

*Hilda Martens\*, Felix Courthouts\**

**THE WEAKNESSES IN HUMAN RESOURCE  
MANAGEMENT IN THE BELGIAN MINISTRY  
OF FINANCE**

---

---

In this article we describe our conclusions about the Human Resource Management, a part of our five-years long research project in the Belgian Ministry of Finance. The aim of this organizational change project was a more effective and efficient running of the different parts of the organization. We found rather a desintegration between the various components in Human Resources Management.

**1. INTRODUCTION**

In this article we describe our conclusions about the Human Resource Management, a part of our five-year lasting research project in the Belgian Ministry of Finance. The aim of this organizational change project is a more effective and efficient running of the different parts of the organization. We join the tax officials in a study of the functioning of the Belgian tax system and generate proposals and measures for its optimalization. We attempt to explore the empirical world of the tax officials at different levels and to gain an understanding of their hopes, ideas and ideals. We hope to come to shared perceptions of their reality and their ideals, and to help in the implementation of the findings of the research.

We start with an overview of the five year lasting research project in order to situate the findings about Human Resource Management. In outline, the project consists of a number of phases. We opted from the outset for an approach whereby research would be initiated jointly with officers from the Ministry. To this end, contact was sought in the contracting phase with the chief executive of the Ministry of Finance, the Secretary-General, who for his part held further talks with the Minister of Finance. Later on we constructed a joint research project with the steering committee under the direction of the Director General of the Administration of Direct Taxation. This steering committee set the course and objectives throughout the project. The steering committee has received interim reports, and researchers and/or officials

---

\* Faculty of Applied Economics, Limburg University Centre, Belgium.

officials have approached it with proposals for further steps. The steering committee decides in each phase which proposals are to be executed and what successive actions they involve. It also plans the timetable.

## 2. METHODS

During the **exploratory phase**, the steering committee decides to investigate how the employees perceive the effectiveness and efficiency of their departments. The employees are also asked about their ideal or desired organizational characteristics. Research during this phase therefore focuses on the „shop floor” of the organization. It was in this phase that we made the following conclusions about the Human Resource Management, whereby the actual performance of the employee is not the central point in selection, assessment, training and promotion policy. Other problems cited were: management and the allocation of work was seen to be too exclusively bound by bureaucratic habit, rules and culture; too little attention is paid to internal and external client-orientation; attempts at change clutch too exclusively at structural change that produces insufficient effects because of a lack of fit with the other organizational variables.

In addition to this research, a major restructuring plan with a pilot project has been set up inside the organization.

In the **in-depth phase**, we look into whether the problems, identified during the exploratory phase, are addressed and resolved in the pilot project in Ostend and in the restructuring plan. A benchmarking is carried out in large scale bureaucratic organizations such as banks and insurance companies, and in the Dutch national tax administration. The results of this benchmarking are then discussed in the steering committee.

The **advisory phase** consists in the first place of a three day workshop with the members of the restructuring group and the researchers, with joint investigation into how the restructuring plan might be added to and possibly improved using the research information gathered to that point.

Besides this research, a new task force “support and internal control” has been set up with the goal of improving communication and control possibilities between central management and external departments. Discussions are being held with this new task force, courses are being run on the desired communicative attitude.

Together with the steering committee we formulate a number of suggestions regarding strategy, content and process. These ideas gradually develop during the research process and are tested for their practical applicability in all sorts of discussions. We scan the organization for groups trying to bring about change,

mapping out common ground and points of departure. For instance, task forces are created to work out the restructuring plan. We then present the useful conclusions of the exploratory and in-depth phases for discussion with officials of the various task forces. We work with the task force: personnel and organization to put together a management training programme for the post-restructuring executive staff of the new departments. We also start management courses for existing executive staff. Meanwhile, we proceed with our co-operation with the top tax officials on the description of the function profile of these executives and on the basic guidelines for the new departments (including descriptions of organization and tasks).

This is the outline of our five year lasting research project in the Belgian Tax Administration, a government institution.

Let us now examine our research in the exploratory phase more in depth especially the part about Human Resources Management. (This LUC-RUCA inquiry was sponsored by the OSTC – Belgian Federal Office for Scientific, Technical and Cultural affairs).

We took from this entire government department with a total workforce of approximately 12,000 employees spread across some 950 services, a representative sample of some 20 services. We interviewed half the employees (the end-users) in each service, ensuring in each case that this half was made up of different levels, grades and seniorities and of both sexes. In all, we carried out some 130 in-depth interviews lasting 1 hour to 2 hours.

The subject of the inquiry was: How do employees perceive the effectiveness and efficiency of their service as it is and as it might be? How do they see the present situation of their service with regard to communications, to decision-making, to the management, to recruiting, to training, to informatics? How do they see co-operation within their own service and with other services? What scenarios for future development do they cherish in all of these areas? What needs to be done to the present situation in order to bring about that wished-for state of affairs? It was a broad acquaintance of their viewpoint of their work situation.

### 3. HUMAN RESOURCE MANAGEMENT

When we focus on Human Resource Management aspects: selection, appraisal, promotion and training we notice that a conspicuous feature of the personnel policy of this government institution is that recruitment and selection occur on the basis of examination. Even promotion up to – and including – middle management level is based on passing examinations, and not on the appraisal of performance. The performance of the employees is,

therefore, not the most central point of the HRM cycle in this government institution. The focal point is rather the passing of examinations. To be accepted or promoted, examinations must be passed. Candidates can follow preparatory courses. The test has no relation at all with the employee's performance. Appraisal of performance at work is based on a less than reliable system. This government institution subscribes to job security (lifelong employment) and has very explicit rules regarding the conduct of the personnel and the influence of trade unions.

We shall now examine each component of the HRM cycle in somewhat closer detail. We shall base ourselves on the transcripts of the interviews and thus report the employees' perceptions.

**Selection.** Recruitment examinations exist for each level according to basic diploma: lower, secondary or higher education. Promotion tests are open to everyone, provided candidates are rated "Very Good" at their present level, but then almost everyone has. The impact of any appraisal is therefore relatively slight.

**Appraisal.** This government institution has a complete continual appraisal system typical of a bureaucracy. There is quantitative check of the work, and the written individual appraisal or "signalement".

The main work is the examination of files. These files can be subject to various degrees of processing, from cursory to close scrutiny. The training courses state precisely which activities should be carried out in order to have a cursory or a close scrutiny.

Each person has to note how many files he has scrutinized superficially or closely. The number of processed files per category, person and office is noted and passed on to the higher echelons. This control or inspection only concerns the quantity of the work. However, the workload is so heavy, that it is impossible to process all the files, according to the quality specifications laid down in the guidelines. Getting through the quantity of work is priority number one. This is also checked by the higher echelons, which can sometimes result in an employee being called to account. The quality of output is not evaluated. Because the quality of the work is not checked, the quota can be met. So, everyone appears to reach – or nearly reach – the prescribed norms. All that matters is impressive statistics.

Since the quality of the work performance is not evaluated, this situation leads to an erosion of the performance criteria. The label "in-depth analysis" is used for what officially is the cursory processing and the cursory procedure deteriorates to simply marking files "O.K.". Experienced professionals feel highly frustrated about the lack of quality of the work they do. Some are even ashamed to put their names to it.

It is not surprising that this type of performance appraisal has no feedback

value for the employees and certainly is not instrumental in bringing about performance improvement.

Besides the tasks included in the statistics, there are all kinds of invisible activities, such as: preparatory and administrative activities, contact with the public, training young people. They can sometimes take up 40% to 60% of the available time. With odd exceptions, motivation for these assignments is generally low. The staff must have the character and be intrinsically motivated to keep striving for the best possible quality. This applies equally for the work that shows in the statistics and for the "low-profile" work. The appraisal system hardly supports them. There is no feasible, specific goal-setting.

The "signalement" – the written personal appraisal – fails as a yardstick of evaluation, since almost all comers get "Very Good" regardless of real performance. When a boss finds standards to be unsatisfactory, there is not much he can do to reprimand the employee. If he hands in a formal complaint about an employee, his own superiors will insist on explanations and proof. As he experiences it "he" – the disciplinarian – gets a lot of trouble, often only to see his complaint filed away in the wastepaper bin after all the procedural fuss and bother. For the boss, insisting on the rules is more trouble than it is worth. The head of an office has no say regarding the promotion of his employees, as the examination decides that.

Positive feedback is equally rare in this atmosphere. A word of recognition or praise, a simple thank-you for a job well done, is far from an everyday occurrence.

**Promotion.** To gain promotion, examinations must be passed. These exams are centrally organized for each level, as per standard practice in a bureaucracy. This is usually considered to be a way to give all candidates an equal chance and to "keep politics out of it". At higher levels, seniority and the "Very Good" grade (which almost everyone gets) are taken into consideration. Promotion is not based on track record at these higher levels either.

**Training.** Written and other courses are organized by way of preparation for exams. The interviewees appreciated these preparatory courses. However, half of them were of the opinion that preparatory courses list too far towards theory and lose sight of the job itself. They have no connection with the knowledge and skills required on the next rung up the ladder.

Non-candidates for exams are *ipso facto* non-eligible for these courses. Exams are clearly the reason for their very existence. Getting promotion nearly always means having to change to another office in another town. This can make the employee spend half an hour to five hours a day for several years commuting to the workplace. This forced relocation is usually felt as a slap in the face and prevents a great many men and women to enter for the exams. So career policy is not "performance-wise", much less "growth-minded".

Newly-recruited or newly-promoted civil servants learn the job “on the job”. This is usually well received. He/she takes the rough with the smooth, makes mistakes, gets feedback... Training the inflow on the job can go off systematically, without too much grief, particularly when the head of section appoints a senior colleague to point the way. More often than not, however, too little time and effort is invested, or else there simply are no colleagues on the scene doing the same kind of work or with the relevant experience. Old hands find coaching an imposition, since they must drop whatever they are doing. They are further demotivated in that they do not know how long the new recruit will stay on the job. On top of all this, on-the-job training devolves to them “just like that”, which the boss seems to take for granted.

A third form of training is the regular dispatch of documentation on all kinds of changes at work. Once, this material would be chewed over with the boss. The ever-increasing workload leaves less and less time for this. Besides, the documentation is not exactly easy reading, and often lags behind developments. Having said that, this is the only available way onwards and upwards for employees who do not enter for exams. Nevertheless, it is important to keep on updating their knowledge too.

#### 4. CONCLUSIONS

When we compare our findings in the Belgian Tax Administration with the theory of effective Human Resource Management we lack the most important precondition: the meaningful interlocking (the fit) of the various components in Human Resource Management. To our dismay, we found that – where actual disintegration between the various components in Human Resource Management was not rife – integration was extremely weak in wind and limb.

The key idea in Integrated Human Resource Management is to match all elements of policy with each other and the environment, so that policy can find its targets. “Fit”, the hanging-together of various components, is probably one of the most original concepts in the organizational literature in the past decade.

The notion of cohesion and internal congruence or consistency is also stressed *inter alia* in the classical 7 S Model of Peters and Waterman (1991, p. 562) 2, as used by the Mc. Kinsey Bureau in its organizational counselling. The 7 S Model states that an organization cannot be effective unless all its components are correctly aligned.

Other organization models too bring out the need for a unity of drive in the several components, influences and factors so as to obtain desired effects: Nadler and Tushman (1991, p. 544) for instance and, applied to human potential policy, Tichy’s HRM Model (1984, p. 41).

Tichy states that attaining the aims of the organization largely depends on the performance of the men and women who work in it. These efforts are influenced by selection, appraisal, reward and training systems.

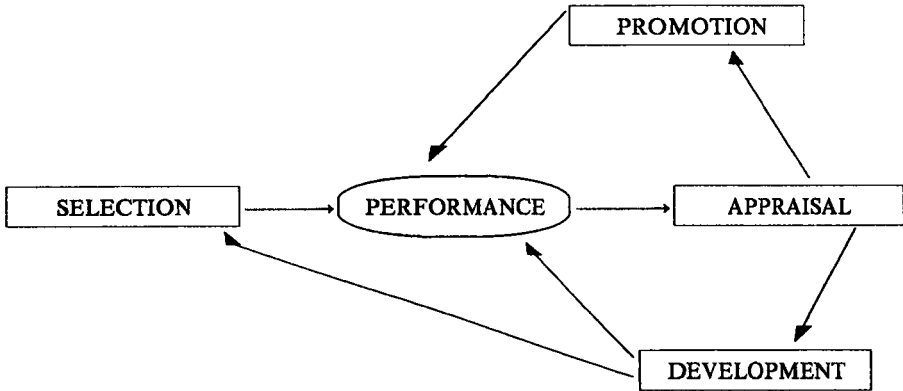


Fig. 1. The HRM-cycle of Fombrun  
 Source: Tichy and Devanna 1981, p. 41.

People with the right profile are attracted by recruitment and selection. Employing people who lack suitable qualifications is a continual source of problems, and it wrecks personnel policy. When people are working, they need to know what they are supposed to be doing. For this purpose, appraisal based on performance-related criteria is necessary. Appraisal can give cause for a reward or for training. Given that the management gets the behaviour it deserves, and that it can upgrade this through training, both components exert a direct influence on the performance levels. Training has an indirect influence on recruitment and selection in that acquired skills are later valid as recruitment criteria.

The deriant mutual relations of these different HRM components in the Belgian Tax Ministry can be clarified in the diagram below.

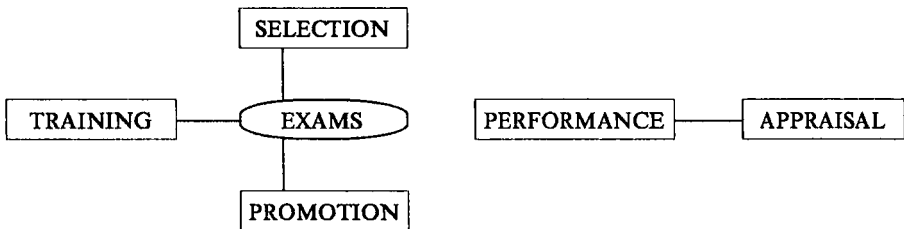


Fig. 2. The HRM-cycle in the Belgian Tax Ministry  
 Source: Martens et al. 1994, p. 43.

Initial selection draws from examinations. Promotion, likewise, mostly screens through examination results. The content of the examination does not fit the required job profile. People take courses – to prepare for these exams. There is virtually no room for on-the-job training.

The appraisal of on-the-job performance is only based on quantitative considerations to the exclusion of all else. The quality of the work done is not assessed. Appraisal evidently has no practical knock-on for promotion, nor does it lead on to professional development opportunities.

Tichy's HRM cycle states that a job well done is the result of a happy marriage, the "fit", of selection, appraisal, reward and training. In this organization, any relation with any part of this HRM cycle is a misfit. It is reasonable to expect an institution of this kind to be constitutionally unable to function effectively. To suppose otherwise would almost be to hope against hope.

## REFERENCES

- Fombrun, C., Tichy, N. M., Devanna, M. A. (1984): *Strategic Human Resource Management*. New York, Wiley & Sons.
- Martens, H., Vermeyen, I., Corthouts, F., Henderickx, E. (1994): *De Reus in beweging. Optimalisatie van Personeelsbeleid en Arbeidsorganisatie in de Administratie der Directe Belastingen*. OSTC, Brussel.
- Nadler, D. A., Tushman, M. (1991): *A Congruence Model for Diagnosing Organizational Behaviour*, in: Kolb, D. A., Rubin, J. M., Ostland, J. S.: *The Organizational Behaviour Reader*. Prentice Hall, New Jersey.
- Waterman, H. R., Peters, T., Philips, J. R. (1991): *Structure is not Organization*, in: Kolb, D. A., Rubin, J. M., Ostland, J. S.: *The Organizational Behavior Reader*. Prentice Hall, New Jersey.