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**EMPLOYMENT IN THE PUBLIC SECTOR --
INITIAL REFLECTIONS ON THE CONSTRUCTION OF A DATA AND INDICATOR BASE**

**Human Resources Managemnet (HRM) Working Party
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For further information, please contact Elsa PILICHOWSKI
Tel: +33-1 45 24 76 12; Fax: +33-1 44 30 63 34; E-mail: elsa.pilichowski@oecd.org

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**EMPLOYMENT IN THE PUBLIC SECTOR:
INITIAL REFLECTIONS ON THE CONSTRUCTION OF A DATA AND INDICATOR BASE
AS PART OF THE WIDER GOV PROJECT ON KEY DATA AND INDICATORS OF GOOD
GOVERNMENT AND EFFICIENT PUBLIC SERVICES**

1. The aim of this note is to present various lines of research for developing a comprehensive database with indicators on employment in the public service. The database is one of GOV's priorities in the draft programme of work and budget for 2005-2006 and should be one of the main inputs to an overall publication on "Civil service at a glance".
2. This project will be one of the two main lines of activity in the human resources management field and in the context of GOV's new priority area on building key data and indicators of good government and efficient public services. GOV's new project on building data and indicators aims to build improved data- and statistics-based analysis for assessing the state and development of public administrations (including financial data, input data, output data, process data, and impact assessments).
3. The aim is to help OECD countries analyse their own public management systems in quantified, factual terms. This will enable countries to see where they stand in relation to each other, and to determine the main trends of their own system. In doing so, they will be able to learn from the tools used by other countries and their successes and failures in order to ensure the long-term good governance and coherence of their own systems. Any follow-up will be defined in co-ordination with country representatives in order to discuss their specific expectations.
4. Work on data and indicators will be incremental, starting from existing data and statistics and gathering new data when and if necessary. It will build on existing data in the National Accounts and other OECD wide databases such as the Labour Force Surveys and made compatible with them. It will be used to support substantive activities and will be developed based on exploratory analysis aimed at demonstrating added value to member countries.
5. Data gathering and the building of indicators reinforce each other. Indicators are a compilation of multiple data in order to respond to policy concerns. The type of indicators that countries want to build partially guides the type of data that have to be gathered preliminarily. Many other data and statistics are needed however, to provide for a benchmarking of countries in their respective systems.
6. It is likely that the field of human resources management will be pioneering GOV's work on data and indicators.
7. This note aims at launching an early discussion on the type of data GOV could build, their usefulness to member countries, and the overall feasibility of the project.

I. GOV's overall project on key data and indicators of good government and of efficient public services

8. The goal of GOV's project is to fill the gap on comparative data and indicators of good government that has existed in the OECD. While international indicators have been successfully developed in the most important sectors of policy making such as health, education, research, etc., little has been achieved that allows comparisons across countries and across time of the state and development of public administrations. The various efforts of other international organisations to build international indicators are not expected to allow a detailed understanding of public management and governance across countries, while the international benchmarking of public services remains limited and will not lead to a systematic and systemic analysis of management and governance systems in government. GOV, however, will review all the work being carried out by international organisations to make sure that work is not duplicated.

9. Building on the results of the ongoing modernisation review and on the work carried out in the regulatory reform and e-government areas, the project will undertake to establish improved data and statistics to enable an analysis of the state and development of public administrations.

10. Ultimately, GOV would like to publish reports on the comparative state of governments and draw conclusions from the data on the impact of public management on the economy. The studies will cover both national and local governments, as well as arm's length government (agencies, non-departmental public bodies), state-owned companies and quasi-government.

11. Data gathered will first be on inputs and processes, as these are the easiest data to gather and where GOV already has some significant comparative advantage. Inputs and processes concern mostly issues of costs, human resources, and institutions (budget process, devolution, financing, transparency). These data will already be an important asset and will allow a much better and more subtle understanding of the functioning of governments, and will also allow the building of data linking public management changes to more economic data (on costs and size of government).

12. The other types of data will be more difficult to gather: these concern mostly assessments of quality of public services (processing time, customer/citizen focus, accessibility), customer satisfaction, and outputs (nature, number and scope of public services). These data can be drawn from existing sectoral studies in the OECD where public services are core such as education, health and transport. The rest of the data could be gathered from specific sectoral studies by GOV for horizontal ministries such as finance and public administration/personnel.

13. The expected outcome of this activity is to support member countries in developing and using better quality information on the performance of public administration in a comparative setting, thus helping countries highlight and address problems in the efficiency and effectiveness of public services, and, ultimately, achieve a better understanding of the relationship between government activities and the economy and society.

14. GOV will work closely with member countries and will establish different networks of both statisticians and sectoral specialists in public management to carry out the project in the most useful way for member countries. It is also expected that through the close involvement of member countries, countries could find a relatively easy way to solve their own data problems by exchanging experiences.

15. Immediate outputs in the Programme of Work and Budget include a feasibility report on comparative government-wide data and indicators (Q4 2005), a report on measuring performance and impact (Q2 2006) and reports on sub-fields of comparative government data and indicators (including one

on human resources management). An overall group of national co-ordinating experts will be established early in the process.

16. To achieve its long-term goal of providing OECD countries with data-based analysis on the state and development of public administrations, GOV will have to raise additional financial resources for its core budget. A detailed project outline will be drafted before the end of the year and sent to OECD countries. This project outline will detail the timeline, and the scope of the project, as well as its costs. A specific process for raising financial resources will be presented then.

II. A sub-field of GOV's wider project: Data and indicators on employment in government

17. Human resources are a critical sub-set of the overall GOV project in terms of data to be gathered on inputs and processes. They are also an area in which GOV already has a significant body of comparative knowledge, with quantitative and qualitative information; that information need to be re-assessed, re-organised and rethought for this information to become fully part of a wider GOV's project benchmarking governments across OECD countries.

II.1. Current OECD data: Strengths and shortcomings

18. The OECD's current data on the organisation and management of employment in the public service are drawn from a number of surveys: the Human Resources Management survey, the Senior civil service study (primarily qualitative research), the Public sector pay and employment survey (quantitative data), and more *ad hoc* reports, such as the Performance Related Pay report and the Knowledge management survey. Country reports on the organisation of specific national public services are also available.

19. It is clear that more detailed data are required, and these questionnaires only constitute a stage in the project. More importantly, they need to include data for all types of public servants, differentiate according to different categories and organisational structures, and provide systematic thorough coverage of all aspects of a specific topic. However, the fact remains that they provide substantial information, which can be the starting point for in-depth analysis. They may be considered also as a trial exercise that has allowed GOV to understand how to better organise a data-gathering process, and improve definitions of topics covered.

20. For example, concerning the operating rules and organisation of the civil service, the OECD currently has some data on hierarchical structures and responsibilities and the actors who define general operating policies and those who implement them. Levels of delegation of responsibilities are therefore mentioned which, together with the open questions on the individual management of civil servants, provide indices on types of civil services (career-based, department-based or position-based). Although country classifications will have to be improved, the current data have already made it possible to establish some new definitions and concepts. Certain data on mobility (internal and external) are available from the KM and PSPE surveys (quantitative data on mobility levels and on incentives to change posts).

21. As regards public employees, the PSPE data provide some statistics on public employment in terms of staff numbers and trends over recent years. The data also provide comparisons of the employment of men and women in the public sector. This survey also shows age structures in public employment. Furthermore, data on initial training in the civil service are given in the HRM report and in the SCS report for the senior civil service. Equal opportunity and integration policies for the disabled and for minorities are covered qualitatively in the HRM survey.

22. The conditions of public employment are currently studied mainly on the basis of the HRM survey that contains data on the rights and obligations of employees in the public service in comparison with the private sector, on trade unions and their influence, and on changes in working conditions. The KM survey also provides information on knowledge management in the public service (data by department and agency).

23. With regard to remuneration in public employment, data on pay levels, structure and inequalities, as well as on gender differences in pay levels are available from the PSPE survey that also contains some data on pay trends.

24. Lastly, regarding tools to improve efficiency in the organisation and functioning of public employment, the HRM survey and the PRP report currently constitute the OECD's two main data sources. They address incentives and sanctions (monetary and in terms of career advancement), primarily from a qualitative standpoint (criteria, departments and agencies using them).

II.2. Where would we like to be five years from now?

25. GOV would like to have accurate data and a series of indicators that will enable measurement of the structure of public service employment, its modes of functioning (in terms of categories of staff, careers, salaries, incentives and sanctions), levels of responsibility, actors, and working conditions.

The approach used will be both qualitative, making use of multiple-choice questionnaires and open questions, and quantitative, relying on statistical data on public employment available over a number of years. This will facilitate cross-country comparisons and analysis of long term trends.

26. More specifically, four thematic headings will be studied, each of which will comprise a series of indicators:

1. The structure of employment in the public service: organisation and operating rules
2. Public service employees
3. Employment conditions in the public service
4. Costs: pay and benefits

27. Data on these core aspects of the public service should allow the building of indicators on issues such as delegation, devolution, the overall costs of employees across countries, performance orientation, etc.

II.2.A. The structure of employment in the public service: Organisation and operating rules

- The structure of public employment according to the different functions of government and organisational types (national/local; core government/arm's length government; commercial/non commercial, etc.).
- The structure of public employment in terms of status (civil servants/contractual/casual staff)
- Statutory organisation, classification and hierarchy: this covers the overall organisation of the public service, in terms of posts and employment status. Emphasis will also be placed on the upper levels of the public service (senior civil servants, leadership), as well as on the different rules that apply to different types of public servants.
- The level of delegation of responsibilities: this concerns the levels of responsibility in human resource management, general policy making and implementation of operating rules.

- The level of individualised management in the civil service: this will study the extent to which public servants are managed more individually or more on a group basis.
- The degree to which the civil service is independent from political pressures will be described on the basis of rules and regulations ensuring the independence of the civil service and administrative continuity.
- The various types of mobility in the civil service and outside of the public service, and the rules regarding conflicts of interest.

II.2.B. Government employees

- The number of employees in the public service: the data will be broken down by status, hierarchical classification and level (higher, middle, lower), and gender.
- Age structures in the public service.
- Recruitment in the public service: this covers recruitment criteria and methods, ages of recruitment to different positions of responsibility, the definition of general policies and their implementation in practice.
- Training in the public service (initial and continuous training).
- Access to the civil service: criteria for entering the civil service, opportunities in terms of posts and employment status, and information available to citizens on recruitment procedures and the criteria used. Openness to competition inside the public service, competitive recruitment open to candidates from outside the public service, trends towards appointments of limited duration, even for employees remaining in the public service.
- Policies for hiring minorities, disabled persons: equal opportunity policies, the objectives targeted and results achieved. Level of posts held.

II.2.C. Employment conditions in government

- The rights and obligations of employees in the public service in comparison to the private sector (a distinction will be made according to the employees' specific status). Differences in social protection between permanent civil servants (or those who have special status within the public sector) and contract/casual staff.
- Trade unions: the influence of trade unions in negotiations on pay, working conditions and ethics. Structure of trade unions (centralised or departmental, comparison with trade unions in the private sector).
- Knowledge management in the public service: how internal knowledge is taken into account to improve operations and co-operation within the public service including exchanges of both general and technical posts, agencies supervised by several ministries, different departments having joint databases (in particular on the skills and the career profile of civil servants); and access to internal information by other administrations. Selection and evaluation criteria common to different central government departments.
- Number of working hours per week, average overtime, length of statutory leave. Part-time work, job sharing and flexible working time in public employment will also be studied.
- Career management, including vertical and horizontal career data, the use of performance targets, their evaluation and the link with career management.

II.2.D. Costs: Pay and benefits

- Comprehensive data on salaries: public expenditure on salaries and average civil service salaries (central, regional and local governments). Distinction between the fixed and variable parts of pay (base pay/pay linked to job evaluation/performance pay).
- The costs of social security, retirement and other benefits of public employees.
- Salary inequalities in the public service (according to the different types of status and levels of responsibility, between men and women), possibilities of salary progression.
- Comparison of pay in the public service and the private sector. Comparison of pay levels. The case of high-skill posts, and posts involving skills more specific to the public service.

III. Expected difficulties

28. Past experience with data gathering has shown that the difficulties to be encountered are of both a theoretical and practical nature:

➤ Theoretical problems:

29. These are structural problems. Firstly, the statutory rules governing public service employees vary considerably across countries, and also inside countries: for example, there are major differences between permanent officials or staff with a special status and contract employees. These differences may be found between different levels of government (central/regional/local) or indeed within a single level of government, but they determine the terms of employment and career opportunities. This means that incentives and efficiency criteria differ depending on the statutory rules applying to public service employees. As things stand now, the data cover different situations, and it is difficult to compare the same criteria across countries. What is more, for the moment it is impossible to combine the results of qualitative and quantitative surveys.

30. Next, the size and function of governments differ widely across the OECD, and countries do not always have the same concept of the public service. The prerogatives of the public service determine how departments are organised, the number of employees and the skills that they are required to have. Consequently, the goal is not only to make comparisons that are meaningful, but also to study the coherence of system organisation and the tools used in certain countries that other countries could use as models to improve the efficiency of their own public service while preserving their own specific characteristics.

31. Lastly, the differences in the structure of governments make comparisons more difficult. In particular, the case of federal states, where there is an apportionment of responsibilities between the federal and state governments, raises problems of comparability of rules and data.

32. Consequently, there is a need to specify clearly the definitions and elements that are to be compared. This requires a more rigorous approach to definitions and methods of research and data analysis.

➤ Practical problems:

33. These are partly linked to the problems of definition. Data using harmonised definitions must therefore be available. The data concerning regional and local governments are sometimes incomplete and

difficult to compare, as the sectoral organisation is different across countries. Similarly, certain qualitative and quantitative data of states within federations are not yet usable.

34. Furthermore, some data are currently too imprecise. Some questions are highly subjective and at times make cross-country comparisons difficult. There may be major differences in how the various levels of responsibility and management are perceived in countries, monitoring agencies, in higher or middle levels of the civil service, etc. This sometimes leads to inconsistent replies, non-responses and multiple or imprecise answers.

35. Lastly, there are difficulties in measuring the real extent of recent national trends and developments, as questions are based only on whether or not reforms exist, rather than on their content or on whether they are actually being implemented.

IV. Proposals for the future: low-cost capacity building for OECD countries

36. In order to carry out this project, two more detailed questionnaires than those currently provided will be prepared and sent to member countries every two or three years (with an easy form to update data):

- an HRM survey, which will encompass the issues covered by the current HRM survey and additional issues identified previously. This new questionnaire will be more qualitative, with a majority of multiple-choice and open questions.
- a PSPE survey, which will be more detailed than the current one so as to facilitate meaningful cross-country comparisons that will be compatible with the HRM survey in terms of definitions. This survey will be much more quantitative.

37. The current HRM survey will be revised, and questions will be made more precise so that replies will be more comparable. Questions that are too subjective will also be re-worded and made more specific, and open questions will be better focused so that the information in the replies will be clearer. Sections will also be added, since some of the issues are not covered by questions in the current HRM survey. On the basis of the replies to open questions and of country reports, questions will be made even more specific with each new version and better focused, and new questions will be added.

38. The PSPE survey will be clarified in terms of definitions common to different surveys, comparable across countries, and will take into account the prerogatives of each public service. Tables will be added to the questionnaire, and other tables will be made more precise so that they can be put in perspective with the qualitative data of the HRM survey.

39. In order to limit significantly the cost of data construction, country replies to questionnaires will be confirmed or corrected from one version to the next.

40. In addition to these two regular surveys, questionnaires on more specific subjects may be sent to member countries on an ad hoc basis. These questionnaires will help to fine-tune the results of the two regular questionnaires.

V. Process and Timeframe

41. First and foremost, GOV will review all existing data and indicators on public employment and will draft a preliminary report on how it can develop useful additional data and indicators in the field of public employment.

42. A specific network of HRM experts will be gathered in order to co-ordinate the process of data gathering on HRM issues.

- A first meeting of this group of experts (HRM experts as well as statisticians) will be organised at the beginning of 2005 in order to discuss the methodology and feasibility of the project.
- The new HRM and PSPE surveys will be sent out by the end of 2005.
- The draft report on civil service at a glance will be sent out at the end of 2006.