

NEW ZEALAND

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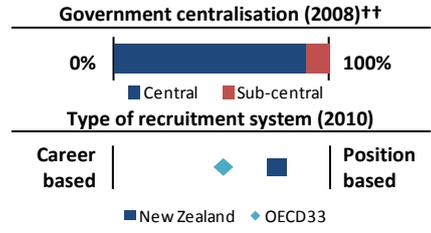
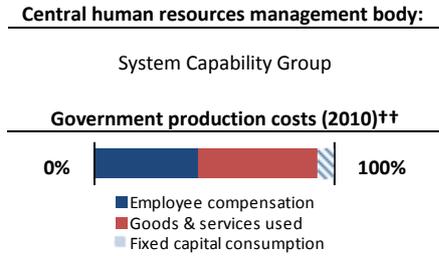
Background

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

2009: 44 672 Full-time equivalents (FTEs)
 2012: 43 345 FTEs

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

9.7%



Legal Framework

<p>GEF covers all employees: Yes</p> <p>GEF includes fixed-term contracts: Yes</p> <p>Private law applicable in public sector: N/A</p>	<p>Employment under the GEF is principally governed by the Employment Relations Act 2000, along with the Holidays Act 2003, Minimum Wage Act 1983 and State Sector Act 1988. Both fixed-term and casual employees are subject to the same regulation as permanent staff. There are no guarantees in favour of life-long employment and benefits include some funding of pensions.</p>
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	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
N/A = Not Applicable							
Public sector	Yes	Yes	N/A	N/A	Yes	Yes	No
Private sector	Yes	Yes	N/A	N/A	Yes	Yes	No

Composition of Employment

Central government employment (2012)¹

Total employment under GEF: 43 345 FTEs

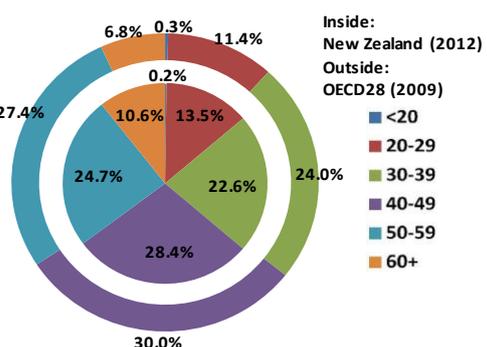
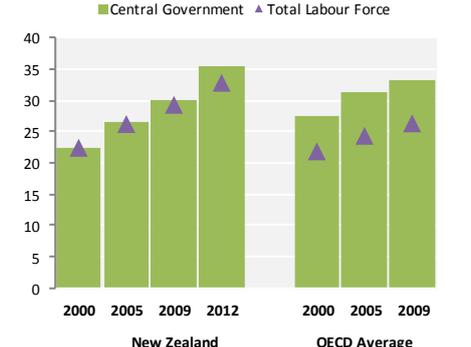
Part-time employment: 3 379 FTEs

Part time is defined as less than 40 hours per week.

Gender in the public sector (2012)¹

Female participation in central government workforce: 59.3%

Share of senior managers who are women: 42.1%



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

Age structure of central government

Central government employment in New Zealand declined from 15.9% in 2009 to 13.7% in 2012, but remains above the OECD average of 11.7%. Both the fraction of public employees aged 50 or older and that of the total labour force are increasing at a rate somewhat faster than the average OECD trend. Female representation in the central government stands at 59.3%, well above the OECD average of 49.5% for 2009. The portion of senior management who are women, 42.1%, is also higher than the OECD average for top and middle management of 34.7% for 2009.

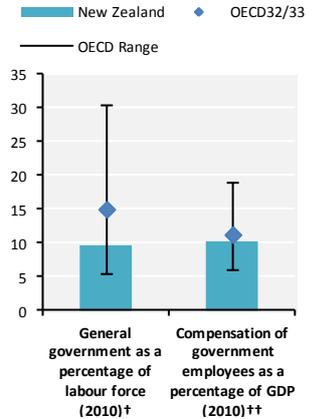
Public Sector Restructuring

New Zealand is one of 27 OECD countries who reported an anticipated decrease in public employment levels as a result of planned reforms. The fiscal consolidation plan includes cuts to operational spending, which take the form of required efficiency savings across agencies. In addition, a global cap on central government employment continues to be in place. General government sector employment (excluding public corporations) as a percentage of the labour force, 9.7% in 2010, is substantially below the OECD average of 15.1%. In addition, the compensation of public employees as a percentage of GDP, 10.3% in 2010, is of a similar level, but quite close to the OECD average of 11.3%.~

Anticipated reforms' effect on employment level: Decrease

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

- Each agency manages its own staffing levels; consequently data are unavailable regarding changes affecting more than 50% of agencies.



Organisation of HR Management

Decentralisation of HR Management

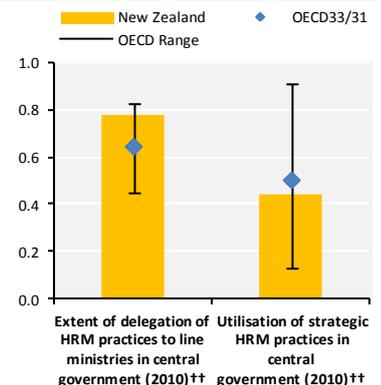
Central HRM unit:	System Capability Group
Role:	Coordination only
Location:	State Service Commission
Responsibilities:	<ul style="list-style-type: none"> • Develop government workforce and employment relations policy • Ensure agencies deliver the government's expectations on pay and conditions of employment • Provide leadership and guidance • Oversee operation of the state sector superannuation scheme
Personnel, budget and pay delegation:	<ul style="list-style-type: none"> • Management of pay systems, budget allocation, bonuses and the number and type of posts is delegated to agencies.
Classification, recruitment and dismissal delegation:	<ul style="list-style-type: none"> • Management of the post classification system, recruitment, career management and dismissal is delegated to agencies.
Employment conditions delegation:	<ul style="list-style-type: none"> • The code of conduct and equal opportunity issues are set by the central HRM but allow some latitude to agencies.

New Zealand delegates HRM practices to line ministries substantially more than the average OECD country. The central HRM body is responsible for a narrow range of HRM policies and only plays a coordination role. Almost all HRM issues relating to conditions, pay, personnel, recruitment and dismissal are delegated to agencies. Overall, this has resulted in diverse employment arrangements with a variety of working conditions and pay within each agency.

New Zealand utilises strategic HRM practices to a slightly lesser extent than the average OECD country. In particular, no centralised accountability framework for management exists and there are no regular assessments of agencies' HRM capacity. Forward planning is in use and varies between agencies in the framework and horizon used. However, a full range of aspects are considered in forward planning.

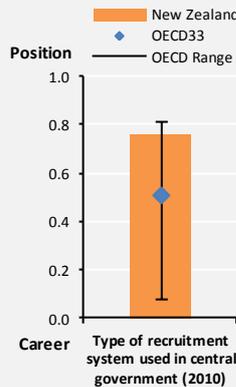
Strategic HR Management

Existence of HRM accountability framework for managers:	No General Accountability Framework exists.
HRM targets feed performance assessments:	No
Regular HRM assessment of ministries and departments:	No
Top & middle management plan and report on:	<i>None of the identified issues have been reported as being in use.</i>
Forward planning use:	Yes, with framework design left to discretion of different organizations.
Forward-planning horizon:	Set by individual agencies
Key aspects explicitly considered in forward planning:	<ul style="list-style-type: none"> • New issues in policy delivery • Public service demographics • Possibilities for outsourcing • Possibilities for relocating staff • Efficiency savings (for example, through e-government)

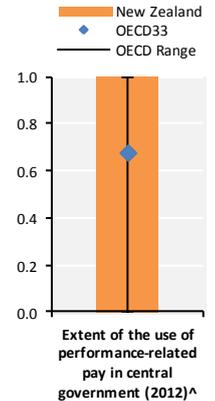


HR Management Practice

RECRUITMENT: New Zealand uses a recruitment system which is more position based than the average OECD country. Entry into the public service varies depending on the post, but is conducted through direct application. All posts are published externally and are open to external applicants. A shortlist of candidates is made, and recruitment firms/centres are used in addition to selection panels. The State Sector Act 1998 requires public service chief executives to create an equal employment opportunities programme aimed at eliminating inequality of employment with respect to any group of persons, including ethnic minorities, women and the disabled. Of particular relevance are the Maori people, the indigenous people of New Zealand, as the act stipulates that public employers must recognise the aims, aspirations, employment requirements and need for greater involvement of the Maori people in the public service.



PERFORMANCE: Data regarding the extent of use of performance assessment in HR decisions is unavailable. There is no legal requirement for performance assessment but it is generally used in the State sector. Performance-related pay is used substantially more than the average OECD country. Generally, only senior staff have an 'at risk' component of their pay that is based on performance, which takes the form of permanent pay increments with no specified maximum. However, many departments make decisions on annual pay movements for employees at all levels on the basis of each employee's individual performance throughout the preceding year.



PAY SETTING: Negotiations regarding pay take the form of decentralised collective bargaining and individual bargaining. Neither base salary nor bonuses are indexed to variables and the period between revisions varies between agencies. Relevant experience is the most important determinant of base salary across all levels of staff, with job content, performance and seniority being of some importance. Seniority based pay is still in use.

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

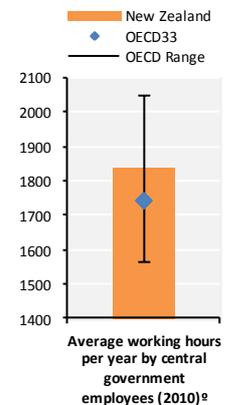
PROMOTIONS: Factors which determine promotions are dependent upon employment agreements and individual agency policy. It is uncommon for employees to progress through hierarchical levels without a formal process; either application and appointment, or a formal process of assessment and promotion. There is no central control of agency practice regarding merit and transparency. Diversity policies regarding promotion are covered by the same policies discussed in the Recruitment section.

MOBILITY: No data are available regarding the trend of internal mobility and no plans are in place to decrease or increase it. External mobility is not promoted, although the employee bears no costs for not returning to the public service.

TRAINING: Initial training upon entry to the public service depends on the individual agency as no standard training is in place. Data are not available regarding the average length of training per year.

WORK CONDITIONS: The average annual working hours in New Zealand, 1 838 hours in 2010, are above the OECD average of 1 745 hours. This is driven by a longer working week and fewer annual leave days. The average number of sick days taken per employee per year is 7.6 days and policies aimed at reducing absenteeism are the responsibility of individual agencies.

Number of regular working hours per week: ^a	40
Average number of annual leave days per year: ^a	20
Average number of bank (public) holidays per year: ^a	11
Total number of hours worked per year: ^a	1 838



NEW ZEALAND

Senior Management

New Zealand has begun to develop a cohort of senior leaders identified as the senior public service. There is a centrally defined behaviour profile and the top 200 senior leaders have been brought together to engage them in their roles as senior leaders and their responsibility in helping to lead the public service. Additionally, a centrally coordinated programme to identify and develop the senior leaders of the public service has been established. All senior

management positions are notified, open to external applicants, and selection panels make a final, binding decision. The governor-general appoints the state services commissioner on the recommendation of the prime minister. The state services commissioner appoints departmental chief executives, and the ministries appoint lower levels of management. Generally, no public servants turn over with a change in government.

Industrial Relations

The GEF provides a framework for recognition of unions, collective bargaining, and consultation on change and other workplace issues. In practice, unions have widespread involvement in employment issues including pay, bargaining and change management. Public service unions do not receive public funding in New Zealand. Negotiations regarding base salary, bonuses, work conditions, the introduction of

new management tools and government restructuring are delegated to departments/branches. Negotiations regarding the employment framework, code of conduct and right to strike/minimum service are centralised. All public employees, except the Police and Defence Force, are granted the right to unionise and guaranteed the right to strike.

Reforms

- The foundational legislation, including the State Sector Act 1988 and Public Finance Act 1989, is being updated to provide new tools and levers to manage across the state sector.
- The public service has implemented four-year plans – consolidated budget and workforce plans with a four-year time horizon. The four-year plans are designed to address key workforce and fiscal issues over the medium term.
- Traditionally, New Zealand state sector agencies have operated autonomously in making decisions on functional business areas. Functional leadership roles have been introduced around information technology, procurements, and property, across the state services with a mandate to improve efficiency and effectiveness.
- New Zealand has been reducing the overall numbers of government departments, by combining departments where appropriate.
- The New Zealand government has committed to 10 key result areas. These result areas are long-term intractable issues that no single government department can solve. The government is committed to publicly reporting on progress made towards achieving these results.
- The State Services Commission is working to improve the talent management and leadership development of senior leaders across the State sector. This allows for the systematic identification of individuals and the ability to move people into roles for developmental needs.

Challenges

- Maintaining a productive, engaged workforce in the midst of significant government reforms.
- Managing capability and demographic changes across the state sector.
- Moving from strong vertical accountabilities to a more collective model of leadership.
- Continuing to hold state sector personnel costs below that of the private sector, given the current fiscal constraints.
- Managing the eventual transition from fiscal constraints to fiscal surplus, and the follow-on impact on state sector pay expectations to avoid "pay jolts."

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

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

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