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| Composition... | HR Management... | Reforms... | |

Background

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

2012: 424 000 Full-time equivalents (FTEs)

Total employment in the general government sector as a percentage of labour force (2012):[†]

17.5%

Central human resources management body:

Government HR Operations

Government production costs (2010)^{††}



Government centralisation (2008)^{††}

Data unavailable

Type of recruitment system (2010)



Legal Framework

| | |
|--|-----|
| GEF covers all employees: | No |
| GEF includes fixed-term contracts: | Yes |
| Private law applicable in public sector: | No |

A small core of public employees in the United Kingdom are considered Civil Servants and they account for around 9% of total FTE public employment. This group is employed under the GEF and is split between permanent staff, who may have open contracts or fixed-term contracts of 12 months or more, and casual/temporary staff, who are

employed on a casual basis or on a fixed-term contract of less than 12 months in length. Limited use is also made of agency staff, interim managers, specialist contractors and consultants, who are not employed under the GEF. There are no guarantees in favour of life-long employment.

Staff have the right:

| | to unionise | to strike |
|----------------|-------------|-----------|
| Public sector | Yes | Yes |
| Private sector | Yes | Yes |

Benefits, to which employees are entitled to, are:

| | Full funding of social security | Partial funding of social security | Some funding of pensions |
|----------------|---------------------------------|------------------------------------|--------------------------|
| Public sector | No | Yes | Yes |
| Private sector | No | Yes | No Data |

Firing rules provide:

| | Different guarantees about job protection / dismissal | Guarantees in favour of life-long employment |
|----------------|---|--|
| Public sector | Yes | No |
| Private sector | Yes | No |

Composition of Employment

Central government employment (2012)¹

Total employment under GEF: 424 000 FTEs

Part-time employment: 111 000 employees

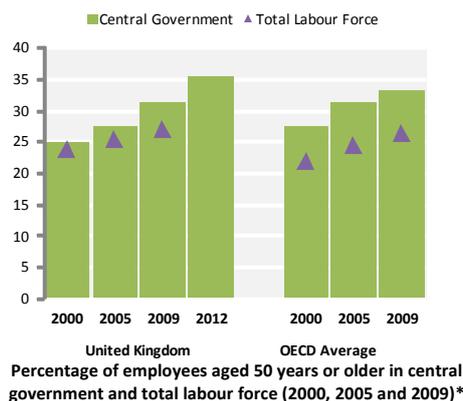
Part time is defined as less than 37 hours per week outside London and less than 36 hours per week in London.

Gender in central government (2012)¹

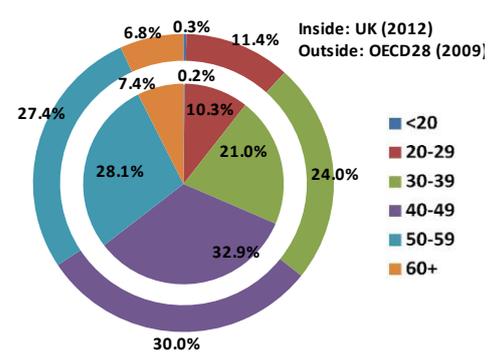
Female participation in central government workforce: 53.0%

Share of top and middle positions who are women: 40.4%

¹ Data are for Civil Service staff in core ministries and agencies of central/federal governments



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



Age structure of central government

The government (civil servants and employees in executive non-departmental public bodies) makes up approximately 2% of total UK employment and about 11% of public sector employment. The age composition of the Civil Service is generally consistent with that of the OECD average. The percentage of Civil Service employees aged 50 or older, 35.5% in 2012, is close to the OECD average of 34.3%. This age group accounts for a greater portion of the Civil Service than for the total labour force

and is growing at a rate roughly consistent with the OECD average. In addition, the proportion of public employees under 30 years old, 10.5% in 2012, is slightly lower than the OECD average of 11.7%. The representation of women in the Civil Service is above the OECD average. Women account for 53% of Civil Servants and 40.4% of management staff in 2012, compared to the OECD averages of 49.5% and 34.7% (2009), respectively.

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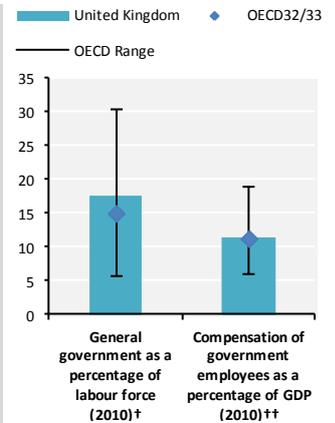
Public Sector Restructuring

The United Kingdom is one of 27 OECD countries that reported an anticipated decrease in public employment levels as a result of planned reforms. A comprehensive range of measures have already been implemented in restructuring the public sector and consolidating the fiscal deficit. In addition, the administrative budget of all ministries/departments will be reduced by 33% to 42% by 2014-15, with general government employment forecast to fall by 740 000 positions by 2016-17. Civil Service FTE employment is now at its lowest level since World War II and its share of public employment has fallen by over two percentage points since 1993. Furthermore, a pay freeze is in effect until 2013, with pay restraints for a further two years thereafter. Further measures include merging or abolishing arm's-length bodies, integrating back-office functions, selling off government assets, streamlining the Senior Civil Service (SCS), and reducing management layers and cost. General government sector employment as a percentage of the labour force, 17.5% in 2012, is above the OECD average of 15.1%. Compensation of public employees as a percentage of GDP, 11.4% in 2010, is in line with 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:

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



Organisation of HR Management

Decentralisation of HR Management

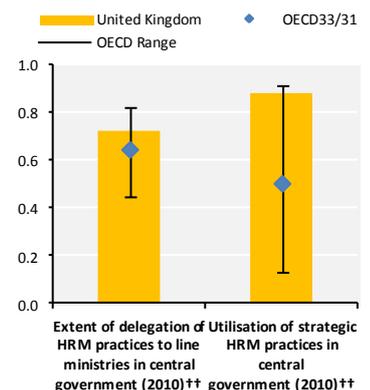
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| Central HRM unit: | HR Board |
| Role: | Strategic coordination |
| Location: | The HR Director General at the Department for Work and Pensions chairs the HR Board |
| Responsibilities: | <ul style="list-style-type: none"> • Provide corporate leadership and guidance • Design and oversee HR strategy |
| Personnel, budget and pay delegation: | <ul style="list-style-type: none"> • The allocation of the budget envelope is set and monitored centrally. • Pay systems, bonuses and the distribution of posts are managed by ministries. |
| Classification, recruitment and dismissal delegation: | <ul style="list-style-type: none"> • Management of the post classification system, recruitment, contract duration, career management and dismissal is delegated to ministries. |
| Employment conditions delegation: | <ul style="list-style-type: none"> • The code of conduct and equal opportunity policies are set centrally, with some latitude for ministries on the latter issue. • Working conditions and performance appraisal are managed by 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: | Yes |
| 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 • Workforce strategies to close competency gaps • Participation in whole of central government initiatives • General people management |
| 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 • Possibilities for outsourcing • Possibilities for relocating staff • Efficiency savings (for example, through e-government) |

The United Kingdom delegates HRM practices to line ministries to a greater extent than the average OECD country. Since April 2011, shared expert services have been established covering employee policy, learning and resourcing. This is part of the Next Generation HR programme set up in 2010 to simplify HR delivery across the Civil Service; eradicate duplication wherever possible; and reduce the size and cost of HR across government. The central HRM body plays a strategic coordination role and has a fairly broad range of responsibilities. The management of most HRM issues is delegated to ministries, particularly regarding pay, recruitment and dismissal, working conditions and performance appraisal. No HRM issues are delegated to the unit/team level. Overall, delegation has led to broadly comparable

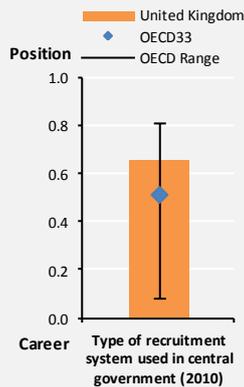
frameworks within ministries, but with significant differences between them. The United Kingdom makes far more use of strategic HRM practices compared to the OECD average, and lies close to the top of the range. An accountability framework requires management to report on a range of issues and is fully linked to strategic objectives. Departmental data, alongside Expert Service key performance indicators, is used to show the extent to which centralisation has happened and enabled departmental savings, as well as informing decisions on future strategy. Performance appraisal considers HRM targets, and regular assessment of ministries' HRM capacity is undertaken. Forward planning covers many issues and considers a reasonable horizon.



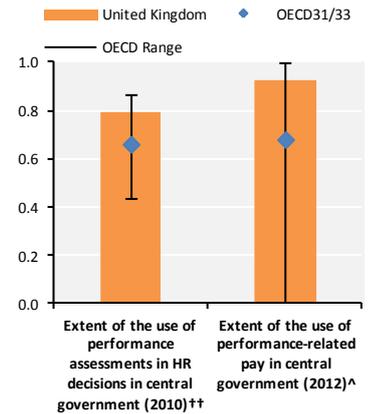
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HR Management Practice

RECRUITMENT: The United Kingdom uses one of the most highly position-based recruitment systems of all OECD countries. Entry into the civil service is through open competition for a position and is subject to audits to ensure recruitment adheres to the established guidelines. Some departments, and the Fast Stream graduate programme, use assessment centres. All vacancies are considered in the context of departmental plans to reduce expenditure, so that some vacancies are filled internally from surplus staff pools before being opened up to other government departments. Recruitment of external applicants is now severely constrained by a recruitment freeze. A range of diversity targets are still in place that aim to establish 34% women in top management posts, 39% women in the SCS, 5% of the SCS from minority ethnic backgrounds and 5% disabled in the SCS by April 2013.



PERFORMANCE: The United Kingdom makes substantially more use of performance assessment in HR decisions compared to the average OECD country. Assessment is used for almost all staff and takes the form of an annual meeting with, and written feedback from, the immediate superior. Some departments also use 360° feedback. A comprehensive range of criteria is used, including activities undertaken, timeliness and quality of outputs, improvement of competencies, interpersonal skills and cost effectiveness of work. Assessment is of high importance to career advancement and remuneration. In addition, the United Kingdom uses performance-related pay (PRP) to a significantly greater extent than the OECD average. PRP is used for most employees and takes the form of permanent pay increments and one-off payments.



PAY SETTING: Base salary and bonuses are set through decentralised collective bargaining and are not indexed to other variables for administrative grades. SCS pay is set centrally by an independent pay review body. Base salary is usually revised annually. The particular ministry and relevant experience are the most important determinants of base salary for all grades, with qualifications, job content, performance, and seniority also factoring in. Seniority based pay is still used.

| 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 | ● | ● | ● | ● | ● |

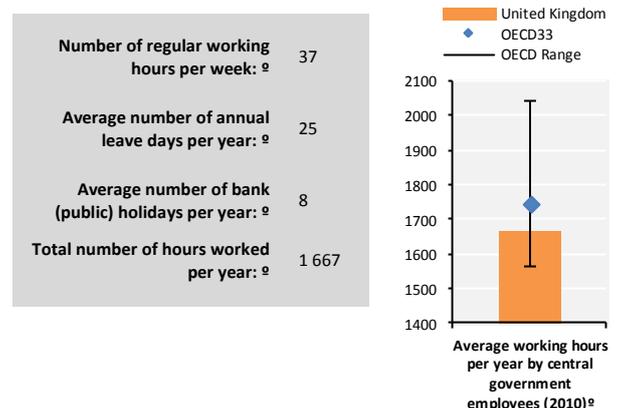
● Key importance ◀ Somewhat important ○ Not at all important

PROMOTIONS: Competency-based interviews are the main determinant of promotions and there are no formal restrictions to promotion between hierarchical grades. After considering any surplus staff, vacancies are placed on transparent listings open to the whole of government, and there is some use of assessment centres to ensure merit-based selection. No specific policies to advance the promotion of under-represented groups are in place.

MOBILITY: Data are unavailable regarding the trend in internal mobility, but there are plans to increase mobility through the publicity of available positions. External mobility through considering external posts and special secondment in career planning is encouraged.

TRAINING: The type and length of initial training varies with department and organisational group. The Civil Service Reform Plan offers at least five days per year investment in learning and/or development, targeted at the skills most needed for the employee's role, and covers a wide range of forms of learning, including e-learning, traditional training and other development activities.

WORK CONDITIONS: The average yearly working hours in the United Kingdom, 1 667 hours in 2010, is below the OECD average of 1 745 hours. This is driven by fewer weekly working hours and public holidays, and is partly offset by slightly more annual leave. The average number of working days lost due to sickness was 7.6 days in 2012, and paid sick days without a medical certificate are limited.

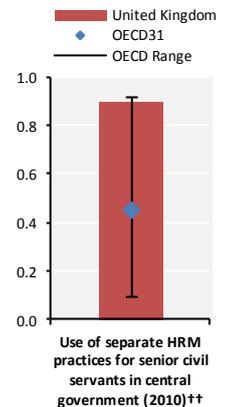


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Senior Management

The United Kingdom uses separate HRM practices for the Senior Civil Service (SCS) to one of the greatest extents of all OECD countries. The SCS is considered a separate group, has a centrally defined skills profile, and potential leadership is systematically identified through performance assessment. Closer attention is paid to managing their careers, and a higher portion of their pay

is through benefits and PRP. The ministry head and others in the ministry have influence over the appointment/dismissal of permanent secretaries (highest level). All special political advisors to the ministry's head turn over with a change in government but no other management staff do since civil servants are required to be impartial.



Industrial Relations

Civil service unions are often involved in industrial relations negotiations, and their role in casework decisions is supported by employers. By law, they must be consulted regarding remuneration and work conditions, which are negotiated at departmental level. Consultation of unions is voluntary regarding the code of conduct. The

employment framework, the introduction of new management tools and government restructuring are negotiated at central and delegated levels. All public servants are granted the right to unionise and most are guaranteed the right to strike without restriction.

Reforms

In June 2012, the UK Government published the Civil Service Reform Plan, which identifies specific changes needed across the Civil Service. The reforms aim to redefine the size and shape of the Civil Service; build capability by strengthening skills, deploying talent and improving organisational performance; and create a modern employment framework for all staff that encourages and rewards a productive, professional and engaged workforce.

Reforms will focus on clarifying the future size and shape of the Civil Service, becoming smaller and more strategic; Improving Policy making capability to be highly innovative and effective; strengthening skills, deploying talent and improving organisational performance; and creating a modern employment offer for staff that encourages and rewards a productive, professional and engaged workforce.

The UK currently faces challenges of unusual severity. The Civil Service has a key role to play in meeting them.

Challenges

All ministries are already implementing substantial change programmes as well as addressing weaknesses that require reform across the Civil Service. The scale of the reforms planned is significant.

The UK Civil Service serves three Governments—the national Government in Westminster and the Governments of Scotland and Wales—and it must ensure it meets the needs of each, with a referendum on independence for Scotland planned for 2015.

These and other reforms, including devolution, are pushing power away from Whitehall and putting service users and communities in charge.

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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