Experts Meeting on

Compensation of Public Employees

OECD Conference Centre – Paris

DRAFT AGENDA

Friday 9 September 2011

9:00 - 9:10  Welcome to Participants and Introduction

Mario Marcel - chair
Deputy Director, Public Governance and Territorial Development Directorate, OECD Secretariat

9:10 – 9:30  Tour de Table
Participants introduction

Participants Introduction  OECD Country Delegates

9:30 – 10:45  Session 1: OECD preliminary findings and conclusions on compensation of public employees

Compensation of employees in OECD countries is a crucial issue to enhance the productivity of government employees. The compensation of employees represents a significant percentage of public expenditure, but it is also a core component of HRM policies to attract, retain, and motivate competent employees.

The aim of this session is to discuss the preliminary findings and conclusions of the OECD report on Compensation of Public Employees and explore new trends in the compensation of public servants in the framework of achieving governments’ fiscal consolidation plans.

Presentation by Secretariat  Howard Risher
Questions and Discussion  Pay and Performance Consultant

10:45 – 11:00  Coffee break

OECD Country Delegates
**11:00 – 12:30  Session 2: How are compensation systems in OECD countries evolving to ensure capacity?**

Adjusting the size of compensation of government employees to meet fiscal targets and return to balanced budgets without jeopardising government’s capacity and employees morale and commitment, is one of the challenges facing OECD countries nowadays. Countries are interested in more flexible models of compensation enabling a managerial approach to pay setting.

This session will focus on discussing some country experiences in:
- salary and operating budget freezes
- the establishment of maximum rates for wage increases
- how countries are ensuring competitive salaries in relation to the private sector

Presentations from member countries  
OECD Country Delegates

Questions and Discussion

**12:30 – 14:00  Lunch break**

**14:00 – 15:20  Session 3: How is pay established in OECD countries? Towards more flexible pay systems.**

Establishing pay levels to recruit and retain a sufficient number of employees with adequate skills, competencies and motivation is critical to ensure capacity for service delivery. However, faced with limited tax revenues, governments have to search for more cost-efficient and cost-effective ways to compensate public servants for their services.

This session will focus on issues such as:
- linking salaries to collective and individual performance vs seniority-based increases
- gender equality in pay arrangements
- changes in the composition of compensation: base salary, allowances, bonuses; and differences in compensation among positions: managers, professionals, technical-administrative, secretaries, drivers.

Findings and conclusions of the OECD Public Governance Review of Slovenia-compensation in the public service

OECD Country Delegates  
Branko Vidic (Slovenia)

Questions and Discussion

**15:20 – 16:20  Session 4: The evolving role of public sector unions in salary negotiation**

Unions and collective bargaining play an important and long standing role in virtually all OECD countries. Leaders in every country pay attention to stakeholders and that clearly includes government employees. Unions are unable to control the supply and demand for labour but they have a role in deciding how employers respond to market developments.

This session will focus on issues such as:
- unions role in salary/employment adjustments in response to fiscal consolidation
needs
• emerging bargaining models from centralization/decentralization of salary decisions.

Presentations from member countries

Questions and Discussion

OECD Country Delegates

16:20 – 16:40

Coffee break

16:40 – 17:50  **Session 5: Assessing performance-related pay: what new challenges?**

Traditional pay systems with common grading systems, associated pay scales and seniority-based pay progression in the scales, have been felt to be too rigid for the development of modern human resource management and for strengthened performance orientation. Thus, countries looked at performance-related pay systems as a means to increase not only flexibility in setting pay but also to attract, retain, and motivate a talented workforce.

This session will focus on analysing the experience of OECD countries with performance-related pay policies and discussing the new trends and challenges in the area.

Member Country Presentations

Questions and Discussion

OECD Country Delegates

17:50 – 17:55  **Next Steps in the OECD work on compensation of public employees**

**Oscar Huerta Melchor**
Policy Analyst - OECD Secretariat

17:55- 18:00  **Final remarks and closing**

**Mario Marcel - chair**
Deputy Director Public Governance and Territorial Development Directorate, OECD Secretariat

18:00  **Cocktail**