

Background...	Restructuring...	Senior Management...	Challenges...
Legal Framework...	Organisation of HR...	Industrial Relations...	
Composition...	HR Management...	Reforms...	

Background

Employment in central government under the main General Employment Framework (GEF):¹

2009: 115 294 Full-time equivalents (FTEs)

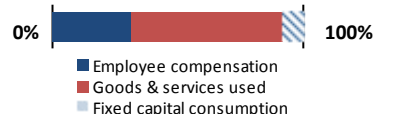
Total employment in the general government sector as a percentage of labour force (2010):[†]

12.3%


Central human resources management body:

Ministry of the Interior and Kingdom Relations, with other agencies.

Government production costs (2010)^{††}



Government centralisation (2008)^{††}



Type of recruitment system (2010)

Career based	◆	■	Position based
	Netherlands	OECD33	

Legal Framework

GEF covers all employees:	Yes	All central government employees in the Netherlands are statutory staff and no contractual employment is used. Statutory employment under the GEF is quite similar to the private sector and no guarantees are made in favour of life-long employment. Dutch civil servants receive supplements to the basic social security and pension arrangements of the general public. The GEF covers fixed-term employment under the same conditions as open-term, but casual staff are used via outsourcing rather than direct employment.
GEF includes fixed-term employment:	Yes	
Private law applicable in public sector:	No	

	Staff have the right:		Benefits, to which employees are entitled to, are:			Firing rules provide:	
	to unionise	to strike	Full funding of social security	Partial funding of social security	Some funding of pensions	Different guarantees about job protection / dismissal	Guarantees in favour of life-long employment
Public sector	Yes	Yes	No	Yes	No	Yes	No
Private sector	Yes	Yes	No	Yes	No	Yes	No

Composition of Employment

Central government employment (2009)¹

Total employment under GEF: 115 294 FTEs

Part-time employment: 32 779 FTEs

Part-time is defined as working less than 95% of full-time hours.

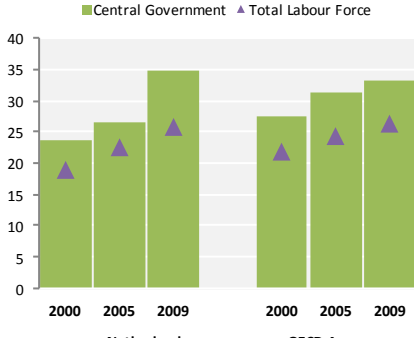
Gender in central government (2009)¹

Female participation in central government workforce: 42.5%

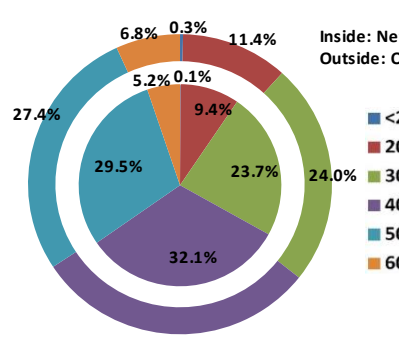
Share of top and middle positions who are women: 23.6%

¹ Data are for core ministries and agencies of central/federal governments

Percentage of employees aged 50 years or older in central government and total labour force (2000, 2005 and 2009)*



Age structure of central government 2009



Part-time employment accounts for roughly a quarter of total working hours in central government, which is relatively normal for OECD countries. Over the past decade, the proportion of employees aged 50 years or older rose dramatically, from 23.6% in 2000 to 34.7% in 2009, and is now in line with the OECD average of 34.3%. In addition, this ageing of the public workforce has been at a greater rate than that of the total labour force. The representation of women in the civil service is somewhat below the OECD average. Overall, women accounted for 42.5% of employees in 2009, compared to the OECD average of 49.5%, and for 23.6% of management positions, compared to the OECD average of 34.7%.

Public Sector Restructuring

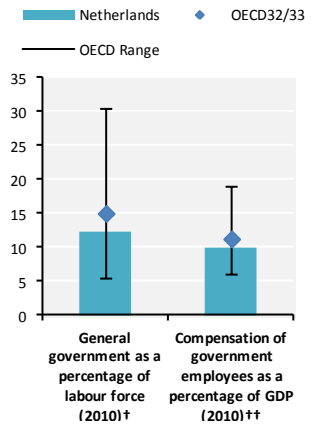
The Netherlands is one of 27 OECD countries who reported an anticipated decrease in public employment levels as a result of planned reforms. A wide range of measures have been adopted since the financial crisis of 2008, including job cuts of around 12 800 FTEs, cuts to redundancy and unemployment benefits, and a pay freeze. Reforms have used longer term strategic restructuring, such as efficiency and process re-engineering measures, as well as short term cost reduction measures, such as downsizing. Dismissal is allowed when the government seeks to restructure; however, reallocation possibilities must be proposed beforehand. General government sector employment as a percentage of the labour force, 12.3% in 2010, and compensation of public employees as a percentage of GDP, 10.0% in 2010, are both below the OECD averages of 15.1% and 11.3%, respectively.

Anticipated reforms' effect on employment level:

Decrease

Implemented changes in employment levels affecting more than 50% of ministries/agencies since 2000:

- Hiring freeze / non replacement of retiring staff
- Change in retirement age
- Devolution of authority over other levels of government
- Contracting out
- Delegation to other public or semi-public organisations
- Reorganisation / restructuring



Organisation of HR Management

Decentralisation of HR Management

Central HRM unit: Ministry of the Interior and Kingdom Relations, with other agencies.

Role: Coordination only

Location: Dedicated ministry

- Responsibilities:**
- Manage HRM at central/national level
 - Provide leadership and guidance
 - Design HR strategy
 - Coordinate and supervise HR policy/strategy
 - Provide advice on legal framework
 - Design the pay system
 - Transmit public service values
 - Define and control the payroll
 - Standardise recruitment and skills profiles
 - Define salary levels and benefits
 - Provide training
 - Promote diversity
 - Manage retirement and pension plans

- Personnel, budget and pay delegation:**
- The central HRM body manages the pay system and budget allocation.
 - The number and types of posts are decided by ministries.
 - Bonuses are managed at the unit/team level.

- Classification, recruitment and dismissal delegation:**
- The post classification system is set and monitored by the central HRM body.
 - Recruitment, individual contract duration, career management and dismissal are the responsibility of ministries.
 - The unit/team level is also involved in recruitment and career management, as well as deciding post contract duration.

- Employment conditions delegation:**
- The central HRM body is closely involved in setting the flexibility of work conditions, performance appraisal systems, the code of conduct and equal opportunities policies.
 - Ministries also play a role in managing work conditions and performance appraisal.

Strategic HR Management

Existence of HRM accountability framework for managers: Yes, but still lacks clear objectives.

HRM targets feed performance assessments: Yes

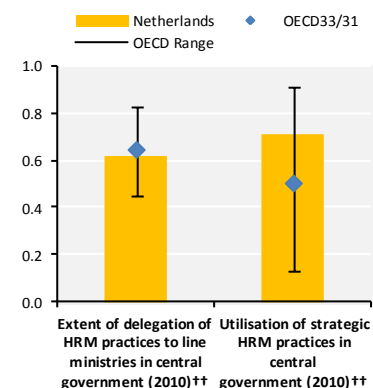
Regular HRM assessment of ministries and departments: No

- Framework requires top & middle management to plan and report on:**
- Compliance with HR rules & targets for employment and pay
 - Participation in whole of central government initiatives
 - General people management

Forward planning use: Yes, with regular, systematic process.

Forward-planning horizon: No Data

- Key aspects explicitly considered in forward planning:**
- New issues in policy delivery
 - Civil service demographics
 - Possibilities for outsourcing
 - Possibilities for relocating staff
 - Efficiency savings (for example, through e-government)

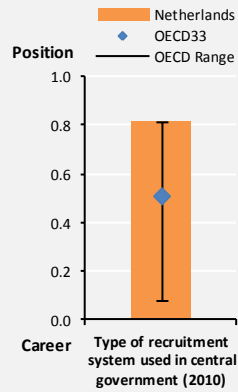


The extent of delegation of HRM practices to line ministries in the Netherlands is consistent with the OECD average. The central HRM body takes on an extensive range of responsibilities; however, there remains considerable scope for ministerial discretion and some scope for decisions to be made at the unit/team level. Overall, delegation has led to a broadly comparable employment framework across all central government staff. Regarding strategic HRM

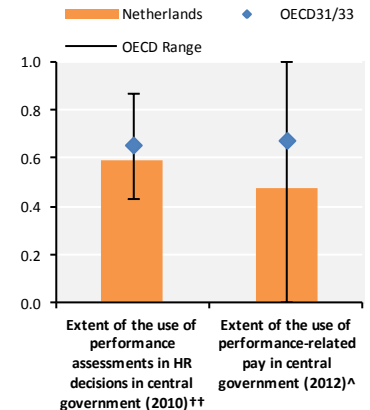
practices, the Netherlands utilises such policies to a significantly greater extent than the average OECD country. Regular, systematic forward planning that considers a full range of aspects is in use and HRM targets directly feed the performance assessment of management. Regular HRM assessment of ministries is not undertaken, however.

HR Management Practice

RECRUITMENT: The Netherlands has the most prominently position-based recruitment system out of all OECD countries. Entry into the civil service is gained through a direct application and interview for a specific post, with entry into specific groups delegated to the organisational level. All vacancies are published internally, selection panels and recruitment firms/centres are used, and the HR department shortlists possible candidates. Most posts are open to external recruitment and there has been movement toward more external recruitment for top management. There are rewards to managers for active recruitment of women and ethnic minorities, as well as hiring targets for ethnic minorities.



PERFORMANCE: The Netherlands makes use of performance assessment to a slightly lesser extent than the average OECD country. Performance assessment is mandatory for almost all public employees and takes the form of a meeting with the immediate superior every six months. A reasonable range of criteria is assessed, including activities undertaken, outputs and improvement of competencies, and the results are of medium importance for career advancement and remuneration. The Netherlands also uses performance-related pay (PRP) to a lesser extent than the average OECD country. PRP is only used in a few central government organisations and takes the form of one-off bonuses representing a maximum of 6-10% of base salary.



PAY: Base salary and bonuses are negotiated through a single collective bargaining arrangement for the entire central government, although ministerial budget differences leave room for adjustment of bonuses. Base salary is indexed to the evolution of private sector salaries and is revised every two years, whilst bonuses are revised annually. Job content, seniority and relevant experience are the most important determinants of base salary, particularly for management. Previous salary and years in a similar position factor into pay decisions, and seniority pay is in use but declining.

Most important factors to determine base salary	Top Management	Middle Management	Professionals	Secretarial Level	Technical Support
Educational qualification	○	○	◐	○	◐
Job content	●	●	●	●	●
Ministry	○	○	○	○	○
Performance	○	○	○	○	○
Age	○	○	○	○	○
Seniority in the position	●	●	●	●	●
Relevant experience	●	●	◐	◐	◐

● Key importance ◐ Somewhat important ○ Not at all important

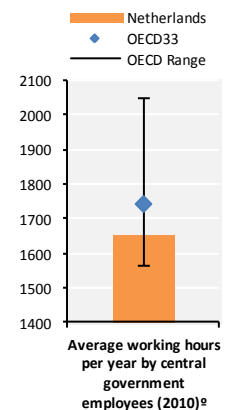
PROMOTIONS: Qualifications and performance appraisals are important factors in determining promotion for all hierarchical grades, with the number of years of service in a specific post also being relevant for top management. In theory there are no formal restrictions to promotion between grades; however, a minimum education level may be required. Assessment centres are sometimes used and there are no specific diversity policies relating to promotion.

MOBILITY: Internal mobility is increasing along with the establishment of pools of available staff. Special leave constructions are in place for posting to international organisations, with the employee not bearing any costs if they do not return.

TRAINING: Some employees receive initial training, which is differentiated by seniority, upon entry into the civil service. Employees receive 3-5 days of training per year on average.

WORK CONDITIONS: The average yearly working hours in the Netherlands, 1 654 hours in 2010, is fairly low compared to the OECD average of 1 745 hours. This is driven by fewer weekly working hours, 36 hours in 2010, compared to the OECD average of 38.7 hours. The average number of sick days per year was 5.5 days in 2009, which is the lowest of reporting OECD countries.

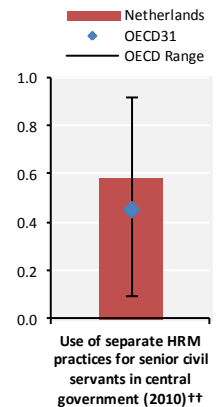
Number of regular working hours per week: ⁹	36
Average number of annual leave days per year: ⁹	23
Average number of bank (public) holidays per year: ⁹	8
Total number of hours worked per year: ⁹	1 654



Senior Management

The Netherlands uses separate HRM practices for senior civil servants (SCS) to a somewhat greater extent than the average OECD country. SCS are considered a separate group but do not have a centrally defined skills profile. No systematic strategy to identify potential SCS early in their careers exists, but a two year intensive leadership program is open for potential directors. SCS are recruited with a more centralised process, there is more emphasis on performance management and their contracts are for a fixed term of shorter duration than regular staff. SCS are only recruited from within the civil

service and recruitment goes through a selection panel or assessment centre whose final decision is binding. Employment decisions regarding secretary general positions are made by the minister, central HRM body and an independent body. Ministry leadership, the central and departmental HRM bodies, and an independent body may have influence over the employment of directors general. A few directors general tend to turn over with a change of government, whereas advisors and other management levels remain.



Industrial Relations

Civil service unions are partially funded by public funds, with the level depending on unionisation rates. Agreement with civil service unions is mandatory regarding base salary and the employment framework, and consultation is necessary regarding work conditions. Unions are not normally involved in other HRM issues. Negotiations regarding work conditions, the code of conduct, the right to strike/

minimum service and government restructuring are centralised. Base salary and the employment framework are negotiated at the central and departmental levels, whereas negotiations over bonuses and the introduction of new management tools are decentralised. All public service employees are granted the right to unionise and most are guaranteed the right to strike except in relation to particular motives.

Reforms

- A new top-income policy in the public sector, maximising salaries to 30% above the Prime Minister's salary, passed the Lower House and reached the Senate.
- A whistleblower agency was established to handle complaints about integrity infringements and coach further proceedings.

Challenges

- The central government is facing an ongoing salary freeze and there is a salary moderation for the rest of the public sector.

Sources

Unless indicated otherwise, all data are sourced from OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished.

* Data for Total Labour Force from OECD *Labour Force Statistics Database*; data for Central Government from OECD (2011), *Government at a Glance 2011*.

† Data from International Labour Organization (ILO) *LABORSTA Database* and OECD *National Accounts Statistics*. See Methodological Note.

†† OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

~ OECD (2012), *Restoring Public Finances, 2012 Update*, OECD Publishing, Paris.

° OECD (2010), *Survey on the Compensation of Employees in Central/Federal Governments*, unpublished.

^ OECD (2012), *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*, unpublished.

Further Reading

OECD (2012), *Public Sector Compensation in Times of Austerity*, OECD Publishing, Paris.

OECD (2011), *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris.

OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

OECD (2008), *The State of the Public Service*, OECD Publishing, Paris.