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## Background

**Employment in central government under the main General Employment Framework (GEF):<sup>1</sup>**

2009: 63 147 employees

**Total employment in the general government sector as a percentage of labour force (2010):<sup>†</sup>**

15.8%

**Central human resources management body:**

Civil Service Commission

**Government production costs (2010)<sup>††</sup>**



**Government centralisation (2008)<sup>††</sup>**



**Type of recruitment system (2010)**



## Legal Framework

<p><b>GEF covers all employees:</b> No</p> <p><b>GEF includes fixed-term contracts:</b> Yes</p> <p><b>Private law applicable in public sector:</b> Yes</p>	<p>Public employment in Israel is regulated by the Civil Service Appointments Law (1959), the Civil Service Discipline Law (1963) and the Civil Service Regulations, among others. The GEF covers 90% of the Israeli civil service, with the remaining staff being temporary contractors. Fixed-term contracts</p>	<p>are covered under the GEF and carry similar conditions to open-term contracts. Casual employment is used, but falls under the jurisdiction of general labour laws. Dismissal laws in the public sector favour life-long employment.</p>																					
	<p><b>Staff have the right:</b></p> <table border="1" style="width: 100%;"> <tr> <th></th> <th>to unionise</th> <th>to strike</th> </tr> <tr> <td>Public sector</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Private sector</td> <td>Yes</td> <td>Yes</td> </tr> </table>		to unionise	to strike	Public sector	Yes	Yes	Private sector	Yes	Yes	<p><b>Benefits, to which employees are entitled to, are:</b></p> <table border="1" style="width: 100%;"> <tr> <th></th> <th>Full funding of social security</th> <th>Partial funding of social security</th> <th>Some funding of pensions</th> </tr> <tr> <td>Public sector</td> <td>No Data</td> <td>No Data</td> <td>Yes</td> </tr> <tr> <td>Private sector</td> <td>No Data</td> <td>No Data</td> <td>Yes</td> </tr> </table>		Full funding of social security	Partial funding of social security	Some funding of pensions	Public sector	No Data	No Data	Yes	Private sector	No Data	No Data	Yes
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## Composition of Employment

**Central government employment (2009)<sup>1</sup>**

**Total employment under GEF:** 63 147 employees

**Part-time employment:** 14 133 employees

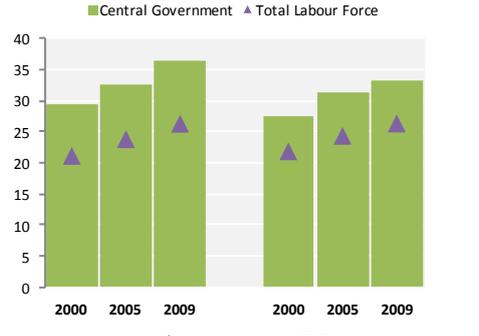
**Gender in central government (2009)<sup>1</sup>**

**Female participation in central government workforce:** No Data

**Share of top and middle positions who are women:** 48.0%

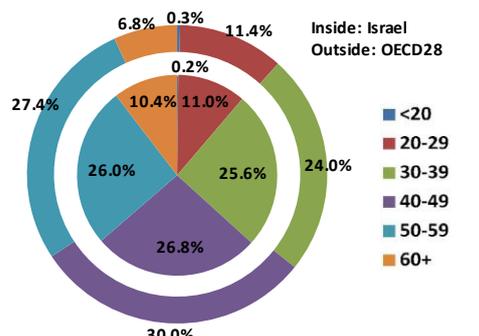
<sup>1</sup> Data are for core ministries and agencies of central/federal governments, including government employed doctors and nurses and excluding civilian military staff.

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



Approximately 22% of central government employees work part time, which is fairly typically for OECD countries. The age structure of the Israeli civil service is quite close to the OECD average. There is a slightly higher proportion of employees aged 50 or older, 36.4% in 2009, compared to the OECD average of 34.3%. In particular, the proportion

**Age structure of central government 2009**



of employees aged 60 or older is large, standing at 10.4% compared to the OECD average of 6.8%. Data are unavailable regarding the proportion of women in central government; however, the representation of women in management is quite high, standing at 48.0% in 2009, compared to the OECD average of 34.7%.

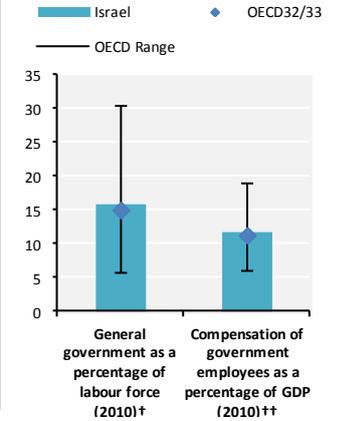
## Public Sector Restructuring

Israel is one of five OECD countries that reported no anticipated change in public employment levels as a result of planned reforms. A range of restructuring measures were reported as having been utilised since 2000; however, no further information on restructuring that may affect employment levels is available. Government is allowed to dismiss employees with open-term contracts due to restructuring; however reallocation possibilities must be proposed beforehand. In addition, voluntary departures with attractive allowances and early retirement packages are regularly offered. General government sector employment (excluding public corporations) as a percentage of the labour force, 15.8% in 2010, is slightly above the OECD average of 15.1%. Similarly, compensation of public employees as a percentage of GDP, 11.8% in 2010, is very close to the OECD average of 11.3%.

**Anticipated reforms' effect on employment level:** No change

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

- Discretionary hiring / dismissal
- Hiring freeze / non replacement of retiring staff
- Change in retirement age
- Devolution of authority over other levels of government
- Contracting out
- Reorganisation / restructuring



## Organisation of HR Management

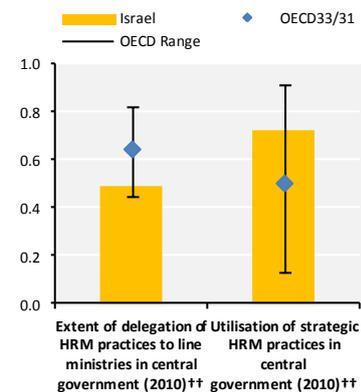
### Decentralisation of HR Management

<b>Central HRM unit:</b>	Civil Service Commission
<b>Role:</b>	Responsible for defining HR policy
<b>Location:</b>	Office of the Prime Minister
<b>Responsibilities:</b>	<ul style="list-style-type: none"> <li>• Manage HRM at central/national level</li> <li>• Provide leadership and guidance</li> <li>• Design HR strategy</li> <li>• Coordinate and supervise HR policy/strategy</li> <li>• Provide advice on legal framework</li> <li>• Transmit public service values</li> <li>• Standardise recruitment and skills profiles</li> <li>• Provide training</li> <li>• Promote diversity</li> <li>• Manage retirement and pension plans</li> </ul>
<b>Personnel, budget and pay delegation:</b>	<ul style="list-style-type: none"> <li>• The distribution of posts is set and monitored centrally.</li> <li>• Pay systems and bonuses are managed centrally, with some latitude for ministries.</li> <li>• Budget allocation is managed by ministries.</li> </ul>
<b>Classification, recruitment and dismissal delegation:</b>	<ul style="list-style-type: none"> <li>• The post classification system, contract duration and dismissal due to misconduct are managed centrally.</li> <li>• Recruitment and dismissal due to restructuring are managed centrally, with some latitude for ministries in application.</li> <li>• Career management and dismissal due to poor performance are handled by ministries.</li> </ul>
<b>Employment conditions delegation:</b>	<ul style="list-style-type: none"> <li>• The performance appraisal system, the code of conduct and equal opportunity issues are set and monitored centrally.</li> <li>• Working conditions are managed centrally, with some latitude for ministries.</li> </ul>

Israel delegates HRM practices to line ministries to a much lesser extent than the average OECD country. The central HRM body is involved in a wide range of issues and takes full responsibility for the classification and distribution of posts and performance appraisal. Few issues are fully delegated to ministries, but they include budget allocation, career management and dismissal due to poor performance. No HRM issues are delegated to units/teams. Overall, delegation has led to broadly comparable employment

### Strategic HR Management

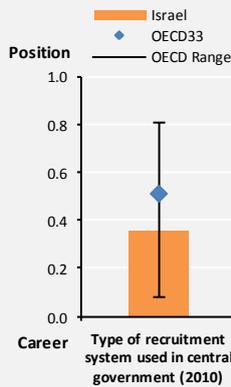
<b>Existence of HRM accountability framework for managers:</b>	Yes, and HRM is fully linked to strategic objectives.
<b>HRM targets feed performance assessments:</b>	Yes
<b>Regular HRM assessment of ministries and departments:</b>	Yes
<b>Framework requires top &amp; middle management to plan and report on:</b>	<ul style="list-style-type: none"> <li>• Compliance with HR rules &amp; targets for employment and pay</li> <li>• Effectiveness of strategic workforce planning efforts</li> <li>• Participation in whole of central government initiatives</li> </ul>
<b>Forward planning use:</b>	Yes, on ad hoc basis.
<b>Forward-planning horizon:</b>	2-3 years
<b>Key aspects explicitly considered in forward planning:</b>	<ul style="list-style-type: none"> <li>• Possibilities for relocating staff</li> <li>• Efficiency savings (for example, through e-government)</li> </ul>



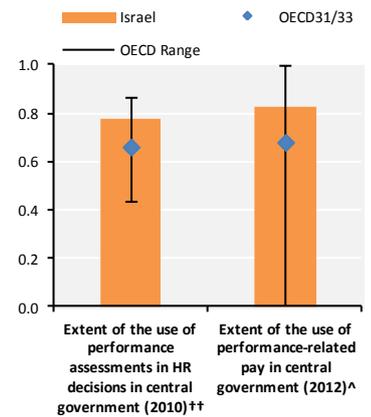
frameworks across the whole of central government. Israel makes much more use of strategic HRM practices compared to the OECD average. An accountability framework of management is fully linked to strategic objectives, HRM targets are considered in performance appraisals of management and regular assessments of ministries' HRM capacity are undertaken. Forward planning is used when needed and covers a reasonable horizon; however, it explicitly considers few aspects of HRM.

## HR Management Practice

**RECRUITMENT:** Recruitment in the Israeli civil service uses a predominantly career-based system. Entry into the Israeli civil service is based on academic credentials and a civil service entry examination. Legislation requires the civil service in Israel to be impartial and merit based, consequently recruitment is conducted through open competitions and direct application to the position. All vacancies are published and applicants from within the ministry or civil service as a whole are considered first, with a second competition open to external applicants being held if no suitable applicant has been found. The competition process usually includes a series of written and oral examinations, and an interview held by an examination committee made up of representatives of the relevant ministry and representatives of the public. Few positions are politically influenced and these have been reduced in recent years, along with an increase in the use of external recruitment for managers and professionals. Preference in the selection process is given to women, disabled persons and ethnic minorities (Arabs, Druze, Circassian [the Adyghe people] and Ethiopian). Hiring targets of 25% women and 10% ethnic minorities are also in place.



**PERFORMANCE:** Israel makes more use of performance assessment in HR decisions than the average OECD country. Assessment is mandatory for almost all employees and takes the form of an annual meeting with, and written feedback from, the immediate superior. A wide range of criteria is used including activities undertaken, timeliness and quality of outputs, interpersonal skills and improvement of competencies. Performance assessment is of high importance for career advancement and contract renewal, and lesser importance for remuneration. However, Israel uses performance-related pay (PRP) to a substantially greater extent than the average OECD country. PRP takes the form of permanent pay increments and is used for most employees. In addition, promotions are used as a form of performance incentive. The maximum proportion of base salary PRP can represent is 21-40%.



**PAY SETTING:** A general wage agreement is negotiated between the government and the trade union, before a second negotiation with the professional unions, which is based on the general agreement and includes bonuses. Base salary may be indexed to other variables if part of the agreement, and it is revised every 3-4 years. Educational qualifications are the most important determinant of base salary for all grades, with relevant experience and the specific ministry also factoring in for most grades. Seniority based pay is in use and the number of years in a similar position factor into a new recruit's salary.

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

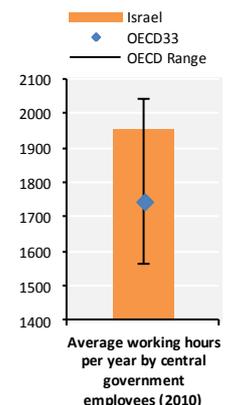
**PROMOTIONS:** Years of experience, performance appraisals and qualifications are all relevant determinants of promotion for all grades of staff. In theory there are no formal restrictions to promotion between hierarchical grades; however, minimum education criteria may apply to posts. Listings of openings are accessible government wide and systematic use of selection panels is made to aid merit-based selection. Preference in the promotion selection process is given to women, disabled persons and ethnic minorities.

**MOBILITY:** Internal mobility has remained steady in recent years and plans exist to increase it with the publicity of available positions. External mobility is accepted but not promoted in any particular way and employees on external posts risk losing pension rights if they do not return to the civil service.

**TRAINING:** Some entrants to the civil service receive standard training, depending on the ministry. Public employees receive an average of 5-7 days training per year.

**WORK CONDITIONS:** The average yearly working hours in Israel, 1 953 hours in 2010, is much higher than the OECD average of 1 745 hours. This is almost entirely driven by one of the highest weekly working hours in the OECD. The average number of sick days taken per employee is 11 days per year. Annual sick days are limited, even with a medical certificate, and monetary incentives are offered for unused sick days.

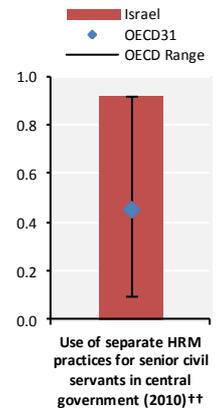
Number of regular working hours per week:	42.5
Average number of annual leave days per year:	22
Average number of bank (public) holidays per year:	9
Total number of hours worked per year:	1 953



## Senior Management

Israel uses separate HRM practices for senior civil servants (SCS) more than any other OECD country. SCS are considered a separate group and there is a centrally defined skills profile. SCS are recruited as part of a group upon, or just after, entry into the civil service and potential leadership is regularly identified through performance assessments. In addition, the Public Service Management Cadet Programme, addressed to young people, aims to cultivate leadership groups and professional management in public administration. All

recruitment for senior management goes through a selection panel, assessment centres are regularly used and the final decision of the panel/centre is binding. The minister has influence over the appointment/dismissal of directors general; whilst the ministry head, HRM department of the ministry and an independent body have influence over that of lower management levels. All advisors to the ministry's leadership turn over with a change in government, as well as many directors general and a few deputy directors general.



## Industrial Relations

Civil service unions are closely involved in negotiations over most HRM issues and do not receive public funding. Agreement with unions is mandatory regarding base salary, bonuses, work conditions and the right to strike/minimum service. By law, unions must be consulted regarding the employment framework and the introduction of new management tools. Consultation is voluntary regarding government restructuring and unions are not normally involved in negotiations

over the code of conduct. All negotiations take place at both central and delegated levels. Most public employees are granted the right to unionise, and most are guaranteed the right to strike, except where minimum service rules apply. Senior officials hired under personal contracts are not permitted to unionise or strike, although this restriction is not specified in law.

## Reforms

Legislation was passed in 2008 which limits the use of contractual/casual labour and aims to assimilate contractual employees who have worked for a prolonged period into the civil service.

No further information was provided regarding reforms to HRM policies.

## Challenges

No information was provided regarding HRM challenges.

### 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.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

### Further Reading

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