



**Experts Meeting on  
“Compensation of Public Employees”  
OECD Conference Centre – Paris  
9.9.2011**

***The on-going process of re-shaping the Greek  
Compensation System of public employees:  
Main principles and features***

**Georgia Valatsou  
Head of Personnel Department  
Ministry of Administrative Reform &  
e-Government  
Greece**



# Re-shaping the Compensation System

- The new compensation system:



# Present situation: The need to intervene

- ✓ Unfavourable fiscal circumstances
- ✓ Negative growth rate
- ✓ Commitments undertaken by the Greek Government

**Imperative** to reduce costs in public administration

In accordance with



The functional restructuring of public servants' systems



**Increase the Performance of Public Servants**

Greece



# Present situation: The need to intervene

- Ills of the Greek Public sector
  - Political intervention
  - Fragmented and guided serve of the public interest
  - High levels of job security



- ✓ Poor job competition among public employees
- ✓ Rigidities in both the decision-making process & service provision
- ✓ Limited orientation towards the real needs of the market
- ✓ Problematic relation between the State and citizens

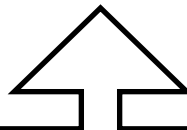
# Present situation: The need to intervene

- *Today:*

**500.000** public employees (...central & decentralized administration, local-government authorities, education, health, public sector's enterprises.... )



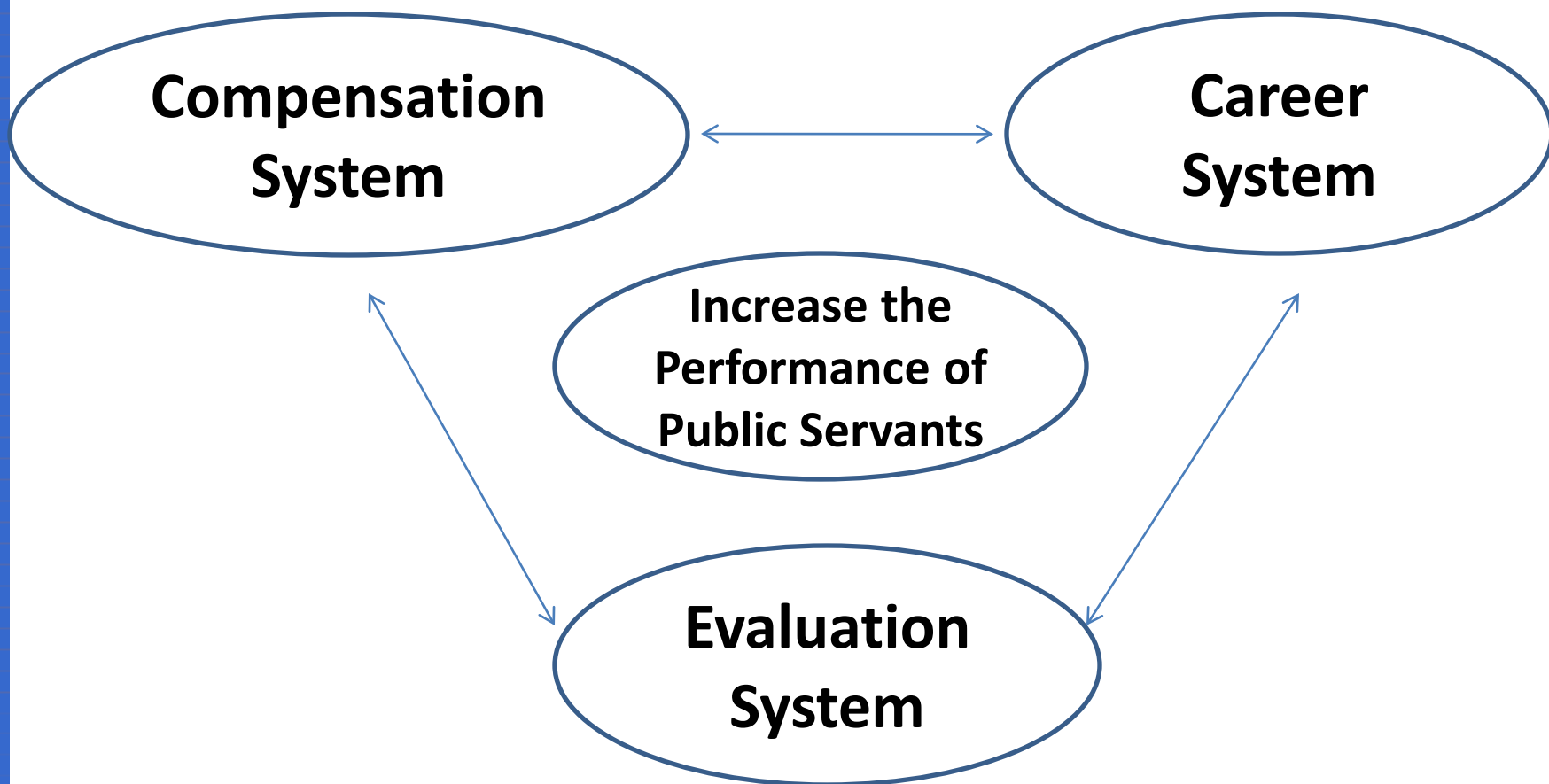
**12,5 billion Euros**



**Memorandum obligation:**  
**Reducing the cost up to 500 million Euros until 2014**

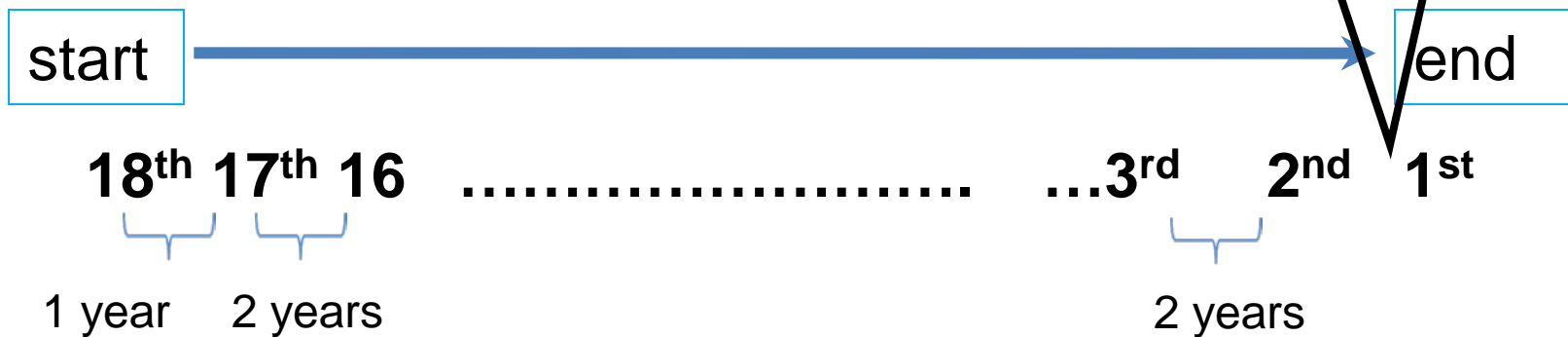
# Present situation: The need to intervene

## Necessity to change:



# Present Compensation System

- Law 3205/2003:
  - 18 pay scales for all public servants



$$\text{Salary} = \text{Minimum salary} \times \text{Factor (defined by the educational level of the employee)}$$

**+ allowances**

# Present Compensation System

- **Not** related with the carrier system
- **Not** related with the evaluation system
- There is **no** correlation between the wage raise and the promotion/ productivity of the employee or the effectiveness of the unit
- The salary is generated automatically under the only condition of time
- Compensation: equal for all servants that fall under these provisions.
- THE DIFFERENCE LIES WITH THE **ALLOWANCES**



# Present Career System

	University Studies category (US)	Technological Studies category (TS)	Secondary Education category (SE)	Compulsory Education category (CE)	Categories
					Ranks
Special Posts category (SP)				<i>Entering Rank</i> 2 years	<b>E</b>
	<i>Entering Rank</i> 2 years	<i>Entering Rank</i> 2 years	<i>Entering Rank</i> 2 years	10 years	<b>D</b>
	5 years	7 years	9 years	10 years	<b>C</b>
	6 years	6 years	8 years	<i>Ending Rank</i>	<b>B</b>
	<i>Ending Rank</i>	<i>Ending Rank</i>	<i>Ending Rank</i>		<b>A</b>



# Present Career System

Civil servants are promoted to the immediately ***following uniform rank***, if they have completed the ***required time*** of service at their current rank and if they have the material qualifications according to the information in their personal records.

# Present Evaluation System

- Presidential Decree 318/1992
- General Criteria
  - Knowledge (only for TS, SE, CE categories)
  - Interest and Creativity
  - Organisational relations and conduct
  - Efficiency
  - Administrative Skills (only for head of units)

Unrelated to  
the  
compensation/  
career  
systems

**Vast majority: Excellent**

# Re-shaping the Compensation System

## FUNDAMENTAL PRINCIPLES

- ✓ The principle of *fiscal adjustment*
- ✓ The principle of the *proper functioning of Public Administration*
- ✓ The principles of *equal treatment, meritocracy* and *partisan neutrality*
- ✓ The principle of ensuring *maximum* levels in the *performance* of public employees

# Re-shaping the Compensation System

## GOALS

- ✓ Creating conditions encouraging competition among employees within the public sector
- ✓ Balancing wages between public and private sector
- ✓ Rationalising income policy in the public sector
- ✓ Bridging wage gaps of employees within the public sector
- ✓ Linking career, compensation, and evaluation systems, on the basis of performance measurement
- ✓ Optimising the outcome of the public sector (decisions, services)