

STAFF TURNOVER AMONG PUBLIC OFFICIALS

UNDERSTANDING THE POLITICAL INFLUENCE IN
THE STAFF TURNOVER IN PUBLIC INSTITUTIONS:
METHODOLOGICAL AND INTERPRETATIVE ISSUES

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1 INTRODUCTION

The methodology examines correlations between the staff turnover in senior positions (i.e. the head of a section at a ministry, the board of directors of a state-owned enterprise, etc.), and elections and the resulting political changes (i.e. changes of ministers). It has been designed to reveal potential political influence in government agencies and other public institutions—specifically in those positions that are supposed to be independent of electoral results and the subsequent changes at the top level of the organization hierarchy. It can also be used to compare staff turnover in different government agencies.

The methodology is based on the analysis of two sets of data: data on the staff turnover at specified positions (apolitical positions), and data on political changes in various positions based on electoral results or other political activities (political nominees). It combines and compares the two sets of data on a timeline.

EXAMPLE: A REAL-WORLD SCENARIO

The Czech Republic is known for its political instability. Although the general elections are supposed to take place every four years, the average life span of a Czech government is below two years (with 13 governments in the last 21 years). It is also a common practice to change ministers within the government, the ministries thus suffer from constant personal instability. This is particularly a problem in programs that operate on a long-term basis, such as the EU structural funds programs which are managed by the state and regional governments, and are planned for the period of seven years. In order to properly implement such long-term grant schemes, it is necessary to have reasonable personal stability—both for the efficiency of implementation of the program and as a guarantee of proper allocation of the funds. As a part of corruption risk analysis, we wanted to find out whether (and how) a change in the government (be it a personal change within a ministry, or changes resulting from elections) affects the staffing of the agencies that administer the programs. Our findings are used throughout the text to illustrate how the methodology can be used, how one might present and interpret the results, and what the limitations of the methodology are.

The following text is divided into four parts. In Part 2, the methodology is described step by step, using examples of staff turnover at the ministry level in relation to elections in the Czech

Republic and Slovakia. Part 3 looks into another possible area where political influence may be observed and the methodology applied, which is - management and supervisory boards of state-owned enterprises. Finally, in the last two chapters we consider possible interpretations of the results as well as limitations of the presented methodology.

2 THE METHODOLOGY

The methodology is based on the analysis of two kinds of data:

- Data on staff turnover in selected positions of the studied institution (apolitical positions)
- Data on the turnover of elected (politically nominated) representatives who might have an impact on human resources policies in the given institution (i.e. relevant ministries)

In this chapter, the methodology is described step-by-step in three different phases: selection of the sample and other relevant criteria, data collection and entry, and data analysis.

Throughout the description we use examples from our own analysis of political influence in the government agencies responsible for the implementation and control of the EU structural funds. In both the Czech Republic and Slovakia, we studied changes in these positions in relation to the changes of governments and/or responsible ministers.

PHASE 1: SELECTION OF THE SAMPLE AND OTHER CRITERIA

First of all, one needs to identify the positions to be examined; namely, choose an institution or a government agency (e.g. ministries, state-owned enterprises) and the relevant positions within these institutions (e.g. directors and heads of departments). Please note that in some countries, there may be specific senior positions that *are* supposed to be appointed by political parties, i.e. they are *not* meant to be apolitical. If that is the case, such positions should be not considered and removed from the dataset of the analysis.

Secondly, the time period from which the data will be collected needs to be specified. If one wants to compare, for example, different government agencies, the timeframe obviously needs to be identical in order to obtain data that can be meaningfully compared.

The same applies to the selection of particular positions one will use for the analysis of staff

turnover. If used for comparative purposes, one needs to select identical positions or positions that have similar features (although the positions would typically have different names across the ministries).

PHASE 2: DATA COLLECTION AND ENTRY

Data on the turnover of the elected representatives (e.g. ministers) is usually publicly accessible. These kinds of changes are often published in media and statistical offices and can therefore be easily collected from public sources.

Data on the staff turnover of the examined agency is usually not publicly available or are incomplete. We therefore suggest using the Freedom of Information Act requests (hereinafter “FOIA requests”) to find out about changes among senior staff in the selected positions (e.g. heads of sections, directors, etc.). In our analysis, in which we focused on the management of EU structural funds, we approached all relevant ministries and agencies responsible for the administration of the relevant operational programs. This part of the data-gathering process may vary in different legal frameworks (countries). However, make sure the FOIA requests clearly specify both the positions and the timeframe necessary for further analysis—so that the changes over time can be easily identified.

Once the relevant data has been collected via the FOIA requests, one can process the data by entering it into a table (see example in Table no. 1) that reflects changes in senior positions over time. In our example, you can see the staff turnover in a selected position (Director of Social Development Fund) in the Slovak Ministry of Labor and Social Affairs with three different ministers during the programming period 2007–13.

Table No. 1 Staff turnover, Ministry of Labor, Social Development Fund (SK)

Minister	Period in office	Director of Social Development Fund	Period in position
Viera Tomanová	4. 7. 2006 – 8. 7. 2010	Mgr. Jarmila Tomšová	1.3.2007 – 30.4.2009
		Mgr. Eva Schmidtová	1.5.2009 – 30.6.2010
		Ing. Desanka Jablonická	1.7.2010 – 16.7.2010
Jozef Mihál	9.7.2010 – 3.4.2012	Ing. Desanka Jablonická	1.7.2010 – 16.7.2010
		Mgr. Darina Košutová	16.7.2010 – 1.9.2010
		Mgr. Marek Hojsík	2.9.2010 (temporary)
Ján Richter	4.4.2012 – present	Mgr. Marek Hojsík	1.3.2011 – 31.5.2012
		Mgr. Darina Košutová	1.6.2012 – 14.6.2012
		doc.PhDr.Mgr. Alena Bašistová, PhD.	15.6.2012 – present

Source: authors

For easy reference, each examined position (e.g. a director) should then be inserted into a table where rows are individual cases (different agencies) and columns represent the timeframe. In Table no. 2, we used months as a referential timeframe. We entered the number of changes that occurred each month in the respective office. The most common input is zero/none as the changes in the senior staff are rather rare. Based on the time frame preference, one may adjust the columns and analyze various periods.

Table No. 2

Turnovers – Section Directors							
	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	July 2013
Agency1	0	1	0	0	0	2	0
Agency2	0	0	0	1	0	0	0

Source: authors

PHASE 3: DATA ANALYSIS

After completing the above table, one is now able to analyze and interpret the data. Table no. 3 shows our data on the staff turnover in the positions responsible for the management of EU structural funds in Slovakia, processed into three categories in the period from 2012 to October 2013.

In order to analyze the data, we recommend visualizing it. For example, one may use a column graph where the *x*-axis is the timeline and the *y*-axis is the number of changes. Since there are only a few changes each year, it is convenient to visualize the number of changes, for example, combined for a quarter of each year rather than for individual months. This may, however, vary based on the data one is working with.

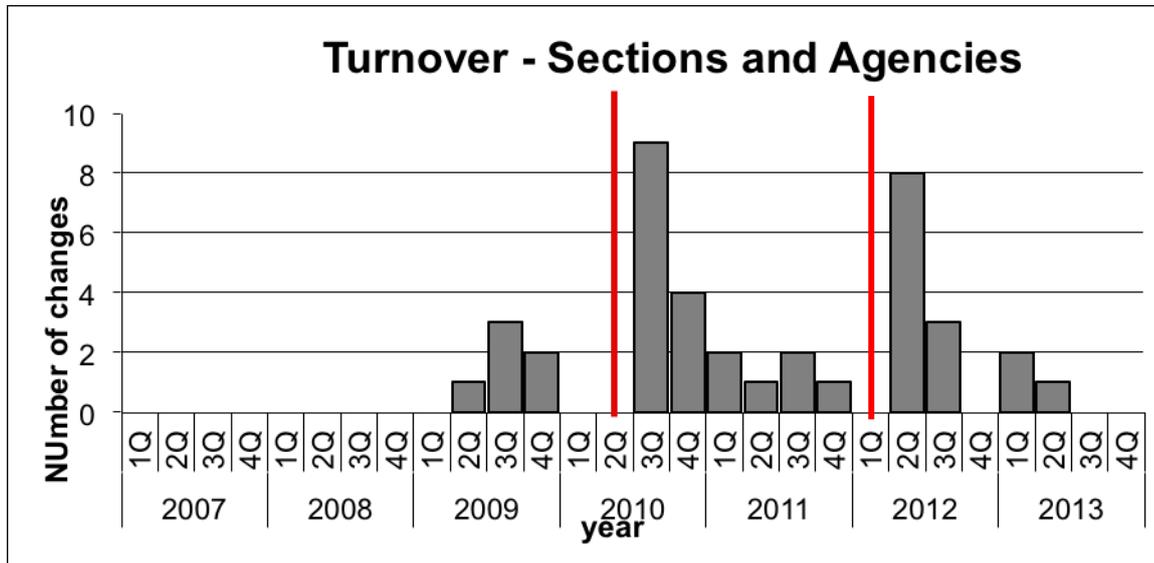
The final step is the visualization of the relationship between staff turnover and changes in the ministerial position, be it based on the changes in government or elections. In our graph, we used a vertical line inserted into the chart to indicate the date of the elections (see Chart no. 1). Alternatively, different colours of columns can also be used.

Table no.3 Changes in positions of ministers and directors at ministries/agencies

Robert Fico (2012 – present) (PM_Government)	Number of changes
Changes of ministers	7
Changes of section directors	11
Changes of department directors	16

Source: authors

Chart no.1 Staff turnover in sections/agencies in relation to elections



Source: authors

As you can see in our example (Chart no. 1), the number of changes among officials massively rises in the quarter right after the elections and then gradually falls. In this case, we used the whole period from 2007 to 2013 in order to demonstrate the normal distribution of senior officials' turnover. By comparing the normal distribution with the post-election development, you are able to identify significant changes in the quarters after elections.

The finding itself does not show causality but points out a correlation between staff turnover and the elections. However, there is a high probability that the newly elected politicians are involved in installing specific people into senior positions although they should remain apolitical (elected officials have political power over the people in senior positions but should not replace them based on anything other than expert criteria). If expert criteria were applied, staff turnover would be about the same in each period—which has not been the case in the aforementioned examples.

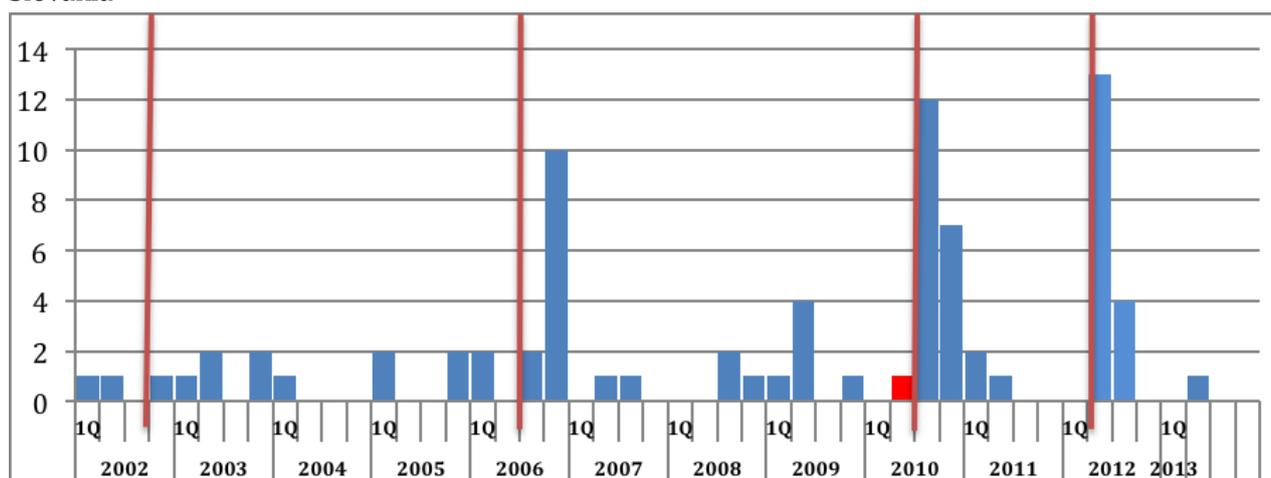
3 STATE-OWNED ENTERPRISES

When analyzing the turnover of senior officials, we also looked at enterprises 100%-owned by the state and municipalities, and used similar methodology as described in the previous chapter. In the case of state-owned enterprises, a clear selection process for appointments of the heads

of Boards of Directors is missing in both the Czech Republic and Slovakia. This increases vulnerability to corruption and conflict of interest via politically motivated nominations. Therefore, we decided to explore the nomination process, and whether (and how) changes in the given positions are affected by political changes. More specifically, we looked at the heads of Boards of Directors of Slovak state-owned enterprises, and correlations of changes in these positions with political changes (i.e. elections).

We found that significant changes occurred in election years, especially in quarters that followed the quarter of the year when the elections were held. Chart no. 2 shows that in 2006, 2010, and 2012, a significant increase in turnover in the given positions occurred. This leads to the conclusion that there is interdependency between political change (i.e. elections) and changes in the positions of the heads of Boards of Directors of the 100% state-owned enterprises. As Chart no.2 clearly shows, the changes in post-electoral quarters are much higher in numbers than the changes in other quarters.

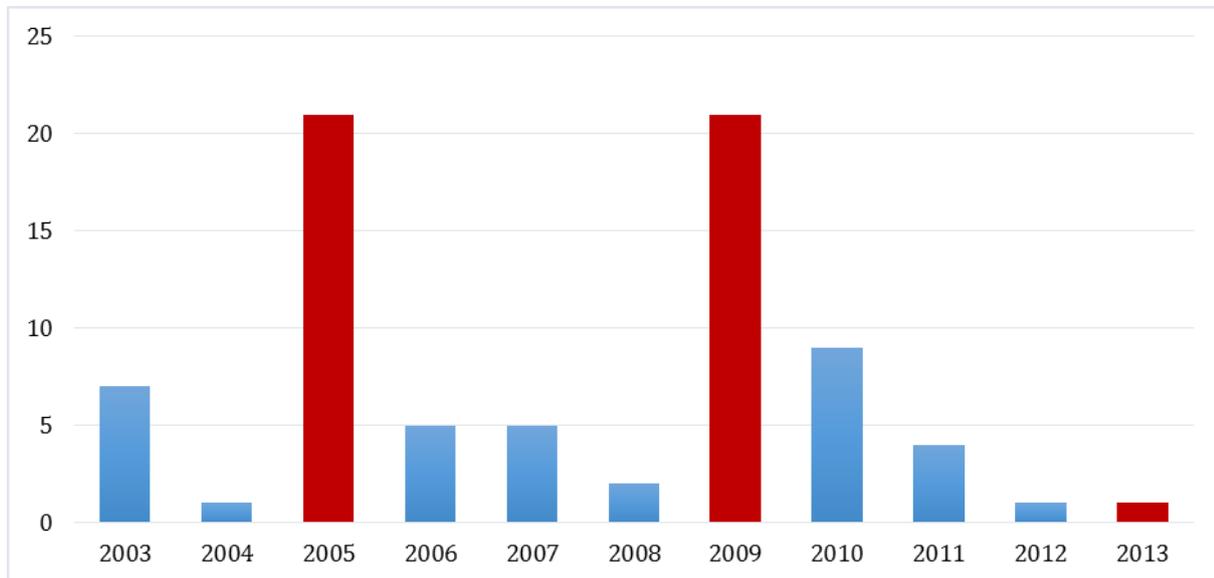
Chart no. 2 Turnover among Heads of Boards of Directors of state-owned enterprises, 2002–2013, Slovakia



Source: authors

Similarly, our partners from the Czech Center of Applied Economics carried out an analysis of personal changes in supervisory boards of municipality-owned enterprises and came to similar results, as shown in Chart no. 3.

Chart no. 3 Turnover among heads of supervisory boards of municipality-owned enterprises, 2003–2013, Czech Republic



Source: Center of Applied Economics, 2013

In this example, elections were held in late 2004, 2008, and 2012; the years after the elections are marked in red. The chart clearly shows that there were significantly more changes among the supervisory boards' heads during the years after the elections in 2004 and 2009. However, no significant increase in the staff turnover can be observed after the elections in 2012. The authors of the study explain this by the fact that the 2012 elections were won by the same party as the one in 2008 so there was no change in political power, and therefore no need to replace the responsible staff.

4 POSSIBLE INTERPRETATIONS

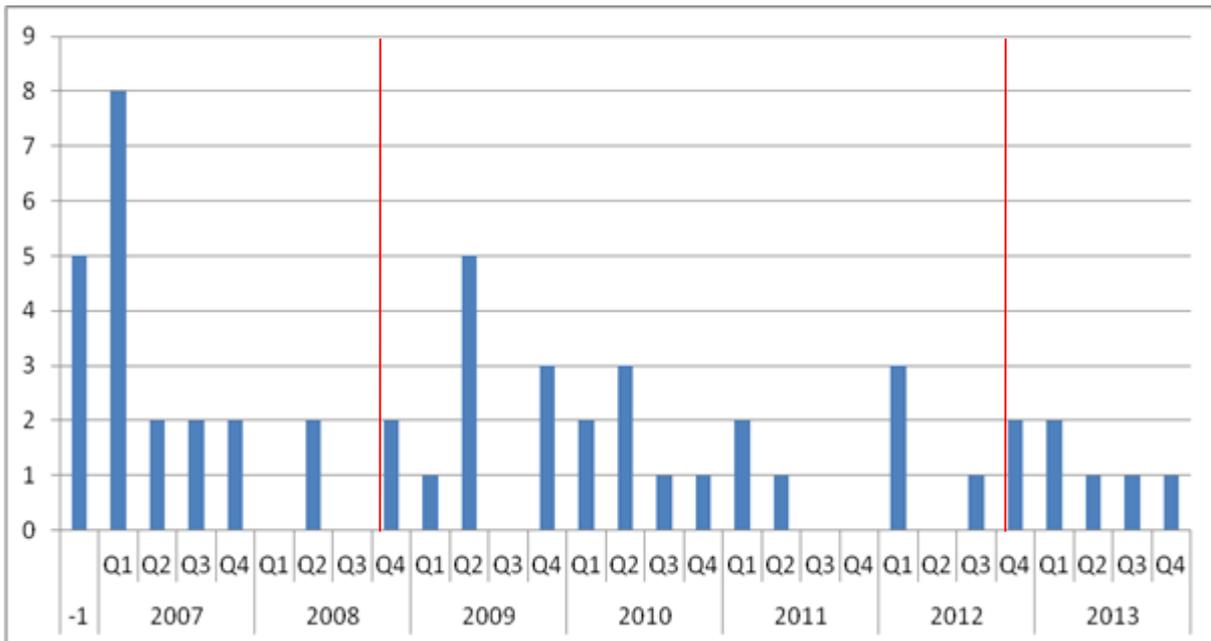
Although the methodology is—in our opinion—suitable even for less experienced researchers, there are some challenges one should be aware of. This is especially true when it comes to the interpretation of the results. In this chapter, we will briefly discuss some of these challenges and how to address them.

Generally, the methodology can be useful when there is a reason to believe that there is a relationship between changes in staffing and the elections, i.e. when we assume that there is indeed political influence in positions which are supposed to be apolitical. The straightforward

case is the result similar to Chart no. 1, where we can see a rapid increase in the number of staff changes in the first quarter of the year right after the election quarter.

However, in some cases the relation will not be as clearly visible. In fact, it is quite likely that researchers would get a graph similar to Chart no. 3 where we see a number of changes but they are not clearly affected by the date of elections (indicated by red lines).

Chart no. 4 Turnover in sections/agencies and elections



Source: authors

In our experience, however, such a scenario does not necessarily exclude political influence on the staffing. Chart no. 3 shows results from the Czech Republic political situation where the same party won both the 2008 and the 2012 regional elections. Thus, there was in fact no impetus for change of any politically nominated high-ranking officials in 2012. Most likely, the elected officials had already been in their offices since 2008 or 2009. In general, this means that rather than using the elections as the only reference point, it may sometimes be necessary to assess political affiliation of the ministers. In the case of changes of ministers from the same political party or coalition, there might be a significantly lower turnover of officials corresponding to the lack of change on the political level.

Interestingly, in Chart no. 3, we see some changes during the course of the whole term of the office, rather than a sharp increase of changes right after the elections. One possible explanation is that the newly elected party tried to put pressure on the officials instead of replacing them on the spot. Some may have succumbed, but others did not and were dismissed later. Such an explanation, however, can only be justified if additional research of specific cases is conducted (as it was the case in the Czech example).

In our in-depth analysis, we further discovered that while the high-ranking officials' positions were (relatively) stable, the lower ranking officers were frequently replaced or their tasks were divided into several working compartments (especially financial control). In our opinion, this created conditions for weakened control capabilities. More importantly, the relatively small number of changes in high ranking officials' positions may have very well been caused by political influence since there was no political power alternation.

In other words, the mere frequency of changes in important positions cannot in itself reveal political influence (or the lack of it). The party affiliation of the elected politicians—and possibly some other relevant contributing factors—need to also be taken into account while interpreting the data. The methodology on its own is not able to directly disclose such links, additional in-depth analysis may therefore sometimes be necessary.

While interpreting the data, it is also important to compare it with the *baseline scenario*, i.e. to set a benchmark for the number of changes among the relevant staff. In our examples above, the benchmark was the number of changes during the years without elections.

Finally, we would like to stress that the results can only identify a relationship (correlation), *not* causality. The causality can only be confirmed (or not) via in-depth analysis. We discuss this issue further in the last chapter.

THE SHORT-TERM CABINETS

In the Czech Republic, there is a tradition of non-political cabinets formed from experts—usually with the approval of the political parties—after the former political government received the vote of no confidence. Such cabinets are formed to lead the country for a limited period of time, usually for a few months—until elections are held. This type of a cabinet, as well as other types of short-term cabinets, should be paid close attention to, especially if the cabinet does not receive the vote of confidence.

In the Czech example, the non-political short-term cabinets often tend to make changes of staffing as fast as possible. For example, a former Minister of Finance without the vote of confidence Vlastimil Tlustý (2006–2007, Civic Democratic Party) managed to change more people in four months than his successor in 15 months. A Minister of Transportation Zdeňek Žák (2013–2014, Party of Civic Rights) managed to install persons close to him to the board of Czech Railways within just 9 days after his appointment.

5 THE LIMITATIONS

Firstly, the method is based on two observations of two or more different events which occur at the same time. In other words, we are measuring correlations which do not necessarily mean causation—i.e. that the change in the elected office is what actually caused the change in the staffing of the examined office. There are other factors that can intervene and influence staff turnover, for example parental leave, retirement, etc. Any conclusions drawn from the analysis should keep this fact in mind. The methodology works best in collaboration with other tools and methods, for example an in-depth problem analysis, which can partially or fully determine the causality.

Secondly, if one focuses on the comparative analysis of positions in a particular segment, such as EU structural funds in our own research, it is important to compare the content of the studied positions. As previously mentioned, the names of positions and related tasks might not be fully comparable and one must therefore first understand the responsibilities assigned to various positions in order to determine which positions should be used for the analysis.