

SPECIFICATION AND MODIFICATION OF HUNGARIAN MILITARY HR STRATEGIES 2ND PART

(HR strategy of Ministry of Defense during the regime change and the establishment of professional armed forces)

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Abstract

Present article is the second part of a series analysing certain periods during the transformation of the Hungarian Defence Forces (HDF), based on the ideas mentioned above. The parts of the study released earlier (Gradus, Conference book of GMTK 2015, Kecskemét) presented general survey about the different specifications of military HR strategies and showed how much of them came true in the given period (2008-2012). The series primarily intends to shed light on what conditions helped/hindered the implementation of these strategies in everyday life, and to what extent has the previous person-centred HR strategy changed to an organization-oriented one. What were the characteristics of Hungary's military HR strategies in 2000, what were the plans and what could be realized from them? This second part intends to present the specifics of the military HR strategy in the period of forming the professional military staff (2003) from a similar point of view. The study reflects the author's thesis.

1 Introduction

The hectic social, political and economic conditions immediately before and after the Hungarian regime change affected the armed forces as well. The defence wallet was continuously fighting with downsizings, re-structuring and financial problems, therefore the principles relating to HR management were quite often neglected.

The HDF became isolated and was not able to 'exert any pressure' neither in social nor in political sense. It lost all of its relationships and former advocacy skills in the civil sphere. However, the economic problems and the openness associated with – in many cases 'outsider' – politicians' attitudes, moreover the civilian control completely lacking expertise made matters worse. The military PR was still in its infancy, and by having made some blunders it was not able to increase the tattered image of the HDF.

The internal and external effects were amplified by the fact that the HR management organizations were considered to be bureaucratic organizational elements even in the view of the troops. By the new era these personnel organizations had lost, had not replaced, or could not

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provide (in the lack of competence) their earlier role, which was in many cases extended by the task of social safety net.

Despite these facts the administration system of HRM was continuously developing, and in 2000 the Human Resources Department of MoD started its work. Forming the new organizational element meant the appearance of strategic-level thinking in the military personnel activity. Its result was the Act XCV of 2001 on the Legal Status of Professional and Contracted Military Personnel [1] with related implementing instructions. The Act was formulated in 2001 and came into force on January 1, 2002.

2 The initiatives of the Hungarian military HR strategy (2000)

Hungary became the official member of the North Atlantic Alliance on March 12th 1999. The NATO created its proposals about the military force development for 2001-2006, and the Government accepted the answer for this in the Government's Decree No. 2183/1999 (VII.23) [2], which already contained tasks about the modification of the organization (fusion of MoD and General Staff). During the negotiations a basic aim was the consideration of Hungary's economical efficiency and the prevention of headcount growth at the HDF.

The American CUBIC Work Group (officially CUBIC Application Incorporated) participated in the audits of HDF. Among many other things, the work group made recommendations about HR management, and suggested to the Government a significant plan (which practically meant the complete reshaping of the HDF in three items). This meant the basis for making Parliamentary Regulations, according to which the re-structuring of the complete army would have happened in three steps. Although all three items would have affected in some way the HR management activity of the MoD, the first one of these included such sharp goals and specialized tasks, which would have been practically unachievable without a sectorial HR strategy. Therefore, based on the Statement - No. 12/1999 HK.6 - of the Minister of the MoD [3], a new work group was established: it consisted of a large number of experts, covered a wide spectrum and existed on the level of deputy state secretary. This group confirmed the previously published fact that the military HR management will not work in case it is separated from the national labor market, and does not considerate its operating characteristics, order and temporary trends; respectively that the resource approach concerns the personnel of the HDF just as much as any other sector's personnel in Hungary [4].

The HR strategy of 2000 should have already elaborated a lifelong career model (starting on the entry-level and lasting with perspectives even after quitting) which would have been based on an objective assessment and career development system. In addition, a sustainable proportion of personnel should have been established, and the differences between military career path and civil right should have been harmonized, too. The military and civil social welfare system was waiting for harmonization, too, and an effective PR activity should have supported the increase and retention of soldiers' prestige [5]. Although the defence wallet was focusing on these principles (MoD's Statement No. 42/2000 (HK. 15.) about the short-term transformation of the personal condition system [6]), the MoD could not keep those privileges which had previously enabled the social mobilization of military staff.

3 HR strategy of Ministry of Defense based on the professional values (2003-2013)

The American CUBIC Work Group recommended to the Government the following tasks and schedule in connection with the transformation of HDF before the turn of the millennium:

2000-2003: organizational restructuring, improvement of working and living conditions, development of staff proportions, creating cost-effective management founds, making the organization attractive;

2004-2006: modifying the military training system and improving the quality of life;

2007-2010: technical modernization.

Among the tasks listed above, the organizational and structural changes were practically the most visible, taking place permanently at the beginning of the millennium. The officer, warrant officer (WO) and noncommissioned officer (NCO staff) hoped that the downsizings (represented as reorganization) would end finally, and with the publication of the Act XCV of 2001 on the Legal Status of Professional and Contracted Military Personnel [1] – taking effect in 2002 – those financial and social problems would be solved which had already reduced the sector's ability of hiring and keeping workforce.

The professional activities were hindered by the pre-election in 2002, because crucial decisions, providing modernization and development, were delayed and after the government change their initials were different, too. In practice, soon after the implementing regulations of "Hjt." [1] came into force, the HDF started to turn into a professional armed force. The reason of changes was the new Government's Strategy Review of 2002-2003, which was based on the huge modification of society and of international security policy (11 September 2001) emerging meantime [7].

According to Kolossa's researches [8], the statements of the Strategic Review showed that:

[...] 'the international security environment did not justify the involvement of society into the national defence training,

the new social values did not support the conscripted military service,

individual career should be founded and stabilized after the years of studying in civil life; therefore the time spent time at the armed forces might be regarded as lost [...]'

Based on the Hungarian Parliament's Protocol of the discussion day in October 2000, the reigning minister of MoD revived the experience of countries (the USA, Norway, the Netherlands, Italy, France, and Spain) that already had volunteer military power at that time. His opinion about the opportunities of introducing professional armed forces was the following: [...] 'in case of common social will, even with adequate finance it would take 10-15 years. Forming a professional armed force based on voluntary service demands a fairly long period. In addition to the time factor it is necessary to consider the fact that establishing a military force of this kind has significant financial consequences.' [9]

To conduct the Strategic Review, a Defense Review Steering Committee (DRSC) was established which comprised several wallets (e.g. Ministry of Defense, Ministry of Foreign Affairs, Ministry for Home Affairs, Ministry of Finance, Prime Minister's Office). The DRSC identified such strategic aims as:

Restoration of authenticity within NATO's organization;

Modernising HDF during 10 years to become compatible with NATO;

Creating the voluntary, professional military model;

Developing the situation, infrastructure and equipment of combat units;

Increasing the social prestige of HDF;

Providing the necessary resources for the listed requirements.

Due to the above listed points and to the military pledges outlined on the Prague NATO Summit, in the autumn of 2003 the government regulation was born, in which the force-development principles were fixed. Based on this, a proposition was submitted to implement a long-term defense reform program in March 2004 - No. 14/2004. (III. 24.) Resolution of the Parliament in direction of the long-term development of HDF [10]. However, by the end of 2004 it turned out that the program became unenforceable again, because the austerity measures of that year greatly affected mainly the defense sector. It was quite clear that the military reform, announced previously with a big swing, became the ultimate victim of economic restrictions.

Each military expert knew that the date was early, and neither the society nor the HDF was prepared to it. Despite of this it was necessary to introduce the professional army's formation until the end of the cycle, since it deliberately intended to win public opinion and to mask the professional failure of the military reform. In the autumn of 2004 the act (Act CV. of 2004 on the National Defence and the Hungarian Defence Forces) of suspending conscript military service was born, and at the same time the amendment of the Constitution allowing this was also represented [11].

The HR strategy developed on the base of sectorial strategy determined the following main directions in this period [12]:

Creating the unity of HR and organizational philosophy.

The coordination of organization processes with resource policy, and with ethical principles characteristic for the professional armed force.

The establishment of resource management and development system based on recruitment, being in conformity with the operating principles and the interests of the armed forces.

The construction of cohesion strengthening organizational culture, and being consistent with the organization's goals in accordance with its value system.

The establishment of the strategic level communication system working effectively within - and outside of the organization, integrating the environmental information into the HR strategy system.

The leadership training for being able to an up-to-date development, meeting social expectations; the restructure of internal organizational legislation considering organizational interests completely, so that civic-, personality-, and social rights in the organization may prevail to their most.

The establishment of legal and organizational background stability. The creation of HR institute system, which provides the achievement of the listed defined directions.

The operation and management of HR strategy, based on three pillars (HR Planning System, HR Management System, HR Development System), was necessary to provide staff and operation of the HDF, according to the HDF development strategy adapted by the National Security Strategy of Hungary. The main task of the planning system was the resource-oriented, information-based decision-making and controlling. The management's task was to provide the adequate quantity and quality and circumstances of staff in adequate time and place, considering the mutual demands of individuals and organizations as well. However, the development wanted to provide the individual and group qualifications by covering the complete dimensions of competence-based armed force, regarding the specifications of learning organizations, too. Moreover, the development also wanted to ensure the attainment of such skills during the service period which could have secured the possibility of reconversion on the labour market for those leaving the organizations.

The program of the 2nd 'Gyurcsány' Government (2006-2010) was very restrained and short-spoken about the defense policy. Knowing the exact economic background of Hungary, the defense reform – advertised during the government change in 2002 – was probably out of question. It turned out again that Hungary's planned competence developments, previously offered towards NATO's, would be far from our international pledges. 'The military capabilities continuously decreased, the planned new qualities are being built up very slowly. Today, the situation is so bad that in the absence of the developments the HDF may lose its opportunity of participating in all of the federal operations, and can only take part in the low intensity operations.' [13]

The HDF was fighting with problems relating to logistics (e.g. lack of individual equipment and clothes) and human service (e.g. contract staff's accommodation, and the payment of soldiers' allowances). The policy turned away from the HDF, and the NATO obligations rising from our membership were questioned even by governmental politicians and by the pro-government press, too [14]. These moments fundamentally torpedoed in practice the effective management system operation (which determined mainly the functioning HR).

It is impossible to plan a HR strategy so that the defense planning is virtually untraceable and rambling (the heralded reorganization and modernization – primarily meant as cost redundancy - had not been completed when the planning of the next one started). Even before the transition to professional armed forces the HR organizations have indicated that providing the personnel's allowances and salary development need much more attention than in an army based on conscripted service. HR management should have been already rationalized to conserve the supply's level. Unfortunately it was never possible to resolve the permanent conflicts between the rates of officers and NCOs, between the existing asymmetry of Budapest and the countryside, between the professional and contractual approach, and between the inefficiency of recruitment and reconversion. Instead, it was much easier to reduce headcount, or to lock the replenishment number.

The defense management began the organizational restructuring with itself in 2006. By August 2006, the headcount was reduced by 23%, calling this first phase 'modernization' by the

MoD. The number of departments was reduced nearly by 50%, in which the Human Resources Department of MoD was also sacrificed. With this step the professional culture was temporarily cut off. It has to be mentioned that all the experts, engaging themselves with modern management theory and practice, considered this professional culture to be determining in maintaining an efficient organizational culture.

Unfortunately the HRM as a success determining factor never happened to become part of the mind-set of leaders working at the highest levels of military and ministry. Although it is undeniable that the HRM was part of the strategic planning system, it could not become a strategy defining factor, so it could mainly receive only ensuing or supporting tasks. In many cases the political leadership trusted the advices of the ministry's communications organization much better than the head of professional field, whose suggestions and submissions were based on expertise and legal background. The elimination of the Human Resources Deputy State Secretariat in 2006 showed the decline of the human area at the MoD, thus some of the responsibilities were transferred to the Chef de Cabinet.

Due to the restructurings and redundancies, the national and international senior management, the Ph.D., and the long-term foreign language and other courses became 'the place for the personnel's vegetation'. Schooling was not always designed as part of the career, or as an order to obtain the professional competence. In many cases there was not any appropriate assignment for the enrolled person at that moment, therefore these people (mainly senior officers and generals) were simply put aside by trainings. It was not an unique case when someone immediately after the completion of the training (or just a short time after that) retired.

The personnel policy's deficiencies can be clearly found in the fact that although the job requirements (No. 20/2002 IV.10 Decree of MoD [15] come into force in 2002, the No. 17/2003 (HK.7) common measures of the Secretary's of State Administrative of MoD and Chief's of General Staff about organizing and implementing of follow-up trainings and retrainings of professional and contracted soldiers [16]) were not always considered. This happened mainly during the planning of career path and appointments of leaders' positions, or filling the posts being in their direct responsibility. If the difference was too conspicuous between the required and the existing level of competences, then the relevant part of the legislation entering into force was amended several times, despite the fact that the regulations and internal controls did not mean unachievable requirements for the positions aspirants. (Compulsory participation on the career course was pushed out to 2007, in case of foreign language the date was 2015.)

The development of the MoD's HR was negatively affected by the vision of the reigning Chief's of General Staff around the middle of the 2000s. It denied the EU principles about life-long learning, and contradicted the Government's submission, too. In addition, it made every effort to achieve that the NCO and WO vocational education training (VET) would be excluded from the scope of the National Training Register.

4 Conclusions

The specific organizational and operational mechanisms of institutions and organizations - including the Hungarian Defence Forces and MoD, too - do not always allow the full implementation of all HR methods which have already been used successfully in the business sector. But on the other hand it does not exclude their proper adaptation.

One of the most striking problems of the HRM system of this period was that the attrition was unplannable, just like the replacing of the hectic level competencies of attrition, and the lack of the real support of those who got to the labour market [17]. Although the HR strategy existed, the decisions affecting overall sector were not taken into consideration in all cases. It does not mean that the development of the strategy was inappropriate. It rather indicates that decisions were influenced mainly by momentary individual advantages, reflecting a simplistic view. The strategy cannot be changed daily, and the major part of the strategical decisions was made on 'ad hoc' basis. Financing and recruitment did not work effectively; reconversion was pushed into the background, the benchmarking activity rested on unreal foundations. The HR strategy became discredited by politics and required the re-transformation of the HR policy to achieve real strategic HR management.

The HR strategy of MoD and HDF went through enormous changes since the political transformation. We need to ask what has forced out these decisive changes of its direction? Were concepts really so bad or was it the change in international defense politics, in Hungarian society, in our country's security and military strategies, in international and national economy that brought the permanent, large-scale modification of military HR strategy? Presumably the personnel politics and HR strategies presented in the first and second part of this paper were bleeding from several wounds, therefore their repeated modifications were necessary. However, there is one thing which is true about all the versions and thus questions the long-term survival of the last version: this is the political and social harmony and the social consensus about Hungary's military role and its defensive and safety strategy in connection with the future of our national defence.

It seems from the trends of previous HR strategies and their implementation experiences that although all of them emphasizes the determining factors of both labour market and HDF, it stands out from between the lines that these trends are fading or are being questioned in certain cases (mainly when it is about the realization or development of operative decisions).

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