located with the Chief Administrator. Therefore the Decision on Organisation should be amended so that this responsibility is no longer with the Secretariat.

Recommendation 2.5.3: Explore cost-benefits of greater use of IT in their administration of HR (and other functions, if appropriate).

The Chief Administrator, with the support of the Secretary of the Secretariat for General Management and Civic Affairs and the Head of the budget and finance unit, should explore what options there are for computerising the administration of personnel records. The cost of IT systems is decreasing, so there may be benefits to computerising this aspect of the municipality's systems either alone, or in conjunction with wider computerisation of administrative systems.

Annex 2 Interviewees and Participants

First Round Field Visits

DATE	MUNICIPALITY	INTERVIEWEE	POSITION
04.07.2011.	BERANE	Ms Vinka Babic Sabaheta Cikotic Vesna Scepovi Vuka Golubovic Tatjana Delevic Malisic Olja Stojanovic	Chief Administrator Secretary of Secretariat for General Management Advisor for working relations President Manager Advisor (Presidents Cabinet)
05.07.2011.	ANDRIJEVICA	Milovan Culafic Radovan Marjanovic, Nebojsa Lekic Stamat Soskic Biljana Bandovic Ratko Maflovaric-	Chief Administrator Secretary of Secretariat for Local self-government Affairs Manager Senior Advisor in Service for General Management Senior Advisor (Finance Service) Intern
06.07.2011.	SAVNIK	Vlado Becanovic Marko Kujundzic Jovanka Sarovic	Secretary Senior Advisor for Agriculture Administration
07.07.2011.	ULCINJ	Pranvera Sulic Lesi Brahim Aljosi Ahmed Petr Ljuljdjuraj	Secretary of Secretariat for Management Senior Advisor for Electoral List Advisor for NGO and education Chief Administrator
11.07.2011.	PLUZINE	Mijusko Bajagic Vladimir Knezevic Olivera Vucinic Jokanovic Milosav Olgica Glomazic	President of Municipality Chief Administrator Intern Communal Inspector Secretary of the Secretariat
12.07.2011.	PLJEVLJA	Natasa Vukovic Kandic Rajko Dijana Andjelic	Senior Advisor, Head of Service for Agriculture Senior Advisor for Human Resources Senior Advisor, Director of Reconstruction and Development Agency
18.07.2011.	BUDVA	Aldo Aojanovic Snezana Scepjanovic Mina Radjenovic Mirjana Vukotic Tanja Kazanegra Vasilije Milanic	Vice-President of Municipality Chief Administrator Senior Advisor for Human resources Intern Secretary of the Secretariat for Local Self-government Senior Advisor, Head of Service for Commerce, and President of the Union
19.07.2011.	BAR	Zoran Radojicic Milica Petkovic Samir Durakovic Suada Hodzic Ana Draskovic	Chief Administrator Advisor, Presidents Office Senior Advisor, Deputy Secretary for General Management Head of Civil Office Intern
20.07.2011.	HERCEG NOVI	Milosevic Tomica Jovanka Lepetic Radovan Bozovic Mirta Grzanic Dragana Stanisic Mirko Dzulovic	Chief Administrator Senior Advisor, Head of HR Unit Secretary of the Secretariat Senior Advisor for Protocol (President's Office) Advisor I with Presidents Office Director of Informational Centre
21.07.2011.	TIVAT	Jovanka Lalacic Cecur Dinka Miodrag Dragan Kankaras Vesna Nikolic Slobodan Gredu Bojana Popadic	Chief Administrator Advisor for working relations President of Municipality Senior Advisor for Spatial Planning Public Procurement Officer Intern within the President's Office
25.07.2011.	KOTOR	Jelena Stjepcevic	Advisor (Office of the President)

DATE	MUNICIPALITY	INTERVIEWEE	POSITION
26.07.2011.	KOLASIN	Ivo Magud	Advisor for Economy (within Service of the President)
		Ivana Milinovic	Intern with the President's Office
		Anka Perovic	Secretary of the Secretariat for General Management
		Marija Catovic	President of the Municipality
		Veselin Vukic	Secretary of the Secretariat for General Management
27.07.2011.	MOJKOVAC	Martinovic Djordjije	Advisor for human resources management and working relations
		Mile Glavicanin	Senior Advisor for environmental protection within the Secretariat for spatial planning
		Novka Vlaovic	Secretary of the Secretariat
28.07.2011.	BIJELO POLJE	Senada Seimanovic	Advisor, Lawyer (Property Department)
01.08.2011.	PLAV	Sanel Ljuskovic	Advisor, Head of Office for Project Management
		Milorad Rmandic	Advisor (President's Office)
		Knezevic Miodrag	Senior Advisor for Central HR Records
		Husnija Hadzimusulic	Secretary of the Secretariat for general management
		Redzep Gurasin,	Advisor for working relations
		Adem Milush	Chief Administrator
02.08.2011.	ROZAJE	Havaja Preljvukaj	Advisor in the Service of Chief Administrator
		Meliha Merkulic	Advisor for economy in the Service of the Chief Administrator
		Salih Sabovic	Secretary of Finances
		Nusret Kalac	President of Municipality
		Abid Dozovic	Secretary of the Secretariat for general management
03.08.2011.	ZABLIJAK	Mile Radevic	Advisor for working relations
		Mesud Dautovic	Chief Administrator
		Isailo Sljivancanin	President of Municipality
		Milika Ostojic	Chief Administrator
		Sladjana Knezevic	Secretary of the Secretariat for general management
04.08.2011.	DANILOVGRAD	Jelena Bojovic	Chief of Presidents Cabinet
		Ratko Lakic	Chief Administrator
		Jelisavka Buric	Secretary of the Secretariat for general management
		Branislav Brano Djuranovic	President of Municipality
		Dejan Vukovic,	Senior Advisor I for HR Records
05.09.2011.	PODGORICA	Snezana Simovic	Senior Advisor II for working relations
		Zeljko Vukovic	Chief Administrator
		Misela Manojlovic	Secretary of the Secretariat for General Affairs
		Zorica Kovacevic,	Senior Advisor
		Ana Bulatovic	Intern (Mayor's Cabinet)
06.09.2011.	NIKSIC	Nebojsa Radojicic	President
		Zoran Radojicic,	Chief Administrator
		Svetlana Nikcevic	Secretary of the Secretariat for General Affairs
07.09.2011.	CETINJE	Ankica Pajovic	Chief Administrator
		Valentina Vujovic	Secretary of the Secretariat for Local self-government
		Vjera Jovovic	Senior Advisor for working relations

Second round of field visits

DATE	MUNICIPALITY	PARTICIPANT	POSITION
26.09.2011.	Tivat	Goran Bozovic	HR Manager
		?	Secretary of the Secretariat for General Affairs
26.09.2011	Herceg Novi	Dejan Mandic	President
		Tomica Milosevic	Chief Administrator
		Mirko Dzulovic	Director of information center
		Radovan Bozovic	Secretary of the Secretariat
		Jovanka Lepetic	Senior Advisor
27.09.2011.	Ulcinj	Pranvera Sulic	Secretary of the Secretariat for Administration, Regulations, HR and Social Affairs
27.09.2011.	Bar	Milica Petkovic	Advisor in Chief Administrators Office
		Tanja Racic	Advisor, Chief Administrators Office
		Samir Duraskovic	Deputy Secretary
27.09.2011.	Budva	Snezana Scepanovic	Chief Administrator
		Tanja Kazanegra	Secretary of the Secretariat for Local self-government;
		Lazar Radjenovic	President of Municipality
28.09.2011.	Kolasin	Darko Brajskovic	
		Marta Scepanovic	Chief Administrator
		Veselin Vukic	
28.09.2011.	Mojkovac	Dejan Medojevic	President of Municipality
		Novka Vlahovic	Secretary of the Secretariat for General Administration
28.09.2011.	Bijelo Polje	Radovan Obradovic	Vice-president
		Jela Mrdak	Presidents office;
		Marina Petric	Chief Administrator.
29.09.2011.	Danilovgrad	Ratko Lakic	Chief Administrator
		Jelka Buric	Secretary of the Secretariat for General Administration
		Branislav Brano Djuranovic	President of Municipality
29.09.2011.	Cetinje	Ankica Pajovic	Chief Administrator
		Vjera Jovovic	Senior Advisor for working relations
03.10.2011.	Plav	Skender Sarkinovic	President of Municipality
		Adem Milush	Chief Administrator
		Husnija Hadzimusic	Secretary of the Secretariat for General Management
03.10.2011.	Andrijevisa	Radovan Marjanovic	Secretary of Secretariat for Local self-government Affairs
04.10.2011.	Niksic	and Nebojsa Radojicic	President of Municipality
		Ljubomir Radojicic	Chief Administrator
04.10.2011.	Savnik	Miomir Vujicic	President of Municipality
		Danasje Vucic	Chief Administrator
		Zeljko Kostic	Director of communal services
		Radojca Corovic	Secretary of the Municipal Assembly
04.10.2011.	Zabljak	Isailo Sljivancanin	President of Municipality
		Milika Ostojic	Chief Administrator
		Sladjana Knezevic	Secretary of the Secretariat for General Management
05.10.2011.	Pluzine	Vladimir Knezevic	Chief Administrator
05.10.2011.	Pljevlja	Miloje Pupovic	President of Municipality
		Budimir Tanjevic	Chief Administrator
		Zoran Radosevic	Advisor
		Slavica Krstajic	Secretary of the Secretariat for General Management
06.10.2011.	Rozaje	Mersudin Dautovic	Chief Administrator
		Abid Dozovic	Secretary of the Secretariat for General management
06.10.2011.	Berane	Vuka Golubovic	President of Municipality
		Vinka Babic	Chief Administrator
		Sabaheta Cikotic	Secretary of the Secretariat for General Management
07.10.2011.	Podgorica	Misela Manojlovic	Secretary of the Secretariat for Local-self-government
		Milislav Popovic	Advisor, Director of Public Library
		Ana Vukotic	Intern, Mayor's Office

Central Level Participants

DATE	INSTITUTION	INTERVIEWEE/PARTICIPANT
16.06.2011.	Delegation of EU	Pierre-Yves Bellot, Task Manager
17.06.2011.	Ministry of Interior	Mladen Jovovic, Deputy-Minister
17.06.2011.	Human Resources Management Authority	Jadranka Djurkovic, Deputy-Director
21.06.2011.	Union of Municipalities	Sasa Scekcic, Lawyer
08.09.2011.	Human Resources Management Authority	Mileva Todorovic, Advisor Director
IPA Steering Committee Meeting		
19.09.2011.	Ministry of Interior	Hamdija Sarkinovic, Advisor to the Minister
	Union of Municipalities	Rajko Golubovic, President
	UNDP	Sanja Bojanic, Team Leader
	UNDP	Vladimir Djurkovic, Programme Manager
	UNDP	Dzenana Scekcic, Project Coordinator
Workshop		
20.09.2011.	Ministry of Interior	Hamdija Sarkinovic, Adviser to the Minister of Interior
	Union of Municipalities	Ljubinka Radulovic, Assistant Secretary
	HRMA	Mileva Todorovic, Advisor to the Director
	HRMA	Biljana Nedovic, Adviser for Trainings
	City of Podgorica	Misela Manojlovic, Secretary of the Secretariat for Local self-government
	Municipality of Tivat	Petar Vujovic, Senior Advisor for economy and international Relations
	Municipality of Tivat	Goran Bozovic, Advisor for human resources management
	UNDP	Vladimir Djurkovic, Programme Manager
	UNDP	Dzenana Scekcic, Project Coordinator

Annex 3 Glossary of Terms

English	Montenegrin	Description/Comments
Chief Administrator	Glavni administrator	The position was formerly a chief executive, in support of the President of the municipality. In 2009, executive powers were removed and the chief administrator now performs a coordinating function, and a 'second degree' appeal function i.e. can review administrative decisions made by municipal administration staff.
Computer based learning, Computer Based Training		Training and learning methods in which course materials and tests are presented in an interactive form through a computer, either based on a CD ROM or via internet. CBT can be an alternative or a supplement to classroom based forms of training and learning.
Department	Sekretarijat	E.g. Department for Finance is the same as Sekretarijat za finansiju.
Employee	Zaposleni	
Fixed term	odredjeno	Used to refer to a contract of employment that is valid for 6 months, one year or some other definite period
Functionary	Funkcioner	An official who holds his/her position by virtue of membership of a political party
Head of Department	Sekretar/ka	
Head of Office	Šef službe	'Office', or 'sluzba' in Montenegrin, is a lower level organisational unit than a department. They can be organisational units of a department, or they can be units established to support a senior functionary, such as the Chief Administrator or the President of a Municipality
Human Resource Management	Upravljanja kadrovima	
Human Resources	Ljudski resursi	
Indefinite	Neodredjeno	A 'permanent' contract of employment is for an indefinite period. Termination can only be on the basis of serious disciplinary reasons, or redundancy with compensation.
Local Government Administration	Lokalna uprava	The administrative units and functions of local government, excluding elected bodies and municipally-owned companies.
Local Self-Government	Lokalna samouprava	The complete set of local government bodies, including the Assembly, administration, and municipally-owned companies.
Office	Služba	E.g. Chief Administrator's Office is the same as

		Sluzba Glavnog Administratora
Performance	Učinak	Good staff performance is achieved when motivated people work towards clear objectives, and when they have proper authorities to do the work, the appropriate skills, and sufficient equipment or physical resources.
Personnel	Radne odnose	In Montenegrin, this literally means 'labour relations' but is better understood as 'personnel'.
Personnel officer	Saradnik za radne odnose	The person in a municipality who is typically responsible for the personnel administration tasks, such as employment contracts, recording holidays, pension entitlements and other legal obligations of employers.
President of Municipality	Predsjednik opštine	The position of de facto chief executive, elected by the Assembly from among the Assembly members, to a four year term of office. In Podgorica and Cetinje, this position is referred to as Mayor ('gradonačelnik')
Professional development	Stručno usavršavanje	In service training or skills development to improve existing competencies, or develop new ones.
Secretary	Sekretarica (m version?)	Personal assistant or administrator
Staff, personnel, workforce	Kadar	

Municipal Administration Bodies

English	Montenegrin
Municipal Assembly	Skupština Opštine
President of Municipality	Predsjednik Opštine
Secretariat of Local Self-Government	Sekretarijat lokalne samouprave
Service for General Administration, Civic Affairs, Urban Planning, Residential and Communal Affairs, Commerce and Inspection Affairs	Sluzba za opštu upravu, društvene djelatnosti, urbanizam, stambene i komunalne poslove, privredu i inspeksijske poslove
Agency for Investment and Property	Agencija za investicije i imovinu
Secretariat	Sekretarijat
Secretariat for Spatial Planning, Communal Affairs, Housing and Environmental Protection	Sekretarijat za uređenje prostora, komunalno stambene poslove i zaštitu životne sredine
Secretariat for General Administration and Civic Affairs	Sekretarijat za opštu upravu i društvene djelatnosti
Communal Police Service	Sluzba komunalne policije
President's Office	Sluzba Predsjednika
President's Cabinet	Kabinet Predsjednika

English	Montenegrin
Chief Administrator's Office	Sluzba Glavnog administratora
Assembly Office	Skupstinska sluzba
Secretariat for Finance, Development and Traffic	Sekretarijat za finansije, razvoj i saobraćaj
Information Centre	Informacioni centar
Secretariat for Agriculture and Water Management	Sekretarijat za poljoprivredu i vodoprivredu
Directorate	Direkcija
Property Directorate	Direktorat za imovinu
Secretariat for Inspection	Sekretarijat za inspeksijske poslove
Administration	Uprava
Administration for Local Public Revenues	Uprava lokalnih javnih prihoda
Service for Common Services	Sluzba za zajednicke poslove
Office for the Fight Against Corruption	Kancelarija za borbu protiv korupcije
Secretariat for Property Protection	Sekretarijat za zastitu imovine
Service for Internal Audit	Sluzba za internu reviziju
Secretariat for Social Policy and Youth	Sekretarijat za socijalnu politiku i mlade
Secretariat for Commerce and Finance	Sekretarijat za privredu i finansije
Agency for Management of the City Harbour	Agencija za upravljanje gradskom lukom
Secretariat for Development of Enterprise, Communal Affairs and Traffic	Sekretarijat za razvoj preduzetnistva, komunalne poslove i saobraćaj
Secretariat for Property and Legal Affairs	Sekretarijat za imovinsko-pravne poslove
Secretariat for Protection of Natural and Cultural Heritage	Sekretarijat za zastitu prirodnog i kulturnog nasledja
Agency for Design and Spatial Planning	Agencija za projektovanje i prostorno planiranje
Civil Office	Gradjanski biro
Protector of Property and Legal Interests	Zastitnik imovinsko-pravnih interesa
Department for Budget and Treasury	Jedinica za budzet i trezor
Secretariat for Culture and Sport	Sekretarijat za kulturu i sport
Secretariat for Social Care	Sekretarijat za socijalno staranje

Annex 4 National Training Strategy – Goals and Objectives

1. Build the capacities of municipalities for good local governance.
 - 1.1 Establish human resources capacity in municipalities.
 - 1.2 Establish standards of human resources management in municipalities.
 - 1.3 Ensure the proper implementation of applicable regulations and standards on employment and promotion of officials, and eliminate political interference.
 - 1.4 Introduce a system of performance appraisal for officials.
 - 1.5 Establish an internal training system in each municipality.
2. Strengthen the capacities of the Union of Municipalities (UoM) to support capacity-building in municipalities and to oversee the implementation of the NTS.
 - 2.1 Secure the sustainability of the implementation of the NTS within the UoM.
 - 2.2 Create institutional capacity for the implementation of the NTS within the UoM.
3. Develop a professional training environment.
 - 3.1 Establish a system of Quality Assurance.
 - 3.2 Establish a library of training materials.
 - 3.3 Establish a capacity for curriculum development.
 - 3.4 Establish a systematic approach to the evaluation of training programmes.
4. Improve the legal and financial framework for local government.
 - 4.1 Define the appropriate working and legal status of officials and the responsibilities of the key bodies.
 - 4.2 Identify an appropriate legal framework for the election of councillors.
5. Develop an institutional framework for training.
 - 5.1 Establish a National Training Council (NTC) for local government (Union of Municipalities, Ministry of Interior and Public Administration, Human Resources Management Authority);
 - 5.2 Build the capacity of the Human Resource Management Authority to provide support to professional training for local government.

Annex 5 Human Resources Training available from the HRMA

Montenegrin	English	Days
Upravljanje i razvoj ljudskih resursa: <ul style="list-style-type: none"> - Planiranje kadrova; - Proces zapošljavanja; - Postupak indentifikacije i pripremanje mladih kadrova za posao; - Mjerenje učinkovitosti i napredovanje kroz službu, - Zadržavanje ključnih kategorija kadrova; - Sistem usavršavanja kadrova; - Evaluacija – sistem procjene uspješnosti 	Management and Development of Human Resources: <ul style="list-style-type: none"> - HR planning - Employment processes - Procedures for identifying and preparing young staff for work - Performance appraisal and promotion through the service - Retaining key categories of staff - The HR development system - Evaluation – system of evaluating success 	1
Strateško planiranje rada u državnim organima: <ul style="list-style-type: none"> - Vrste planiranja u upravi; - Način definisanja sredstava i mehanizama za ostvarivanje ciljeva strateškog planiranja; - Mobilizacija resursa; - Radionice. 	Strategic Work Planning in State Organisations: <ul style="list-style-type: none"> - Types of planning in administration - Methods of defining budgets and mechanisms for achieving strategic planning goals - Mobilising resources - workshops 	1
Postupak izrade akta o unutrašnjoj organizaciji i sistematizaciji <ul style="list-style-type: none"> - Praktična primjena Zakona o državnoj upravi i Zakona o državnim službenicima i namještenicima; - Primjeri iz prakse; - Radionice; - Uporedna iskustva 	Procedures for preparation of Acts of Internal Organisation and Systematisation <ul style="list-style-type: none"> - practical application of the Law on State Administration and Law on Civil Services and State Employees - Examples from practice - Workshops - Comparing experience 	1

Montenegrin	English	Days
Zapošljavanje u državnim organima: <ul style="list-style-type: none"> - Opšti i posebni uslovi za zasnivanje radnog odnosa u državnim organima; - Postupak zapošljavanja državnih službenika i namještenika (interni, javni oglas i javni konkurs); - Sticanje-prestanak zvanja i raspoređivanje državnih službenika i namještenika u državnim organima; - Uslovi za zapošljavanje i rad stranaca; - Radna dozvola i vrste radnih dozvola; - Privremeni boravak stranaca; - Zaključenje ugovora; - Prijava i odjava rada stranca; - Kvota radnih dozvola. 	Employment in State Organisations: <ul style="list-style-type: none"> - General and special conditions for establishing an employment contract in a state agency - Procedures for employing civil servants and state employees (internal, public announcements and open applications) - Ranks and titles and the comparison of civil servants and state employees in state organisations - Conditions for employment and work of foreigners - Work permits and types of work permits - Temporary residence of foreigners - Concluding a contract - Quotas of work permits 	1
Ocjenjivanje, napredovanje i utvrđivanje sposobnosti zaposlenih u državnim organima: <ul style="list-style-type: none"> - Pravila i postupci ocjenjivanja zaposlenih u državnim organima; - Primjeri iz prakse; - Radionice. 	Appraisal, promotion and confirmation of competencies of employees in state organisations: <ul style="list-style-type: none"> - Rules and procedures for appraising employees in state organisations - Examples from practice - workshops 	1
Planiranje usavršavanja državnih službenika i namještenika: <ul style="list-style-type: none"> - Metode procjene potreba za stručnim usavršavanjem; - Planiranje stručnog usavršavanja; - Mehanizmi osiguravanja održivosti obuke; - Mehanizmi procjene uticaja obuke zaposlenih na efikasnost i efektivnost njihovog rada; - Metode evaluacije realizovanih obuka. 	Planning training and professional development of civil servants and state employees: <ul style="list-style-type: none"> - Methods of assessing needs for professional development - Planning professional development - Mechanisms for ensuring the sustainability of training - Mechanisms for assessing the impact of training on the efficiency and effectiveness of employees' work - Methods of evaluating training 	1

Montenegrin	English	Days
Centralna kadrovska evidencija: <ul style="list-style-type: none"> - Vođenju kadrovske evidencije; - Davanju podataka o kadrovskim potrebama; - Korišćenju podataka iz Centralne kadrovske evidencije; - Vođenju evidencije internog tržišta rada; - Davanju podataka neophodnih za ažuriranje evidencije; - Korišćenju podataka iz Evidencije internog tržišta rada; - Uputstvu za unos, kontrolu i obradu podataka u KIS-u; - Pravilma za pristup Kadrovskom informacionom sistemu. 	Central Personnel Record Keeping: <ul style="list-style-type: none"> - Managing personnel records - Preparing data on staff needs - Using data from the central personnel records - Managing records of the internal labour market - Providing data needed for updating files - Using data from the records of internal labour market - Guidance on input, control and data processing for KIS - Rules for access to the HR information system 	1

Annex 6 Abbreviations and Acronyms

Abbreviation or Acronym used in this report	Montenegrin term	English term
EU	Evropska Unija	European Union
GDP		Gross Domestic Product
HR	Ljudski resursi	Human resources
HRM		Human resource management
HRMA	Uprava za kadrove	Human Resources Management authority
IPA		Instrument for Pre-accession Assistance
IT		Information technology
MoI	Ministarstvo unutrašnjih poslova (MUP)	Ministry of Interior
NTS		National Training Strategy
OSCE	(OEBS)	Organisation for Security and Cooperation in Europe
RESPA		Regional School for Public Administration
SMEs	Male i srednje preduzece	Small and Medium-sized Enterprises
UNDP		United Nations Development Programme
UoM	Zajednica opština crne gore (ZOCG)	Union of Municipalities
USD		United States Dollar

Annex 7 Bibliography

- Collected "Decisions on Organisation" (from 20 municipalities)
- Collected Acts on Systematization for Secretariat for General Administration or equivalent (from 19 municipalities)
- Collected Municipality Financial Reports (from 20 municipalities, 2010 or 2009)
- Council of Europe, *European Charter on Local Self-Government*, October 1985
- Government of Montenegro, *Constitution of Montenegro*, 2007
- Government of Montenegro, Coordination Committee for Reform of Local Self-Government, *Action Plan for Reform of Local Self-Government*, Podgorica, February 2011.
- Government of Montenegro, *Law on Adult Education*, 2007
- Government of Montenegro, *Law on Civil Servants and State Employees*, 2008.
- Government of Montenegro, *Law on Civil Servants and State Employees*, July 2011.
- Government of Montenegro, *Law on Labour*, 2009
- Government of Montenegro, *Law on Local Self-Government*, last amended 2009
- Government of Montenegro, *Law on Montenegrin Qualifications Framework*, 2011
- Government of Montenegro, *Strategy of Public Administration Reform in Montenegro 2011-2016 "Aurum"*, Podgorica, March 2011
- Government of Montenegro, Vocational Education Strategy 2010-2014, 2010.
- Human Resources Management Authority, List of attendees at HRMA training (2008-2010), 2011 (informal document, obtained from HRMA by the authors)
- Human Resources Management Authority, *Program of Professional Development of Civil Servants and States Employees*, Podgorica, February 2011
- Human Resources Management Authority, *Recommendations for appraisal of Civil Servants and States Employees*, December 2005
- Ministry of Interior, *Report on Optimization*, June 2010.
- Ministry of Interior, Union of Municipalities, Human Resources Management Authority, *National Training Strategy Local Government Montenegro*, Podgorica, November 2008
- Monstat Data Sheet, "Municipal Expenditures", 2009.
- Monstat Data Sheet, "Municipal Population", 2003. - 2009.
- Monstat, Census data, 2011.
- Novovic, Tomislav, *Report on Assessment of Capacities for Budgeting at the Local Level in Montenegro*, UNDP, Podgorica April 2011
- Spahn, Paul Bernd, Strengthening Local Self-Government in Montenegro (Phase II) 2009-2011, *Report on Local Government Finances*, Council of Europe, May 2010
- Support for Improvement in Governance and Management (SIGMA), Montenegro Assessment, 2010
- Svetlik, Ivan, et al, *Human Resource Management in the Countries of the Former Yugoslavia*, Review of International Comparative Management Volume 11, Issue 5, December 2010 p807
- Vukovic, Svetlana (ed.); Sukulic, Ljubomir; Cerovic, Drazen; Roll, Hans-Achim; *Policy Paper for the New Law on State Civil Servants*, Human Resources Management Authority, Podgorica 2011

Annex 8 Suggested Contents of Human Resources Plan

Future needs:

- New services
- Increased demand for existing services
- Decreasing demand for existing services
- Forthcoming legislation and new requirements from central government
- Desired changes to organisation culture/approach to work (e.g. greater motivation, developing a 'learning environment', introducing performance appraisal, etc)

Current workforce

- Numbers of staff, structure and allocation (where they are, what they do)
- In which departments are there too many staff for the work available?
- In which departments are there shortages of staff for the work available?
- Current skills deficits
- Retirement plans – who will be retiring over the next 4 years
- Staff turnover – what are the likely numbers of staff to leave? (e.g. those finding other jobs, maternity leave, long-term sickness etc) What skills will be lost as a result?

Skills and competences required to meet future needs

- What skills will be needed to meet needs for future services?
- What is the gap between skills we have now and skills we will need in the future?
- What training/development of existing staff will be needed?
- Career planning – who might be promoted to replace staff leaving/retiring?
- How might these training needs be met – budget, providers of training, self-study, etc
- What recruitment of experienced/qualified staff will be needed?
- What will be the annual increase in costs due to recruitment?
- What redundancies will need to be made? How much will it cost? How much will be saved annually afterwards?
-

Annual Plans

Year 1, 2, 3, 4

- Redundancies
- Retirements and people leaving
- Recruitments
- Training
- Other HR development initiatives (e.g. introduction of performance appraisal)
- Cost savings
- Additional expenditure required

Implementation Responsibilities

- Who has to approve the plan (President and/or Assembly?)
- Who is responsible for implementing the plan
- Who is responsible for reporting on the plan's progress