

### 32. Staff performance management

Over the past two decades, the majority of OECD member countries have implemented reforms to modernise their public administrations with the aim of increasing efficiency and quality in service delivery. A cornerstone of these reforms has been the implementation of performance-oriented management of public sector organisations. As such, the use of performance assessments for individual staff, work groups and at the organisational level has been rolled out in order to strengthen incentives to improve performance. When used properly, performance assessments allow for the recognition of individual and collective efforts in an objective and transparent manner. Such practices also function to clarify organisational goals for staff so that they gain a better understanding of their role within the organisation and therefore how to best implement change and contribute towards strategic organisational objectives.

On a scale of 0 (no use) to 1 (high use), Portugal and Denmark have put performance assessments at the core of their decision-making process regarding individual staff (career, promotions, pay). In comparison, Finland and Greece use performance assessments to a lesser extent. Today, almost all OECD member countries have formal performance assessments that are mandatory for central government employees, except in Canada, Iceland, Mexico and Norway where they are used for some staff only.

Relating performance assessment results to rewards for staff remains a challenging issue in many OECD countries. Performance incentives include career opportunities (such as promotions) and pay. Performance-related pay (PRP) in the form of bonuses or merit increases to basic pay has been used more frequently in recent years. PRP can vary according to the range of staff positions to which it applies, whether the targets and the incentives apply to individuals or to groups, the extent to which rankings are used, and the size of awards. The United Kingdom, Switzerland and the Czech Republic apply PRP more extensively than countries such as New Zealand, Austria and the Netherlands. In Finland, for example, the maximum proportion of basic salary that PRP can represent can constitute over 40%. Six OECD countries (Belgium, Greece, Iceland, Mexico, Poland and Turkey) report not using PRP at all.

#### Methodology and definitions

Data refer to 2010 and were collected through the 2010 OECD Survey on Strategic Human Resources Management. Respondents were predominately senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed by all OECD member countries except Luxembourg. Definitions of the civil service, as well as the organisations governed at the central level of government, differ across countries and should be considered when making comparisons. The terms public and civil service/servants are used interchangeably throughout this chapter.

The index on performance assessment 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 on PRP is composed of the following variables: the use of a PRP mechanism and for which staff categories; the use of one-off bonuses and/or merit increments; and the maximum proportion of basic salary that PRP represents. Both indexes range between 0 (no use) and 1 (high use). Missing data for countries were estimated by mean replacement. These indexes provide information on the formal use of performance assessments and PRP in central government, but do not provide any information on their implementation or on the quality of work performed by public servants.

See Annex E for further country-specific information as well as details on the methodology and factors used in constructing the index. The variables composing the index and their relative importance are based on expert judgements. They are presented with the purpose of furthering discussion, and consequently may evolve over time. Comparisons between the indexes from *Government at a Glance 2009* and 2011 should be made with caution, as weightings and the number of country responses vary between the two. Some questions taken into account in the composite index have changed as well.

#### Further reading

Ketelaar, A., N. Manning and E. Turkisch (2007), "Performance-Based Arrangements for Senior Civil Servants OECD and other Country Experiences", *OECD Working Papers on Public Governance*, No. 5, OECD Publishing, Paris.

OECD (2008), *The State of the Public Service*, OECD Publishing, Paris.

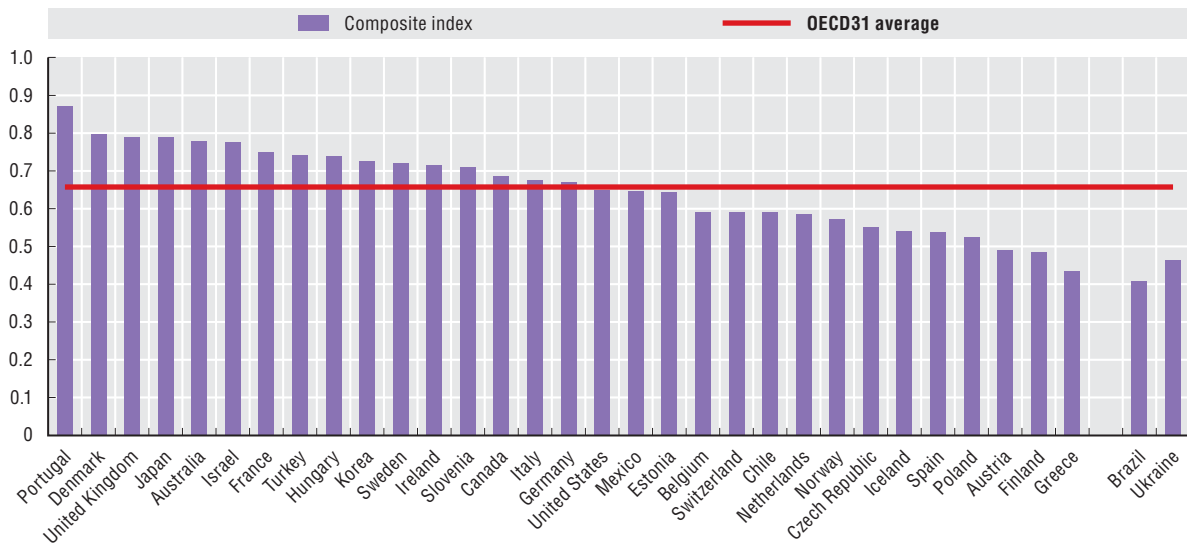
#### Figure notes

See Annex E for further country-specific information as well as details on the methodology and factors used in constructing the index.

32.2: The average for OECD countries includes the six countries that have reported not having a PRP system: Belgium, Greece, Iceland, Mexico, Poland and Turkey. In addition, Ukraine reported that it does not use PRP and is therefore not included in the index.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

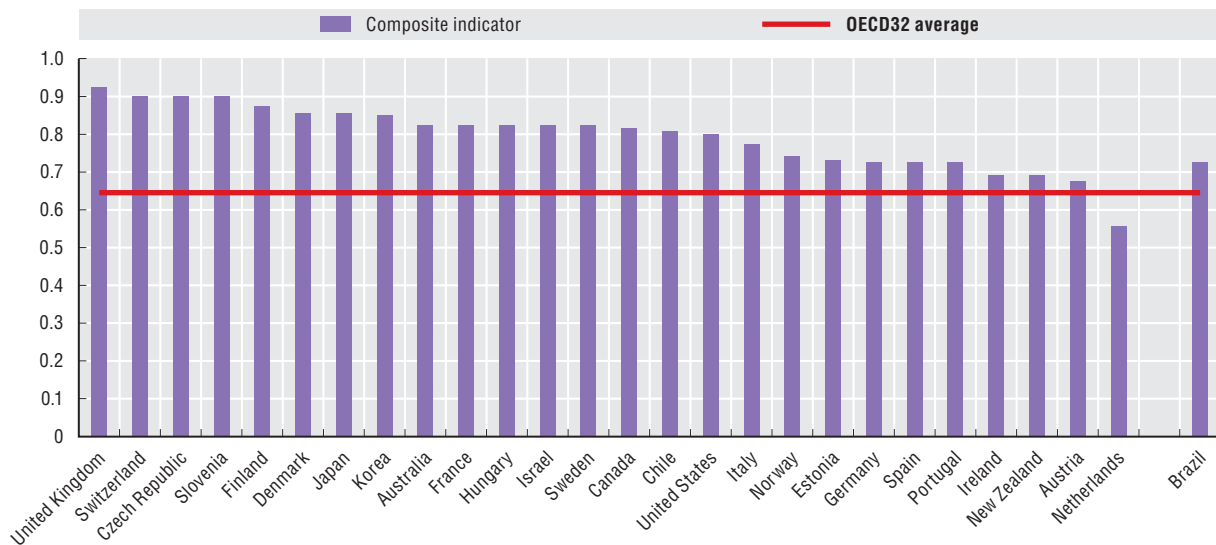
32.1 Extent of the use of performance assessments in HR decisions in central government (2010)



Source: 2010 OECD Survey on Strategic Human Resources Management in Central/Federal Governments.

StatLink <http://dx.doi.org/10.1787/888932390842>

32.2 Extent of the use of performance-related pay in central government (2010)



Source: 2010 OECD Survey on Strategic Human Resources Management in Central/Federal Governments.

StatLink <http://dx.doi.org/10.1787/888932390861>



**From:**  
**Government at a Glance 2011**

**Access the complete publication at:**  
[https://doi.org/10.1787/gov\\_glance-2011-en](https://doi.org/10.1787/gov_glance-2011-en)

**Please cite this chapter as:**

OECD (2011), "Staff performance management", in *Government at a Glance 2011*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/gov\\_glance-2011-38-en](https://doi.org/10.1787/gov_glance-2011-38-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](mailto: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](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).