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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: 490 605 employees

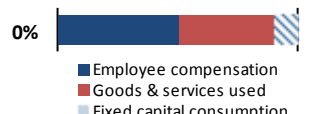
Total employment in the general government sector as a percentage of labour force (2010):[†]

14.2%

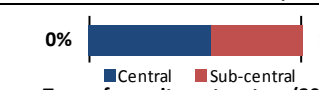
Central human resources management body:

Department for the Public Administration

Government production costs (2010)^{††}



Government centralisation (2008)^{††}



Type of recruitment system (2010)

Career based	Italy	OECD33	Position based
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Legal Framework

GEF covers all employees: Yes

GEF includes fixed-term contracts: Yes

Private law applicable in public sector: Yes

Employment in the Italian civil service is governed by the Legislative Decree nr.165/2001, and was recently amended by the Public Employment Reform nr.15/2009. Casual staff are only employed on a short-term basis with individual contracts, and are usually consultants or experts. Public employment provides guarantees in favour of life-long employment whereas this is not the case in the private sector. Pension funding arrangements also differ between public and private sectors.

	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	Yes	No Data	Yes	Yes	Yes
Private sector	Yes	Yes	Yes	No Data	No Data	Yes	No

Composition of Employment

Central government employment (2009)¹

Total employment under GEF: 490 605 employees

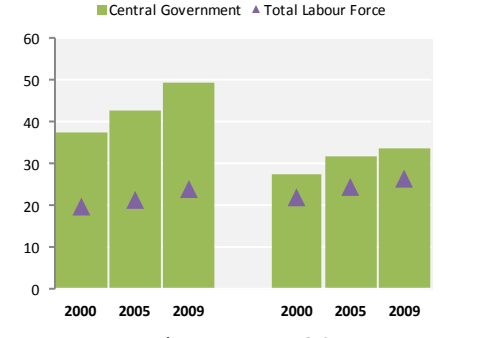
Part-time employment: 21 564 employees

Gender in central government (2009)¹

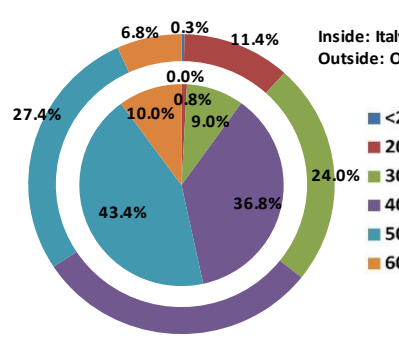
Female participation in central government workforce: 290 821 employees

Share of top and middle positions who are women: 44.4%

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



Age structure of central government 2008



¹ Data are for core ministries and agencies of central/federal governments, including the administrative branch of the school sector and the Prime Minister's Office.

Part-time employment accounts for a very low proportion of the total employment under the GEF with only 4.4% of staff working part time. The Italian civil service has the highest proportion of employees aged 50 years or older out of all OECD countries, standing at 53.4% in 2009. The representation of this group in the public sector is significantly above that of the total labour force and is also increasing at a faster rate. In addition, Italy has the lowest proportion of public employees aged under 30 of all OECD countries, standing at 0.8% in 2008 compared to the OECD average of 11.7% in 2009. The representation of women in management, 44.4% in 2009, is well above the OECD average of 34.7%.

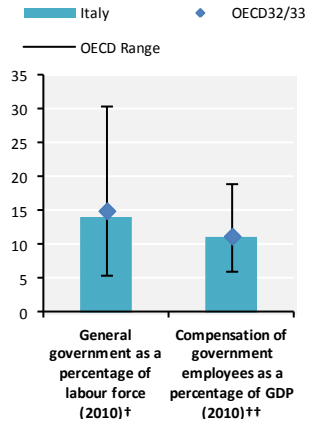
Public Sector Restructuring

Italy is one of 27 countries who reported that they anticipate a decrease in public employment levels as a result of current reforms. A replacement rate, set at 20% of retiring staff, is in place, as well as a salary freeze until 2013 and managerial pay cuts of 5-10%. In the event of restructuring, dismissal is allowed conditional on proposing reallocation alternatives beforehand, and there are no policies to regularly promote voluntary departure. General government sector employment (excluding public corporations) as a percentage of the labour force, 14.2% in 2010, is close to the OECD average of 15.1%. Compensation of public employees as a percentage of GDP, 11.1% in 2010, is also very 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:

- Hiring freeze / non replacement of retiring staff
- Change in retirement age
- Reorganisation / restructuring



Organisation of HR Management

Decentralisation of HR Management

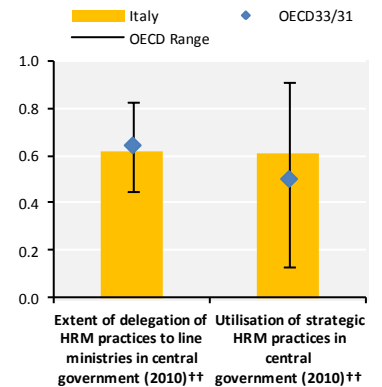
Central HRM unit:	Department for the Public Administration
Role:	Responsible for HR
Location:	Prime Minister's Office
Responsibilities:	<ul style="list-style-type: none"> • Provide leadership and guidance • Design HR strategy • Coordinate and supervise HR policy/strategy • Provide advice on legal framework • Transmit public service values • Standardise recruitment and skills profiles
Personnel, budget and pay delegation:	<ul style="list-style-type: none"> • The central HRM body sets and monitors the pay system. • Management of budget allocation, bonuses and the number and type of posts are delegated to ministries. • The unit/team level assists with bonuses.
Classification, recruitment and dismissal delegation:	<ul style="list-style-type: none"> • The central HRM body sets and monitors post classifications and dismissal following misconduct. • Recruitment is delegated to ministries. • Contract duration and career management are managed at the ministerial and unit/team level.
Employment conditions delegation:	<ul style="list-style-type: none"> • The central HRM body sets and monitors performance appraisal systems, the code of conduct and equal opportunity issues. • Working conditions are set centrally with some latitude for ministries.

Strategic HR Management

Existence of HRM accountability framework for managers:	Yes, and HRM is fully linked to strategic 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:	<ul style="list-style-type: none"> • Compliance with HR rules & targets for employment and pay • Effectiveness of strategic workforce planning efforts • Participation in whole of central government initiatives
Forward planning use:	Yes, with framework design left to discretion of different organizations.
Forward-planning horizon:	2-3 years
Key aspects explicitly considered in forward planning:	<ul style="list-style-type: none"> • New issues in policy delivery • Efficiency savings (for example, through e-government)

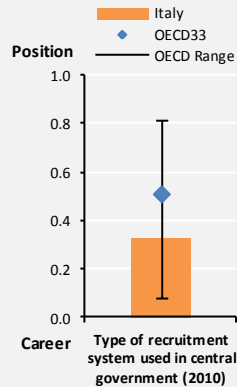
Italy delegates HRM practices to line ministries to roughly the same extent as the average OECD country. The central HRM body bears a reasonable range of responsibilities and plays a major role in several HRM issues, including the pay and performance appraisal systems. Individual remuneration, recruitment and contract duration are delegated to ministries, with units/teams also playing a role. Overall, delegation has led to a broadly comparable

framework within ministries, but with significant differences across them. The use of strategic HRM practices in Italy is slightly above the OECD average. An accountability framework for management is fully linked to strategic objectives that feed management performance assessment. Regular HRM assessments of ministries is not undertaken; however, forward planning concerning a few issues is regularly conducted.

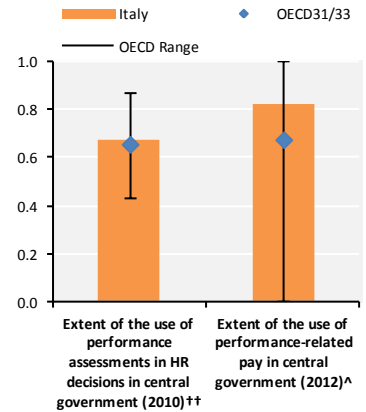


HR Management Practice

RECRUITMENT: Italy uses a recruitment system which favours career-based recruitment. Entry into the civil service is conducted through an examination and entry into particular groups is delegated to the organisation level. All posts are open to internal and external recruitment but measures have been taken to reduce external recruitment for management and professionals. Italy has a diversity policy in place that sets a percentage quota for disabled persons in recruitment.



PERFORMANCE: The use of performance assessment in HR decisions in Italy is consistent with the OECD average. Performance assessment is mandatory for almost all employees under the GEF and takes the form of annual written feedback from a superior. It is of high importance to remuneration and of medium importance to career advancement. An extensive range of performance criteria is used, including activities undertaken, improvement of competencies, values, and timeliness and quality of outputs. Italy uses more performance-related pay (PRP) than the average OECD country. PRP is used for most employees in the form of one-off performance bonuses up to 21-40% of base salary, although promotions are also used as a form of performance bonus.



PAY: Base salary is negotiated for the entire central government sector through a centralised collective bargaining framework with adjustments to bonuses at the departmental level. Base salary is indexed to inflation and revised every three years, whereas bonuses are revised annually. Educational qualifications and performance are important determinants of base salary across all levels, whilst job content is also important for management. The number of years worked in a similar position factors in for pay levels of new recruits.

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

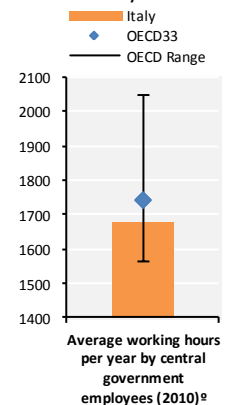
PROMOTIONS: Performance appraisals play a significant factor in promotion decisions for all staff other than technical support. Qualifications are also an important factor and staff need to take a formal examination to change into a different hierarchical level. Transparent lists of openings are available to all government staff. Special information sessions and coaching are available in order to advance the promotion of women and disabled persons.

MOBILITY: Internal mobility is increasing in the civil service as the government increases the publicity of available positions and staff incentives. On the other hand, external mobility is not promoted.

TRAINING: Employees recruited by course competition receive initial training upon entry to the civil service and the average length of training per year is 7-10 days per employee.

WORK CONDITIONS: The average yearly working hours in Italy, 1 676 in 2010, is below the OECD average of 1 745. This is driven by fewer weekly working hours; however, Italy has the least number of public holidays, 4 per year, out of any OECD country. Absenteeism has decreased by 35% since the application of new regulation in 2008 which means that part of an employee's remuneration is not paid during sick days.

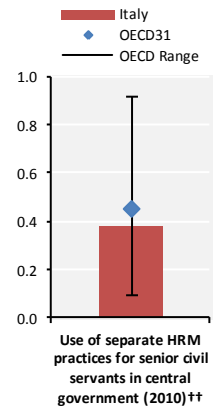
Number of regular working hours per week: ^g	36
Average number of annual leave days per year for a FTE: ^g	24
Average number of bank (public) holidays per year: ^g	4
Total number of hours worked per year: ^g	1 676



Senior Management

Italy uses separate practices for senior civil servants (SCS) to a lesser extent than the average OECD country. The SCS are treated as a separate group but there is neither a centrally defined skills profile nor a policy to identify potential SCS early in their career. They are recruited with a more centralised process, more emphasis lies on the management of their performance and the performance-related component of their pay is higher. They are selected by examination and a good

proportion of management positions are open to external recruitment. Heads of department are appointed by the relevant minister, directors general are appointed by the minister, Cabinet or an independent body, and lower management levels are appointed by the department's HRM body or an independent body. Typically, all advisors turn over after a change in government, as well as many heads of department and few director generals.



Industrial Relations

An agreement with unions is mandatory regarding remuneration negotiations and unions must be consulted regarding the right to strike/minimum service, work conditions, the employment framework, the code of conduct and government restructuring. Civil service unions receive partial public funding in Italy. Negotiations

over remuneration and work conditions are a mix of centralised and delegated arrangements. All public employees are granted the right to unionise and strike, except where minimum service rules require basic cover of essential services.

Reforms

Since 2008 there have been policies implemented to decrease the use of fixed-term and casual employment. As part of the response to the current economic crisis, collective bargaining has been suspended until 2013 and, since 2005, there have been significant cuts to public funding of collective bargaining. A comprehensive set of reforms to many aspects of HRM was legislated in 2009. Its goal was to improve

labour productivity, efficiency and transparency. The reforms focused on improving the merit basis of recruitment and promotion, bolstering performance assessment and outcome targeting, reforming collective bargaining arrangements, increase management accountability and reforming disciplinary proceedings.

Challenges

No information was provided regarding challenges faced by HRM.

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.

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