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):‡‡

<table>
<thead>
<tr>
<th>Employee compensation</th>
<th>Goods &amp; services used</th>
<th>Fixed capital consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Government centralisation (2008):††

0% Central 100% Sub-central

Type of recruitment system (2010)

Career based

Position based

Italy OECD33

Staff have the right:

<table>
<thead>
<tr>
<th>to unionise</th>
<th>to strike</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector</td>
<td>Yes</td>
</tr>
<tr>
<td>Private sector</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Benefits, to which employees are entitled to, are:

<table>
<thead>
<tr>
<th>Full funding of social security</th>
<th>Partial funding of social security</th>
<th>Some funding of pensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No Data</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Firing rules provide:

<table>
<thead>
<tr>
<th>Different guarantees about job protection / dismissal</th>
<th>Guarantees in favour of life-long employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

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%.

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%

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.
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%.

Organisation of HR Management

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.

Anticipated reforms’ effect on employment level:

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

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:

- 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:

- New issues in policy delivery
- Efficiency savings (for example, through e-government)
**HR Management Practice**

**RECRUITMENT:** Italy uses a recruitment-based system favoring career recruitment. Entry into the civil service is conducted through examination and entry into particular groups is delegated to the organization level. All posts are open to internal and external recruitment, although 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.

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

**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 to 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.

**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.

**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.

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**Graphs and Tables:**

- **Extent of the use of performance assessments in HR decisions in central government (2010):**
- **Extent of the use of performance-related pay in central government (2012):**
- **Average working hours per year by central government employees (2010):**

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**Last updated 06 December 2012**
Human Resources Management Country Profiles

ITALY

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 from International Labour Organization (ILO) LABORSTA Database and OECD National Accounts Statistics. See Methodological Note.


† OECD (2010), Survey on the Compensation of Employees in Central/Federal Governments, unpublished.


Further Reading


