

## Country Profiles: Methodological Notes

### Background:

Based on the availability of data, some data in this section refer to the general government sector while other data refer to the central government. These two measures of government employment can be considerably different in scope and are defined as follows:

**General government sector:** The general government sector consists of: a) all units of central, state or local government; b) all social security funds at each level of government; c) all non-market non-profit institutions that are controlled and mainly financed by government units. The sector does not include public corporations, even when all the equity of such corporations is owned by government units. It also does not include quasi-corporations that are owned and controlled by government units. However, unincorporated enterprises owned by government units that are not quasi-corporations remain integral parts of those units and, therefore, must be included in the general government sector (1993 System of National Accounts).

**Central government:** We use two definitions of central government interchangeably in the profiles and have made every effort to note deviations. 1) Central government is a sub-sector of the general government sector (defined above) which generally consists of a central group of departments or ministries that make up a single institutional unit, as well as autonomous agencies carrying out special functions and all non-profit institutions which are controlled and mainly financed by public authority (1993 System of National Accounts). 2) For the purpose of the OECD 2010 Survey on Strategic Human Resources Management, countries were asked to focus on core ministries and agencies of central/federal governments and to exclude sub-national levels of government (regional/local/municipal). In addition, they were to exclude government-employed doctors and nurses, teachers, police and judges, the military (but civilian military staff are included), as well as staff employed in state owned enterprises.

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

Countries provided data to the OECD based on their own interpretation of central government. Definitions of the scope of the data for each country are provided in the corresponding footnote where available. Cross-country comparison of data is not advised due to the differences in scope of the data for each country.

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris.

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

Data refer to 2010 and were collected by the International Labour Organization (ILO) and the OECD; however, data for France, Portugal and Spain are self-reported and may not follow the same scope and definitions as the remainder of the dataset. Data for general government employment are taken from the ILO LABORSTA database. The data are based on System of National Accounts (SNA) definitions and cover employment in general government (as defined in the Background section) and public corporations. Public corporations are legal units mainly owned or controlled by the government which produce goods and services for sale in the market. Examples of public corporations in some OECD countries include post offices, railways and mining operations. Public corporations also include quasi-corporations. Data represent the number of employees except for Austria, the Czech Republic, Italy, the Netherlands and New Zealand where data represent full-time equivalents (FTEs). In New Zealand FTEs are included for education, health and community services and personal and other services. As a result, employment numbers for these five countries are understated in comparison. Data for the total labour force are taken from the OECD National Accounts Statistics database. Data are based on labour force surveys and comprise all persons who fulfil the requirements for inclusion among the employed or the unemployed.

*Source:* International Labour Organization, LABORSTA database; OECD *National Accounts Statistics*.

*Notes:* Data for Portugal and Spain are self-reported for 2011; data for France are self-reported for 2010; data for Brazil, Hungary, Italy, Japan, Mexico and Netherlands refer to 2009; data for Canada, Czech Republic, Greece, Korea and Switzerland refer to 2008; data for Sweden refer to 2007; data for Russian Federation refer to 2005; data for Sweden and Russian Federation use ILO data for the labour force; data for Korea were provided by government officials; data unavailable for Iceland and Ukraine; data for Australia, Canada, Chile and Slovenia refer to the public sector (both general government and public corporations).

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

*OECD labour force notes:* [www.oecd.org/dataoecd/13/57/43103377.pdf](http://www.oecd.org/dataoecd/13/57/43103377.pdf)

## Country Profiles: Methodological Notes

### Production costs:

Production costs in general government are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital). Raw figures in percentage of GDP were converted into a scale between 0% and 100% for each country.

*Source:* OECD *National Accounts Statistics*. Data for Australia are based on a combination of Government Finance Statistics and National Accounts data provided by the Australian Bureau of Statistics.

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

*Statlink:* <http://dx.doi.org/10.1787/888932390006>

### Government centralisation:

The graph represents the distribution of general government employment between the central and sub-central levels of government. Data refer to 2008 and were collected by the ILO. The data are based on SNA definitions and cover employment in central and sub-central levels of government. Sub-central government is comprised of state and local government including regions, provinces and municipalities. Together the central and sub-central levels comprise general government.

*Source:* International Labour Organization, LABORSTA database. Data for Turkey are from the Ministry of Finance and Turkish Statistical Institute. Data for Japan are from the Establishment and Enterprise Census.

*Notes:* Japan: general government employment data are not classified according to SNA definitions and are substituted by direct employment figures provided by central or sub-central governments; data for Austria, Chile, Estonia, France, Korea, Iceland, Poland, Slovak Republic, Slovenia and United Kingdom are missing; data for Australia and United States refer to the public sector (general government and public corporations); data for Czech Republic, Italy, Netherlands New Zealand and Poland are expressed in full-time equivalents (FTEs); in New Zealand FTEs are included for education, health and community services and personal and other service; data for Hungary do not include other Non-Profit Institutions at the central/sub-central level; data for Finland, Israel, Mexico and Sweden are from 2007; data for Japan, New Zealand and Portugal are from 2006; data for Russian Federation are from 2005; data for Brazil and South Africa are from 2003.

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

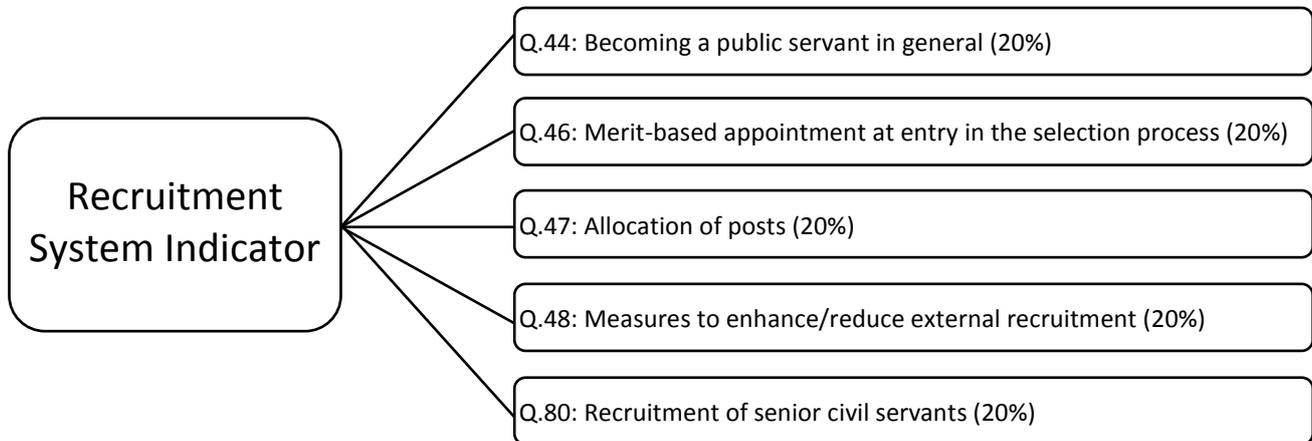
*Statlink:* <http://dx.doi.org/10.1787/888932390576>

### Type of recruitment system:

This is a composite index which describes a spectrum of recruitment systems in place in OECD member countries, ranging between 0 (career-based system) and 1 (position-based system). It does not evaluate the performance of different systems. Data refer to 2010 and were collected through the OECD 2010 Survey on Strategic Human Resources Management in Central/Federal Governments; however, some countries have provided updated data for 2012. Data refer to HRM practices at the central level of government for the civil service. Definitions of the civil service, as well as sectors covered at the central level of government, differ across countries and should be considered when making comparisons. The index focuses on the possibilities individuals have to become part of the civil service throughout their careers at all seniority levels. The variables comprising the indexes and their relative importance are based on expert judgements.

## Country Profiles: Methodological Notes

The following variables were used in the construction of this indicator, and were given equal weights. The scoring for each question is listed in the table below.



| Question |   | Scoring  |
|----------|---|--|
| 44       | How does one become a public servant in general?  | Through a competitive examination that provides for entry into a specific group of the public service: 0.000; Through direct application to a specific post and interview (with minimum degree requirement) : 1.000; It varies depending on the post: 0.500; Any combination of these three possible responses: 0.500.   |
| 46       | If your system does not include a competitive written examination, how is merit-based appointment at entry guaranteed in the selection process? | <i>Respondents were to select all items that applied. Each item receives a score of 0.200 and the final score is a sum of all items selected.</i><br>All vacancies are published; Recruitments are made with panels; Recruitment firms are used; Shortlist of possible candidates prepared jointly by the HR department and the recruiting department; Other                       |
| 47       | How does one individual get a specific position/post?   | All posts are open to internal and external recruitment and applicants apply to the different posts: 1.000; Most posts are open to internal and external recruitment and applicants apply to the different posts: 0.666; Some posts are open to internal and external recruitment and applicants apply to the different posts: 0.333; No posts open to external recruitment: 0.000 |
| 48       | Have actions been taken in the last five years to intentionally enhance or reduce the use of external recruitment?                              | <i>For each category of employment, respondents were to select between: enhance, receiving a score of 0.200; reduce, receiving a score of 0.000; and none, receiving a score of 0.100. The final score is a sum of all categories.</i><br>Top management; Middle management; Professionals; Secretarial positions; Technical support.  |
| 80       | How are the rest of senior managers recruited?  | Originally selected by competitive examination early on in their careers and managed as a group thereafter: 0.000; Through career progression within the public service only: 0.000; All senior management positions are open to external recruitment: 1.000; A good proportion of management positions are open to external recruitment: 0.500                                    |

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris.

## Country Profiles: Methodological Notes

### Composition of Employment:

The definition of part-time employment differs between countries and is noted below the relevant data when this information has been provided by countries. If no note appears, the definition of part-time employment used to generate the data is unavailable.

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris.

Data on gender representation in central government is typically provided in percentages, with Australia, Italy and Ukraine providing data in levels. The percentage refers to either full-time equivalents or headcounts, depending on the country's database management. The OECD averages are a mix of FTE percentages and headcount percentages. The OECD average refers to 23 countries for women in all central government and 24 countries for women in top and middle management positions. Countries that reported only for top or senior management were omitted from the average.

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris.

The OECD average for the age structure of central government comprises a mixture of percentages calculated with FTE and headcount data, depending on the data reported by countries. The percentages are in a consistent measure within a single country; either FTE or headcount. The averages comprise 28 OECD countries with the same reporting age brackets, or where age brackets differ by one year (e.g. OECD [20-29], Belgium [21-30] is included). All data provided by countries in levels and percentages were scaled to sum to 100%, except in the case of Hungary which includes a category for unknown age.

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris.

### Public Sector Restructuring:

#### General government employment as a percentage of the labour force:

This is from the same source as described in the Background section of this document. The OECD average refers to 32 countries and includes those countries for which self-reported data is used.

#### Compensation of government employees as a percentage of GDP:

These data are taken from the same source as the production costs in general government, described in the Background section of this document. Data refer to compensation costs of general government employees, including cash and in-kind remuneration plus all mandatory employer (and imputed) contributions to social insurance and voluntary contributions paid on behalf of employees. Cross-country differences in how employee pension schemes are funded can impair the comparison of compensation costs.

*Source:* OECD *National Accounts Statistics*. Data for Australia are based on a combination of Government Finance Statistics and National Accounts data provided by the Australian Bureau of Statistics.

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

*Statlink:* <http://dx.doi.org/10.1787/888932390006>

### Organisation of HR Management:

#### Extent of delegation of HRM practices to line ministries in central government:

This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority. It is composed of the following variables: the existence of a central HRM body, and the role of line Ministries in determining: the number and types posts within organisations; the allocation of the budget envelope between payroll and other expenses; staff compensation levels; position classification, recruitment and dismissals; and conditions of employment. The index ranges from 0 (no delegation) to 1 (high level of delegation). Missing data for countries were estimated by mean replacement. The variables composing the index and their relative importance are based on expert judgements.

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

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

*Annex E:* [http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20\(2\).pdf](http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20(2).pdf)

*Statlink:* <http://dx.doi.org/10.1787/888932392039>

#### Utilisation of strategic HRM practices in central government:

The Strategic HRM index looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level. The index is composed of the following variables: the existence of a general accountability framework; the existence of HRM targets built into performance assessments of top and middle managers; elements that top and middle management should take into account when planning and reporting within the general accountability framework; regular review and assessment of Ministries'/Departments' HRM capacity; existence of forward planning to adjust for adequate workforces to deliver services; and elements considered in governments' forward planning. The index ranges between 0 (low utilisation of strategic HRM practices) and 1 (high utilisation of strategic HRM practices). The variables composing the index and their relative importance are based on expert judgements.

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

*Notes:* Due to insufficient data, composite indexes are unavailable for Brazil, Japan and Mexico.

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

*Annex E:* [http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20\(2\).pdf](http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20(2).pdf)

*Statlink:* <http://dx.doi.org/10.1787/888932391925>

## Country Profiles: Methodological Notes

### HR Management Practice:

#### Extent of the use of performance assessments in HR decisions in central government:

The performance assessment index indicates the types of performance assessment tools and criteria used, and the extent to which assessments are used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants. The index is composed of the following variables: existence of a formalised performance assessment; use of performance assessment tools (meetings with supervisors, frequency of meetings, written feedback, etc.); performance assessment criteria used; and the importance of good performance assessments for career advancement, remuneration, contract renewal on the same job/remaining in the same job and employment contract renewal in the public service. The index ranges between 0 (no use) and 1 (high use). Missing data for countries were estimated by mean replacement. The variables composing the index and their relative importance are based on expert judgements.

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

*Notes:* Data unavailable for New Zealand, Slovak Republic and Russian Federation.

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

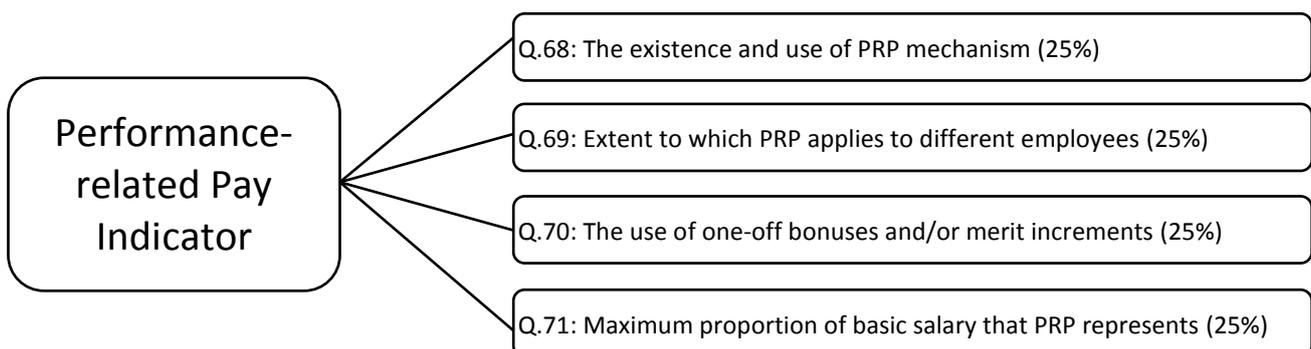
*Annex E:* [http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20\(2\).pdf](http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20(2).pdf)

*Statlink:* <http://dx.doi.org/10.1787/888932390842>

#### Extent of the use of performance-related pay in central government:

The performance-related pay (PRP) index looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants. Data for Belgium, Denmark, Greece, Hungary, Ireland, Israel, the Russian Federation, Turkey, and the United States are based on responses to the 2010 OECD *Survey on Strategic Human Resources Management in Central/Federal Governments* and refer to 2009; data for all other countries were updated in 2012 as part of OECD (2012) *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*. The index ranges between 0 (no use) and 1 (high use). Missing data for countries were estimated by mean replacement. The variables composing the index and their relative importance are based on expert judgements.

The following variables were used in the construction of this indicator, and were given equal weights. The scoring for each question is listed in the table below.



## Country Profiles: Methodological Notes

| Question |   | Scoring  |
|----------|---|--|
| 68       | Is performance related pay in use in your country's central government? | Yes: 1.000; No : 0.000   |
| 69       | If PRP implemented, for which category of staff?                        | a) For most government employees: 1.000; b) For senior staff only: 0.666; c) Only in a few central/national/federal government organisations: 0.333  |
| 70       | Do organisations mostly use:  | This is a multiple choice question and respondents were to select all items that applied. a) One-off performance bonuses: 0.5; b) Performance-based permanent pay increments: 0.5 The question is scored as the sum of the item(s) selected. |
| 71       | What is the maximum proportion of basic salary that PRP can represent?  | a) 1-5 %: 0.2; b) 6-10%: 0.4; c) 11-20%: 0.6; d) 21-40%: 0.8; e) higher: 1.  |

*Source:* OECD (2012), *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*, unpublished, Paris.

*Further information:* OECD (2012), *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*, unpublished, Paris. Notes on the construction of the index are found at the end of this document.

### Type of recruitment system used in central government:

These data are the same as those described in the Background section of this document.

### Average working hours per year by central government employees:

The average annual working hours is the total number of hours the average central government employee is legally contracted to work in one year. Data refer to 2010; however, some countries provided new data for 2012. Data were collected in either the 2010 Survey on Strategic Human Resources Management in Central/Federal Governments or the 2010 Survey on the Compensation of Employees in Central/Federal Governments. Countries for which data from the compensation survey are used are noted with a footnote on each profile. The average annual working hours is calculated based on: the number of hours worked per week in central government; annual leave entitlements (holidays); annual leave entitlements as a maximum, extra or by special agreement; and statutory holidays. The formula used is given below. Countries for which data from the HRM survey are used were not asked to provide the number of annual leave days as a maximum, extra or by special agreement. Consequently, this was assumed to be the same as the standard number of annual leave days.

$$H^A = \frac{H^W}{5} \left( \left[ 365 \times \frac{5}{7} \right] - L^A - \frac{L^M - L^A}{2} - S \right)$$

Where,  $H^A$  = Average annual working hours.

$H^W$  = Contractual weekly working hours.

$L^A$  = Standard number of days of annual leave (minimum leave).

$L^M$  = Total number of days of annual leave as a maximum, extra or by special agreement (maximum leave).

$S$  = Statutory (public) holidays.

*Source:* OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished, Paris; OECD (2010), *Survey on the Compensation of Employees in Central/Federal Governments*, unpublished, Paris.

*Notes:* Data for Iceland, Korea, Poland, Portugal, Finland and Slovak Republic refer to 2012; data for Korea do not use the stated formula, rather the figure was provided by government officials; data for Czech Republic, France, Germany, Greece, Israel, Japan, Mexico, Poland, Portugal, Slovak Republic, Switzerland, Turkey, Russian Federation and Ukraine were taken from the HRM survey, whereas data for all other countries were taken from the compensation survey.

## Country Profiles: Methodological Notes

### Senior Management:

#### Use of separate HRM practices for senior civil servants in central government:

The senior management index looks at the extent to which separate management rules and practices are applied to senior civil servants (SCS), including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform. The index is composed of the following variables: the existence of a separate group of SCS; the existence of policies for the identification of potential SCS early in their careers; the use of centrally defined skills profile for SCS; and the use of separate recruitment, performance management and performance-related-pay practices for SCS. The index ranges between 0 (HRM practices are not differentiated for SCS) and 1 (HRM practices are very differentiated for SCS). Missing data for countries were estimated by mean replacement. The variables composing the index and their relative importance are based on expert judgements.

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

*Notes:* Data unavailable for Denmark and New Zealand.

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

*Annex E:* [http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20\(2\).pdf](http://www.oecd.org/gov/Annex%20E%20and%20country%20notes%20Final%20july%2016%20FINAL%20(2).pdf)

*Statlink:* <http://dx.doi.org/10.1787/888932390424>