



IDHEAP

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The aim behind IDHEAP Policy Briefs is to make the general public aware of scientific research conducted at IDHEAP, underlining its pluridisciplinarity and multidisciplinary, while bringing out its implications for public policy, thereby asserting our place “at the heart of public service”.

This sixth edition focuses on optimization of the workings of administrations. The first article reports on the uptake by Swiss communal administrations of HR practices known as “High Performance Work Systems”. The second article looks at implementation of Data Protection Impact Assessments (DPIAs) by data controllers in the Internet of Things: since the legal provisions are abstract, the article proposes a practical automated tool to objectivize the process of assessing risks for privacy. The last of the three contributions shows, based on an examination of 225 elections to cantonal executives over the past 40 years, that direct election by a majority vote of members of cantonal governments, and especially finance ministers, strengthens their incentive to control cantonal debt.

Enjoy!

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High Performance Work Systems: uptake by Swiss communal administrations

Human Resources Management Unit Prof. David Giauque and Stefano Assanti

HPWS in communes: what are we talking about?

Human resources management (HRM) in public organizations has developed substantially over the past twenty years. Successive managerial reforms have called for significant work in HRM to maintain employee motivation and engagement. **An abundance of scientific literature today supports the idea that implementing a specific set of HR practices known as “High Performance Work Systems” can play a role in developing and supporting organizational performance.** These systems, which are based on a strategic approach, focus on three components that shape attractive working conditions for employees and contribute to the success of organizations: *Abilities, Motivation, and Opportunities* for employee participation, or AMO. The main HR practices associated with the AMO model are as follows: serious professional recruitment and a substantial provision of ongoing training (for the Abilities dimension); opportunities for internal promotion, performance management and a modern remuneration and compensation system (for the Motivation dimension); and sharing of information, incentives to participation, and a private-professional life balance (for the Opportunities dimension). **In Switzerland, no research has yet been carried out to assess the extent to which these high-performance systems have been adopted by Swiss communal administrations.** Using recently gathered empirical data, we are able to provide some initial findings regarding this question.

Administrations of communes of over 7000 inhabitants surveyed

Between April and August 2022, a questionnaire survey was conducted of human resource managers and municipal secretaries of 260 Swiss communal administrations having over 7000 inhabitants. The data collected came from administrations of 146 communes in various regions of the country (56% response rate). These communes provide an average of 503 full-time jobs and deliver public services to 38% of the total Swiss population.


Findings underline the importance of HPWS practices

HPWS are widespread in Swiss communal entities. The most widely used practices involve employee performance management, while those concerning incentive compensation systems are used least (Figure 1).

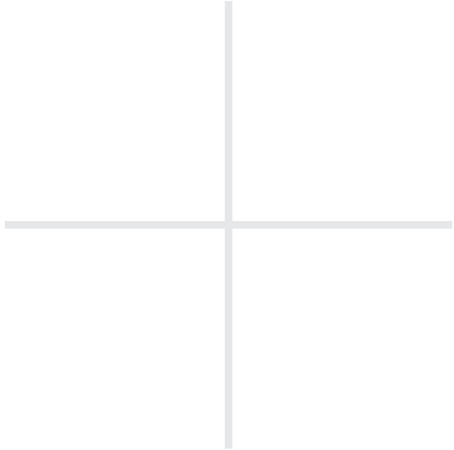


Figure 1 | **Spread of HPWS practices in communes.** The uptake of HPWS was measured based on the percentage of communal employees benefiting from these practices using the following scale: 1 = "No employees (0%)", 2 = "Very few employees (<25%)", 3 = "A portion of employees (26%-50%)" and 4 = "The majority of or all employees (51%-100%)".

We were also able to establish a **correlation between the size of the Swiss communes investigated and the extent of their adoption of HPWS practices.** Generally, the larger the commune, in terms of inhabitants, the greater its ability to implement a broad palette of HR practices.



“Implementation of strategic HR practices in Swiss communal administrations can make a significant difference, both in organizational performance and in staff loyalty.”



Our data also suggest that **the uptake of HPWS HR practices could depend on the degree of strategic integration of HRM in communes**. We found another correlation, this time between the extent to which respondents stated that HRM was taken into account in formulating the strategic decisions of communal administrations and their reports of substantial adoption of HPWS practices.

Lastly, we found that the higher the organizational performance level perceived by our respondents, the greater the strategic integration of HR practices. Moreover, the higher the level of performance, the lower the rate of staff turnover in communes. These last two findings, in particular, suggest that the implementation of strategic HR practices in Swiss communal administrations can make a significant difference, both in organizational performance and in staff loyalty.

Reference

Giauque, D. & Assanti, S. (2023). Quel degré d'adoption des pratiques RH "à haute performance" par les administrations communales suisses ? Unpublished working document. Université de Lausanne.0300.pdf

A tool to assess the impact on privacy of data processing in the Internet of Things (IoT)

Information Management Unit Prof. Tobias Mettler and Dana Naous

Introduction

The EU's General Data Protection Regulation (GDPR) introduced the Data Protection Impact Assessment (DPIA) as a measure for assessing the risks to privacy posed by technology and the processing of data. A DPIA is thus aimed at identifying and reducing the risks of harm for physical persons. For this purpose, a DPIA is performed whenever there is a considerable probability that processing of data could endanger the rights and freedoms of persons. This type of assessment can not only attest compliance with legislation, but also ensure that data-protection issues are taken into account from the moment information technologies begin to be developed and used. In this way, a DPIA allows data controllers to identify, deal with and attenuate the negative impact of data-processing technologies on individuals. **However, because the legal provisions of the GDPR are abstract, the conduct of these assessments has been criticized as being subjective** (Wagner and Boiten 2018). This means it is necessary to introduce concrete, detailed guidelines into the assessment process, together with automated tools capable of accelerating the analysis.

The research process

With the aim of improving the methodology for assessing risks to privacy, we have developed a practical tool that enables organizations to conduct more objective assessments. Since this type of assessment varies depending on the field in which it is implemented, we have addressed a specific data-processing scenario from the Internet of Things (IoT) in connected surveillance. IoT initiatives, using portable devices and networks of sensors, give access to various types of data. They are implemented in organizations for connected surveillance, mainly for the purpose of detecting and preventing health problems and mitigating health risks. However, their use brings risks for privacy. **We want to contribute to the discussion regarding the implementation of DPIAs by offering data controllers practical assistance in the form of an automated DPIA tool for IoT projects.** Using a continuous risk-management approach, we suggest a structured assessment process comprising several phases. In the first phase, the tool answers questions about the objective of the project, the context and the type of data processing.

The second phase includes detailed questions on analysing the data flow, that is, the gathering, storing and use of data. In this phase, various roles are identified in order to document the different persons involved in the process. The third phase consists of a privacy analysis, during which risks to invasion of privacy are identified through a series of relevant questions and are evaluated in relation to privacy-protection principles. The final phase involves documenting and viewing the results in a report analysing the impact on privacy.



Figure 1 | The risk-assessment process in the tool we have developed.



“We want to contribute to the discussion regarding the implementation of DPIAs by offering data controllers practical assistance in the form of an automated DPIA tool for IoT projects.”



Results, discussions and implications for decision-makers

The tool we have developed provides advice on the DPIA process and documents the results in order to enable data controllers to identify the risks attendant on the use of IoT technology. In addition, using the control list, **we supply a confirmatory analysis on the implementation process and the availability of dedicated guarantees for preserving the confidentiality of data**. Although this tool has been specifically developed for use in connected surveillance, its field of application can be extended to other technologies, such as algorithmic management, and to other implementation environments such as occupational health and safety. To guide our future research, the tool will be evaluated by practitioners so that they can propose possible extensions. We also intend to test the tool with users to assess the “privacy priming” role—using the tool to obtain information on privacy risks arising from accepting connected technology in the workplace.

Reference

Mettler, T., & Naous, D. (2022). Beyond Panoptic Surveillance: On the Ethical Dilemmas of the Connected Workplace. In: *European Conference on Information Systems (ECIS)*. Timisoara, Romania

Wagner, I. & Boiten, E. (2018). Privacy Risk Assessment: From Art to Science, by Metrics. In: *Data Privacy Management, Cryptocurrencies and Blockchain Technology*, pp. 225-241: Springer.

Do healthy public finances represent political capital?

Public Finance Unit Prof. Nils Soguel and Aurélia Buchs

Controlling the debt as an electoral bonus

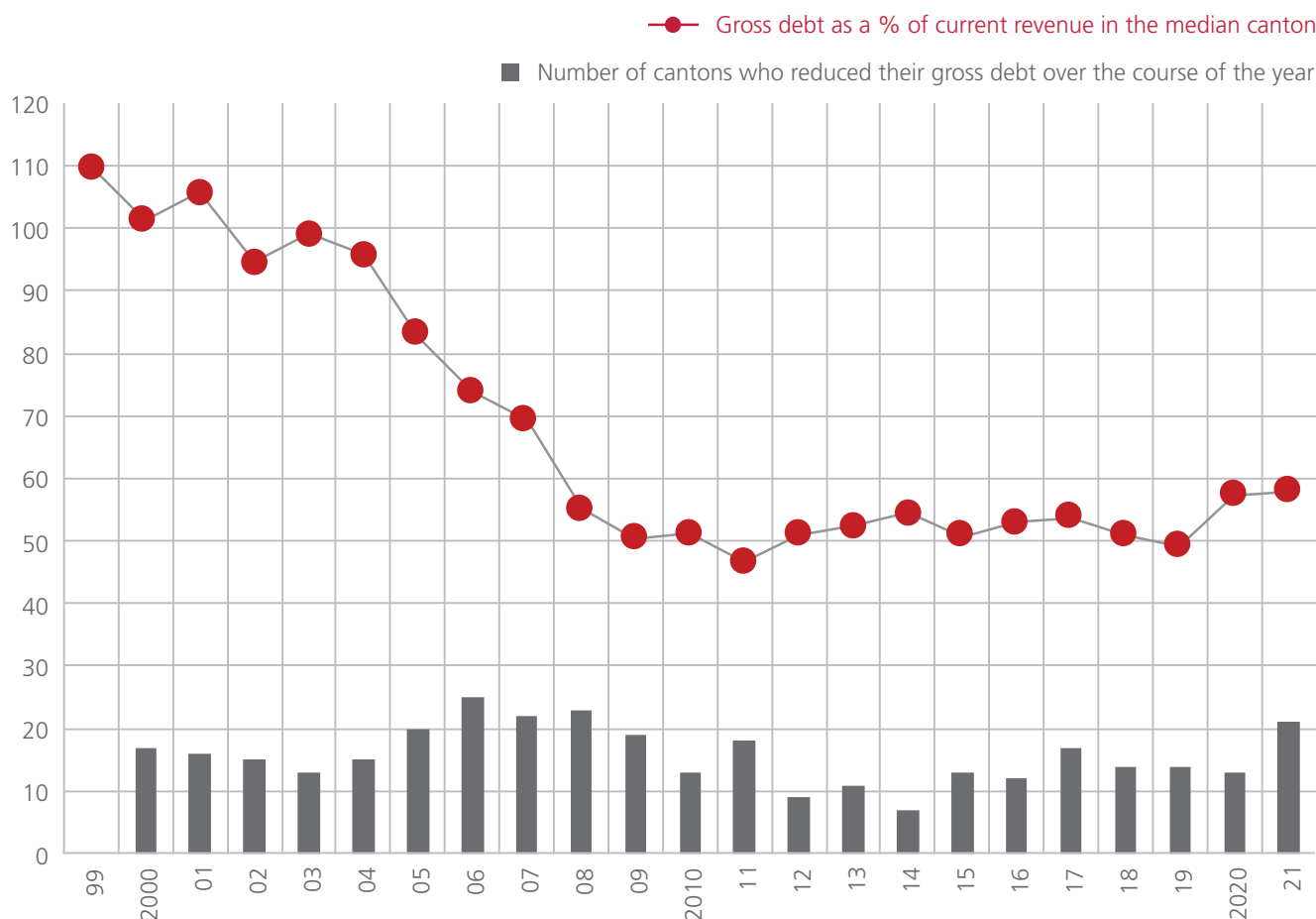
In an elected government, do a finance minister's chances of being reelected get a boost—an electoral bonus—when the public debt is controlled, or even reduced? After all, **the electorate could interpret a minister's ability to balance the budget as a sign of competence**. If such a bonus exists, how important is it?

Studies that have been conducted so far were carried out in institutional contexts that differ from the Swiss context and on issues that were appreciably different, such as client politics or austerity policies.

1000 cantonal ministers up for reelection

Our research makes use of the institutional context of Swiss cantons to gain an understanding of how fiscal policy affects electoral behaviour. On the one hand, members of cantonal executives are generally directly elected by the people in a majority vote (first-past-the-post). We can thus compare the electoral score of an incumbent candidate with his or her own previous electoral result. On the other hand, financial indicators provide a direct measure of the performance of the elected official in charge of finances (see the illustration of the evolution of the debt in Figure 1). Our research thus differs from studies that have examined the election of heads of government. Lastly, the cantonal executives are made up of five, seven or nine members and in most cases several incumbents seek reelection. Their scores can thus be compared.

We assembled information on 225 elections to cantonal executives between 1980 and 2019, in which more than 1000 government ministers and counsellors sought a new mandate. Of the 179 finance ministers seeking reelection, only 5 were not successful. However, regarding other ministers—sometimes referred to as “spending ministers”—out of 848 candidates seeking reelection, 52 were unsuccessful. **The reelection rate of finance ministers therefore exceeds that of other ministers by 3 percentage points (97.4% as against 93.9%).**



Source: Soguel, N., & Munier, E. (2022), Comparatif 2021 des finances cantonales et communales, Cahier de l'IDHEAP, www.unil.ch/idheap/Comparatif.

Figure 1 | Number of cantons who reduced their debt and debt in the median canton as a percentage of its current revenue

Statistically conclusive impact of controlling the debt on the score of finance ministers

Our econometric analyses show that **managing to reduce the debt by 1000 francs per inhabitant over the course of the year preceding the election increases a finance minister's share of the vote by between 1.4 and 5.4 percentage points in comparison with his or her share of the vote in the previous election or reelection.** This is not a negligible figure: in half of the elections considered, the gap between the person elected to government with the lowest number of votes and the first of the also-rans (those who were not elected) was approximately 3 percentage points, or less. On the other hand, the electoral score of spending ministers was not significantly influenced by financial results. In other words, finance ministers who control cantonal debt not only secure more votes than in their previous election (or reelection), but also more votes than their colleagues who stand for reelection. We should point out that our analysis controlled for the influence of numerous confounding factors: those related to persons (gender, party membership, professional experience, education) and those related to the election in question (for example, number of candidacies, number of vacant seats, participation rate).



“Debt reduction is clearly seen by voters as a sign of the competence of the person in charge of finances.”

We also show that, taking into account the possible effects of selection, the impact of the financial position on the reelection score of executive members is not biased by partisan political or other preferences. This impact is therefore attributable to the office of finance minister.

The reduction of the debt is clearly seen by voters as a sign of the competence of the person in charge of finances. From a tactical point of view, this represents an asset for anyone harbouring loftier political ambitions. In this respect, since 1980, 4 cantonal finance ministers were subsequently elected to the Federal Council, 13 became members of the National Council, and about 20 members of the Council of States.

The long-term balance of public finances therefore depends greatly on institutional arrangements. Pre-existing studies have shown this to be, for example, a matter of constraining fiscal rules such as debt brakes, or financial referendums. For our part, we have shown here that **direct election of members of the government at the cantonal level by a majority system strengthens the incentive given to governments, and more particularly to finance ministers, to respond to people’s preferences, particularly as regards financial management.**

Reference

Buchs, A., & Soguel, N. (2022). Fiscal performance and the re-election of finance ministers – evidence from the Swiss Cantons. *Public Choice*. 191. pp.39-49. <https://doi.org/10.1007/s11127-021-00949-z>.

Soguel, N., & Munier, E. (2022), Comparatif 2021 des finances cantonales et communales, Cahier de l’IDHEAP, www.unil.ch/idheap/Comparatif.

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