

# ***Elite Building or Not? Senior Civil Service in Slovakia***

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## **Abstract**

A growing number of countries are introducing a distinct narrow group of civil service with specific processes for recruitment, management, remuneration and accountability that differ from those applied for general civil service. This core civil service is usually called senior civil service which can be formally recognized by law or not recognized formally but specific processes are being utilized anyway. This paper explores Senior Civil Service (SCS) in Slovakia after the adoption of the Civil Service Laws. The focus is on the characteristics of the formally recognized senior civil service institution in Slovakia (nominated civil service) that was introduced in 2003 and did not sustain for a long time. Instead, not formally recognized type of senior civil service was developed “posts of superior importance”. The paper explores SCS following the Helmke – Levitsky framework of informal institutions. It argues that due to ineffective formal civil service structures informal institution of politicization occurs.

**Key Words:** senior civil service, coordination, Central Europe

## **1. Introduction**

The structure of central government, civil service systems and politico-administrative regimes differ from country to country in order to best accommodate its goals and tasks. These tasks may change in time and space and the subsequent civil service reforms are directed at reshaping the overall system. Some of the reforms were aimed to improve the overall efficiency and effectiveness in line with the new public management (Pollitt and Bouckaart 2004, Osborne and Gaebler 1992). In Central and Eastern Europe, the civil service reforms were adopted at different points of time, although all countries were in a similar situation after the fall of communism, lacking a professional and depoliticized civil service system. Often the adoption of civil service legislation serves as a milestone for civil service reform. Nevertheless, whatever the reason for the reform, Pollitt and Bouckaart (2004) argue that in all countries, major reforms usually involve politico-administrative relations, i.e. both executive politicians and senior civil servants who are responsible for the execution of the policies.

Nevertheless, it might not be clear who makes up the *senior civil servants* (SCS) or “mandarins”. The term senior civil service has different meaning among scholars: most of the academia uses senior civil service for determining the highest hierarchical level, for some these include also politicians (e.g. Hood and Peters 1994, 2003 use the term *high public officials* for “politicians, judges and senior bureaucrats” p.1), while some include only top ministerial bureaucracy (e.g. Meyer-Sahling 2008, Meyer-Sahling and Veen 2012), though admittedly politicized in CEE countries. For others the term determines the managerial position of chief executives of agencies or ministries (e.g. Beblavý 2001). Yet another interpretation is that SCS is only the elite core group of civil service (e.g. Halligan 2012, Kim 2007, Dror 1997), formally or informally distinctive from ordinary civil service (Kuperus, Rode 2008) and which is very small in size: 0,2 – 3% of the overall civil service (Halligan 2012). It is the

latter interpretation – distinctive (formal or informal) elite group of civil servants - that we concentrate upon in this paper. Nevertheless, even with this focus on elite group within civil service, we can encounter various other official terms in formal documents and laws, such as senior executive service (USA), “hoch” high civil service (German), highest civil service (Slovenia), top civil service (Estonia), high-ranking corps (France, Romania), nominated civil service (Poland, Slovakia), main (Hungarian) or “glavnyj” civil service (Russia). Kuperus and Rode (2008) show how different terms can create confusion of what is meant since “seniority” can mean age, years of service or simply level of experience. Similarly “top” can refer to the highest hierarchical level or to the managerial position. Moreover, in some countries senior civil servants may imply employees with tenure rights (i.e. careerists with life long guarantee of employment in government services), in others those who are appointed to a specific senior position either on contractual basis or under civil service law, and yet in other we can encounter the combination of both.

Thus, some governments explicitly recognise and appoint a very small group of civil servants as a senior civil service (SCS) by means of a formal definition in the law. This elite group is considered to be the core of civil service, located very close to the executive and form a layer between the politicians and civil service at large. Thus, the SCSs usually include (administrative) heads of ministries, departments, bureaus and agencies within the core civil service and other senior officials as designated within the central government of each country (Halligan 2012). According to OECD (2008), 25 countries have formally recognized systems of SCS, such as US, Australia, United Kingdom, Canada, the Netherlands. Yet, there exist countries with SCS not defined by law, though still having special conditions for SCS, such as France, Spain or Sweden. Estonia, for example, for more than 6 years had a special unit for SCS development at the Government office, providing trainings, regular meetings and only in 2013 SCS was recognized by law (Randma-Liiv et al 2015). In fact, Kuperus and Rode (2008) argue that it is enough to utilize only one of special conditions in any of the HR functions, such as recruitment, entry exam or education, employment system, length of contractual basis, support or remuneration, though SCS is not formally recognized in law, it still qualifies as SCS. In this paper I will use the term senior civil service for distinctive core of civil service (both formally and informally recognized by law) who are not formally political appointees (e.g. minister, state secretary, political advisors), but who are the policy-makers.

There is literature studying SCSs as a separate group, mostly in Anglo-Saxon countries (Bhatta 2001; Bourgault 2007; Halligan 2012; Hansen et al. 2012; Kim 2007; OECD 2008), yet the topic has been largely neglected in Central and Eastern Europe (but see Randma-Liiv et al 2015, Staroňová 2015). This paper first turns to a brief history of senior civil service, leading to a discussion of institutionalization form. This paper explores the SCS in Slovakia after the adoption of the Civil Service Law in 2002. The focus is on the *characteristics* of the senior civil service institution, looking at both formally recognized by law type of *nominated civil service* as well as on non-formalized type of the *posts of superior importance* which are not recognized as SCS but have specific procedures linked to them. The focus is on the process of institutionalising the relevant arrangements and on the results (sustainability) utilizing the analytic framework of Helmke-Levitsky (2004) on informal institutions. The timespan covered is from 2002 to 2014.

## **2. Institutionalization of Senior Civil Service System**

In the past 30 years we witness the introduction of formal senior civil service in many countries of OECD, including Central and Eastern Europe where the SCS seems to be a very attractive concept (scheme 1). SCS establishment thus took place during a period of general reconsideration over the role of civil servants and over the shape of government organizations.

Scheme 1 – Introduction of Senior Civil Service



Source: updated for CEE countries by the author, based on Lafuente et al (2012).

The literature recognizes several reasons why SCS is being created. The first two reasons are linked to two major deficiencies of civil service: lack of coordination and low mobility between public and private sector. The third reason is related to the changing nature of the governance which requires new type of capacities on the side of civil servants in order to cope with complex issues.

The structural roles of political control over civil service are relatively weak due to factors such as ministerial fragmentation and NPM reforms. Fragmentation was accounted for undermining the capacity to standardize across government or in Central Europe even for abolishing central structures for civil service coordination in Slovakia. The New Public Management movement has further increased fragmentation of the central government through vertical specialization, agencification, individual organization performance appraisal and by promoting internal instruments of control and planning (OECD 2003). This was all done with a view of furthering efficiency and transparency. As decentralization and devolution extend, however, the need for integration and interagency cooperation is growing. In an era of governance, horizontal communication and coordination are key factors for responsive governance (UN/DESA 2005). As each ministry runs autonomously, the need for holistic government is also significantly increasing.

In post-NPM efforts (New Public Governance - NPG) reflects on such new developments and vertical and horizontal coordination problems have received a renewed focus (e.g. program such as Joined-up government, Whole-of government). The importance of government to work cooperatively across agencies and utilize network-oriented approaches at policy level, share resources, services have common targets and measures became the emphasis (Ling 2002). Thus, SCS is to serve as an instrument for overall continuity and holistic view on civil service management to overcome the fragmentation of the system. The system of SCS helps to develop common values, which in combination with personal leadership and example encourage cooperation and horizontal coordination across the central government (Bourgault 2007, Kim 2007). SCS, if able to work together, can bring stability and sustainability with horizontal perspective. In fact, the leadership, professionalism and common values of senior civil service (SCS) and the ability of SCSs to work

together are key preconditions for successful coordination (Hansen et al., 2012). In order to enhance the leadership role and strengthen the horizontal coordination, comparative studies have shown the importance to plan and invest in SCS specific training, because it tends to create better coherence, responsiveness, innovation and dynamism (Van Wart et al. 2015).

Another reason for creating senior civil service can be traced to the need to attract certain skills and knowledge that is considered to be a scarce resource in the market and need to be attracted even from the private sector. This is especially true for the Central and Eastern Europe where major reforms are/were conducted for which professionals are/were needed from private sector (Verheijen 2006, Staroňová and Brown 2006). Mobility between the public and private sector is seen as an extra benefit since it encourages competitiveness, innovativeness and cultural re-identification of the public sector (OECD 2003). In fact, a standard critique of regular civil service and bureaucracy is that it is insufficiently responsive to changes in priorities of their political leadership. Thus, one of the instruments is to replace career civil servants with more responsive civil servants which may improve the correspondence between electoral results and policies (see Peters 2000). Naturally, in this case there is a delicate balance of politicization which Peters (2012) calls „professional politicization“ and concerns civil servants who are political loyalists but at the same time are products of their professional career.

There is a growing literature on new challenges for governments and bureaucracies in the form of uncertainty and more complex, open-ended and intractable problems („wicked problems“). Standard and new public management responses to uncertainty and complexity (regulation, outsourcing) is seen as inadequate. Generally speaking, senior civil service did not face as serious challenges in the past as they face today. They were able to fulfill their duties within rule-based civil service tradition. As today's governments face „wicked problems“, complicated conflicts, senior civil service must provide clear visions and innovative leadership in a new age. Therefore, it is natural to reinvent the function and management of senior civil service. Thus, the role of senior civil service became increasingly important as the nature of governmental affairs became more complex. The creation of SCS in this regard corresponds to the view of Yehezkel Dror (1997) who asks for „delta type“ of civil service who would be able to tackle „higher order functions“ of the state, such as big infrastructure projects, reforms and radical changes in the state organization, providing security, macro-economic policies or which in his words „will shape the future“ (Dror 1994). Dror sees the public management reforms in this regard improving the efficiency, but considers them irrelevant for „grand policies“. In Dror's view (1997, p. 13), however, such a new type of civil service requires autonomy from politicians and their super-professionalism acquired through professional education, identity motivation and constant supplementary learning, study periods and multiple experiences. He views this elite group to be of „high quality and small in quantity“ (1997, p. 16), recruited strictly on merit (not seniority or political appointments).

### **3. Analytical Framework**

Institutionalization has been defined as a process whereby a new formal rule is supported by supplementary informal rules (Helmke and Levitsky 2004: 728). Both formal and informal rules together become what Ostrom (1999:38) calls „the new rules-in-use“. Formal institutions refer to state bodies and state enforced rules, such as legislation and regulations, including Civil Service Laws. They are openly established and known through official channels. Informal institutions, on the

other hand, are seen by Helmke and Levitsky (2004) as “socially shared rules, usually unwritten, that are created, communicated and enforced, outside of officially sanctioned channels” (p. 727).

Formal and informal institutions interact in a variety of ways and can work either positively or negatively to constrain formal institutions. Helmke and Levitsky (2004) introduce a framework where they focus on the interaction between formal and informal institutions and identify four different types of informal institutions based on two dimensions of formal/informal interaction: a) degree to which formal and informal institutional goals and outcomes converge b) effectiveness of the relevant formal institution. Thus, informal rules exist both in the context of effective (and enforced) and ineffective formal institutions (e.g. non-existence of clear rules or non enforcement). If the goals of the formal legislation and actors in informal institutions, e.g. bureaucratic elites or politicians work towards the same outcome, for example building up senior civil service, the informal institutions are complementary and they often enhance overall efficiency and can even serve as a foundation for formal institutions and strengthen incentives to comply with formal rules. If the goals of formal and informal institutions are hostile, the *accommodating* informal institutions do not openly violate formal rules, but they get around them and in this way provide second best solution if for whatever reason they cannot challenge the formal rules with which they disagree directly. If formal structures are weak or lack authority, but the goals between the actors are compatible, *substitutive* informal structures occur and they can achieve what formal institutions were designed but failed to achieve. *Competing* informal institutions exist where there are ineffective formal institutions and actors have competing goals.

**Figure 1: Typology of informal institutions.**

	Effective formal institutions	Ineffective formal institutions
Convergent goals between actors in formal and informal institutions	Complementary	Substitutive
Divergent goals between actors in formal and informal institutions	accommodating	Competing

Source: Helmke and Levitsky (2003).

Empirical studies on senior civil service and its formal and informal anchoring is scarce. Our study draws on instrumental case study based on qualitative inductive techniques. Single case study of Slovakia has been chosen due to the existence of two types of SCS: formally recognized and informally recognized one. This case studies look into one particular aspect of senior civil service institutionalization: the sustainability and effectiveness of formal and informal institutions.

#### **4. Senior Civil Service as formal and informal institutions in Estonia, Hungary and Slovakia**

In Slovakia, two institutes qualify as SCS: *nominated civil service* which was formally recognized by law and *posts of superior importance* which has special conditions in remuneration (vis a vis regular civil service) and direct reporting to the minister but is not formally recognized as SCS. Both institutes were introduced as innovative elements in 2003 by reforming Civil Service Law (Staroňová 2013), the former one was abolished in 2009 and the latter one still exists, though in an altered way (by amendment in 2009). *Nominated civil service* was created following the Polish (and French) example of career SCS with special conditions of recruitment, entry, employment and remuneration

in order to create a professional elite core SCS that would link horizontally the extreme fragmentation and become the stable feature of the overly politicized system. *The posts of superior importance*, on the other hand, had a different ambition – to attract professionals from the private sector (particularly to conduct reforms in selected areas) and/or where good salaries should serve as a prime anti-corruption measure. There were two types of posts of superior importance approved by the collective body of Government: one *with permanent special allowance* (in addition to basic pay) and one with *permanent special salary* (pay outside of the pay tables stipulated by law). The new law on Civil Service in 2009 have abolished the special allowance replaced it by *post of superior importance with superior salary* and a new institution of *personal salary* (both pays are outside of the pay tables stipulated by law).

Thus, as of today, there exist simultaneously 2 institutions: *posts of superior importance with superior salary* and *personal salary*. Both offer salaries based on market rather than grades for “strategic” positions and tasks of importance to the government. The only difference is that while the former is approved by a collective body of the Government (both position and salary), the latter is approved by minister solely.

**Table 1: Senior civil service in Slovakia**

		Approved by	2002	2003	2004	2005	2006	2014
<b>Nominated civil service (2003 – 2009)</b>		Civil service office	-	-	5	5	5	-
<b>Strategic Posts (2002-2003)</b>	<b>Special allowance</b>	Service office of the Ministry (list to be approved by government)	281	-	-	-	-	-
	<b>Special salary</b>		1	-	-	-	-	-
<b>Posts of superior importance (2003-2009)</b>	<b>Special allowance</b>	Government (if costs covered by ministry then ministry only)	-	207	230	342	353	-
	<b>Special salary</b>	Government	-	1	2	4	2	-
<b>Posts of superior importance with superior salary (since 2009)</b>		Government	-	-	-	-	-	1
<b>Personal salary (since 2009)</b>		Service offices of the line ministries	-	-	-	-	-	139

Source: author

Note: systemization was abolished by 2006 and no data exist between 2007-2014. Data from 2014 are based on questionnaire sent to service offices of line ministries by the Government Office.

Table 1 shows the utilization of the individual SCS in time: posts of superior importance with **special allowance** were utilized in big numbers during the time it was in practice (approximately 300 posts or 0,6% of civil service), particularly around accession period during second Dzurindas government. The second most utilized SCS is personal salary - in 139 cases as opposed of one case of post of superior importance.

### **Central coordination and oversight**

The topic of central coordinating structures for civil service was brought into attention in the late 90's by the EU and SIGMA OECD. Such a centralized office for SCS makes it possible to pay special attention to SCS as a group, to establish an "esprit de corps" and to institutionalize a comprehensive SCS development system. Nevertheless, only limited number of countries have, in fact, created a special centralized unit for the management of SCS (UK, the Netherlands, Estonia).

Slovak central coordination structure and oversight of civil service in the 2002 – 2014 period is ineffective in several ways: weak central coordination structure during its existence 2003-2006 and overall fragmentation of line ministries thereafter. Several authors have pointed out the weakness and lack of authority of the Civil Service Office when still in existence during 2002-2006 (e.g. Staroňová – Brown 2006, Meyer-Sahling 2009, Staňová 2014). The CSO had practically no control over the line ministries in HR functions. When we look back into the period when CSO was created there certainly were conflicts in the goals of the CSO officials and line ministries officials, represented by the Ministry of Finance. CSO officials represented the vision of EU administrative space in coordinating of civil service in large, utilizing the tools of systemization (setting the number of civil servants and corresponding salaries). Nevertheless, the line ministries did not want to lose control over HR functions and preferred flexibility in management. Already in the 2003 reform, the CSO had lost many of its decision-making competences due to the pressure from the Ministry of Finance on its supposed inefficiency. Thus, in reality, the CSO never had a crucial word in the recruitment or examination of civil service since already a year after its creation (2003) this task was delegated to line ministries and became more of a coordination body. Finally, in 2006 it was abolished and although its competences were formally handed over to the ministry of social affairs and the government office, neither of them carried them out. Thus, CSO was seen as a weak and ineffective formal institution by line ministries, particularly by the Ministry of Finance who is considered to be a strong ministry.

Second, after the abolishment of the CSO in 2006, the general fragmentation of the Slovak central ministries only increased and can be characterised by 'lack of central human resource strategy' (Staroňová – Láštic 2011). By 2015, there is neither a comprehensive civil service strategy nor any systematic steering effort with respect to the development of the civil service. No single institution at the level of central government has the power and necessary resources to develop and implement government-wide civil service policy. Each ministry and executive agency is responsible for the recruitment, training, performance appraisal and pay of its officials. This situation, however, corresponds to the goals of line ministries, both political nominees and heads of service offices, who want to have discretion and autonomy in the decisions in HR functions.

Nominated civil service was directly linked to the existence of the Civil Service Office (CSO) who originally was designed with competencies for recruitment, examination, remuneration and overall development. Thus, nominated civil service represented the ideal in the vision of the CSO, including having tenure. Line ministries, on the other hand, preferred flexibility in hiring and firing and were directly encouraged by the Ministry of Finance whose had initiated in early 2000s Functional Audit of the Central Offices to restructure the ministries, cut back the number of personnel and utilize managerial tools of performance management in line with New Public Management doctrine. There was a clear clash among the actors.

On the other hand, posts of superior importance (as well as the size of remuneration), were designed by line ministries, and although the position had to be approved by a political body – the Government – all HR functions, including recruitment process was already delegated from CSO and conducted by the line ministry. Moreover, the primary goal of all actors involved was in accordance – with the vision of EU entry to have means to attract and retain qualified people. In 2003 the Government approved material on “Successful Integration of Slovakia into the EU and its structural funds”. This material identified a specific problem, connected to the country’s accession into the EU - a lack of qualified EU experts in ministries and central agencies. Thus, the changes in the civil service law – posts of superior importance with special allowance - was made in order to attract such people, especially by creating separate salary component. On the basis of recommendation of the Advisory Council of the Government on the EU the budget for salaries has been increased by 10 mil. Skk in 2004. These posts were identified by individual ministries and approved by the Ministry of Finance without any hesitation and a list was provided to the Government for final approval. Today, most of these posts are financed via structural funds. Reports of the Civil Service Office 2003-2006 show that these posts were utilized primarily for a) financial posts – 12% b) strategic decision making posts – 58% and c) EU experts – 30%.

### ***Recruitment and entry into SCS***

Meritocratic recruitment is a precondition for creating the best pool of candidates for SCS. Both academics and practitioners agree that none of the other approaches like seniority or political patronage will choose the best and the most capable. Therefore, the selection systems and entry into to the SCS has to be on competitive basis and be attractive enough for selecting and maintaining the best. There are many questions related to what best practices of selection, what qualifications and what education to ask for. There are several approaches for recruitment applied (Peters 2010, OECD 2008) which can be combined allowing several entry points into SCS. First, an early entry at the beginning of the career for personnel with good academic results through open competitive examination and via fast stream system they are promoted by internal competition (United Kingdom, Estonia). This corresponds to the philosophy of talented amateur (Peters 2010), advocating for the innovativeness that young people can bring into the top positions (Dror 1997). The opponents argue that such a system creates generalists who are not suitable to tackle fiscal and technical questions. Second possible entry into SCS is only via concrete type of education and examination provided by state institution like Ecole Nationale d’Administration (ENA) in France. Nevertheless, even France is changing and more and more positions are open also to a third type of entry into SCS which via open competition also for external candidates, including private sector. This is the case of USA, United Kingdom, Australia and more and more OECD countries. This type of entry is mostly position based where recruitment and selection is for a concrete position with concrete requests for qualification, experience and skills prior to the entry into SCS (or civil service). Thus, SCS is more specialized and often the successful candidates are offered fixed contracts for which they have to reapply again. Finally, the fourth possibility, the most closest one, is the entry only via civil service career and hierarchical promotion with no possibility of entry from outside (Japan, Spain, Turkey).

In Slovakia, **nominated civil service** was foreseen as a completely apolitical cadre, selected by apolitical Civil Service Office with typical closed career type of SCS. Only a top qualified candidate from within the permanent civil service (at least two years), fluent in English, French or German and

with top personal assessments qualified for specific exams (nominated exams organized by Civil Service Office) into the nominated civil service. In assessing the exceptional personal qualities, the nomination exam committee (consisted of five members from CSO) cooperated with HR experts and psychologists. It was expected that approximately 1000 civil servants would be part of the 'nominated service' with tenure (Explanatory Memorandum to Law Amendment). However, only 5 candidates passed the exams (out of 367 applicants) in the first round in 2004 and in 2005 none of the 177 applicants passed (Staroňová 2013). In addition, the successful candidates despite this more rigorous testing were unable to get a better position in the ministries as the CS Law did not incorporate a career system. The line ministries were reluctant to employ the successful applicants because they had their own criteria for employment. Thus, becoming nominated civil servant did not fulfil the original expectation. No other exams were organized since the termination of the Civil Service Office in 2006 until the institution was abolished in 2009. Following the abolition of the CSO in 2006 the organization of exams for the nominated civil service was handed over to the Head of the Government Office (a political nominee) who did not organize any exams until 2009 when nominated civil service was abolished.

The **posts of superior importance**, on the other hand, were typical position based SCS. Both types of posts of superior importance were open for external recruitment with no specific additional examination, but with required specific skills and knowledge. Recruitment was delegated to line ministries with no additional coordination. Thus, it was sufficient for the candidates to pass the selection procedure, they need not be the highest ranked candidates. Posts of superior importance were directly managed by the minister who defined these posts in the internal regulations of the ministry and were issued by the minister himself. The post and related remuneration (differing feature from regular civil service) needed to be approved by the Government, unless the line ministry had its own resources to meet the costs. This was made possible for posts with special allowance through an informal institution endorsed by the Ministry of Finance where the variable segment (special allowance) could be acquired by each ministry when cutting back its staff or not filling vacancies planned in that particular year. In this way, no additional finances are needed and ministries are motivated to slim their offices to have finances for allowances. As a consequence, the ministries deliberately overestimate the number of posts needed in annual budget discussions with the Ministry of Finance in order to keep the unspent finances for allowance and bonuses in general. Survey of the Government office (2014) shows that the line ministries fulfil their planned estimates to appr. 70%, however, there are ministries with even lower numbers. This informal institution enabled the minister to define who would be on the post of superior importance and on this basis intervene into their selection procedure. These employees would be appointed on proposal of the minister, who could chose from the list of successful candidates. It was therefore down to the ministries and their internal regulations how deep politicization could potentially go. Both special salary and special allowance linked to the post were informally negotiated already for the contract during the recruitment process.

In addition, there were posts of superior significance with **permanent special salary** (market based salary). These posts were designated by ministers and heads of office in appropriate Ministry and approved together with the proposed salary by the government in order to oversee the process. Under Dzurinda's government in 2002-2006 this was used for the following five posts quite successfully: Head of the State Treasury, Head of the Debt Management Agency, Chief Economist at the Ministry of Finance, Head of the Anti-corruption Unit at the Government Office, and Head of

Programming of Structural Funds at the Ministry of Construction and Regional Development. Some of these posts were contractual with clear mandate until the task was over.

This, however, was changed with 2009 amendment: the post of superior importance with special allowance was abolished, the post of superior importance with special salary was renamed into post of superior importance with superior salary (approved by the government) and new possibility of remuneration “personal salary” with no link to specific type of position was introduced (approved by line ministries only).

### ***Performance Evaluation and Remuneration***

Beside recruitment, remuneration and performance evaluation are one of the most typical specific processes linked with SCS. In many countries, performance evaluation and remuneration are entirely different than that of regular civil service. Dror (1997) stresses that it is of utmost importance for SCS to filter out those who are mediocre or worse performers and to enable the exit of those who lost their motivation. In his view SCS is not to provide tenure but rather fixed contracts, renewable on the merit basis by independent body. In practice, this is being done by setting performance evaluation linked to concrete objectives which are anchored in individualized fixed contracts reflecting the skills, knowledge and competence and that replaces implicit expectation from SCS anchored in ethical codex or guidelines and which tended to be too general (Lafuente et al 2012, OECD 2003). Performance evaluation is more and more based on competence, as well as achievement of organizational goals. In some countries (USA, France) low performance may lead to the termination of the contract. Performance related pay in some countries is bigger than the fixed basic pay (Lafuente et al 2012). As the natural tendency in performance related pay is to evaluate civil service the best, in many of the countries the challenge became that results of the performance evaluation showed too many best performers which did not correspond to the natural curve. Therefore, some countries (USA, Canada, UK) set quotas for categories of performers. In United Kingdom, for example, 25% can achieve „top“ grade, 65% „achieving“ grade and „15%“ low grade (Cabinet Office 2011).

Each ministry decides internally on the amount and mechanism of the payment of allowances and bonuses for its SCS since the abolition of the Civil Service Office in 2006. Whereas flexible payment of bonuses helps to overcome the problems of the highly formalized and grade based base pay system, the lack of clearly defined criteria for the allocation of allowances and bonuses as well as the ad hoc nature of the system, based as it is on artificially construed wage budgets, make it vulnerable to politicization and risks creating wage budget levels that have little to do with the real needs of the administration. The creation of special salary not linked to SCS and without any collective supervision makes the issue of politicization even more profound.

Reform of 2003 provided both types of SCS with **permanent special bonuses** (Staroňová – Láštík 2012) – see table 4. *Special allowance* was introduced for nominated civil servants and posts of superior importance. It meant that nominated civil servants automatically got a 50% increase of their basic pay (tariff salary) through this component. Posts of superior importance have a permanent special allowance to basic pay of 50-100% of their basic pay, however, with an obligation to disclose their and their family's assets. The other type of posts of superior importance had a permanent *personal salary*. As mentioned before special allowances had to be approved by the

government through systemization (Staroňová 2013). However, if line ministries did not request additional finances from the Ministry of Finance to cover the costs, the minister could designate these positions himself. The personal salary was proposed by the chairman of the CSO in cooperation with the minister and approved by the government. This was abolished by the new Civil Service law in 2009 and no longer collective body is required for the approval. The permanent *personal and superior salary* is calculated on the basis of comparison with private sector. In addition, both types of SCS (nominated and posts of superior importance) could get also the *personal allowance* may be as high as 100 % of the basic pay.

The purpose of the special allowances and special salary was to make SCS posts competitive to the private sector. SCS in Slovakia was facing serious problems since wages in civil service in early 2000s were so low compared to private sector, as it is/was everywhere in the Central Eastern European region (Verheijen 2006, Staroňová 2013), it was impossible to find enough, if any, qualified candidates for certain civil service positions. Therefore, reform of 2003 brought new ways of remunerating SCS by institutionalizing flexibility in pay systems (OECD 2008), particularly in the payment of allowances and bonuses (see Table 4).

**Table 4: Remuneration of SCS in Slovakia**

Type of Civil service	Basic Pay	Allowances		Bonus	Size of recipients
		Personal	Special		
Regular civil service (2004 – now)	<i>Tariff Salary</i>	Up to 100 % of Tariff Sallary	-	Individually determined based on recommendation of the superior (no cap until 2009), 20% of functional (basic pay + allowances) salary since 2009	Cca 43.00
Nominated civil service (2004-2009)			50 % of tariff salary		5
Posts of Superior Importance (2004-2009)			30 – 100 % of tariff salary		353
Posts of Superior Importance (2004-now)	<i>Personal Salary (superior salary since 2009) individual, based on job market</i>	-	-		1-5
Regular civil service - Not defined (2009 – now)	<i>Personal Salary (individual, based on job market)</i>	-	-		139

Source: author

#### **4.1. Accountability**

Since SCS take positions with great influence, are close to political executive and are exposed to conflicts of interests, they often have much higher systems of accountability than regular civil service. There are great differences between systems of accountability but mostly they focus on asset declaration (and their family members), restrictions on political involvement, conflicts of interests.

In Slovakia, both formally and not formally recognized SCS had very high and strict accountability requests in the period of 2003-2009, asking for asset declaration of both the SCS as well as the family member, taking list of meetings with people outside of the office, declare to Civil Service Office any income outside civil service, etc. This was all abolished with 2009 Civil Service Law.

Thus, already in the design of the posts of superior importance type of SCS a possibility for politicization is in place. A green light to politicization was made by 2009 law on Civil Service where the safeguarding by a collective body, though political, was cut and instead a new institute of „personal salary“ solely overseen by line ministries was introduced in parallel to existing posts of superior importance with superior salary. Thus, the ministries have a choice if they need special conditions (theoretically with not formally recognized SCS): a) collectively approved post and salary or b) post and salary approved by line ministry solely. Naturally, if we look into numbers (Table 1), the line ministries choose almost exclusively the second option which provides the space for politicization. Also, if we look into the type of posts for which special salary is utilized, we can find beside CS also typically political positions: speaker of the minister, head of ministers cabinet, advisor, even secretary of the minister (survey of the Government Office).

## **5. Discussion and conclusions**

The ineffective formal institutions of civil service coordination and oversight manifested in high level of fragmentation and segmentation compounded by poor horizontal coordination practices among the line ministries together with ineffective Civil Service Office (which was abolished in 2006) has a severe consequence on functioning of senior civil service in Slovakia. In terms of goals of actors, the line ministries prefer autonomy in deciding which post and what amount should be offered which was in direct conflict with CSO.

The problems of such organisational setup and the related silo effects have caused the formally recognized type of SCS – nominated civil service – not to work from the very beginning due to competing informal institutions of recruitment and remuneration anchored in the line ministries. The whole system was simply not suited for the career system of generalists with tenure and a central structure above the line ministries as there was no formal career planning in place, but rather a position based approach, where positions were determined by line ministries rather than any central structure. In addition, the rigour of the entry and examination process for formal SCS did not correspond to the real career opportunities of the successful candidate.

The formally not recognized SCS type - posts of superior importance - seems to be more successful in both the numbers and purpose it served. Simply, it was built on the premise of a fragmented civil service with line ministries having the word in suggesting the position as well as the corresponding remuneration and thus substitutive informal institutions of posts determination and remuneration emerged. Originally, this proved to be a successful way to go, since there was an agreement in goals among the actors, including the collective oversight mechanism (Government) who at least supervised and had a final approval over the line ministries suggestions. Also, accountability mechanisms were in place. All this has changed with 2009 new law on Civil Service, which got rid of the accountability mechanism, collective oversight and non-functioning nominated civil service and introduced *personal salary* institute with no supervision or clear rules as to who qualifies, why, for how long. Thus, as a result informal institute of politicization increased.

It seems that the system at the time of entering to EU and time of big reforms was eager to get professionals from the private sector as well as remunerate the “leaders” of change appropriately, since the Civil Service Law did not allow that with strict grade system and low decompression which was at the 1:3 level. It was not interested in any type of horizontal coordination foreseen by nominated civil service. Nevertheless, with time, it was the flexibility of remuneration linked with formally not recognized SCS that became the most attractive part of the package and the latest

developments show that not SCS but the flexibility of remuneration linked with ministerial autonomy in awarding it sustains the system.

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