

ANNEX E

Composite Indexes for Human Resources Management Practices

The composite indexes presented in *Government at a Glance* summarise discrete, qualitative information on key aspects of human resources management (HRM) practices. Composite indexes are developed and utilised because they can often help examine trends and findings as opposed to assessing several variables individually. However, their interpretation should be made with caution, and only after understanding what they are meant to measure and how they are generated.

The OECD has taken several steps to avoid and address the common problems associated with composite indexes. The HRM composites presented in Chapters IV and VII of this publication adhere to the steps identified in the *Handbook on Constructing Composite Indicators* (Nardo *et al.*, 2008) that are necessary for the meaningful construction of composite or synthetic indexes:

- Each composite index is based on a theoretical framework representing an agreed upon concept in the area it covers. The variables composing the indexes are selected based on their relevance to the concept by a group of experts within the OECD and in consultation with country delegates to the Public Employment and Management Working Party.
- The survey questions used to create the indexes are the same across countries, ensuring they are comparable.
- Various statistical tools – such as factor analysis and the computation of Cronbach's alpha – were employed to establish that the variables composing each index are correlated and represent the same underlying concept.
- Different methods for imputing missing values have been explored.
- All sub-indicators and variables were normalised for comparability.
- To build the composites, all sub-indicators were aggregated using a linear method according to the accepted methodology.
- Sensitivity analysis was carried out in order to establish the robustness of the indicators to different weighting options (*e.g.* equal weighting, factor weights and expert weights).

It is important to note that the HRM indexes do not purport to measure the overall quality of human resource management systems. To do so would require a much stronger conceptual foundation and normative assumptions. Rather, the composite indexes presented in *Government at a Glance* are descriptive in nature, and have been given titles to reflect this.

Additional details regarding the theoretical framework, construction and weightings of each composite are available at: www.oecd.org/gov/indicators/govataglance.



From:
Government at a Glance 2011

Access the complete publication at:
https://doi.org/10.1787/gov_glance-2011-en

Please cite this chapter as:

OECD (2011), "Composite Indexes for Human Resources Management Practices", in *Government at a Glance 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/gov_glance-2011-71-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.