

[Background...](#)
[Restructuring...](#)
[Senior Management...](#)
[Challenges...](#)
[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: 2 038 183 employees

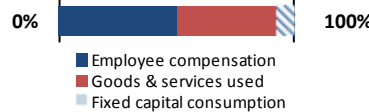
Total employment in the *general government sector* as a percentage of labour force (2010):[†]

14.6%

Central human resources management body:

Office of Personnel Management

Government production costs (2010)^{††}



Government centralisation (2008)^{††}



Type of recruitment system (2010)



Legal Framework

GEF covers all employees: Yes

GEF includes fixed-term contracts: Yes

Private law applicable in public sector: No

Employment in the United States federal government civil service is regulated by several laws, including the Civil Service Reform Act of 1978, codified in Title 5 of the U.S. Code. Fixed-term employment is allowed under the GEF and

contractors are governed by both public and private legislation. There are no guarantees in favour of life-long employment and most public employees are not granted the right to strike. Partial funding of social security and pensions is provided.

Staff have the right:

to unionise to strike

Benefits, to which employees are entitled to, are:

Full funding of social security Partial funding of social security Some funding of pensions

Firing rules provide:

Different guarantees about job protection / dismissal Guarantees in favour of life-long employment

| | 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 | No | No | Yes | Yes | Yes | No |
| Private sector | Yes | Yes | No | Yes | Yes | Yes | No |

Composition of Employment

Central government employment (2009)¹

Total employment under GEF: 2 038 183 employees

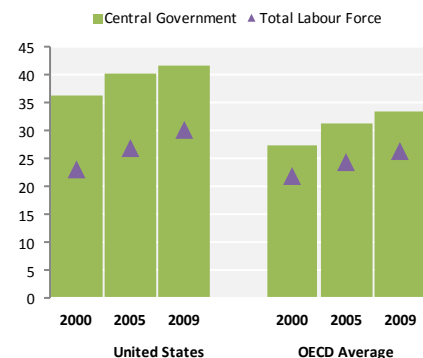
Part-time employment: No Data

Gender in central government (2009)¹

Female participation in central government workforce: 44.2%

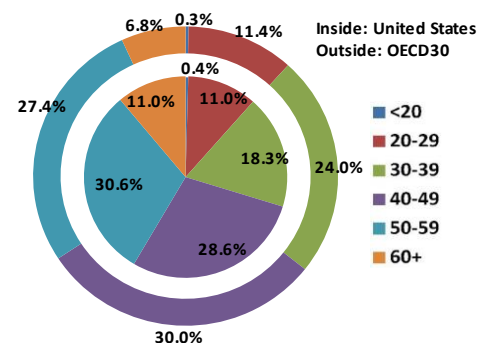
Share of top and middle positions who are women: No Data

¹ Data are for 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)*

No data is available regarding part-time employment in the United States public sector. The age structure of public employees is relatively old compared to the average OECD country. The percentage of employees aged 50 years or older, 41.6% in 2009, is above the OECD average of 34.3% and toward the upper end of the range. The proportion of



Age structure of central government 2009

employees under the age of 30, 11.5% in 2009, is quite close to the OECD average of 11.7%, however. The representation of women in the public sector, 44.2% in 2009, is slightly less than the OECD average for reporting countries of 49.5%. No data are available regarding gender in management.

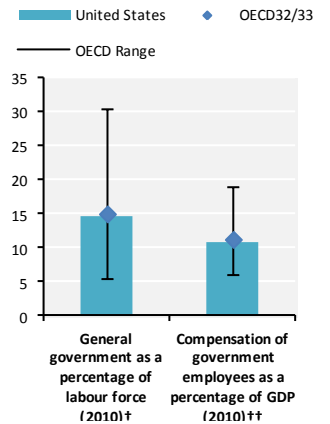
Public Sector Restructuring

The United States is one of 27 OECD countries who reported an anticipated decrease in public employment levels as a result of planned reforms. Federal government wages have been frozen since 2010, whilst the federal government workforce declined by 0.5% in 2011, with some agencies, such as the Social Security Administration and the Internal Revenue Service, seeing staff cuts of 6%. General government sector employment (excluding public corporations) as a percentage of the labour force, 14.6% in 2010, is very close to the OECD average of 15.1%, as is the compensation of public employees as a percentage of GDP, which stood at 11.0% in 2010 compared 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:

Data unavailable



Organisation of HR Management

Decentralisation of HR Management

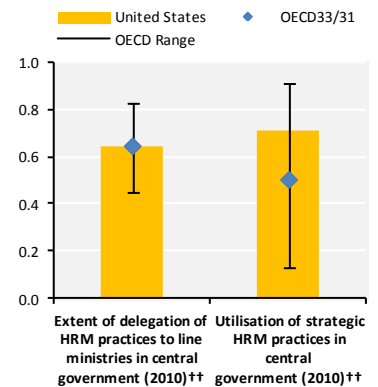
| | |
|--|--|
| Central HRM unit: | U.S. Office of Personnel Management |
| Role: | Responsible for HR |
| Location: | Dedicated department |
| Responsibilities: | <ul style="list-style-type: none"> Provide leadership and guidance Standardise recruitment and skills profiles Define salary levels and benefits Promote diversity Manage retirement and pension plans |
| Personnel, budget and pay delegation: | <ul style="list-style-type: none"> The central HRM body sets and monitors the pay system. Budget allocation, bonuses and the distribution of posts are delegated to departments. |
| Classification, recruitment and dismissal delegation: | <ul style="list-style-type: none"> The central HRM body sets and monitors the post classification system. Recruitment, contract duration, career management and dismissal are all managed at the department level. Units/teams also play a role in career management. |
| Employment conditions delegation: | <ul style="list-style-type: none"> The central HRM body sets and monitors the code of conduct and equal opportunity issues. The performance appraisal system and adjustments to work conditions are managed by departments. |

The extent of delegation of HRM practices to departments in the United States is in line with the OECD average. The central HRM body bears a relatively small range of responsibilities but it plays a large role regarding the pay system and post classification system. Departments manage most other HRM issues independently. Overall, delegation has led to comparable employment frameworks within departments, but with

substantial differences between departments. The United States makes significantly more use of strategic HRM practices than the average OECD country. Regular HRM assessments of departments are undertaken, but HRM targets do not feed the performance assessment of management. Comprehensive forward planning is regularly conducted over a variety of horizons.

Strategic HR Management

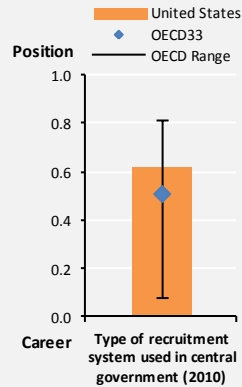
| | |
|--|--|
| Existence of HRM accountability framework for managers: | Yes, and HRM is fully linked to strategic objectives. |
| HRM targets feed performance assessments: | No |
| Regular HRM assessment of ministries and departments: | Yes |
| Framework requires top & middle management to plan and report on: | <ul style="list-style-type: none"> 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: | Typically, agencies look at a 1 year, 3-5 year and maybe a 10+ year horizon. |
| Key aspects explicitly considered in forward planning: | <ul style="list-style-type: none"> New issues in policy delivery Civil service demographics Possibilities for outsourcing Possibilities for relocating staff Efficiency savings (for example, through e-government) |



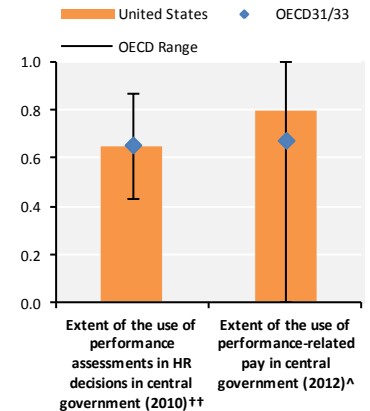
UNITED STATES

HR Management Practice

RECRUITMENT: The United States uses a recruitment system which is neither strongly career based nor position based. Entry into the public sector is conducted by direct application and interview for a specific post and most posts are open to external applicants. A very small percentage of positions are filled through a centralised examination. Preference in recruitment is given to certain military veterans but there are no other diversity policies in place regarding recruitment.



PERFORMANCE: The United States uses performance assessment in HR decisions to the same extent as the average OECD country. Performance assessment is mandatory for almost all employees and takes the form of a meeting with the immediate superior every six months and annual written feedback. A fair range of criteria is used in assessment, which focuses on outputs, competencies and interpersonal skills. Assessment is of high importance for career advancement and remuneration. The United States uses significantly more performance-related pay (PRP) than the average OECD country. PRP is mandatory for most employees, takes the form of one-off bonuses and permanent pay increments, and represents 1-5% of base salary.



PAY SETTING: Base salaries are set by statute and adjusted by the president or Congress whereas bonuses are handled at the agency level. Generally there is no negotiation, neither at the individual nor collective level, over remuneration. Base salary is indexed to the Employment Cost Index by default and all remuneration is revised annually. Job content and seniority is of high importance to base salary levels for almost all employment levels, with relevant experience also factoring in. Seniority pay is in use and previous salary level and the number of years in similar positions factor into pay levels.

| 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

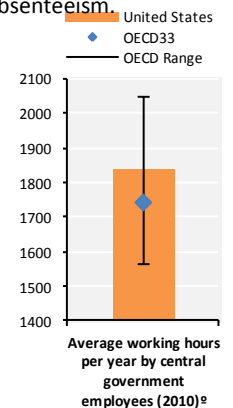
PROMOTIONS: Qualifications are the key determinant of promotions for all levels of staff, with experience and performance appraisals not being considered of major importance. Postings are published on transparent listings open to all employees, applications are reviewed by the HR department to shortlist candidates, and there is systematic use of selection panels and some use of assessment centres. There are no formal restrictions to promotion between hierarchical grades. Specially directed information sessions and coaching are available to further the promotion of women, the disabled and other minorities.

MOBILITY: The level of internal mobility in the United States public sector remains stable and there are no plans to increase or decrease it. Public servants on external posting retain the right to return to their position and risk forgoing their pension rights if they do not return.

TRAINING: Some public employees receive training upon entry, depending on the requirements of the specific post and the needs of the employee. On average, employees undertake 1-3 days of training per year.

WORK CONDITIONS: The average yearly working hours in the United States public sector, 1 840 hours in 2010, is reasonably high compared to the OECD average of 1 745 hours. This is driven by higher than average weekly working hours and a few days less annual leave. Data is not available regarding the average number of sick days taken but a policy of counting unused sick days toward annuity is in place to curb absenteeism.

| | |
|--|-------|
| Number of regular working hours per week: 9 | 40 |
| Average number of annual leave days per year: 9 | 20.76 |
| Average number of bank (public) holidays per year: 9 | 10 |
| Total number of hours worked per year: 9 | 1 840 |

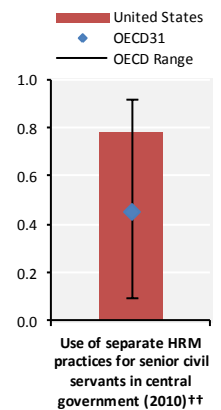


UNITED STATES

Senior Management

The United States uses separate HRM practices for senior civil servants (SCS) to a much greater extent than the OECD average. SCS are treated as a separate group and potential leadership is systematically identified in performance assessments. There is a centrally defined skills profile for SCS, they are recruited with a more centralised process, they receive more performance-related pay and benefits, and more attention is paid to their careers, performance and potential conflicts of

interest. In addition, a good proportion of management positions are open to external recruitment. The president appoints agency heads, who in turn appoint political staff. Most of the senior executive service (SES) are career civil servants and are appointed by the department head or other department official. Agency heads and their political staff turn over with a change of government but most SES staff remain in their posts.



Industrial Relations

Civil service unions play a relatively minor role in industrial relations in the United States public sector. They are not normally involved in negotiations over remuneration, the right to strike/minimum service or the code of conduct. Consultation with unions is voluntary regarding work conditions, the employment framework, the introduction of new management tools and restructuring. Civil service unions receive partial public funding as union representatives

are compensated by the government for their representational activities. The level at which collective bargaining may occur is determined by the recognition given to unions, which is a delegated authority. In many instances, there are national agreements with local supplemental agreements. Most public employees are granted the right to unionise and just a few categories are granted the right to strike, which is guaranteed without exception.

Reforms

Since 2010, the Office of Personnel Management has undertaken a variety of reforms to meet its “High Priority Performance Goals.” These reforms include: hiring reform through the launch of a web-

based tool for HR professionals; increased emphasis on telework; and improved wellness programmes using a tool that allows agencies to analyse and evaluate their current health promotion programmes.

Challenges

The U.S. federal government faces across-the-board budget cuts, known as “sequestration,” set to take effect in January 2013. Although the effects of these cuts, which amount to an 8.2%

reduction in non-exempt nondefense discretionary funding, are unclear, they would likely result in staffing cuts or furloughs within most U.S. government agencies.

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.

OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

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