

Category management of temporary employees

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Organisation: Ministry of the Interior and Kingdom Relations

Country: Netherlands

Level of government: Central government

Sector: General public services

Type: Organisational Design

Launched in: 2008

Overall development time: 3.5 years

Link to the innovation's website

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Description

The innovation deals with cooperation among ministries in recruiting temporary staff. The category management for temporary employees ensures that demand for temporary staff (up to pay scale 10, mostly support staff) due to sickness or peak workloads is aggregated for all the ministries. On the basis of this demand aggregation, a tendering strategy is developed to meet this shared need and implemented through tender procedures.

Thanks to consolidation, agreements with market parties now need to only be made at one location in the civil service. This makes it possible to make more advantageous agreements with suppliers/market parties. Knowledge of the market for temporary staff and of the category needs only to be present at this one location within the civil service which are shared service centres; this specialisation is effective and efficient.

Why the innovation was developed

Budget cutbacks have created a strong incentive to use the available resources as efficiently as possible. This has led to specialisation and consolidation in the procurement of generic products and services.

- More efficient and (cost) effective hiring process of temporary staff.
- Improved central direction and registration of hiring processes and issues.
- Standardisation of contractual conditions.

Participating ministries: they can hire temporary staff at a more advantageous agreement and more competitive rates.

Existing similar practices

Joint procurement programmes on energy, postal and telecommunication services

In my own organisation

Ministry of the Interior and Kingdom Relations

The category management approach is widely used in the Dutch civil service.

<http://www.rijksoverheid.nl/onderwerpen/inkopen-door-het-rijk/inkooporganisatie-van-het-rijk/categoriemanagement>

Results

Efficiency

Savings have been realised of about 4% per framework contract (the last framework contract was worth about EUR 45 million).

Service quality

Accessibility:

Information related to the category is more easily accessible for both public and private parties; the category manager can function as a single point of contact.

Other improvements

- Knowledge in the area of hiring temporary employees and of payroll administration has been centralised at one location.
- Initial steps have been taken towards standardising the contractual conditions.
- The new system facilitates improved central direction of external hiring.
- Better alignment of conditions and hiring processes to market standards.

Development

Design

The category management approach was adopted from the private sector. It had to be adapted to the Dutch civil service.

The Ministry of the Interior and Kingdom Relations has coordinated the design of the category “temporary employees”, and Ministries in The Hague and other services were either invited to consider taking part or came forward voluntarily. In consultation with them, their needs were assessed and the category manager developed and adopted the specifications.

Conclusion of framework agreements, e.g. on “Central Government Flexible Staff Hiring” (IFAR 2010).

Design time: 2 years

Implementation

Tools used:

The Ministry of the Interior and Kingdom Relations has coordinated the design and implementation of the category “temporary employees”.

Resources used:

- One category manager has been appointed, whose work is supervised by one portfolio manager. This means that capacity must also be deployed by the participating organisations.
- In 2013, one contract manager is appointed to support the category manager.
- Approximately EUR 300K/year has been budgeted for administrative support, procurement support/advice, legal advice, further research and development, out-of-pocket expenses (source: ‘Jaarplan 2012’).

Implementation time: 1.5 years

Diffusion

The category management approach is widely used in the Dutch civil service, e.g. joint procurement programmes on energy, postal and telecommunication services which can be found in the OPSI database. In 2013 the Dutch civil service has positions for 12 category managers. For the next year(s), an increase of the number of categories is foreseen. The exact number is depending on the outcomes of the several category related business-cases.

Challenges and solutions

The trade associations and employment agencies are involved in the development and optimisation of procurement and hiring processes. The challenge was to balance the demands of the trade associations, employment agencies and the goals and needs of the various Public Services involved.

Partnerships

Trade associations and employment agencies

Private sector

Discussions have been held with trade associations and private employment agencies.

Dutch civil service

Other Public Sector

The working method category management is widely used in the Dutch civil service. The knowledge concerning category management is transferred in various ways, such as presentations, documents, websites, meetings, etc.

Lessons Learned

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The people who will implement the framework contract need to be involved at an early stage.

Conditions for success

Organisation wide adoption of the role/position and scope of responsibilities/activities of a category manager.

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