|  |  |
| --- | --- |
| LogoBW | Schola EuropaeaOffice of the Secretary-GeneralHuman Resources Unit |

Ref.: 2018-03-D-8-en-2

Orig.: EN

Recruiting and Retaining Highly Qualified Staff: Reflection on the Competitiveness of Administrative and Managerial Functions in the Office of the Secretary-General

BOARD OF GOVERNORS

**Meeting on 17, 18 and 19 April 2018**

1. **Introduction**

The Office of the Secretary-General (OSG) is facing more and more problems in recruiting and retaining qualified staff in certain areas.

This concerns some managerial seconded posts as well as some administrative posts (AAS posts).

This is also highlighted in the risk analysis carried out for the OSG.

The growing difficulty to recruit and retain qualified staff is not limited to the OSG. It can also be observed in the 13 schools with respect to certain administrative posts as well as with respect to teaching posts.

The purpose of this document is to illustrate the concrete problems of the OSG and to provide first reflections how to tackle the problem. Although this document focuses on the OSG, the reflections also have a value with respect to the 13 schools.

1. **Analysis**

The analysis addresses the situation of seconded staff as well as the situation of administrative staff (AAS) in the OSG.

1. **Seconded Staff**
2. **General remarks**

The rights and obligations of the seconded staff members are laid down in the Service Regulations for Members of the Seconded Staff of the European Schools.

The Service Regulations fix the term of secondment and the salary.

Based on a decision of the Board of Governors the salaries of the seconded staff decreased as of September 2011 by around 20%. One main factor for the salary decrease has been the introduction of a new method of the determination of the initial salary step.

1. **Situation in the OSG**

The Secretary-General informs the heads of delegations about future vacancies of managerial functions in the OSG. The further circulation of the vacancy notes and the potential conduction of national selection procedures lies in the autonomy of the national delegations.

Since 2010 eleven managerial posts of the OSG had been published.

In general, it can be stated that the OSG faces no major difficulties to attract candidates for the pedagogical posts (Head of Unit Baccalaureate and Head of Unit Pedagogical Development). Only in one case the first call for candidates was not sufficient. This case concerned the newly created function of Head of Unit Pedagogical Development where the OSG received only one valid candidature in the first call.

On the contrary, delegations faced problems to provide candidates for the administrative functions (Head of Unit HR, Head of Accountancy, Head of Unit ICT, Financial Controller, Deputy Financial Controller and Central Accounting Officer).

The following table gives an overview on the recruitment procedures since 2010:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Function** | **Vacancy as of** | **Number of calls** | **Number of qualified candidates** | **Start of secondment** | **Post being vacant for**  |
| **Head of Unit HR** | 01.09.2009 | 3 | 1 | 01.06.2010 | 9 months |
|  | 01.01.2017 | 3 | 1 | Still open | 15 months |
|  |  |  |  |  |  |
| **Head of Accountancy** | 01.02.2014 | 3 | 2 | 01.04.2014 | 2 months |
|  |  |  |  |  |  |
| **Head of Unit ICT** | 16.08.2011 | 1 | 3 | 16.08.2011 | - |
|  | 01.07.2012 | 3 | 3 | 01.02.2013 | 7 months |
|  |  |  |  |  |  |
| **Financial Controller** | 01.09.2011 | 2 | 6(2 + 4) | 15.02.2012 | 5.5 months |
|  |  |  |  |  |  |
| **Deputy Financial Controller** | 01.04.2011 | 3 | 3 | 01.08.2011 | 4 months |
|  |  |  |  |  |  |
| **Central Accounting Officer** | 01.12.2017 | 1 | 1 | Still open | 4 months |
|  |  |  |  |  |  |
| **Head of Unit BAC** | 01.09.2014 | 1 | 6 | 01.09.2014 | - |
|  | 01.09.2017 | 1 | 6 | 01.02.2018 | 5 months |
|  |  |  |  |  |  |
| **Head of Unit PEDA** | 01.09.2016 | 2 | 4 | 01.04.2017 | 7 months |
|  |  |  |  |  |  |

In three procedures the first ranked candidate withdrew his candidature due to the salary conditions:

This concerned one of the ICT recruitment procedures, the first call for the function of Financial Controller and the recently created function of ‘Central Accounting Officer’.

1. **Reflections**

At least since 2010 only a few delegations (BE, DE, EL, ES, EU COM, IT and SE) showed interest in the essentially administrative/financial managerial functions of the OSG.

The same phenomenon can be observed in the schools with respect to the function of Deputy Director for Finance and Administration (former ‘Bursar). Also here the schools face difficulties to recruit seconded experts.

This might have different reasons. It is unclear whether the majority of delegations are not interested in these administrative posts or whether the publication of the posts needs to be improved.

The delegations are invited to discuss this phenomenon and to provide proposals how the OSG could support the delegations in the advertisement of the managerial posts in the OSG.

It is a fact that:

* the overall time of vacancy of the managerial position at OSG corresponds to 5 years (58,5 months), over a period of 7 years (2010-2017);
* at present two managerial positions are still vacant: this represents an important handicap for the normal functioning of the OSG.
1. **Administrative and Ancillary Staff (AAS)**
2. **General remarks**

The rights and duties of the AAS are fixed in the Service Regulations for the Administrative and Ancillary Staff (AAS) of the European Schools.

Their system of remuneration was partly changed with the introduction of the Service Regulations in 2007.

According to Article 25.2 of the Service Regulations the salary scheme should be reviewed every six years:

*Art. 25 Establishment and adjustment of remuneration*

*1. The salary rates for each School applicable to administrative and ancillary staff in post prior to the entry into force of these Service Regulations are those appearing in the relevant entries in Annex 3. The salary rates applicable to administrative and ancillary staff recruited after the entry into force of these Service Regulations are those appearing in the relevant entries in Annex 2.*

*2. Without prejudice to the provisions of Art. 3.1 above, the salary levels for AAS will be reviewed, every six years, by the Administrative Board of each school, and by the Secretary-General for his/her staff, under the authority of and within prior limits set by the Board of Governors. The first such review will take place in 2012.*

*3. This review should take all the following factors into account:*

 *a) the salary scale for comparable posts in the country in which the school is situated;*

 *b) the need to ensure recruitment and retention of suitably qualified staff;*

 *c) the salary paid for the same posts in the European Schools in general, taking account of the correction coefficient;*

 *d) the budgetary resources/limitations which may be indicated by the Board of Governors;*

*4. The annual adjustment of the remuneration of the AAS shall follow the annual adjustment made by the Board of Governors to the salaries and allowances of seconded staff unless national legislation provides for a higher level of adjustment.*

In fact, the AAS Working Group worked on a review in 2013, but failed with its attempt to provide a comprehensive review of all salary grids. Finally, the AAS Working Group provided a proposal to revise at least Article 7 of the Service Regulations which deals with the initial grading of newly recruited staff.

A revised Article 7.3 of the AAS Regulations was introduced which foresees that the schools may offer under exceptional circumstances up to step 5 as initial step if the offered salary is not competitive.

In this context it should be noted that each grade foresees eight steps. Therefore, an initial step 5 makes the career very short.

Currently, the AAS Working Group is discussing the model of a ‘single spine’ which aims to overcome the discrepancy between the salaries for those staff members recruited before 2007 and those recruited after 2007. This discrepancy is also caused by the different method of annual salary adjustment laid down in Article 25.4 of the AAS Regulations, which might need harmonisation.

1. **Situation in the OSG**

The OSG faces more and more difficulties to recruit and retain highly qualified staff.

For the moment this concerns in particular technical areas (ICT-, SAP- and Security-Experts). The recruitment of experts in finance is also a potential area of risk. In other, more administrative areas (posts of Secretaries, administrative Assistants) the OSG still receives a quite high number of qualified candidates.

In order to be competitive in the area of SAP and ICT, the new Article 7.3 of the AAS Regulations has been applied in five cases.

**aa) Recruiting qualified staff**

The following table illustrates the **difficulties in recruiting** qualified staff in the areas ICT, SAP and Security in the last years:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Function** | **Vacancy as of** | **Number of calls** | **Number of invited candidates** | **Difficulty faced**  | **Post being vacant for** |
| **Security Officer** | 01.09.2016 | First call | 6 | * Out of 6 qualified candidates only 4 followed the invitation.
* The only successful candidate withdrew his application due to the salary conditions.
 | 12 months |
|  |  | Second call | 7 | * The BoG decided to foresee a higher salary grade, which was considered to be competitive.
* The vacancy could be filled in September 2017.
* The post holder terminated contract in March 2018 due to a more attractive offer.
 |  |
|  |  |  |  |  |  |
| **SAP Expert** | 01.05.2014 | 1 | 6 | * Out of a total of 20 candidates six had been invited.
* Only one candidate could entirely convince.
* In order to be competitive step 5 was offered.
* The post holder terminated contract in March 2018 due to a more attractive offer.
 | 1 month |
|  |  |  |  |  |  |
| **SAP Assistant** | 01.06.2015 | 1 | 5 | * Out of a total of 50 candidates five had been invited.
* Only one candidate could entirely convince.
* In order to be competitive step 5 was offered.
 | 1 month |
|  | 01.09.2016 | First Call  | 0 | * None of the 30 candidates met the requested profile.
 | 13 months |
|  |  | Second call | 2 | * Out of a total of 11 candidates two had been invited.
* Only one candidate could entirely convince.
* This candidate declined the offer due to the salary conditions.
 |  |
|  |  | Third call | 6 | * Out of a total of 48 candidates six had been invited.
* Three of them did not follow the invitation due to the salary conditions, one was selected for another function and one did not show up.
* In order to be competitive step 4 was offered to the remaining candidate.
 |  |
|  |  |  |  |  |  |
| **ICT Network Engineer** | 01.08.2017 | First call | 0 | * None of the 24 candidates met the requested profile.
 | 6 months |
|  |  | Second call | 1 | * The only sufficient candidate refused due to the salary conditions.
 |  |
|  |  | Third call | 0 | * None of the 5 candidates met the requested profile.
 |  |
|  |  |  |  |  |  |
| **ICT System Engineer** | 01.04.2017 | 1 | 3 | * Two candidates did not follow the invitation.
 | 3 months |
|  |  |  |  |  |  |
| **ICT Developper** | 01.08.2017 | First call | 0 | * None of the 19 candidates with the exception of one internal candidate met the requested profile.
 | 5 months |
|  |  | Second call | 3 | * Out of the total of 15 candidates three had been invited
* One of them refused the invitation
* One did not meet the requirements
 |  |
|  |  |  |  |  |  |
| **ICT Administrator DBA SQL** | 01.01.2018 | First call | 6 | * Out of the total of 18 candidates six had been invited.
* Five did reject the invitation or did not show up.
* The remaining candidate did not meet the requested requirements.
 | 3 months |
|  |  | Second call | 0 | * This procedure involved a specialized agency, but finally no valid candidates could be attracted with the offered salary.
 |  |
|  |  | Third call | 1 | * Out of the 9 candidates only one met the requirements.
* This candidate rejected invitation due to the offered salary.
 |  |

**bb) Retaining qualified staff**

As already indicated in the table above, the OSG also has quite recently been faced with **difficulties to retain** experts in these functions.

The following table illustrates in more detail the cases concerned:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Function** | **Recruitment** | **Initial step** | **Resignation** | **reason** |
| **IT Assistant** | 01.02.2015 | 1 | 31.07.2017 | More attractive salary package |
| **SAP Expert** | 10.06.2014 | 5 | 31.03.2018 | More attractive salary package |
| **Security Officer** | 01.09.2017 | 3 | 09.03.2018 | More attractive salary package |

In the case of the Security Officer the Board of Governors had decided to increase the salary before publishing the post for a second time.

With respect to the offered ‘salary package’ it needs to be noted that the monthly gross salary offered by the OSG is comparable and sometimes even slightly higher than the monthly gross salary offered by the competitors which are mainly companies on the private market. But these competitors offer a more interesting ‘package’ including a 13-month salary, group insurance, company car, meal checks, etc., which finally makes the salary that the OSG can offer less attractive.

1. **Reflections**

It is a fact that for these highly qualified AAS staff the OSG is not any longer able to compete. The consequences are:

* long lasting vacancies of key positions;
* investments in terms of experience and trainings which are lost with the departure of those members of staff;
* extra load on the HR Unit, due to repetitive publication of posts and recruitment procedures;
* overall lack of efficiency.

As mentioned in the ‘general remarks’ the AAS Working Group is currently discussing the model of a ‘single spine’ in order to harmonize the salaries of staff recruited before and after 2007.

The aim is to establish a single salary grid for both staff groups without major additional budgetary impact. It is envisaged to forward a concrete proposal to the Board of Governors in December 2018.

However, the introduction of a ‘single spine’ could be combined with the review of the salary scales in order to tackle areas where the OSG (and the 13 schools) are no longer competitive.

As earlier mentioned, despite the clear requirement established in Article 25.2 of the AAS Regulations no comprehensive review of the salary scales has taken place since the adoption of the AAS Regulations in 2007.

Therefore, the Board of Governors should mandate the AAS Working Group to combine both exercises – the creation of a single spine and the review of the salary scales as foreseen in Article 25.2 of the AAS Regulations.

1. **Conclusions of the Budgetary Committee**

The members of the Budgetary Committee took a positive position on the document and invited the Board of Governors to mandate the AAS Working Group combine the reflections on a ‘single spine’ with the review the salary of the Administrative and Ancillary Staff in line with Article 25.2 of the AAS Regulations.

1. **Proposal**

The members of the Board of Governors are invited to discuss the document and to mandate the AAS Working Group to combine the reflection on a ‘single spine’ with the review the salary of the Administrative and Ancillary Staff in line with Article 25 of the AAS Regulations.