



HRM Newsletter

April 2004

HRM Working Party – Paris, 7-8 October 2004

The 2004 HRM Working Party meeting will take place on 7-8 October in Paris at OECD headquarters. The main theme of the working party will be the Modernisation of Public Sector Employment. Key topics presented at the working party will be the results of the Modernisation Review (and in particular Modernising Public Sector Employment); the results of the HRM Survey and two reports on senior civil service reforms and on performance-related pay policies.

Introduction

In an effort to improve communications with HRM delegates, the *HRM Newsletter* is being launched with this first issue. The aim is to publish the *HRM Newsletter* each semester in order to provide concise and timely updates on the activities of the HRM network. The *HRM Newsletter* will be sent by email to HRM delegates and other interested parties.

Message from Knut Rexed, Chair of the HRM Working Party – Director General, Swedish Agency for Public Management

Dear colleagues,

One of the core themes of GOV/PGC during 2003 and 2004 has been Public Sector Modernisation. HRM aspects are in the focus of one of the seven headings, but also an important aspect of the other six since Modernisation inevitably touches on the way we develop, govern and manage the human resources that together constitutes the public administration.

HRM issues are of key importance to member states. Nearly all OECD member countries have programs for reforms of their HRM structures and processes. The common factor

behind this almost general reform activity is the transformation of our societies and the changing roles and responsibilities of our public administrations. GOV/PGC has competence and experience in this area that makes it well placed to support member countries. One of the activity groups tabled at the PGC meeting in April is thus public employment and the management of the civil service.

One should however be aware of the large differences in political, administrative and cultural context between member states. There is no single solution that will fit all states. This diversity provides us with possibilities for comparisons that will provide each of us with a deeper understanding of our own national system.

The preparations for the next WP meeting in October will start during the spring. Any suggestions or proposals for themes and session content would be very welcome.

Overview of the 2004 work on HRM

The 2004 work on HRM fits within the wider programme of work on Public Sector Modernisation, which aims: (i) to better understand changes in public administration in OECD member countries over the last two

decades and how these changes have impacted on countries' governance capacity, and (ii) to provide comparative information and analytical tools to enhance the capacity of member countries to oversee and guide the adaptation of public sectors to the future changing needs of their societies.

The work on Modernisation is organised under seven headings:

1. Modernising Public Sector Employment
2. Changes in Organisational Structures
3. Governing for Performance
4. The use of Market-Type Mechanisms in Delivering Public Services
5. Changing Role of Central Control Agencies
6. Open Government
7. Modernising Accountability and Control

Within this framework, the HRM work seeks to identify key trends and challenges in the modernisation of public employment, and aims to provide a framework for the diagnosis and analysis of public sector employment arrangements in different institutional and national settings.

Main outputs of the HRM work in 2004 will be two overview papers on analysis of the HRM survey results and on Modernising Public Employment; and two more specific reports on senior civil service reforms and on performance-related pay policies.

The work draws on different sources of information including the analysis of the HRM Survey results and information collected during two expert meetings held in October 2003 on senior civil service and performance-related pay.

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Public Sector Modernisation: Modernising Public Sector Employment

The Secretariat produced a policy brief on Modernising Public Sector Employment. This paper examines the question of reform of employment in the core public service of OECD member countries, the changes of the past two decades and their impact on public governance, as well as issues and challenges for the future. The paper was presented as a draft at the Public Governance Committee in

November 2003, and was revised following comments by a panel of academics. The final version of the paper as well as broader conclusions of the Modernisation Review will be presented at the HRM Working Party in October.

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HRM Survey

The survey on Strategic Human Resources Management was completed in 2003 by all 30 OECD member countries. Each country provided a complete response from its central government. The survey focuses on all facets of human resources management, including the legal framework of HR management, the role of the central HRM body, recruitment, training and development, promotion, performance management, senior civil service and industrial relations. The survey gathers both quantitative and qualitative information and data on HR management in the public sector.

The results of the survey give a detailed overview of HRM trends across OECD member countries in the past 10 years. A report is being prepared and the draft version will be presented at the HRM Working Party meeting in October 2004.

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Senior Civil Service

A project was launched in 2003 to analyse reforms of senior civil service systems and reforms across OECD member countries. This project was conducted in close co-operation with the French Ministry of Economy and Finance. An expert meeting was organised in October 2003 to address this topic. Fourteen countries attended the meeting. A summary report has been prepared, and provides an overview of reforms of the senior civil service across 12 OECD member countries (Belgium, Canada, Finland, France, Italy, Korea, Mexico, Netherlands, New Zealand, Spain, United Kingdom, and United States). Examination of reforms of the senior civil services in the 12 countries reveals that the two main types of civil service system –

career-based and position-based – are evolving, highlighting the need to refine this classic typology. This does not mean that the systems themselves are converging rather that countries are adopting some features of the other models and adapting these features within the integrity of their own system.

The final draft of the summary report will be sent to delegates by July 2004 and discussed at the HRM working party meeting in October 2004.

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Performance-Related Pay

A project on performance-related pay was launched in 2003. An expert meeting was organised in October 2003, with 15 countries attending. Eleven countries provided country reports (Denmark, Finland, France, Germany, Italy, Korea, Spain, Sweden, Switzerland, the United Kingdom and Chile). The Secretariat is preparing a summary report on the topic, in collaboration with Dr David Marsden from the London School of Economics. The report will provide a general and comprehensive overview of the different types of performance pay policies and trends across the OECD and draw some lessons from experience. The report is based primarily on country reports. A preliminary draft version of the report will be sent to HRM delegates by June 2004, for review and comments. The draft report will be presented at the HRM working party meeting in October.

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Future work priorities

Future work priorities for 2005-2006 will be discussed at the next Public Governance Committee on 15-16 April 2004. They will be presented and discussed at the HRM Working Party in October 2004.

Activities with non member countries

Operational responsibilities for activities with non member countries have now been devolved to the Public Governance Committee (they were previously managed by the Centre of Cooperation with Non Members of the OECD). Among the outreach activities, two are of particular importance for the HRM Working Party, and will be discussed at the October meeting:

(i) A programme of collaboration between GOV and the Secretariat of the pan-African Conference of Ministers of Civil Service has recently started on 'Capacity Development for Governance of Public Administration in Africa'. This programme was adopted as a priority by NEPAD in July 2003. In the short term, collaboration aims to engage in a dialogue with the Secretariat on professional networking, research and peer review to support them as they put their basic working processes in place. From 2005 and beyond, it is planned to develop a broader and longer-term programme of OECD/CDGPA co-operation. This draft programme for OECD co-operation will be prepared by the end of this year.

(ii) In collaboration with the World Bank, GOV has been invited to cooperate with the Government of China in their reform of Public Service Units (PSUs). GOV secretariat participated in a preparatory mission in October and co-organised a large conference in March 2004 in Beijing followed by a smaller workshop in Nanjing for local officials of the Jiangsu province, and cities of Nanjing, Nantong and Suzhou.

The role of the OECD was to present the experience of OECD countries in the organisational forms of public service delivery and invite OECD practitioners to present their own experiences.

It is very likely that GOV's collaboration will be solicited by the Chinese government to work on PSU reform as it develops. Provided the funding for these activities is ensured GOV can have an important value added in providing for a wide range of experiences on Government's role in the delivery of public services in a market economy.

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