FUNCTIONAL ANALYSIS AS A HUMAN RESOURCES MANAGEMENT TOOL: THE CASE OF THE FY REPUBLIC OF MACEDONIA

Jahi Jahija[1]

Abstract

This paper presents findings about how functional analysis, as a human resources management tool, may contribute to public administration reform efforts in the FYR of Macedonia, for building modern, efficient and effective public institutions at the central and local government levels.

Keywords: functional analysis, public sector performance, human resources management.

Introduction

The quality of human resources is paramount for good functioning of public institutions. Thus, human resources management is of strategic interest in the management of an organisation, because only a well-organized public administration can provide high quality services to citizens, at a reasonable cost to the state and local government budgets.

Moreover, the quality of the human capital of an organisation is directly linked to the operational level of an institution and its standing and position in society. Hence, each institution is poised to attract employees who are professional, experts in their field of work and who will make a positive difference for the organisation as a whole. Such an institution would be well organised and it would operate efficiently; it would also be strategically-oriented and its employees would possess a high rate of motivation[2].

The essential difference between organizations or institutions is found in their treatment of clients, their on-time service, the ability to adapt new things and to change the manner they solve problematic situations, motivation and orientation towards achieving results in an efficient and effective way, the ability to learn and develop, and of course, to ensure that their employees will remain motivated for the job they do.

This article promotes the idea that functional analysis is a tool which could lead to positive results in the overall performance of an institution, increased employee motivation, better organisation of public service provision and higher client/citizen satisfaction.

Essence of functional analysis

To cope in today's world characterised by rapid change and increased competition, there are many useful tools that could contribute to enhancing the performance of organisations in order for them to achieve better, more efficient and effective performance levels in their core business. One of the key approaches, which allows for substantial and rapid adjustments to organisations to current needs and social reality is functional analysis. Functional analysis offers an integral insight into the efficiency and effectiveness of organizations, as well as in the means of their operations, processes, programmes and administration.

Functional analysis can determine whether the functions and the level of available resources are correlated with government priorities - if it is an institution within the administration – or are correlated with global economic trends – if it is a business sector organisation. It can

---

[1] State Secretary, Ministry of Information Society and Administration, The FYR of Macedonia.
[2] According to Armstrong (2006), "*the management of human resources is a strategic and coherent approach to the management of the most valuable resources in an organisation, the people who work there and who individually and collectively contribute to the achievement of organisational goals*".

also provide data on whether the functions are conducted in the most appropriate way, taking into account the existing capabilities and resources of an organization.

Functional analysis as a process

Functional analysis is a change management tool, aiming at strengthening the efficiency and effectiveness of an organization. Its final goal is to provide an answer to the organization to the extent that is fits the purpose of its existence. In other words, a public institution is enabled to carry out a self-assessment of its own performance through the conduct of functional analysis in order to initiate a process of improvement. In sum, a functional analysis could provide answers to the following:

- how successful the organization is in performing its legally stipulated responsibilities and competences;
- if the organization is making an efficient and effective use of the available resources to achieve optimal performance results;
- to propose concrete measure to improve the organization's performance.

A functional analysis requires a deep delve into the essence and methods of work of the organization. The results are often surprising, but, at the same time, usually already known. In most organizations, it is concluded that there are better ways to carry out the work and that there are employees who know enough about these ways. However, most often, we do not pay enough attention to knowledge and ideas of employees, which may be crucial. Consequently, all these individual perspectives should be merged in order to provide a comprehensive and complete picture of organizational performance and thus introduce new ways and perspectives of looking at things.

Typically, the implementation of a functional analysis takes two to three months, but much more to implement the findings derived. To conduct an effective functional analysis, extensive practical experience and solid theoretical knowledge is required and certainly a great deal of creativity. In sum, however, this tool can greatly contribute to restructuring of an organization and to better use of its resources for realizing its key priorities and achieving its goals and vision.

Functional analysis in the FYR of Macedonia

The introduction of functional analysis in the FYR of Macedonia was part of the on-going public administration reform process. In fact, it was stipulated by new legislation for the public service, the Law on Public Sector Employees of 2015. Under this law, all public entities, both at central and local levels, were required to conduct a functional analysis prior to the development and adoption of their new organisational plan and job descriptions. They were also required to introduce competency-based management systems, which would be aligned with job positions in the organisation and to adjust the criteria and conditions for recruitment and employment.

It was assumed that public institutions would analyse the key aspects of their organisational and operational modalities and identify the key problems in the execution of their mission, as dictated by relevant legislation. The functional analysis teams would analyse current operational capacities and provide specific recommendations to the management of the institutions in order to improve the efficiency and effectiveness of their organisation. Such recommendations would be used to develop proposals for a better utilisation and allocation

of available resources, thus strengthening the capacity of the organisation to achieving better quality in public service provision to the citizens and the business community.

Functional analysis objectives in the Ministry of Information Society and Administration[3]

The functional analysis conducted in the Ministry of Informational Society and Administration (MISA) consisted of two steps: [i] identify the main issues in relation to the organization and functioning of the institution that could potentially affect the achievement of its mandate; and [ii] propose concrete measure to improve the institution's performance.

This functional analysis was also perceived as a pilot for similar analyses that would eventually be undertaken at the central government level in other line ministries and central administration bodies. Thus, the process was organised in such a way that it would allow for capacity-building and experience-sharing between the ministry functional analysis team and representatives of other public institutions.

The process involved the following steps:

- Nominate and train representatives from MISA who worked jointly with project experts on performing the MISA functional analysis;
- Perform an initial functional analysis within MISA, that is leading the process and thus enabling MISA to better use its existing resources;
- Perform further functional analyses in other state institutions in which the MISA team would be involved as trainees[4];
- Roll-out the functional analysis results conducted in other institutions; and
- Provide a Manual for Functional Analysis.

In order to enable a timely and consistent implementation of the functional review in the public sector in 2015, the Ministry of Information Society and Administration, with support from the OSCE Mission to Skopje organised a training-of-trainers' certification training programme for a number of national functional review Practitioners. The group consisting of central administration and local government employees[5] underwent training based on the curriculum of the Italian Institute (ENAIP) [6] . Eventually, twelve practitioners, who successfully completed the training programme by passing a written examination, were certified and accredited to conduct functional reviews in public institutions around the country. At the same time, a manual for conducting functional reviews was developed, aiming at facilitating the introduction of functional reviews to different public institutions in the FYR of Macedonia.

Phases of the functional review

Implementation of a functional analysis in an organisation must be undertaken utilising a predetermined methodology and approach in order to achieve desired results and introduce the necessary changes. Such methodology consists of several interconnected stages presented in more detail below.

---

[3] The functional analysis was implemented within the framework of a technical assistance project to the Ministry of Information Society and Administration It represents a joint effort of the project team and the functional analysis team from the Ministry of Information Society and Administration, published in February 2014.

[4] The scope and number of institutions to be involved in the functional analyses would be determined later.

[5] The first one-day training was attended by twenty-six central government employees and the second by an additional twenty-eight local government employees. They were all familiarized with methods and techniques for functional reviews' implementation.

[6] - Ente Nazionale Acli Istruzione Professionale, http://www.enaip.it/eng/home.html

Prerequisites for the implementation of functional analysis

Prior to initiating a functional analysis exercise, certain preconditions should be in place in order to ensure a successful operation. These are: [i] compliance and commitment by top management; and [ii] establishment of a team to carry out the functional analysis.

1. Compliance and commitment by top management

If there is no full acceptance and commitment by the top management of the organisation to the process, the implementation of functional analysis may be considered a waste of time, effort and resources. If there is no resolve to find solutions to existing problems, it may be better not to proceed with the functional review process. The functional analysis may only be a useful tool if the management of the organisation is aware of the importance of management by results and it is not wary of change. Otherwise, conducting a functional review may cause a lot of discontent in the organisation resulting to worsening interpersonal relations in the organisation, especially between management and staff.

2. Establishment and functions of a team to carry out the functional analysis

In order to conduct a functional analysis successfully there is a need to set up a small team officially assigned with the task by the head of the organisation. The team should consist of employees of the human resources management unit, in particular of those who possess experience in staffing matters. The team should also include employees who are familiar with the organisation's mission, so that they may contribute to the vision of the institution's future direction.

Once the team is assembled, it should develop an action plan for the implementation of the functional analysis, which will contain the specific steps of the analysis in chronological order. Every step should entail the following: [i] a brief description of the task at hand; [ii] the parties involved (organisational units, employees, outsourced consultants, etc); and [iii] the implementation period and a deadline for completion.

In addition, the functional analysis team should present the plan to the management of the organisation, through which a brief explanation on the benefits of the analysis can be provided, in order to ensure that all units of the organisation will be actively involved and that they will support the exercise.

Phase 1: Collection of data / information

This phase involves collection of all necessary data in order to lay out the scope and boundaries of the functional analysis and to elaborate what information and resources will be used and at what level. Two types of information are collected at this stage: [i] preparatory; and [ii] additional. The first encompasses information about the sector and/or the institution. This information is usually available through several sources, as:

- Sectoral studies already undertaken;
- Overviews of similar organisations in the country or in other countries;
- Reports on previously conducted analyses and/or lessons learnt;
- Government policies and strategies that are relevant to the sector;
- Any legislation and regulation that defines the mandate and responsibilities of the organisation, existing organizational chart, financial and human resources allocations;
- Framework legislation (legislation not linked to the core functions of the institution, but which is laying out general obligations for all public institutions, such as the

laws on: budget, internal financial audit, internal organizational structure, public procurement, personal data protection, etc);

- Annual performance reports of the organization; and
- Budget of the organization.

Additional, in-depth, information should be collected through surveys. A survey is typically carried out by distributing a questionnaire[7] to selected staff. By using a questionnaire, one may gather such useful information as:

- Types of functions that are executed by the organisation;
- Legislative or regulatory framework guiding the execution of the function;
- Description of the main tasks of an office and the tasks that are not stipulated, but allocated by competent authorities, which may or may not be related to the functions;
- Description of the results achieved by executing a function;
- Possible overlaps on whether other employees and/or organisational units perform the same function and have assumed similar roles;
- The budgetary needs to carry out a function; and
- The identification of users and their needs.

Despite collecting information through a questionnaire, it may also be necessary to conduct semi-structured interviews to collect personalised responses from:

- All or some managers or heads of major organizational units;
- Skilled employees and/or staff who understand well the organization and its needs;
- Staff who can explain confusing findings, following the desk research and the survey completion.

The purpose of these interviews is to gather additional information about the way employees perceive the performance of the functions and internal capacities that cannot be brought to the fore from documents and survey responses provided[8].

Phase 2: Conducting the Analysis

In this phase, information collected through the survey questionnaires, the semi-structured interviews and the comments on the matrix of main functions[9] is analysed. For this reason, it is important that the functional analysis team members have a common understanding of the

---

[7] Questionnaires can be distributed to all employees or only to certain groups. They may be anonymous or require to indicate the name and workplace. Various software can be used for collection and/or analysis of data, e.g. Document Management System, Survey Monkey, etc).

[8] Additionally, the functional analysis team may utilise a matrix containing an overview of the major functions, tasks and results achieved by the organisation. Each employee is provided with the opportunity to comment on the matrix, thus providing further information on organisational performance, which may also be useful during the analysis phase.

[9] Typically, functions are placed in one of the following categories: [i] **Policy functions:** strategic planning, legal drafting, development of performance contracts, minimum standards, norms, policy analysis and evaluation, forecasting; [ii] **Service delivery functions:** the provision of products or services to internal (other public authorities) or external (people, civil society organisation, children) customers; [iii] **Regulatory functions:** licensing, certification, permissions, accreditation, inspection, compliance, and financial audit; [iv] **Co-ordination, supervision and performance monitoring functions:** coordinating relationships between different bodies, monitoring the performance of subsidiary bodies, facilitating and enabling subsidiary bodies to reach their performance targets; and [v] **Support functions:** financial management, human resources management, information systems, infrastructure, staff training, efficiency analysis and management audit, secretarial services.

term "function"[10]. The information on functions performed by the institution should also contain data concerning the inputs into a function, as well as for the outputs achieved.

The team members should make their own decisions concerning the functions examined utilising the information provided from the survey and the matrix, as well as other evidence gathered. For each function, the following actions should be considered:

- **Keep** a function without change;
- **Abolish** a function;
- **Transfer** a function to another central public organization, or to an agency, or to a local government, or private enterprise, or to a non-governmental organization;
- **Rationalize** a function; and
- **Reduce certain** aspects of a function's performance.

Phase 3: Findings and recommendations

Once the analysis is completed and the team members have a clear picture of the functions an organisation may need to perform in order to achieve its objectives, a report with findings and recommendations is prepared. The report should contain the following sections:

- Executive summary: briefly presenting the main findings and recommendations;
- Introduction: elaborating the objectives of the functional analysis, the structure of the report and the methodology applied;
- Description of the main responsibilities / tasks of the organization;
- Nature and scope of work of each organizational unit;
- The number of needed and occupied job positions;
- The effectiveness of each organizational unit in meeting organisational objectives, its strategic plans and/or work programmes;
- Assessment of the internal organization and the number of jobs needed for the effective fulfilment of responsibilities, the strategic plan and/or work programme; and
- Findings[11] and recommendations[12]: elaborating the changes in the organizational structure and/or rationalisation of job positions, e.g. increase or abolishment of duties, increased or decreased workload, inefficiency in the exercise of statutory powers, the strategic plan and/or work programme, etc.

There are several criteria which are necessary to take into account when designing a new organizational structure:

- **Reflection of goals**: To the extent that it is possible, the upper part of the organisational structure (sectors) should reflect the main goals of the organisation;
- **Collective effort**: Functions which are grouped together to be performed by one organisational unit should supplement each other;

---

[10] Function is considered an activity (or activities) where the output is clearly determined and linked to the objectives of the institution.

[11] An example of a typical finding is: "Tasks that should be formally performed by certain organisational units and employees are in practice re-allocated to internal working groups, which diminish and underestimate the established organisational structure" or "There are no established or implemented written procedures for the internal working processes, thus leading to non-efficient performance at the level of the institution".

[12] An example of a typical recommendation is: "All support functions that are currently spread out across different organizational units should be integrated into a single organizational unit, which will encompass operational and logistic support, legal and administrative support and IT support".

- **Define the client**: The client of the functions which are performed by the organisational unit should be clearly defined. This client can be internal, e.g. a public employee from the same or another institution, or external, e.g. citizens, business entities or non-governmental organisations;
- **Reduce the need for multiple transactions**. Whenever possible, functions should be grouped in a manner which does not require employees to seek information or assistance from other organisational units or other staff members too often. Duplication of the functions should be avoided; and
- **Avoid conflict of interest**: To avoid potential conflicts of interest, functions should be separated. For example, it is worthwhile to separate service delivery functions from those of regulatory nature and place them into two independent organisational units.

Then, the main findings and recommendations of a functional analysis should be presented and discussed with the management of the concerned public institution. This should include the presentation of functions currently performed by the institution, the proposed organisational structure and, if necessary, the transitional structure of the institution. Once this is done, the team should analyse the feedback received from the management of the organisation and if justified should be incorporated into the final report, in which priorities for implementation should be clearly laid down, before the report is handed over to the head of the concerned organisation.

Phase 4: Implementation of recommendations

Once recommendations have been accepted by the head of the concerned institution, the functional analysis team should develop an action plan and implement it. The Action Plan should include, at least, the following:

- Clear description of the activity that needs to be implemented, which is based on the recommendations contained in the functional analysis report;
- Parties (organizational units, specific employees or outsourced consultants) assigned to implement the activity; and
- Period for implementation and/or deadline for completion.

The Action Plan should be shared with all managers and those individuals assigned to implement the recommended activities. Furthermore, the team or the person in charge of implementation of the action plan should regularly monitor progress and inform the head of the concerned institution after each milestone is accomplished and/or when issues encountered inhibiting implementation.

The Case of the Ministry of Information Society and Administration (MISA)

The methodological approach used in the MISA functional analysis – the same that will be used by other public institutions that will undergo functional analysis exercises in the future – is composed of the following major steps:

- Analysis of relevant documents, related laws and regulations;
- Preparation of the questionnaire and of other data collection tools;
- Administration of questionnaires electronically[13]; and

---

[13] There was a response rate of 38% among the Ministry's current employees.

– Semi-structured interviews[14] conducted to collect additional data focusing on the major policy areas the Ministry is responsible for, e.g. public administration reform, public human resources management, information technologies, etc.

Subsequent analysis of findings revealed that the Ministry's functions are primarily focused on policy planning and coordination. Its mission is to set the direction for policy formulation in the policy areas it is responsible for.

Self-assessment and priorities for MISA's employees

Ministry employees were asked to answer questions regarding the tasks they perform, their capacities, competencies and skills, training programmes they have attended and their impact on their professional competences. They were also asked to indicate the priority reform measures they believed that the Ministry should concentrate on in the near future.

The results of the self-assessment were taken into account when the findings and recommendations were being developed. However, the exercise and the results achieved were not the only and most important source of information and inspiration for the key recommendations. They would have to be considered as an additional and useful way of obtaining information that is not written on paper, such as the perception of employees about the organization and staff capacity and the opportunities to improve the internal structure and procedures. The main tasks of ministry employees should be concentrated in the areas of analysis and policy development, providing the political leadership a clear analysis of different opinions about policies and ensuring a complete overview of the progress achieved through implementation.

In compliance with the relevant documents' analysis and the findings from interviews and questionnaires, the functional analysis team believes that the areas listed below are critical because they have a potentially major impact on the capacity of MISA to successfully meet its mandated objectives.

In sum, the main findings of the MISA's functional analysis review were:

– Extremely complex authorisation structures and procedures not only internally but also in relation to the General Secretariat of the Government;
– Too complex a structure in relation to its mission;
– Lack of skilled staff and significant duplication between the act of systematization and the reality of the employee by the workplace[15];
– Unclear responsibilities among departments;
– Excessive reliance on working contexts;
– Lack of a transparent hierarchy;
– HR functions should be improved, especially workforce planning and management tasks;
– Limited capacity for project management affecting the Ministry's efficiency;

---

[14] Five interviews were organized for the purpose involving Ministry representatives from different levels, e.g. executive civil servants, heads of department or government advisors.

[15] Analysis of the human resources structure and allocation at the Ministry showed a large discrepancy between what is provided for in the Act on Systematization and the filled-up job posts. MISA has an alarming 86% of staff vacancies. As expected, the huge shortage of staff directly affects the workload of employees with job responsibilities, the distribution of tasks between them and the quality of work performed.

- Absence of uniform internal rules of procedure for setting internal communication within the Ministry and coordination processes;
- Policy implementation is widely affected by policy planning at the ministerial level; and
- Institutional strategic planning is a purely a formal process and does not seem to be valid and properly applied.

It was highlighted that the main objective of the Ministry is to ensure effective policy planning, analysis and coordination in the areas that is responsible for, i.e. public administration reform, public sector human resources management and information technologies. It was also highlighted that the Ministry should delegate policy implementation functions to other institutions. However, when delegation of the function is not possible [16], the function of planning should be separated from the function of implementation in every way possible.

The principle finding propagated in this functional review was that there is a need for a separation between functions of policy-making and policy implementation. Indeed, the main responsibility of the ministry is to ensure efficient policy making, monitoring and coordination of the areas under its jurisdiction, while operational matters should, as much as possible, be delegated to another institution. However, there are cases that delegation is not possible as a result of various reasons, e.g. not able to identify an institution at a lower level to take on a certain task, short-term difficulties for the establishment of additional agencies, etc.

The Case of the Ministry of Local Self-Government

The findings of the functional analysis conducted in the Ministry of Local Self-Government revealed that the current organisational set up of the Ministry should be changed in order to become more efficient in performing its tasks and duties. Namely, some of the sectors and departments should be renamed and some departments moving under different sectors. In this context, the main recommendations of the functional analysis team were:

- Some organizational units / functions should be renamed, in order to be congruent with current legislation by harmonising and defining their functions accordingly;
- Organizational unit titles should differ from individual job titles;
- Job categorisation should be changed;
- job descriptions should be changed;
- New job positions should be introduced;
- Personal capabilities (work competencies) of the employees should be improved; and
- Internal procedures on work processes should be improved.

In addition, changes need to be made in the job system, i.e. the Jobs Systematization Act, as an official document prescribing all the organizational units and job posts in a public sector institution. In this sense, the Job Systematization Act contains information about the total number of required employees, thus providing for the legally prescribed and allowed maximum of additional employments for a particular year in excess to those posts already filled with staff.

---

[16] There is no suitable institution identified at a lower level, short-term difficulties in establishing additional agencies, etc.

The Case of the Municipalities

General Context

The continuing process of decentralisation, as determined by the Law on Local Self-Government [17], dictates that municipalities shall independently organise and perform activities of local importance. The activities that municipalities are obliged to perform are:

- Urban and rural planning: urban planning; issuance of technical documentation for construction and construction permits; regulation and maintenance of construction land;
- Protection of the environment, nature and space regulation: water protection and pollution prevention measures; as well as for air and land pollution, protection of nature and protection against noise and ionizing radiation;
- Local economic development: local economic development planning; determination of development priorities and infrastructure projects; local economic policy implementation; support for the development of small and medium size enterprises at the local level (and, in a similar context, participation in the establishment and operation of local networks of institutions and agencies; promotion of partnership;
- Communal activities: potable water supply; technological water supply; drainage and purification of waste waters; public lighting; drainage and treatment of precipitation; maintenance of public hygiene; collection, transportation and treatment of communal solid and technological waste; regulation and organization of public local passenger transportation; natural gas supply; maintenance of graves, cemeteries, crematoria and provision of burial services; construction, maintenance, reconstruction and protection of local roads, streets and other infrastructure facilities; traffic regulation; instalment and maintenance of traffic signals; construction and maintenance of public parks; removal of improperly parked vehicles; removal of damaged vehicles from public spaces; construction and maintenance of markets; chimney sweeping; maintenance and use of parks, green spaces, park-forests and recreational spaces; regulation, maintenance and use of river beds in urbanized parts, naming of streets, squares, bridges and other infrastructure facilities, etc;
- Culture: preservation of cultural heritage; celebration of events and persons of importance related to the culture and history of the municipality;
- Sport and recreation: development of sport and recreational activities for the citizens; organization of sport events; maintenance and construction of sport facilities of public interest for the municipality; support to sport associations;
- Social welfare and child protection: provision of kindergartens and homes for the elderly (ownership, financing, investments and maintenance); provision of social care for disabled persons, children without parents and parental care, children with educational and social problems, children with special needs, children from single-parent families, deserted children, persons exposed to social risk, persons with drug and alcohol addiction problems; provision of housing for persons put to social risk; sheltering and education of pre-school children;

---

[17] Official Gazette No 5/2002.

- Education: establishment, financing and administration of primary and secondary schools, in cooperation with the central government, in accordance with law; organizing transportation of students and their accommodation in dormitories;
- Healthcare: governance of the network of public health organizations and primary care buildings, by including local government representatives in all boards of publicly owned healthcare organizations; health improvement; preventive activities; protection of health of workers and protection at work; environmental health oversight; oversight over contagious diseases; assistance to patients with special needs (mental health, child abuse, etc);
- Disaster-recovery: preparation and undertaking of activities to protect citizens against war caused destruction and natural and other disasters;
- Fire-fighting: activities performed by territorial fire-fighting brigades;
- Supervision: over the performance of activities under municipal responsibility.

The functional analysis conducted in the municipalities should answer the question how much the organizational setup is suited for the effective and efficient delivery of a multitude of local public services listed above.

Functional Analysis in the Municipality of Aerodrom

The results of the functional analysis survey have indicated that:

- All organisational units of the municipality should properly evaluate individual work performed and promote those individuals, who have performed well;
- The process of personal development should be enhanced by implementing a larger number of training events for the municipality's employees; and
- The working environment should be improved and maintained at higher standards.

Functional Analysis in the Municipality of Aracinovo

Two key issues that exert a high impact on the Municipality's capacity to carry on its mission emerged: [i] its structure, organisation and resources; and [ii] its internal working procedures. The recommendations of the functional analysis team were:

- A new job position related to strategic planning should be created within the Sector for "Mayor's Duties and Local Economic Development", in order to develop the long-term strategy of the Municipality;
- The position of the "Administrative Assistant for Urban and Local Communities" in the "Department for Legal Affairs and Property Legal Matters" should be abolished;
- The structure and number of employees in the Department of Urban Planning is satisfactory, however, it is recommended to increase the number of workers in charge of drafting documentation and issuing construction permits;
- The position of "Urban Planner" should be codified, the tasks of which are currently performed by the position of the "Assistant Manager for Communal Works, Urbanism and Environment Protection";
- The number of employees for the position of "Education Associate" at the Department for Education, Sports and Culture should be increased;
- Two more managerial and professional positions should be created, as it seems there is a need for those; and

– The number of employees for the positions of "Advisor – Communal Inspector" and "Advisor – Authorized Construction Inspector" should be increased by hiring new people.

Conclusions

In light of the above, a general conclusion is that the country's experience with functional review as a human resource management tool was positive in delineating the main directions by which an organization should allocate and utilise its human capital. More specifically, the actual benefits of the functional review are expected to be effectuated in the forthcoming period, when the recommendations provided for each of the institutions that participated in the pilot implementation become effective. Overall, it was found that the conduct of the functional review exercise has contributed towards increasing the level of efficiency and effectiveness in the public sector institutions in the FYR of Macedonia.

In more detail, the functional review has:

– Provided a subjective expert assessment of the organizational changes of established functions, based on objective information from desk research and field research from questionnaires and interviews with employees in the institutions;
– Proposed standard categorization of functions within one organization in one of the five pre-determined categories: policy-making, service delivery, regulation, co-ordination, supervision and performance monitoring and support functions;
– Provided the framework within which decisions can be made on the future of functions by proposing to keep, abolish, transfer, rationalise or reduce their scope;
– Provided information for the necessary changes to the labour force according to particular skills and qualification the organisation needs, which would significantly affect the human resource management policy of the organisation; and
– Proposed changes to the organizational set up in relation to functions performed, resulting to changes in the organizational units and their human resources, which could consequently lead to improved overall performance of the institution.

The overall improvement in performance and increased levels of efficiency and effectiveness could also affect the motivation of employees, lead to provision of improved services to clients/citizens, as well as enhance the institution's social standing and its responsiveness towards the public.

As with all total quality management instruments, implementation of a functional review recommendations should undergo periodical examinations based on the Deming Cycle (Plan-Do-Check-Act) in order to identify areas for further improvements of the public service delivery and propose adequate corrective measures.

References

Armstrong, Michael. 2009. *Handbook of Human Resources Management Practice*. London: Kogan books.

Human Resources Management. 2008. Skopje: Macedonian Center for International Cooperation.

Standards for Human Resources, Ministry of Information Society and Administration and Project, support reforms in public administration, Skopje 2013

Manual to conduct functional analysis, the Ministry of Information Society and Administration and OBSE, INTERNET document, Skopje, 2015.