



International  
Competition  
Network

## **AGENCY EFFECTIVENESS**

### **Competition Agency Practice Manual**

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## **CHAPTER 4**

**Human Resources Management**

**in**

**Competition Agencies**

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# 1) Introduction

The Agency Effectiveness Working Group (“AEWG”) has the mandate to examine a variety of factors that affect how competition agencies achieve their objectives in an efficient and effective way and to distill best practices, when possible.

Since 2009, the AEWG started developing the “Competition Agency Practice Manual” (“the Manual”) that has the objective of providing competition agencies with tools, procedures and best practices that can help them enhance their effectiveness. To determine the extent of HR management’s role in competition agencies’ performance, the AEWG first devised a survey on “Human Resources Management in Competition Agencies”.<sup>1</sup> Building on the survey, the topic of Human Resources management (“HR management”) will be addressed in this chapter of the Manual.<sup>2</sup>

As its name suggests, HR management is concerned with employee resources within the workplace. The main objective of HR management is to meet the organizational needs of the agency it represents, and the needs of the people employed by that agency. HR management is responsible for attracting/recruiting, selecting, training, assessing, and rewarding employees, while also overseeing organizational leadership and culture, and ensuring compliance with employment and labour laws of the specific jurisdiction.

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<sup>1</sup> The two key points on which the survey tried to obtain information were: (i) the identification of possible impediments faced by competition agencies in hiring and retaining employees, and (ii) the tools that competition agencies employ in ensuring the effectiveness of its employees.<sup>1</sup> An overview and analysis of the answers received in response to the survey are included in the different sections of this chapter. This survey was sent to all ICN members in January 2012 and the “Draft Results of the Survey on Human Resources Management” were presented and discussed during the 11th ICN Annual Conference, which was held in Rio de Janeiro, Brazil in 2012. This survey will for convenience be referred to as "the survey" in the remainder of this chapter.

<sup>2</sup> The first draft of this chapter was presented at the 12<sup>th</sup> ICN Annual Conference held in Warsaw, Poland in 2013. Many valuable comments were received at the breakout session where the chapter was presented. Representatives from FAS Russia and the Competition Commission of India (CCI) had specifically been invited to present experiences under 'agency values' and 'recruitment', respectively. Additional material from several agencies has been included to this chapter following the discussion in the Warsaw breakout session.

What is **good** HR management? One way to formulate the normative basis for this discussion can be HR management that succeeds in recruiting, building and retaining competences well aligned with the strategic goals of the competition agency, in accordance with its jurisdiction's laws and regulation.

The second section of this chapter looks at this issue more closely, and starts by looking at HR management more generally, before proceeding to discuss if there are some normative guidelines that can be used for discussing what constitute "good HR management". The section also discusses to what extent there are limitations on HR management in the public sector related to the private sector.

The third section of this chapter examines how HR management typically is organized in competition agencies, to what extent dedicated resources work in this area, and at what level of the organization.

The fourth section of this chapter focuses more closely on how HR policy and goals are developed and reviewed, to what extent they are tailored to the overall strategic goals, and how the success/failure of HR policy is measured, for example, job satisfaction and work environment surveys.

Acquiring and retaining human capital are crucial for an effective competition agency. The fifth section of this chapter presents experiences in this regard, for instance recruitment processes, and from where the agencies recruit. Other topics covered are the use of incentive and reward mechanisms, how to ensure necessary skills and motivation, succession planning, interaction with academia and exit interviews.

The last section of this chapter deals with career development in competition agencies. It focuses on investing in building and retaining knowledge through conscious career plans consistent with competition agency priorities, and inside and outside training to build knowledge.

## 2) Human resources management in general

All organizations, regardless if they are public or private sector, are simply a collection of people working together towards common objectives. However, as discussed in further detail below, getting people to work for common objectives is becoming considerably more difficult. Developing a people strategy was once a straightforward matter of figuring out how to create the best work force to execute a defined business strategy, but it now involves much tougher choices and trade-offs.

Several developments, including shifts in core business, diversity, increased competition for senior managers and technological developments are contributing to this. It also challenges the traditional view of 'people' strategy as a translation or implementation of business strategy.

The drivers for organizational success have shifted from the usual metrics of costs and quality of service provided towards a focus on the skills, knowledge, experience, and attitude of people working in the organization. These trends have fundamentally raised the importance of a 'people' strategy and good HR management, changed its relationship to business strategy, and increased the difficulty of implementation.

How do organizations attract the talent they need? And once they have: How do organizations manage talent so that it does not leave?

This question has become one of increasing research and analysis. The Boston Consulting Group and the World Federation of People Management Associations mention that “companies that are highly skilled in core HR practices experience up to 3.5 times the revenue growth and as much as 2.1 times the profit margins of less capable companies.”<sup>3</sup> Their research found six areas to be of importance:

- recruiting,
- on-boarding of new hires and employee retention,
- talent management,

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<sup>3</sup> The Boston Consulting Group, available at:

<http://www.bcg.com/media/pressreleasedetails.aspx?id=tcm:12-110525>

- employer branding,
- performance management and rewards, and
- leadership development.

None of these can be viewed in isolation from one another and good organizations must learn to handle these challenges in parallel.

For public sector organizations, talent is also becoming a critical issue, and perhaps more so for government agencies, having a specialized focus and requiring a particular skill set. Competition agencies fall into this definition as the ability to investigate and adjudicate are skills that are not common in general public service. Most public sector organizations also face challenges pertaining to smaller budgets, increasing demand for quality services, and the ability to retain skills and knowledge for organizational continuity.

**a) Do good human resources management and principles exist?**

There are two aspects to good HR management. The first aspect is that HR departments within organizations, just as the organizations themselves, do not exist in isolation. Events outside of work environments can have far-reaching effects on HR management practices and from an external context, good HR management necessitates ensuring compliance with federal, state, and local laws that regulate workplace behaviour. For example, in many countries, anti-discrimination laws play a role in hiring practices. Prior to the enforcement of these laws, many organizations hired people based on criteria that were not job-related. Today, such practices could result in charges of discrimination. To protect themselves from such charges, employers must conduct their selection practices to satisfy objective standards established by legislation and fine-tuned by the courts. This means that they should carefully determine the essential job qualifications and choose selection methods that accurately measure those qualifications. There could be many other legal provisions that organizations may have to adhere to and HR departments must ensure that none of these are violated.

From an *internal* perspective, an on-going question in HR management research is whether or not there is a single set of policies or practices that represents a “good” or “superior” approach to managing people. Experiences from different countries suggest

that generally, certain HR management practices, either separately or in combination are associated with improved organizational performance. Other general findings also say that well-paid, well-motivated employees, working in an atmosphere of trust and recognition, generate higher productivity gains and lower unit costs. The definition of good HR management, thus, will vary and will depend on the context.

Nonetheless, several attempts have been made from time to time by different researchers to identify a common set of best HR management practices. Jeffrey Pfeffer initially identified 16 best HR practices, which were later refined to the following seven:<sup>4</sup>

- Employment security,
- Selective hiring,
- Self-managed teams/team working,
- High compensation contingent on organizational performance,
- Extensive training,
- Reduction in status difference, and
- Sharing information.

The length and breadth of areas on this list bring forth an important point: good HR management is everybody's business. While most firms have a HR or personnel department that develop and implement HR management practices, the ultimate responsibility lies with *both* HR professionals and managers. The interaction and communication between managers and HR professionals lead to effective HR management practices. Take the example of performance evaluations. The success of any performance evaluation system depends on the ability of both parties to do their jobs correctly. HR professionals develop the system, while managers provide the actual performance evaluations. Therefore, managers, while not directly dealing with HR issues should have enough understanding of the subject to implement good practices.

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<sup>4</sup> Pfeffer, J, "Competitive Advantage through People" , Harvard Business School Press, Boston, MA, 1994

While the HR departments may have priority in matters pertaining to hiring, compensation, and training, the other areas require managers who are sensitive to the needs of their subordinates and have the ability to create work environments that bring out the best in people.

Lynda Gratton, in her book, *Hot Spots*, defines the effects of a positive work environment succinctly:

*“You always know when you are in a Hot Spot. You feel energized and vibrantly alive. Your brain is buzzing with ideas, and the people around you share your joy and excitement. The energy is palpable, bright, shining. These are times when what you and others have always known becomes clearer, when adding value becomes more possible. Times when the ideas and insights from others miraculously combine with your own in a process of synthesis from which spring novelty, new ideas, and innovation. Times when you explore together what previously seemed opaque and distant. We can all remember being in Hot Spots, when working with other people was never more exciting and exhilarating and when you knew deep in your heart that what you were jointly achieving was important and purposeful. On such occasions, time seems to rush by as you and those around you are in the flow. Time even seems to stand still. We enjoy being part of a Hot Spot, and we are healthier, happier people as a result.”<sup>5</sup>*

Effective HR management must shift the focus from trying to get more out of people, to investing more in them by addressing their four core needs – physical, emotional, mental and spiritual – so that they are inspired to bring the best of themselves to work every day.

Social, economic, and technological changes are also factors that affect HR management practices. There is cultural diversity in the work place, emerging issues of work-life balance, growing use of part-time employees, downsizing and layoffs, rapid changes in technology, and the skill levels of employees. Effective HR management must take steps to address these factors carefully and strategically, e.g., ensure sensitivity to diversity, and encouraging flexible working conditions to accommodate employees’ personal circumstances, where appropriate.

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<sup>5</sup> Gratton, L, “Hot Spots: Why Some Teams, Workplaces, and Organisations Buzz with Energy - and Others Don’t”, Berrett-Koehler Publishers, 2007; <http://www.lyndagrattton.com/books/44/59/Hot-Spots.html>



In recent years, the global recession has placed many more challenges on organizations resulting in downsizing, reduction in benefits, and “presenteeism” – not taking leave even when necessary, resulting in issues of health, motivation, and stress. HR management has had to adapt these difficult working conditions.<sup>6</sup>

A general, albeit important point is that all agency activities must be aligned toward achieving defined agency strategic goals. HR management is no exception. HR management alignment means integrating decisions about people with decisions about the goals an organization is trying to obtain. In the September 1999, the U.S. Office of Personnel Management, Strategic Human Resources Management report emphasized that by “integrating human resources management into the agency planning process, emphasizing human resources activities that support broad agency mission goals, and building a strong relationship between human resources and management, agencies are able to ensure that the management of human resources contributes to mission accomplishment and that managers are held accountable for their human resources management decisions.”<sup>7</sup> Thus, HR management must be fully integrated into the planning process of an agency so that it will become a fundamental, contributing factor to agency planning and success.

***b) Limitations of human resources management in public in relation to private sector***

Like their private sector counterparts, public sector organizations need to hire, develop and train employees, establish payment systems, set conditions of employment and develop a coherent set of employment policies.

However, the uniqueness of the public sector with a focus on public interest outcomes rather than private interests may add a layer of complexity that does not easily

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<sup>6</sup> More details can be seen in the “The Quality of Working Life Report”, released by the Chartered Management Institute in July 2012, available at: <http://www.managers.org.uk/workinglife2012>. A caveat is that this is focused on working conditions in the UK, but the findings may be applicable to many other countries.

<sup>7</sup> Strategic Human Resources Management Report, U.S. Office of Personnel Management (September 1999), available at: <http://www.opm.gov/studies/alignnet.pdf>.

correspond with HR management as a strategic partner in achieving organizational competitiveness and business outcomes in the private sector.

The private sector is primarily focused on being profit driven and may be free from many of the bureaucratic restrictions in the public sector. Private sector employees' main objectives are focused around financial performance and productivity. The private sector tends to be faster moving than the public sector. Consequently, employee challenges and HR management practices will to some extent be different too.

In the past, the main difference between the public and private sectors were the perks that the public sector offered to compensate for lower salaries. Generally, what distinguished public sector employment from the private sector was (perhaps) the various forms of protection granted to employees. Examples include (i) protection against arbitrary dismissal, (ii) protection against punishment without enquiry, and (iii) the ability to be promoted internally without facing competition from external talent. However, this historical model of employment in the public sector is seeing changes that fall within three broad trends.

First, there is a growing hybridization of HR management in the public sector now. Public service employment has either provided a *career-based* system or a *position-based* system. In career-based systems, employees have been recruited at the start of their careers and are expected to remain in public service employment until they retire. Initial entry into the system is based on a civil service entry exam and once recruited, employees are deployed depending on the needs of the organization.

Position-based systems recruit for specific skills and competencies required for a particular position or area of work. Recruitment can be done either internally or externally and generally is not linked to any promotion. There is more openness in this method and perhaps more choice as candidates can be obtained from a wider group.

Second, there is a reduction in the protection, immunities, and privileges that are provided to public sector employees. The difference between public and private sector employment is decreasing. In many countries, lifetime employment is no longer the norm and legislation has been passed to allow the issuance of fixed term contracts. While this may have reduced payroll and pension pressures on governments, other

challenges have taken their place. Would public sector employees be able to resist political pressure in the discharge of their duties? And more importantly, removing the incentive of lifetime employment may make it more difficult for a government to compete with the private sector for a limited pool of talent.

Third, there is a growing need to demonstrate results. Individual performance is being linked to the unit's – and the organization's – goals more than ever and HR systems have been (or are being) developed to differentiate good performers from the poor ones. The incentives for good performance and sanctions in the case of low performance vary, but pay related to performance is something that has been the influence of the private sector. This has, however, not been without its share of implementation problems and simply focusing on pay for performance could reduce the role of non-financial benefits such as satisfying work, the possibility of promotion, training opportunities, or more flexible working conditions.

It is ironic that under the rubric of reforms, the public sector is reducing protection, perks, and privileges and the private sector is considering adding them to address the competition. Let us take a look at a well-known private sector company, Google, which celebrated its 14<sup>th</sup> birthday in 2012. In a Forbes article, “Here’s What Happens to Google Employees When They Die,”<sup>8</sup> we learn that should a Google employee die in service, their surviving spouse or domestic partner will receive a check for 50 percent of their salary every year for the next decade. In addition to the 10-year pay package, surviving spouses will see all stocks vested immediately and any children will receive a \$1,000 monthly payment from the company until they reach the age of 19 (or 23 if the child is a full-time student). With 34,000 employees, this could be a substantial financial burden on the company, but perhaps Google feels obligated to provide a sense of security to its people in an effort to retain valuable talent. Apple is

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<sup>8</sup> Here's What Happens to Google Employees When They Die, Forbes (August 2012), available at: <http://www.forbes.com/sites/meghancasserly/2012/08/08/heres-what-happens-to-google-employees-when-they-die/>.

another company that carefully reviewed its HR policies to provide employees with a sense of security.<sup>9</sup>

Private sector companies that have the funds and have realized that their ability to remain competitive depends on the people they attract and retain may have the flexibility to adapt their HR management practices and allocate sufficient budgets for employee retention measures. Public sector organizations have neither. Rules are generally framed by the central government and annual budget allocations are made on the basis of specific justifications. Discretionary perks and allowances can be subject to audit objections and corrective measures that public sector managers would prefer avoiding.

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<sup>9</sup> Apple Gives In to Employee Perks, Wall Street Journal (November 2012), available at: <http://online.wsj.com/article/SB10001424127887324073504578115071154910456.html>.



### 3) Human resources management in competition agencies

The main objective of HR management is to meet the organizational needs of the competition agency and the needs of the people employed by that agency. In short, it is the hub of the competition agency, serving as an important liaison between all concerned.

Some managers believe that HR management is simply common sense. However, effective HR management is one of the most difficult and complex task that managers face, not the least because it involves human behaviour and relationships that are inherently complex and potentially filled with conflicts along many dimensions. Even though it is an area that has resulted in substantial theoretical literature, in addition to numerous more practically oriented HR management books, it must be acknowledged that HR management policy-making is a relatively young area. HR management policy is neither very well developed intellectually nor heavily permeated by rigorous professional standards. The fact is that there are quite a few different HR management instruments out there and they are difficult to evaluate.

Depending on the size of the competition agency, the HR department might simply be called Personnel, implying a manageable workforce that can be handled by a personnel manager and a small group of staff. For larger, more complex competition agencies, with hundreds of departments and divisions, HR management is much more demanding, especially if there are offices in different geographic locations.

However, HR management differs from personnel management, both in scope and orientation. Personnel management typically refers to activities relating to the workforce, such as: (i) staffing, (ii) payroll, (iii) contractual obligations and (iv) other administrative tasks. HR management takes a more holistic approach to managing the resources of a competition agency, and has traditionally consisted of some key activities, namely, acquiring, developing, and retaining employees. An important part of this is HR management policies<sup>10</sup> with regard to compensation, but not the least of

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<sup>10</sup> Human resource policies (HR policies) can be defined as the system of codified decisions implemented to support HR management. See e.g. [http://en.wikipedia.org/wiki/Human\\_resource\\_policies](http://en.wikipedia.org/wiki/Human_resource_policies).

which is individual professional development. It also follows that HR management must have a responsibility for maintaining good human relations in the competition agency, i.e. the relationship of management to employees and employees to employees. In addition to the development of the individual employee, HR management also has a responsibility for interactions of the separate groups of employees within the competition agency. Last, but not least, HR management also has a responsibility for achieving integration of the goals of the competition agency and those of the individuals, and thus to motivate the employees to work to achieve the competition agency's goals.

Each competition agency will operate under different set of circumstances. However, competition agencies generally have the ability and flexibility to develop HR policies that are more tailored to their requirements. As pointed out in the next section, among the competition agencies that responded to the survey, 62 percent reported that HR policy was established by the competition agency itself. An important challenge, however, is to align HR policies with the overall strategic planning of the competition agency. Strategic planning allows competition agencies to map out where they are, where they want to go, and how they plan to get there. In addition to strategic planning and the existing HR planning, it is also important for competition agencies to measure progress toward those goals, often for the purpose of reporting results.

**a) *Human resources management resources/staff***

The number of employees dedicated to HR activities is generally proportional to the size of the competition agency. In general, large competition agencies (200+ employees) have more staff dedicated to HR. Of the 11 large-sized competition agencies that responded to the survey, seven competition agencies (64 percent) have more than ten dedicated HR staff, with one competition agency having 25 dedicated HR staff. Most of the 19 medium-sized (50-200 employees) competition agencies that responded to the survey have between two and four dedicated HR staff (63 percent), whereas 21 percent of competition agencies have more than 5 dedicated HR staff, and only one competition agency had only one dedicated HR person. Of the nine small-sized competition (<50) agencies that responded to the survey, 56 percent had no dedicated HR staff, while 10 percent of the small-sized competition agencies that responded to the survey had an average of 1-2 dedicated HR staff.

In view of the above, the possible inference is that larger competition agencies, with increased financial resources and higher demands connected with organizational issues, have a greater necessity to hire more HR staff.

Smaller competition agencies have less opportunity, and perhaps less incentive because of their size, to invest in HR staff than the larger competition agencies. In fact, in many competition agencies, they have either part-time HR staff, or HR staff who work on HR responsibilities in addition to their primary set of responsibilities. Some competition agencies do not have any HR employees at all.

However, it is important to clarify that the fact that larger competition agencies have a greater HR staff does not necessarily mean that HR management is seen as an integral and vital focus of these competition agencies.

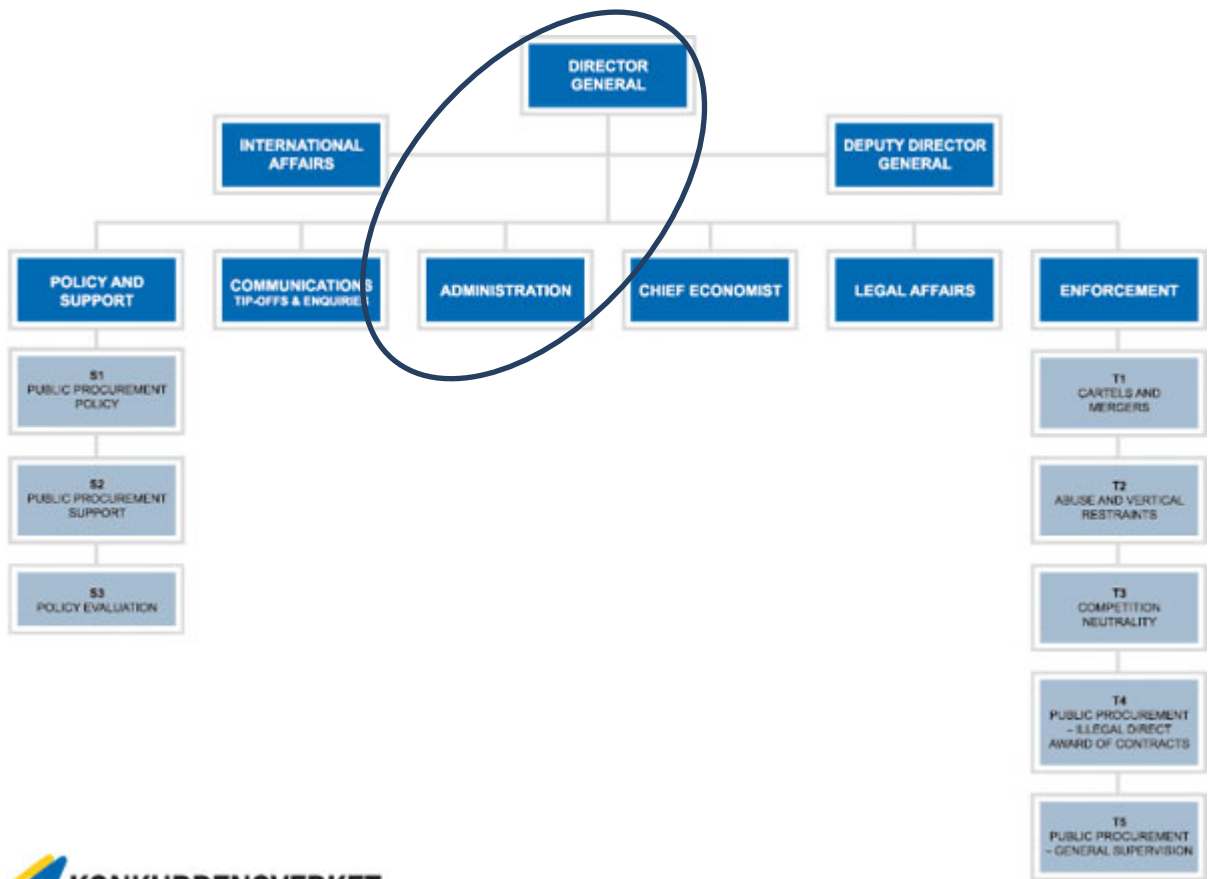
#### ***b) Organizational approaches***

Regardless of the size of their HR departments, approximately half of the competition agencies indicated in response to the survey that the senior most HR official is at the second level of their organization, beneath the head of the competition agency. The remaining 40 percent of the competition agencies that responded to the survey noted that their senior most HR official(s) is at the third level of their organization, beneath the head of the competition agency. Only two competition agencies, both categorized as large-sized agencies, noted that their senior most HR official is at the fourth level of their organization, beneath the head of the competition agency.

##### Case Study: Swedish Competition Authority

An example of a competition agency where the senior most HR official is placed at the second level of the organization, beneath the head of the competition agency is the Swedish Competition Authority (“SCA”). The administrative department is responsible for overall operational planning, HR, budgets, IT as well as competence development. The head of the administrative department is also the Deputy Director General. The SCA’s organizational chart is presented below:





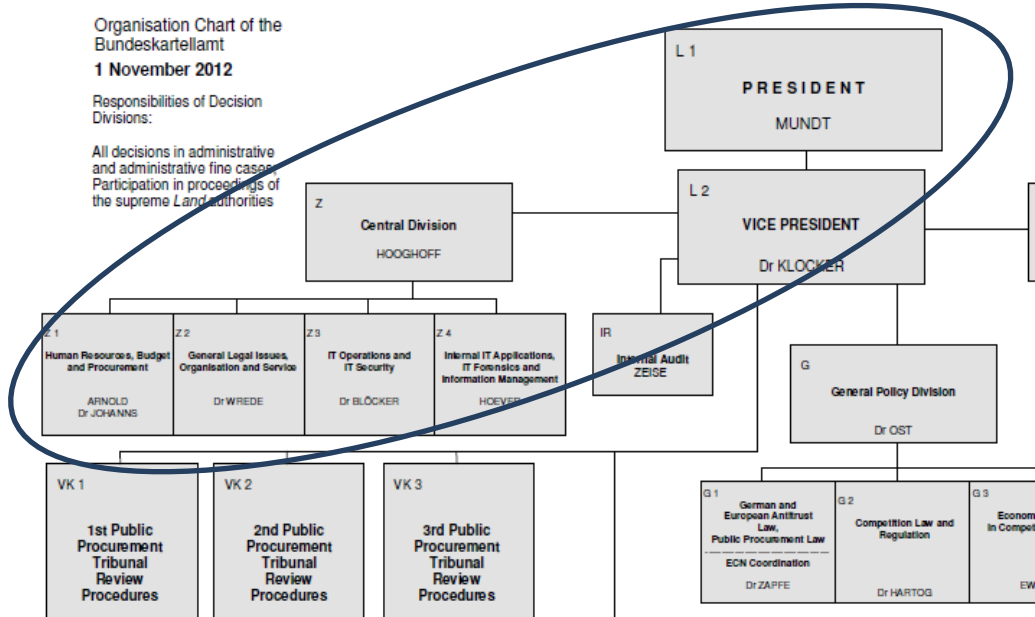
### Case Study: Germany's Bundeskartellamt

Germany's Bundeskartellamt ("BKa") is an example of a competition agency, where the senior most HR official is placed at the third level of the organization, beneath the head of the agency. The BKa's organizational chart is presented below:

Organisation Chart of the  
Bundeskartellamt  
1 November 2012

Responsibilities of Decision  
Divisions:

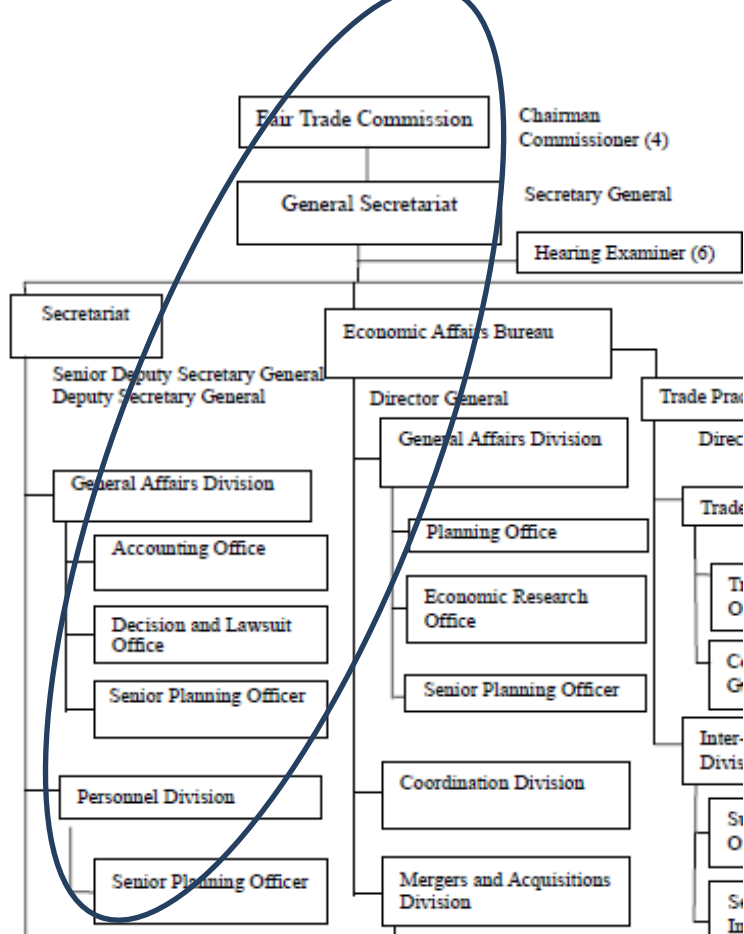
All decisions in administrative  
and administrative fine cases  
Participation in proceedings of  
the supreme Land authorities



## Case Study: Japan Fair Trade Commission

At the Japan Fair Trade Commission (“JFTC”), the senior most HR official is placed at the fourth level of their organization, beneath the head of the agency. The JFTC’s organizational chart is presented below:

JFTC - Organizational Chart (as of April, 2010)



### c) Responsibilities and role in determining policy

**HR management responsibilities.** HR management responsibilities will consist of the key activities acquiring, developing, and retaining employees.

## Case Study: Competition Commission of India

Regarding HR management responsibilities, the Competition Commission of India (“CCI”), a medium sized agency, can be used as a typical example. At the CCI, HR management is responsible for managing and formulating HR policies, for the selection, training, assessment and rewarding of employees, and ensuring compliance

with employment laws. The HR policies at the CCI aim to retain and train employees and develop their skill set. The HR management at the CCI provides for the following:

- Fair and transparent recruitment process to ensure selection of qualified employees at the CCI – advertising for recruitment, written test and interview for selection of candidates.
- Induction training on the CCI's procedures, guidelines on organization practices and overview of the Competition Act.
- Skill development of the CCI employees by way of organizing trainings and workshops.
- Foreign trainings and exchange programs for learning and development of the CCI employees.
- Conducting in-house trainings, workshops and participation in external trainings for the CCI employees.
- Compliance with rules on employee performance, including rules on attendance, leaves, performance evaluations, and employee benefits and compensation.
- Development of an effective HR policy, which involves the establishment of standards for finding, retaining, managing and motivating employees. The HR policy sets expectations for employees and reflects the values of the organizational priorities and beliefs. From the CCI's perspective, it is very crucial for the effective functioning of the agency.

The CCI also underlines that HR policies play a significant role in being the decisive factor for employees joining the competition agency and it aims to attract and retain talent. The CCI also aims to ensure fair and transparent HR policies in its HR management, as HR at the CCI plays a major role in helping the competition agency perform to its maximum capability. The HR policies at the CCI aim at developing its employees and utilizing, maintaining and compensating them for services in relation to their contribution at the CCI.

**HR management role in determining HR policy.** When it comes to HR management role in determining HR policy, 62 percent of competition agencies responded that HR policy was established by the competition agency itself and 12 percent of competition agencies stated that HR policy was set by a central government administrator. The remaining competition agencies who responded to the survey either did not respond to

this question or stated that the HR policy was a combination of the guidelines of the competition agency and their government.

As alluded to above, approximately half of the competition agencies that responded to the survey indicated that the senior most HR official was placed at the second level of their agency, beneath the head of the agency. However, although a majority of competition agencies have senior HR officials close to the top of the organizational chart, they may not really play a role as a true strategic adviser to the head of the competition agency and would generally not be involved in the decision-making process. Quite possibly, the senior most HR official plays an integral role to implement HR decisions that have already been made.

Nevertheless, the recognition that the most important asset of a competition agency is its' employees, i.e. its HR, is reflected in a strengthened role of HR management in the agency. In general, it has become more and more common for the senior- most HR official to have a voice in the competition agency's operational and strategic decisions, and the HR strategy is integrated and aligned with the competition agency's overall strategic goals.

#### ***d) Human resources management in small competition agencies***

A small competition agency will normally operate under very tight budgetary constraints, calling for tough prioritisation. However, for a small competition agency, the ability to attract, train and retain key employees is even more directly interlinked with the ability to prioritise enforcement and advocacy efforts than in bigger competition agencies.

In general, a small competition agency working on oligopolistic markets, will have to prioritise enforcement before advocacy, simply because enforcement is by itself the most efficient advocacy tool (nobody listens unless there is proper enforcement).

However, losing one key employee can severely affect the quality of decisions and the ability to enforce the competition law. In the end, that situation may force a prioritisation of advocacy before enforcement, as the competition agency no longer has the knowhow and confidence to process cases through the courts.

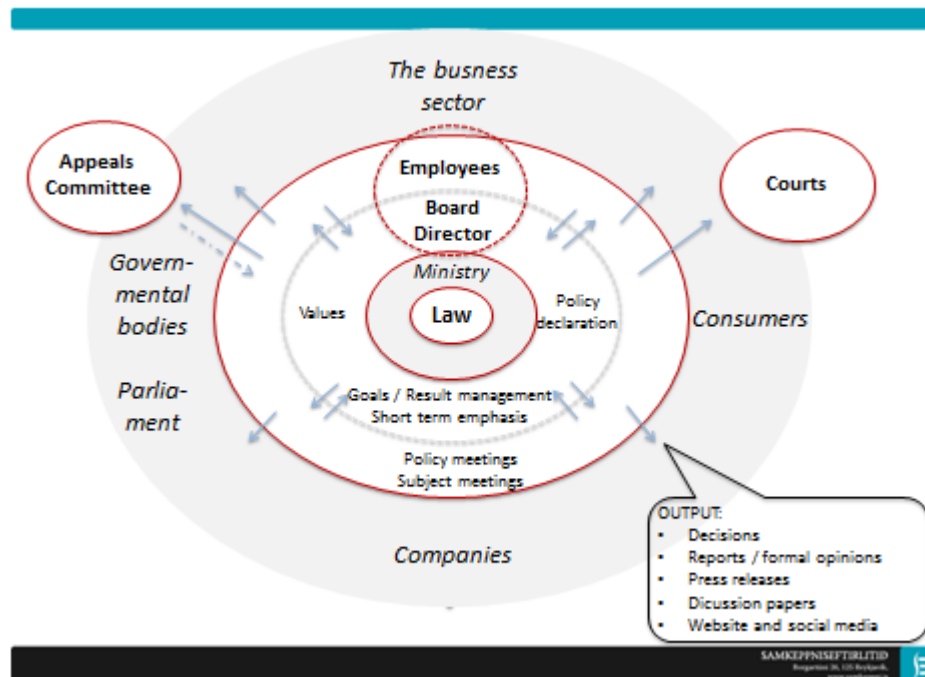
Thus, in this picture, HR is the single most important item, because when forced to reduce the quality of the HR, the quality and efficiency of both advocacy and enforcement is reduced automatically. Thus, the HR budget should be the last to be affected when budgetary cuts are called upon.

### Case Study: Icelandic Competition Authority

The Icelandic Competition Authority (“ICA”) is an example of a relatively small competition agency, faced by these prioritisation constraints. ICA considers “focus” as the most important item and prerequisite for successful HR management, which enables the ICA to form a “team” of employees, much like in sports. More focus leads to better teams.

In Iceland, the legislator decided back in 2005 to move away from a structure with a combined competition and consumer authority, towards a more focused structure with one authority only dealing with competition issues. This allowed for more focus, which facilitated more robust HR management, and subsequently helped the ICA to become more successful.

The overall system in Iceland is reflected in the picture below:



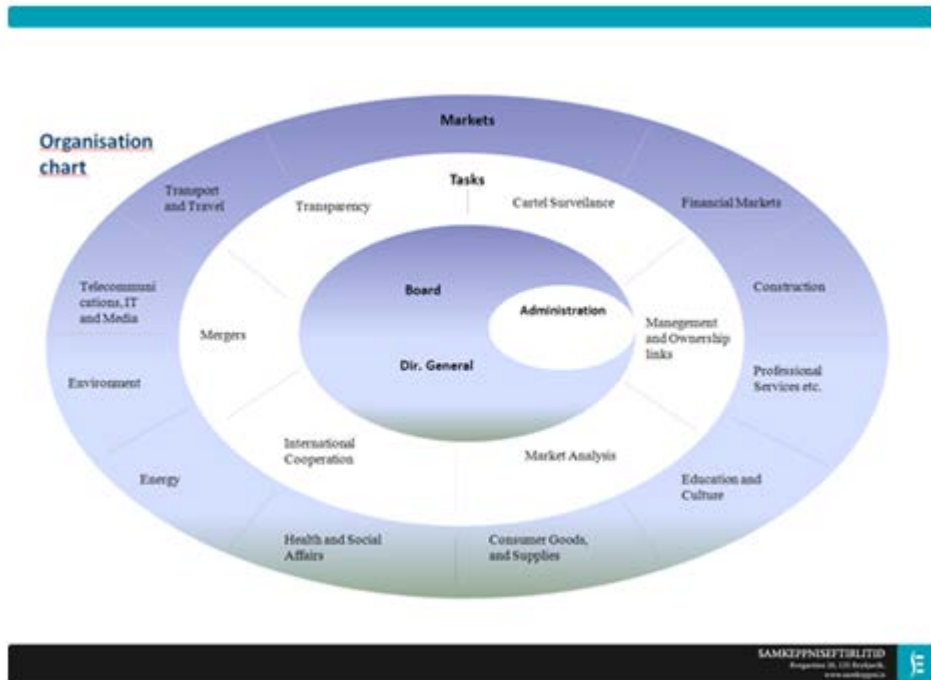
As the picture reflects, the Board, the Director General and employees are regarded as one team. All of them are involved in the development of the policy declaration, values, goals and short-term emphasis. Even though the Board ratifies the “ground rules,” the employees play an integral part in forming the policy of the ICA, as well as executing it.

HR management at the ICA is based on the following principles:

- The ICA is simply a group of individuals, chosen to fulfill the objects of the law.
- This group of individuals is by far the most important “asset” of ICA. The focus of the ICA management is directed at safeguarding and enhancing this asset.
- The Director General and the other employees work at the same level.
- The employees do not “receive” the policy of the ICA, they “make” it.
- The employee is not merely an employee in a pyramid, he/she is a “director” in his/her designated field (see organisation chart below). Every employee has a tailored job description to this end.
- A formal results oriented dialogue between the employee and the Director General is entered into periodically. This dialogue is aimed at developing each job, as well as the framework of the ICA itself. The preceding period is discussed and plans made for the following period, both in a results oriented way.
- A formal strategy concerning continuous education is run by a group of three employees, designated to the task, according to the relevant budget allocation each year.
- A separate dialogue on terms of employment is entered into periodically, between the employee and the Director General.
  - Dialogue on terms of employment is preferably (and in most cases) initiated by the ICA.
  - Terms of employment (including salaries) are to be “competitive” in comparison with other governmental bodies, and preferably competitive as regards to most counterparts.

- The ICA has the ability to reward good results by paying supplementary salaries, although these are not significant amounts.
- Support mechanisms for new employees are in place. For example, an experienced employee is designated as a “friend” of a new employee.

This framework is aimed at helping every employee to use his/her strengths and address his/her potential weaknesses. Thus, he/she is better equipped to assess how he/she wants to develop their career. At the same time, the framework helps the ICA to assess and improve its position to become competitive in the job market and keep the turnover at an acceptable level.





## **4) Human resources management, agency values and agency goals**

The role of HR departments has changed in recent years. Previously, the focus was primarily to ensure compliance with labour market laws, rules and regulations.

However, to develop an agency, its objectives should be supported by a clear understanding of the organization's capabilities and its growth, as well as a focus on processes, people, infrastructure, changes of environment, and other economic factors. Thus, successful HR management crucially depends on good alignment with overall agency strategic goals and values.

Nowadays, in most competition agencies, HR is more responsive to mission-related needs and has the resources to expend more efforts on instilling broader organizational values and, where necessary, changes to ensure that HR staff focus their efforts, knowledge, skills and experience towards the competition agency in accomplishing its mission.

The survey confirms that competition agencies generally have the ability and flexibility to develop HR policies that are more tailored to their requirements. In response to the question of who sets HR policy for the competition agencies, 62 percent responded that it was established by the competition agency itself, 12 percent stated that it was set by a central government administrator, and the remaining competition agencies either did not respond or stated that the policy was a combination of agency and government guidelines.

This section will look at the formulation and follow up of agency values, tailoring HR management to the overall strategic goals, and how the success/failure of HR policy is measured, for example through job satisfaction and work environment surveys.

### **a) Agency values**

Values are traits or qualities that are considered important for a competition agency. Organizational values guide each employee when they establish priorities in their daily work life. Values also help attract employees to an organization and then help them shape their actions and guide their decisions. Employees must demonstrate and model

these values into action in their personal work behaviours, decision-making, contribution, and interpersonal interaction.

A Values Statement is an important tool which the HR department utilizes to accomplish just that. Rewards and recognition within the organization should be structured to recognize those people whose work embodies the values and the Value Statement that the organization has identified and embraced. Furthermore, organizations hire and promote employees whose outlook and actions are consistent with its values. Moreover, the adoption of the organization's values and the behaviours that result should be recognized in regular performance feedback.

#### Case Study: Russian Federal Antimonopoly Service

At the Federal Antimonopoly Service ("FAS") in Russia, the values pursued by the completion agency are included in the Code of Ethics of the employees. The Code is based on the requirements of conduct of civil servants in Russia as provided for by the Law on Public Service in the Russian Federation, as well as on the agency Mission Statement. The underlying idea of the Code of Ethics ("Code") is to translate FAS values into individual values of each of its employees and further into precise ethical rules of employee professional conduct. The Code, therefore, complements to the Law on Public Service ("Law") each public servant in Russia mandatory complies with and which provides employees with guidance of complying with the Law taking into account specific tasks and conditions of the service in the FAS.

The FAS Department of Personnel and Public Service familiarizes each employee with the Code upon admission to the position in the FAS. The Code includes the following principles of professional conduct for FAS employees:

- An employee should dedicate all his/her efforts necessary for implementation of his/her professional duties.
- Building trust both among FAS employees and persons cooperating with the agency.
- Employees should not use the information they have access to in the course of performance of their professional duties for their own purposes. They should not publically discuss any issues FAS is going to make its decision on, unless requested by the agency.

- Managers and directors of FAS units should undertake to prevent conflicts of interest and corruption, as well as pressure on employees aimed to involve them into political parties.
- The public servant should serve to the state and society (not to particular institution or person). The protection of lawful interests of citizen, society and state is the ultimate goal of the public servant's professional activity. He/she is forbidden to pursue his/her personal interests, interests of political or civil society institutions, political, social and economic institutions at the cost of public interest.
- Respect to personality and confidentiality of personal information of people that the public servant obtained in the course of his/her professional activity.
- Observation of all currently effective legal rules and provisions related to the professional duties of the public servant.
- The public servant should be loyal to the state and its institutions promote their image and facilitate public respect to power bodies.
- Regarding neutrality/ independence, the public servant should avoid discrimination or giving preference to any party while making his/her professional decisions. He/she cannot make any obligations to parties related to issues considered by FAS and give them any promises regarding the forthcoming decisions. He/she should not have informal meetings with persons representing a company or agency involved in a pending case considered by FAS. Employees should meet such persons officially in the presence of not less than at least one other FAS employee. The employee should refrain from attending any organization where it can lead to creation of his/her obligations, relationships or expectations that can hinder fulfillment of his/her professional duties. In the course of inspections, the employee must not engage in any relationships with representatives of the inspected entity that can prevent him/her from independent performance of his/her professional duties. All discussions with the representatives of the inspected entity should take place in the presence of at least one other FAS employee.
- Regarding political neutrality, the public servant should not publically express his/her political sympathies or disregards and participate in political actions in his/her professional capacity. He/she should not use FAS resources for achievement of any political goals. In the course of election campaigns the public servant should not use his/her professional position for promoting himself, other persons or political parties.
- Regarding openness/ transparency, FAS activity is open to the public except cases provided for by Law (the major exceptions from the transparency rule is government secrets and confidential information provided voluntary or compulsory by parties under investigation that must not be disclosed).
- Ongoing improvement of professional skills.

## ***b) Link between human resources management and overall strategic goals***

HR alignment means integrating decisions relating to employees with decisions about the results that an organization is trying to obtain. By integrating HR management into the competition agency planning process, emphasizing HR activities that support broad competition agency goals, and building a strong relationship between HR and management, competition agencies are able to ensure that HR management contributes to the accomplishment of its goals. This will also imply that managers can be held accountable for their HR decisions.

How deep the link is between HR management and overall strategic goals varies between competition agencies. As previously noted, there is wide variation in terms of where the most senior HR officer sits within the competition agencies' organizational structures. The higher up this person is in the competition agency, the higher the probability of a correlation between HR management and the overall strategic goals of the competition agency. It is crucial that the HR department understands the different needs of the competition agency to be able to recruit and train the most suitable people for the defined positions.

### **Case Study: Norwegian Competition Authority**

The Norwegian Competition Authority ("NCA") has developed an HR strategy where this link is explicit, i.e. the HR strategy is considered an important means to achieve the overall strategy. The HR strategy contains four focal areas:

- Values, leadership and participation,
- Promotions, pay and working conditions,
- Resource and skills management, and
- Working environment and Health, Environment and Safety.

Regarding the first focus area, it is stated that management at the NCA shall be exercised in accordance with the principles for management in Norway's civil service ("NCS"). These principles are presented in a document intended for leaders who have managerial responsibility in a central government body. This document sets out the basis, framework and principles of leadership in the NCS. This document also

establishes that the leadership policy must be based on the distinctive nature, value base and overall objectives of the NCS. The Norwegian Government has decided that this document is to be used for developing leadership within the NCS.<sup>11</sup>

Regarding the second focus area, the strategy states that the NCA shall try to achieve a remuneration policy that is competitive in the market, and that helps to recruit and retain skilled employees, and helps to reduce unwanted turnover for employees with critical skills.

Regarding the third focus area, the goal of the NCA is to recruit, develop and apply appropriate expertise to fulfill the tasks the NCA is obliged by the competition law to undertake, and to enhance the NCA's reputation and abilities through systematic and goal oriented planning, evaluation, learning and improvement.

The fourth focus area, the stated goal of the NCA, is to have a work environment that is healthy and characterized by confidence, openness and respect. It is stated that through a good working environment, which includes participation and delegating authority to employees, the NCA wishes to create passionate, enterprising and creative employees who thrive on the job.

For each of these four focus areas, specific performance requirements, and measures to achieve these, are specified.

#### Case Study: European Commission's Directorate General for Competition

In terms of employee engagement and satisfaction, the European Commission's Directorate General for Competition ("EC DG Comp") is implementing a set of measures which follow an in-depth quality survey among employees. This includes specific actions related to: career management and alternatives to the managerial career tracks; better coordination in internal mobility, improved training, coaching and mentoring, etc. An important area concerns the internal communication (communicating the organizational goals, but also ensuring a better understanding

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<sup>11</sup> Leadership in Norway's Civil Service, Norwegian Ministry of Government Administration and Reform, available at: [http://www.regjeringen.no/upload/FAD/Vedlegg/Lønns-%20og%20personalpolitikk/Ledelsesplattform\\_eng.pdf](http://www.regjeringen.no/upload/FAD/Vedlegg/Lønns-%20og%20personalpolitikk/Ledelsesplattform_eng.pdf).

between the instruments and lines of business (Antitrust, Mergers, Cartels, State Aid, Chief Economist).

Overall, personnel issues such as engagement, motivation, and workload are discussed at the highest level (Director General, Deputy Director Generals) and HR plays the advisory role of a business partner. A very good understanding of the business in the HR team, as well as HR professionalization, brings credibility and raises the strategic level of the conversation. A charter of best practices in employee management is envisaged to be issued to support the line management with HR-related behaviours.

**c) *The use of job satisfaction and work environment surveys and interviews***

There is an intuitive notion that if employees at competition agencies are more satisfied, employee performance increases and there is a greater tendency to stay longer at the competition agency.

Most competition agencies conduct job satisfaction and work environment surveys and interviews. Job satisfaction is measured in the form of internally or externally conducted surveys, planned meetings with superiors, staff meetings and/or exit interviews. The results of these surveys are normally considered by management to improve working conditions and job satisfaction.

The experiences from these types of surveys are generally beneficial to measuring job satisfaction. If several competition agency employees have the same complaints, measures are usually taken to rectify them.

There is no obvious best practice for measuring job satisfaction, but accurate measurement is crucial.

**Case Study: Turkish Competition Authority**

As a tool in its HR strategy, the Turkish Competition Authority (“TCA”) conducts internal questionnaires amongst employees in order to see how the different units of the TCA are performing. These questionnaires help the management to identify and solve any issues if they exist. The TCA asks for feedback and receives many good comments regarding HR management, such as repositioning of employees in different units and training employees in personal development.

## Case Study: Norwegian Competition Authority

The NCA periodically reviews job satisfaction, as well as other psychological factors at work. The web-based questionnaire - The General Nordic Questionnaire ("QPSNordic") - is designed for the assessment of psychological, social, and organizational working conditions at the NCA<sup>12</sup>:

- to provide a basis for implementing organizational development and interventions,
- to document changes in working conditions, and
- to research the associations between work and health.

The purpose of the questionnaire from the NCA's point of view is to collect the information needed to develop the work and the work environment. QPSNordic consists of a comprehensive set of multiple-choice questions relating to psychological and social factors at work, such as:

- job demands and control,
- role expectations,
- predictability and mastery of work,
- social interaction with coworkers and clients,
- leadership,
- organizational climate,
- interaction between work and private life,
- work centrality,

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<sup>12</sup> The background for the General Nordic Questionnaire goes back to 1994, when the Nordic Council of Ministers launched a project to improve the scientific quality and comparability of data collected during interventions on the conditions of the psychological, social, and organizational work environment. The project group was given the task of developing and testing a General Nordic Questionnaire (QPSNordic) encompassing the most fundamental psychological and social factors at work, a questionnaire which should be applicable for interventions at various workplaces, as well as for research purposes. The project group comprised researchers from the four Nordic countries. See [http://www.norden.org/en/publications/publikationer/2000-603/at\\_download/publicationfile](http://www.norden.org/en/publications/publikationer/2000-603/at_download/publicationfile).

- organizational commitment, and
- work motives.

The scores on the different questions are presented compared for the NCA as a whole, for the different departments with the NCA, as well as compared to the scores of a reference group of comparable institutions.<sup>13</sup>

#### **d) Performance review and development**

A performance review is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Most competition agencies indicate that they have a sense that these reviews have a positive effect on agency productivity, as they increase employee understanding of what they should do and why.

Thus, conducting performance reviews at competition agencies may also be a way of measuring employee performance against the outcomes and productivity of the competition agency.

In addition, the performance review process can establish better communication on tangible objectives between supervisors and employees at competition agencies, helping in decisions such as promotions, compensation, training needs, or perhaps even disciplinary action.

To collect such HR data, there are three main methods: objective production, personnel, and judgmental evaluation. Judgmental evaluations are the most commonly used, with a large variety of evaluation methods. A performance review is typically conducted annually. The interview usually functions as a means of providing feedback to employees, counselling and developing employees, and conveying and discussing compensation, job status, or disciplinary decisions. HR staff is often included in performance management systems. Performance management systems are employed "to manage and align" all of an organization's resources to achieve the highest possible performance.

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<sup>13</sup> Examples of the questions in the questionnaire can be found at: [https://www.qps-nordic.org/en/doc/QPSNordic\\_questionnaire.pdf](https://www.qps-nordic.org/en/doc/QPSNordic_questionnaire.pdf).



Some applications of performance reviews and development are: (i) performance improvement, (ii) promotion, (iii) termination, and (iv) test validation etc. While there are many potential benefits of performance reviews, there are also some potential drawbacks. For example, performance reviews can help facilitate management-employee communication; however, they may result in a negative dialogue if not executed appropriately, as some employees tend to be unsatisfied with the process.

The majority of competition agencies responding to the survey conduct an annual performance review of its employees and a relevant number of competition agencies do so semi-annually. Other timelines, such as bi-annual, monthly or on an ad-hoc basis are also used. Some competition agencies hold an annual training plan that considers not only the employee appraisal of training sessions, but also his/her development needs. That conduct persuades employees to analyze and/or initiate individual career plans linked to the interest of the competition agency.

As indicated by the survey, employee and management performance review in most competition agencies is done by supervisors. In some competition agencies the review process is mixed in such manner that other types of employees conduct performance reviews (i.e., management could be reviewed by the Chairman, colleagues or subordinates). One competition agency indicated that it has designated a commission to work on such reviews.

With respect to performance assessment, most competition agencies have an internal system to verify cross-divisional consistency in assessing performance. Such a system is important to seek clearer, consistent and accurate HR information.

#### Case Study: European Commission's Directorate General for Competition

To complete the common annual performance review coordinated centrally by the EC's DG Comp is examining the possibility of introducing a 180° feedback for middle managers (Heads of Units). It is meant to provide middle managers with feedback from their teams, will be disconnected from the corporate performance review exercise and will provide developmental consequences (coaching, where appropriate). A few other DGs engaged already in similar exercises and the results are in general constructive.

#### Case Study: Competition Bureau of Canada

The Competition Bureau Canada (“the Bureau”) has a Reward and Recognition Program, independent of the programs provided for by the core administration that recognizes exceptional contributions to enforcement, as well as policy initiatives in furtherance of the Bureau’s mandate and program objectives. The Reward and Recognition Program includes recognition for activities that support employment equity and diversity as well as linguistic duality.

#### Case Study: Competition Commission of India

The CCI conducts APAR (“Annual Performance Appraisal Review”) for the performance evaluation of CCI employees. Under the system, the first assessment is done by the employee himself, and then the report is submitted to the reporting officer. The final rating is done by the reviewing and accepting officer as per rank and grade of the employee.

**Follow up.** It is important that HR information is accurate. In this regard, all competition agencies that responded to the survey indicated that they have a system for employees to express their disagreement on employee performance. Such a revision takes place in different manners, the least common reported by competition agencies were for reviews to be done by committees, or through mediation and/or anonymous complaints. The majority of competition agencies reported alternative methods for employees to express their discontent, including but not limited to grievance or appeals process.

**Incentives and sanctions.** As indicated by the survey, the most common employee incentive at competition agencies is the direct financial incentive, but promotions are also a very common way to reward employees for good performance. Other options regarding direct financial incentives may also be used, such as reimbursement of academic fees and time-off awards.

The survey indicated that reward for good performance by non-monetary means is diverse across competition agencies. Some competition agencies use public recognition as incentives, such as new job titles, employee of the month, or non-monetary awards. Most competition agencies use alternative options, such as study

trips and positive feedback seminars. In addition, short-term leave is used by most competition agencies as a non-monetary incentive. Finally, in most competition agencies responding to the survey, because of positive outcome of specific cases, employees may receive positive financial and non-financial incentives.

Sanctions, other than firing, are very frequent in competition agencies responding to the survey for employee underperformance. Examples of employee sanctions include, but are not limited to probation; demotion; reduction of or no annual salary increase; and personal improvement plans to monitor performance closely. Additionally, the majority of competition agencies responding to the survey have established some form of an annual needs assessment for training.

**e) *Experiences with performance reviews in relation to agency productivity***

Most competition agencies indicated in the survey that they have a sense that these performance reviews have a positive effect on competition agency productivity, as they increase their employee's understanding of what they should do and why.

**Case Study: Barbados Fair Trading Commission**

At the Barbados Fair Trading Commission ("BFTC"), a performance review is conducted at the end of an established probationary period. Following confirmation of appointment, a review is undertaken annually towards the end of the financial year, which is March 31st for all employees. Some of the categories include quality of work, productivity, job knowledge, reliability initiative, interpersonal relations, judgement and capacity to develop. These categories are assessed as part of the achievement of the overall objective of creating an environment in which employees understand their individual jobs, the standards expected and how these standards fit within BFTC's goals.

The utilization of individual objectives aligned specifically to those of the division and ultimately to those set by the BFTC, assists in the management and improvement of employee as well as BFTC performance. The self-assessment and discussion components of the performance management system facilitate feedback and clarification of essential job functions in relation to employee, as well as BFTC goals.

**f) *Assessing human resources policy and goals achievement***

A competition agency's objectives will be based on political, economic, and social circumstances. Some competition agencies will have independence in setting their objectives, while others may be set up to support an overall policy implemented by their government.

Regardless, the objectives presented must be clear, measurable, specific and consistent. The acronym SMART – specific, measurable, attainable, realistic, time-bound – is a simple guide on how to define a good objective. Operational objectives can be determined and measured by business units, departments, functional areas, teams, individuals etc. Typically, competition agency objectives will require multiple years (not less than 3-5 years) for outcomes to be achieved.

The process of continuous assessment of SMART objectives, with a comprehensive review and analysis of the status of stated objectives on an annual basis, will support the achievement of organisational goals.

The review and analysis process provides an opportunity to establish how related factors have influenced the organisation's ability to achieve its stated objectives. These factors may include as indicated earlier, the availability and efficient utilization of the necessary resources, opportunities for relevant training and development, the ability to form and maintain strategic alliances, as well as the state of the political, economic and social environment.

**Case Study: Barbados Fair Trading Commission**

The BFTC has established five main goals, which are designed to provide a framework for the achievement of its mission. Specific goals relate to each aspect of the BFTC's mandate inclusive of the promoting and encouraging fair competition. The over-arching goal relates to identifying HR and operational initiatives to strengthen the organisational and productive capabilities of the BFTC.

**Case Study: European Commission's Directorate General for Competition**

Participatory leadership is more and more a concern at DG Comp: leadership based on respect, engagement and empowerment that fosters cooperation and shared

responsibility to help bring change - from an organization whose management is based on inputs towards management based on outputs and trust.

DG Comp invests a lot of energy (the HR Unit in cooperation with the “Strategy and Delivery Unit”) in putting in place a comprehensive system of workload indicators. This allows DG Comp to better align workload and resources throughout the competition agency and find synergies for a leaner organization of work. Ultimately, this will allow the design of more meaningful HR strategy/planning.

## 5) Recruiting and retaining employees

We have all heard the following mantra: “employees are a company’s greatest asset.” To achieve this goal, it is crucial for competition agencies to recruit and retain the right employees in the development of a successful and effective competition agency and the accomplishment of its mission. This is not an easy task.<sup>14</sup>

Forty percent of the competition agencies participating in the survey attempt to retain good employees by promoting the valuable and interesting tasks employees experience by working for them. Having interesting work is achieved by hiring employees that are interested in the field of competition. As such, most of the competition agencies that responded to the survey indicated that they hire employees with a legal or economic background. Salary does not appear to be the predominant strategy for retaining employees as only 16 percent of the competition agencies responding indicated that salary is their most successful recruiting strategy. In most jurisdictions, salaries for public sector employees have been pre-determined by the government, and employees are aware of the salary structure.

Generally, low salary levels serve as a barrier to the recruitment and retention of high quality employees at competition agencies.<sup>15</sup> This is a recurring issue regardless of the size of the competition agency or its reputation. Large established competition agencies reported the same problem as small and newly established competition agencies. All competition agencies have problems attracting and retaining the right people given their limited budget and non-competitive salaries compared to the private sector.

This section will first look at recruitment approaches before focusing on approaches to retain employees.

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<sup>14</sup> “Don't Hire the Perfect Candidate,” by Lance Haun (January 2013), available at: [http://blogs.hbr.org/cs/2013/01/dont\\_hire\\_the\\_perfect\\_candidat.html?](http://blogs.hbr.org/cs/2013/01/dont_hire_the_perfect_candidat.html?)

<sup>15</sup> On the other side, working at a competition agency implies a relatively high degree of job security and the possibility to reconcile work and family life.

**a) *Effective recruitment approaches and experiences***

**Recruitment process.** Fair and transparent recruitment processes are important to ensure the selection of qualified employees. Regarding the recruitment process, the majority of competition agencies (77 percent) responding to the survey stated that they usually advertise positions, while 15 percent of the competition agencies that responded recruit from universities. In terms of the use of recommendations, 33 percent of competition agencies responded that they make use of internal recommendations, 18 percent of competition agencies accept external recommendations, and only 10 percent of competition agencies use “head hunters”. Thirty-one percent of competition agencies that responded to the survey indicated that admission to the competition agency demands entrance exams. Further, 8 percent of competition agencies responded that the selection of employees is made from internship programs.

The majority of employees recruited by the HR departments at competition agencies are graduate (67 percent) and undergraduate students (28 percent), including former interns, as stated by 21 percent of the competition agencies responding to the survey. Fifty-four percent of competition agency HR departments also recruit from law firms and Ministries. Furthermore, 33 percent of competition agencies stated that they recruit employees using consulting agencies. Recruitment is much lower from academic circles, as only 21 percent of competition agencies responded that they recruit professors, and 8 percent of competition agencies responded that they recruit teaching assistants.

Expert consultants and temporary hires are utilized by 92 percent of competition agencies. Some competition agencies affirmed that they require authorization from Ministries for such admissions. Of those competition agencies which hire competition law or economic experts as non-permanent employees, 49 percent of competition agencies stated that this represents between 0-10 percent of their employees. Only 13 percent of competition agencies responded that temporary employees represent more than 10 percent percent of their employees.

### Case Study: Swedish Competition Authority

The recruitment process at the SCA is initiated by the Head of the HR Department, with a request to the Deputy Director General (“DDG”). The DDG suggests a recruitment process to the Director General, who makes a decision based on the budget, and current and future needs of the SCA. The HR department publishes an advertisement, receives and reviews the applications, and determines a shortlist of the most competitive candidates. The Heads of departments and the Head of Personnel jointly decide from the list which candidates should be interviewed. Then, the Head of the department that requires personnel and an HR staff member conduct interviews. The successful candidates undergo an aptitude test and a reference check before they are offered employment with the SCA and receive a written contract. Candidates interviewed but not offered employment will be advised that they were unsuccessful. All new employees go through an introduction competence program.

### Case Study: European Commission’s Directorate General for Competition

DG Comp is recruiting considerably from the external reserve lists (around 70 to 80 percent of all recruitments) and the departing employees go principally to other services of the EC, which makes for a good base of DG Comp alumni. To keep in touch with that base and/or identify specific skills on the EC internal market to eventually attract them to DG Comp became very important. Thus, the newly introduced eCV (internal electronic CV database for the population of about 30,000 people at the EC) will surely help this approach.

### Case Study: Competition Commission of India

To ensure a fair and transparent recruitment process and ensure selection of qualified employees, the CCI widely advertises recruitment, including displaying employment opportunities on the CCI website and publishing information regarding recruitment in leading newspapers in India.

The CCI has several modes of recruitment to ensure that employees from different fields with varied experiences are engaged at the agency. The CCI engages employees in fields of law, economics, financial analysis and business through Direct Recruitment. Employees to help in general administration and secretarial functions



are also selected through Direct Recruitment. The procedure for Direct Recruitment includes examination and interviews conducted by the CCI with high performance standards. Experienced officials are also engaged in the CCI through deputation/secondment from universities, judicial services, statutory bodies and central and state governments. Support staff is engaged through outsourcing from service agencies. The CCI also engages experts and professionals from the field of law, economics and finance to assist the commission on a contractual basis.

For employees engaged in the service of the CCI, the CCI conducts all-inclusive induction programs on its general functioning, developments in the field of competition and on general principles of competition law and policy. The induction programs also include sessions on the work done by the different divisions within the CCI and the nature of the work of the newly appointed/engaged employees. Advanced trainings and workshops are regularly conducted for employees to enhance their knowledge and aid professional development. The employees also participate in various international conferences, workshops and seminars to get exposure to best international practices.

The CCI also engages experts and professionals in the fields of economics, law, business or such other disciplines related to competition. The engagement of such experts and professionals are on contractual basis as per the CCI (Procedure for Engagement of Experts and Professionals - Regulations, 2009).

**Assessing Needs.** To determine what the recruitment needs are in terms of professional and educational background in relation to a competition agency's request for additional employees, 71 percent of competition agencies responding to the survey react directly to an internal department's request for employees and base their requirements in the specific type of employee needed. Forty-three percent of competition agencies responding to the survey hire based on the type of tasks demanded, while 28 percent of competition agencies responding to the survey mention that they have flexible standards regarding the selection of employees.

**Experiences with different sources for recruitment.** Twenty-eight percent of competition agencies responding to the survey indicated that they hire after periodic evaluation, whereas 8 percent of competition agencies mentioned that they have fixed

quotas per department. One competition agency commented that employee allocation is determined by the government, independent of the title or profession. In general, however, the central government only plays a small role in the hiring of competition agency employees as only 8 percent of competition agencies responding stated that hiring is decided by central government allocation. Seventy percent of competition agencies mentioned that employee hiring is done in conjunction with central government policies. Of competition agency employees that are hired, competition agencies responding to the survey indicated that 67 percent of employees possess graduate degrees, while 28 percent of employees hold undergraduates degrees.

The allocation of competition agency employees into units, divisions or departments is generally determined by the request of Heads of Divisions as reported in the survey responses by 54 percent of the competition agencies and the strategic plan of the competition agency as reported by 51 percent of the competition agencies. In contrast, only one competition agency stated that the allocation is made randomly.

Alternatively, 36 percent of competition agencies responded by stating that employee allocation is determined according to the number of investigations or the types of the cases per unit (*e.g.* conduct or mergers). Only 15 percent of competition agencies responded that employees are allocated according to fixed quotas per area.

**Requirements and how recruits are assessed.** A large majority of competition agencies (84 percent) responding to the survey stated that they administer written exams and/or interviews regarding competition law to potential hires. Thirteen percent of the competition agencies that responded to the survey do not apply exams. Many competition agencies commented that knowledge of competition law and English are necessary. Other competition agencies stated that they have demanding recruitment processes with several phases, including both oral and written tests.

Fifty-nine percent of competition agencies provide feedback to the unsuccessful internal applicants, while 18 percent of competition agencies do not provide feedback.

### **Experiences with Interns.**

Case Study: Botswana Competition Authority

The National Internship Programme of the Botswana Ministry of Labour & Home Affairs provides skills transfer to Botswana graduates with degree qualifications. As such, the Botswana Competition Authority will utilize this program to test prospective employees' suitability before hiring them.

Case Study: European Commission's Directorate General for Competition

Similarly, at the EC DG Comp, trainees have an opportunity to acquire "hands-on" experience and gain expertise in the day-to-day work of the EC DG Comp. This internship program builds a pool of young people with knowledge of EC DG Comp's procedures who will be able to collaborate and cooperate or become future employees at the agency.

Case Study: Norwegian Competition Authority

The NCA has good experiences with trainees and summer interns. Students are typically recruited from the University of Bergen or the Norwegian School of Economics and Business Administration. Applicants must be law or economics students and have studied for at least three years for a position. The summer interns works with competition cases in the market departments under the surveillance of experienced case handlers. After the period of working with the NCA, the student receives an assessment and a reference. The purpose of this program is to recruit new employees, and quite a few of the students receive job offers from the NCA upon completion of their studies. In addition, the NCA tries to stimulate law and economics students to write master and doctoral thesis in relevant areas. This is done through a pecuniary award for best thesis in competition law and in competition economics, and assisting students in finding suitable and relevant topics.

Case Study: Competition Bureau of Canada

As part of the Bureau's University Recruitment campaigns, the Bureau conducts targeted visits of universities to promote and explain the nature of its work, and the opportunities for career development within the agency.

### Case Study: Turkish Competition Authority

The Turkish Competition Authority (TCA) also has good experiences with interns. The TCA - like other public institutions in Turkey - follows the same general rules set by the Civil Servants Law No. 657 when it comes to HR management. However, it is also one of the institutions that attempts to find ways to add value to HR management. Although many other public institutions also offer internship programs in Turkey, the one implemented by the TCA differs considerably from getting an “extra office assistant”. This point is widely confirmed by the comments of the previous attendees. The program is designed especially for senior undergraduates of faculties of law, economics, administrative sciences and business administration students. In order to be accepted to the program, there’s a threshold GPA level and a foreign language barrier that at least students should be able to read and understand foreign language sources. In this two week program, interns are trained by the competition experts in order to give the essence of competition law and economics. At the end of the program, interns are divided into two groups to participate in a mock trial where they take the roles of competition experts and private enforcers to defend a simple competition law case. Though the TCA cannot directly recruit from the interns, the program helps potential candidates to foresee and experience the work that is actually being done at the TCA. In fact, there are competition experts who decided to work at the TCA after attending the internship program, although they had better offers.

### **Innovative approaches**

#### Case Study: The Office of Fair Trading, UK

The Office of Fair Trading, UK routinely undertook staff surveys and made the findings available to the public, under the "why work for us" heading at the OFT website, available at: <http://www.offt.gov.uk/about-the-offt/working-for-us/why-work-for-us/survey/>.<sup>16</sup>

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<sup>16</sup> Note that from April 1 2014, the OFT merged with the Competition Commission to become the Consumers and Market Authority.

## **b) Mechanisms to retain and develop employees**

The survey indicated that 77 percent of competition agencies do not have a specific strategy for employee retention. Those competition agencies that indicated that they have a strategy, evaluated their employee retention programs with an average of five out of ten. On an annual basis, 67 percent of competition agencies stated that there is usually no termination. Eighteen percent of competition agencies stated that the termination rate is less than one percent annually. In a five-year period, termination rates of less than 1 percent of employees occur in 21 percent of competition agencies that responded to the survey, whereas termination rates between 1-10 percent occur in 8 percent of competition agencies that responded. None of the surveyed competition agencies indicated a termination level of more than 10 percent in a five-year period.

### **Case Study: European Commission's Directorate General for Competition**

At DG Comp, retention of talent is seen as an important HR issue as it competes both internally with other DGs, but also with the private sector. DG Comp recognizes a need to focus more and more on corporate branding and on enforcing flexible working arrangements.

**Rotation.** Internal movement of employees is accepted by most of the competition agencies that responded to the survey (92 percent). The reallocation of employees is made by formal procedures in most competition agencies, by simple request in 28 percent of competition agencies responding to the survey and by priority vis-à-vis external candidates in 13 percent of competition agencies responding to the survey. Temporary or permanent reallocation is evenly split across competition agency respondents. Moreover, most competition agencies (46 percent) allow movement within the agency after one year. Twenty-eight percent of competition agencies reported that they allow movement only after two or three years. Only one competition agency reported that it does not allow movement at all. The internal movement of employees at competition agencies (87 percent) occurs mostly horizontally (*i.e.* from one division to another), although 72 percent of competition agencies said that internal movement also happens vertically (*i.e.* through promotion or demotion).

#### Case Study: Competition Bureau of Canada

At the Bureau, a rotation program is generally scheduled every three years to provide employees with the opportunity to move within the competition agency, to renew their skills and take on new challenges. The rotation program balances an employee's need for career development and job satisfaction, the Branch's need for a certain mix of skills and capabilities, and the Bureau's need for a versatile, flexible, well-rounded work force that enables the Bureau to respond quickly to cases and other operational requirements.

#### Case Study: U.S. Department of Justice, Antitrust Division and the Federal Trade Commission

As previously noted, both the US DOJ and the US FTC provide opportunities for "details", i.e. a secondment or temporary assignment, to their employees for purposes of career development and employee retention.

**Succession Planning.** A little over half of the competition agencies that responded to the survey do not use succession planning (59 percent). Of those competition agencies using succession plans, some also use active training of professionals to encourage mobility within the agency.

#### Case Study: Norwegian Competition Authority

The NCA uses succession planning to some extent, i.e. for the second in command for the director of the market departments.

#### **Knowledge retention.**

#### Case Study: European Commission's Directorate General for Competition

Knowledge retention at DG Comp includes a Wiki-based intranet, coordinated by a multidisciplinary knowledge management team has gained a lot of momentum and now more and more people rely on this to quickly issue specific, sometimes highly technical information. It is also an aspect of the succession planning as sometimes retaining a very specific knowledge was at stake. Best practices in HR policy and processes are also being collected and listed on the DG Comp Wiki.

**Exit interviews.** As to employees who leave a competition agency, a majority of competition agencies (62 percent) surveyed stated that they conduct exit interviews. However, a large minority of competition agencies (38 percent) indicated that they do not. The exit interviews are mostly carried out by HR staff.

After the exit interviews, the information is verbally reported in 36 percent of competition agencies that responded to the survey, written in 13 percent of competition agencies, and collected by way of questionnaire in 15 percent of competition agencies. The addressees of the exit interview results are split between: (i) the HR staff (15 percent), (ii) the Head of the competition agency (15 percent), and (iii) senior staff of the agency in two competition agencies. It is interesting to note that 41 percent of the competition agencies that responded to the survey indicated that they do not analyze the results of the exit interviews. Sixty-nine percent of competition agencies confirmed that job offers outside the competition agency are the main reason for an employee to leave. Other reasons for employees leaving competition agencies are low salaries, and the ending of the position tenure. Although one competition agency identified bad performance as a main reason for the exit of employees, 92 percent of competition agencies stated that employee termination is possible. Despite termination being possible, the majority of competition agencies (59 percent) affirmed that, in practice, it is not done. Only 33 percent of competition agencies stated that termination is practiced.

**Relations with the academic community.** Effective enforcement relies heavily on access to expert knowledge. This is important with regard to developing this expert knowledge internally as well as having access to it externally. Thus, close ties with the academic community is crucial. Relations with the academic community can also be a mechanism to retain employees.

#### Case Study: Norwegian Competition Authority

The NCA benefits from good working relations with the law faculty and the economics department at the University of Bergen ("UiB"), in addition to the Norwegian School of Economics ("NHH"), both of which do research in, and teach courses in competition law or competition economics.

As a mechanism to retain employees, the NCA contributed to establishment of the Bergen Center for Competition Law and Economics (“BECCLE”). BECCLE was established in 2011, and it is a center jointly owned by the NHH, and the UiB, Faculty of Law and Faculty of Social Sciences. In the same year, the NCA signed an agreement with BECCLE to cooperate on research, as well as measures to exchange employees. The agreement intends to facilitate that employees from the NCA can work on specific relevant research projects in the academic environment of the BECCLE, and vice versa; that professors in law or economics can work at the NCA for a period.

**Revolving Doors.** The image of the revolving door traditionally refers to the mobility of individuals between jobs in a governmental agency and the private sector<sup>17</sup>. When professionals leave the private sector to work at a competition agency, and vice versa, both sides can benefit from such movements. However, there also can be downsides.

Government agencies can benefit from specialized knowledge and expertise developed in the private sector. In this sense, employees coming from the private sector might bring “fresh blood” in the arteries of the agency. Specific to competition agencies, an attorney coming from a law firm or an economist coming from a consulting firm brings an outside perspective of the constraints and challenges faced by companies trying to comply with competition agency rules and regulations, such as merger notification requirements and competition laws in general. This kind of knowledge can be valuable as a competition agency reviews its policies and practices and seeks to improve its procedures. It also can help keep the competition agency in contact with the realities of the economy.

When competition agency employees leave, they are more likely to understand the internal constraints faced by the competition agency. Former competition agency employees will be able to better navigate the processes and help their client comply with competition agency’s requests. Altogether, this might increase the quality and precision of filings and, ultimately, assist the competition agency’s work. In addition, personal contacts, personal trust, and a mutual understanding also may help build

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<sup>17</sup> Albert A. Foer, *The Adversary Way to the Truth and Its Adversaries*, American Antitrust Institute, 2009, p. 1, available at: [http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09\\_062520091204.pdf](http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09_062520091204.pdf).



relationships between the parties and the competition agency that can benefit effective enforcement.<sup>18</sup>

A downside of employees leaving the competition agency to work in the private sector is the risk of conflicts of interest and the fear that an employee will be able to use confidential information gathered while at the competition agency to the benefit of a private firm or its clients.<sup>19</sup> Enforcers that have previous private sector experience – and those in senior positions that plan to return to the private sector – may be perceived as being “too soft” on companies or sectors.<sup>20</sup> Some might also fear that such established professionals might bring too much of a “pro-defense attitude” in competition law enforcement.<sup>21</sup>

These potential downsides can generally be avoided by the enactment of proper safeguards that address potential conflicts of interest and ethical concerns.

#### Case Study: Federal Trade Commission

Revolving doors are a concrete and common phenomenon at the US FTC, in both directions. For all the good reasons mentioned above, the US FTC considers that it benefits from such employee movements.

In the United States, a combination of administrative and criminal provisions, not necessarily specific to competition agencies, address the risks of conflicts of interest and the use of confidential information gained while working at the competition agency. In the United States, both a criminal statute and the US FTC’s conflict of interest and ethical rules require an employee that is contemplating/negotiating for a new job in a private firm to immediately stop working and recuse him/herself on all

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<sup>18</sup> Derek Bedlow, EU and Competition: Revolution and revolving doors, Legalweek.com, 2007, available at: <http://www.legalweek.com/legal-week/analysis/1177570/eu-competition-revolution-revolving-doors>.

<sup>19</sup> Cross reference Knowledge Management Chapter on the importance of not losing tacit knowledge when employees leave the agency.

<sup>20</sup> Yeon-Koo Che, Revolving doors and the optimal tolerance for agency collusion, RAND Journal of Economics, Vol. 26, No.3, 1995, p. 379, available at: <http://www.columbia.edu/~yc2271/files/papers/Revolve.pdf>; Albert A. Foer, The Adversary Way to the Truth and Its Adversaries, American Antitrust Institute, 2009, p. 4, available at: [http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09\\_062520091204.pdf](http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09_062520091204.pdf).

<sup>21</sup> Albert A. Foer, The Adversary Way to the Truth and Its Adversaries, American Antitrust Institute, 2009, p. 3, available at: [http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09\\_062520091204.pdf](http://www.antitrustinstitute.org/files/aai-%20Rome,%20LEAR%206-25-09_062520091204.pdf).

matters that will have a direct and predictable effect on the financial interests of the prospective employer.<sup>22</sup> Once the employee has left the US FTC, he/she is essentially prohibited from working (even behind the scenes) on matters on which he/she was personally and substantially involved while there, that were pending under his or her official responsibility, or pertaining to which he/she had or might have had access to non-public documents.<sup>23</sup> In addition, the employee is required to seek and receive clearance before participating in any proceeding or investigation that was pending before the US FTC when he/she was an employee, or resulted from such proceeding or investigation, or if he/she had access or could have had access to non-public documents pertaining to such proceeding or investigation.<sup>24</sup>

Finally, in the case of a new employee joining the US FTC from a private firm, and to avoid the appearance of impropriety as well as conflict of interest, a United States statute requires that the employee break all financial ties with their previous employer (including, for example, stock divestiture).<sup>25</sup>

**Competition alumni.** Despite efforts to reduce turnover and retain employees, some turnover is inevitable. Yet, keeping in touch with former employees can give value to the organisation in many respects.

#### Case Study: Turkish Competition Authority

The TCA has arranged meetings with former employees and private enforcers to get their opinion on generally the way enforcement departments and experts handle the cases. In this regard, one meeting was held in 2012 between the directors of the TCA (including the president) and private enforcers some of whom were former employees. The TCA received many useful comments on how they work with recruiting and training experts, as well as handling some of the investigation cases. Multiple

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<sup>22</sup> Federal Trade Commission Standard of Conducts, 5 C.F.R. Part 2635. Violation of this rule is also a violation of the above mentioned Federal criminal statute, Title 18, United States Code § 208.

<sup>23</sup> Title 18, United States Code. § 207(a)(1) and (c); Federal Trade Commission Rule 4.1 (b)(1).

<sup>24</sup> Federal Trade Commission Rule 4.1(b)(2); Title 18, United States Code § 207(c) imposes a one-year “cooling-off period” during which a former “senior employee” is prohibited from “knowingly making, with the intent to influence, any communication to or appearance before a Commission employee in order to seek official action on behalf of another”.

<sup>25</sup> In the United States, a Federal criminal statute (Title 18, United States Code § 208) prohibits executive branch employees from participating personally and substantially in a particular matter that will affect certain financial interests (including the financial interests of the spouse, minor child or any organization in which the employee serves).

comments of former employees who had experienced both sides proved to be highly valuable and the TCA reports that it plans to continue with similar meetings in the future.

**Exit incentives.** Only 31 percent of competition agencies responding to the survey indicated that they might provide incentives for employees to leave the competition agency. Incentives given to employees to leave the competition agency include early retirement, recognition bonus and outplacement. Naturally, such incentives may need to change in times of economic downturn.

## **6) Human resources management and career development**

Another challenge to the retention of experienced employees at competition agencies is providing sufficient mid- to long-term career development opportunities.

Career development focuses on investing in building knowledge through conscious career plans consistent with competition agency priorities, inside and outside training, active HR management and clear and accurate information analysis. Encompassed in career development, individual career plans are a key issue.

This section will first look at career development and career plans, before moving on to approaches to building knowledge.

### ***a) Career development***

Career development is an important area of focus for competition agencies and provides their employees with opportunities to enhance their careers during their career progression. Conscious career development is obviously also an important element in retaining employees.

Case Study: Competition Bureau of Canada

At the Bureau, employees can apply for an assignment or a secondment, which is a temporary move of an employee to another federal department or agency in the core public administration. Employees can also apply for a temporary assignment to other public, not-for-profit, or private sectors, through the Interchange Canada Program. These opportunities have the objective of:

- supporting the acquisition and/or transfer of knowledge and expertise to assist participating organizations in meeting their business and HR objectives;
- contributing to an enriched understanding of how the core public administration functions and a better understanding of the business of other sectors; and
- fostering the professional and leadership development of participants.

Case Study: U.S. Department of Justice, Antitrust Division and the Federal Trade Commission

Other examples of competition agencies providing career development opportunities occur at both United States competition agencies (U.S. Department of Justice, Antitrust Division (“US DOJ”) and the Federal Trade Commission (“US FTC”)). At both competition agencies, employees have opportunities to go on “a detail”. The detail can be an internal detail to another section within the US DOJ or the US FTC that allows employees to gain experience on a different subject matter, type of case, or policy. The detail can also be an external detail that can provide employees with the opportunity to work in different law enforcement or legal policy settings. For instance, employees may be detailed to a U.S. Attorney’s Office for several months to prosecute federal cases and gain valuable litigation skills and experience.

### ***b) Career plans***

Individual career plans are a key issue in career development because they combine many factors to analyze how individuals manage their careers within or between organizations. However, the survey detected that most of the competition agency’s employees do not prepare individual career plans, despite the fact that they are aware of the importance of doing so.

**Developing career plans and links to overall strategic goals.** Almost all competition agencies responding to the survey have employee training linked to agency objectives and personal development and most of them survey employees on an annual basis to assess individual needs for training initiatives and career development.

**Promotion policy.** Amongst the competition agencies surveyed, a clear majority (82 percent) state that an agency specific promotion policy is the exception rather than the rule.

Case Study: Competition Bureau of Canada

An example of a competition agency which represents an exception is Canada. The Bureau has developed various specific competency profiles that outline the expected behaviours for employees and various levels. As part of the core administration's performance management framework, which develops annual performance objectives and learning and career plans, these competencies can assist employees and managers to identify skill gaps and to assist employees to define and obtain the experience and/or training necessary to achieve their career objectives. These competency profiles also form the basis for development programs. For example, the Bureau implemented a development program for enforcement officers (the largest employee population in the Bureau) in 2006. All new officers are automatically entered into the program, and have up to two years to attain the working level based on an evaluation of observed behaviours against established competencies. It also assists managers to determine whether new recruits are the right fit for the organization, and allows new recruits to advance, provided they meet the requirements, without the need for a competitive process. This program is currently being revised, and the Bureau is presently implementing a similar program for paralegal and enforcement support officers (another key personnel group).

The program addresses recruitment from outside the Canadian federal public service, as well as development for internal Bureau employees. It seeks to recruit individuals who have the qualifications needed to fill entry-level positions and to develop over time to a level of competency that permits them to be autonomous in performing the full range of their working level duties.

**Flexible division staffing.** Flexible staffing across different parts of a competition serves multiple purposes. First, workloads may vary significantly over time and flexibility in staffing reflecting workloads will obviously increase efficiency. If one division is overburdened with work and another division is not, flexible staffing may

also reduce potential moral strains in the competition agency. Flexible staffing can also be a part of a conscious career plans.

#### Case Study: U.S. Department of Justice, Antitrust Division

An example of flexible staffing is the US DOJ, which is comprised of ten components that carry out the bulk of its investigatory and litigation activities. The US DOJ has six civil sections in Washington that review proposed mergers and investigate civil non-merger activity within an assigned portfolio of industries and four offices, located in Chicago, New York, San Francisco and Washington, which primarily handle criminal matters. The US DOJ has additional, smaller components that perform specialized roles, such as policy, international, and appellate work.

Although US DOJ attorneys and paralegals are assigned to work in specific components, they have opportunities to work on matters beyond the confines of their assigned component as the need arises. For example, attorneys and paralegals from a civil section focusing on one particular set of industries (*i.e.* Transportation, Energy and Agriculture) have been assigned to work on a matter in another civil section focusing on other industries (*i.e.* Networks and Technology). In the criminal program, attorneys and paralegals from several offices routinely work together on large cartel investigations, and attorneys and paralegals from one office frequently provide assistance during trials being handled by another office. To balance workload, entire matters may also be transferred among components. Additionally, as large matters enter litigation, attorneys seeking litigation experience and those with specialized litigation skills, such as prior work with experts, may join a case team. Attorneys have also been given the opportunity to split their time between investigatory/litigation components and a component that has a specialized role (*i.e.* policy) or go on “detail,” as noted previously, to a particular component, typically for a specified period time.

In an era of constrained resources, flexibility of staffing across components allows the US DOJ to address critical staffing needs. This flexibility also provides significant professional development opportunities for US DOJ employees as they are exposed to matters or areas of antitrust law that they otherwise might not be exposed to within their assigned component.

### **c) Approaches to building knowledge**

Building knowledge can be considered an integral part of knowledge management, a topic which is explored in depth in a separate chapter in the Agency Practice Manual developed by the Agency Effectiveness Working Group. However, as building knowledge also is an important part of HR management, career development and career plans, it will also be covered briefly below.

**Internal training (in-house, buddy/mentor, ICN curriculum).** Most competition agencies provide classroom trainings. In-house training sessions are relevant to provide employees the opportunity to gather new information and to share their experiences with colleagues.

Case Study: Competition Commission of India

The CCI has a dedicated “Capacity Building Division” that strives towards knowledge development and management. The Division organizes in-house induction training, advanced trainings, workshops, seminars, etc. for knowledge dissemination. The Division has also mooted several innovative ways for the development of relevant knowledge in the CCI through various channels, including use of information technology.

Case Study: Spain’s National Competition Commission

Training courses, seminars and internal lectures enable proper knowledge about the work carried on by the Spain’s National Competition Commission and promote exchanges of opinions with experts in this field.

Case Study: European Commission’s Directorate General for Competition

DG Comp’s learning and development strategy is essential in order to align operational goals with the pool of skills and knowledge of its employees. Up to 70 percent of the trainings are organized locally (i.e. not centrally at the EC) and are designed in close cooperation with the Heads of Units to tackle their operational, specific needs.

**External training (ICN, Kings, Fordham, etc.).** In-house training sessions are more relevant because through them a competition agency is able to closely link the training

to its goals. A small number of competition agencies, however, utilize subcontracted training sessions to universities or to other institutions. Competition agencies responding to the survey also reported other options for conducting external training sessions, including, but not limited to, the ICN Curriculum project, external conferences, and external presentations by consultants.

The majority of competition agencies have standardized practices and templates on training sessions.

**Self-initiated training.** Webinars and on-line training programmes can be considered forms of self-initiated training, which are gaining popularity. These methods provide opportunities for the acquisition of knowledge, but do not require a physical presence; hence, absence from the office is not a factor. Additionally, on-line training programmes generally allow for some level of flexibility in terms of the pace at which an employee completes a course of training. In the survey, some agencies stated that new employees use the four modules of the ICN Curriculum project to learn the various elements of competition law.

Another competition agency reported an interesting type of experience, in which both employee self-development activities and rotational assignments within the agency are used in training. Alternative options for training, including attending workshops offered by international fora, such as ICN, OECD, and UNCTAD, are also a valuable asset to competition agencies.

#### Case Study: Barbados Fair Trading Commission

In addition to the traditional approaches to building knowledge, the BFTC offers the opportunity for employees to benefit from self-initiated training. In this situation, the employee, having identified a course of training which is relevant to his/her substantive post, is able to seek approval and financial assistance for the participation in a programme which offers a post-graduate or post-professional qualification.

Partial-funding for self-initiated training is provided on the basis that a commitment period is completed following successful completion of the programme. This approach allows for growth and development at both the employee, as well as the competition agency level.



**Mentors and buddies.** In the survey, one agency reported the use of a “Buddy System”, whereby the “buddy” provides the new employee with relevant work-related materials and the “buddy,” as are all other employees, is available to answer questions.

## 7) Summary and concluding remarks

The “Competition Agency Practice Manual” has as its objective to provide competition agencies with tools, procedures and best practices that can help them enhance their effectiveness. This chapter focused on the importance of good HR management in competition agencies.

Good HR management is an important task. A competition agency is nothing without its human resources. The main objective of HR management is to meet the organizational needs of the competition agency and the needs of the people employed by that agency. How effectively the competition agency can enforce the competition law, depends on its ability to recruit, train and retain employees. Through the same mechanisms that results in companies that are highly skilled in core HR practices experiencing higher revenue growth and profit margins, competition agencies that master this area well, will succeed better in its competition enforcement.

Effective HR management is, however, one of the most difficult and complex tasks that competition agencies face, not the least because it involves human behaviour and relationships that are inherently complex and potentially filled with conflicts along many dimensions.

Ultimately, good HR management can be defined as one that succeeds in recruiting, building and retaining competences well aligned with the strategic goals of the competition agency in accordance with its jurisdiction’s laws and regulations. However, the approaches to achieve good HR management will vary between jurisdictions.

This chapter has described what HR management is in general terms and more specifically, in relation to specific competition agencies. The chapter also looks closer at the link between HR management, competition agency values and strategic goals, before moving on to the important issues of recruitment, training and finally career development.

As inspiration, the various aspects of HR management are illustrated with good experiences and approaches from various competition agencies around the world. The Agency Effectiveness Working Group (“AEWG”) has the mandate to examine a variety of factors that affect how competition agencies achieve their objectives in an efficient and effective way and to extract best practices, when possible. The AEWG hopes this chapter will contribute to the achievement of this mandate relating to this important element of competition agencies’ work.