

### 16. Strategic human resources management

Strategic human resources management (HRM) is key to align people management with the strategic goals of public sector organisations. It allows governments to have the right number of people at the right place and with the right competencies. Such practices not only help governments meet strategic objectives, but also increase efficiency, responsiveness and quality in service delivery. Strategic HRM also encourages governments to look to the future, thinking strategically about the right mix of people and skills that will be needed to respond to changing societal needs.

The composite indicator of strategic human resources management 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. The index benchmarks countries according to several factors including the existence of a general accountability framework for middle and top managers which incorporates strategic HRM components; the use of HRM targets in the performance assessment of middle and top managers; assessments of Ministries'/Departments' performance in terms of following good HRM practices; and the use of workplace planning. There is a large variance among OECD countries in the use of such strategic HRM practices. Australia, Canada and the United Kingdom are leaders in this regard, while the Czech Republic, the Slovak Republic, Greece and Hungary report not yet having many of these practices in place in central government.

Twelve OECD countries (Australia, Belgium, Canada, Denmark, Israel, Italy, Korea, Mexico, Portugal, Switzerland, the United Kingdom and the United States) report the existence of a general accountability framework in which strategic HRM practices are a core component and are fully linked to ministerial planning and reporting requirements. This finding suggests there is room for improvement in strategic HRM in OECD governments. Most countries have workforce planning mechanisms in place which consider such issues as demographic changes, new policies and possibilities for outsourcing, amongst others. However, some OECD countries only implement such practices in an *ad hoc* manner (Chile, the Czech Republic, Estonia, Greece, Ireland and Israel).

When interpreting the results of the composite indicator, it is important to consider that in some OECD countries responsibilities for strategic HRM practices are delegated to the Ministry/Department/Agency level which are not reflected in this index. Annex E includes further country-specific information on strategic HRM practices, as well as on the other variables which constitute the index.

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

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).

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.

#### **Further reading**

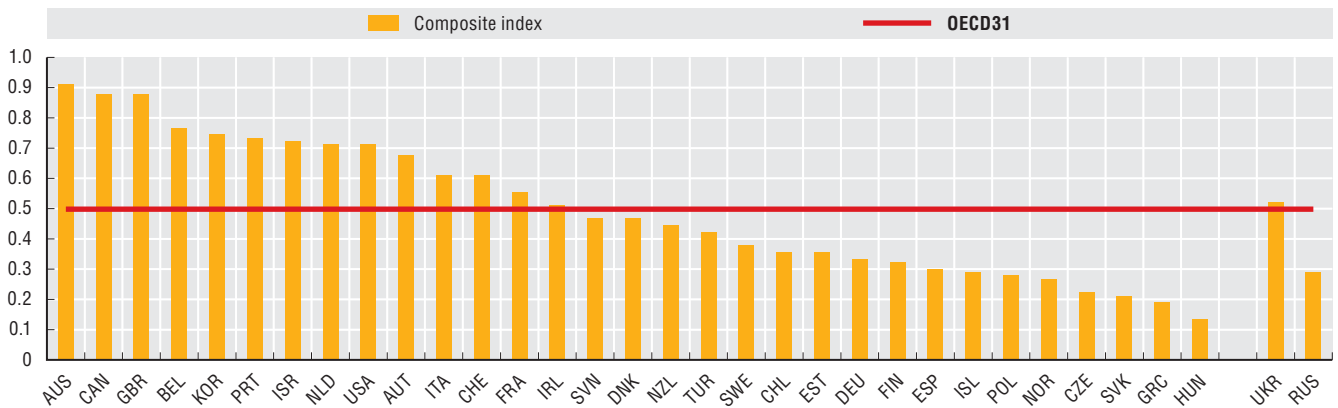
OECD (forthcoming), *Public Servants as Partners for Growth: Strengthening a Leaner and More Equitable Public Service*, OECD Publishing, Paris.

#### **Figure and table notes**

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

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

16.1 Utilisation of strategic HRM practices in central government (2010)



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

StatLink <http://dx.doi.org/10.1787/888932390405>

16.2 Aspects of strategic HRM in central government (2010)

	General accountability framework for managers exists and is fully linked to planning and reporting requirements on the strategic objectives and achievements of the organisation	HRM targets directly feed the performance assessments of top and middle management	Ministries' and departments' capacity in terms of HRM is reviewed and assessed regularly by central HRM departments	New issues in policy delivery are explicitly considered in forward-looking planning	Civil service demographics are explicitly considered in forward-planning	Possibilities for outsourcing are explicitly considered in forward-planning
Australia	●	●	●	●	●	○
Austria	○	●	○	○	●	○
Belgium	●	●	○	●	●	○
Canada	●	●	●	●	●	○
Chile	○	●	○	●	●	○
Czech Republic	○	○	○	●	○	○
Denmark	●	●	○	○	○	○
Estonia	○	○	●	●	○	●
Finland	○	○	○	○	●	○
France	○	○	●	●	●	●
Germany	○	○	○	●	●	●
Greece	○	○	○	●	●	○
Hungary	○	○	○	○	○	○
Iceland	○	○	●	○	○	○
Ireland	○	●	○	●	●	●
Israel	●	●	●	○	○	○
Italy	●	●	○	●	○	○
Japan	○	○	○	○	○	○
Korea	●	●	●	●	●	○
Mexico	●	●	●	●	○	○
Netherlands	○	●	○	●	●	●
New Zealand	○	●	○	●	●	●
Norway	○	○	○	○	○	○
Poland	○	●	○	○	○	○
Portugal	●	●	○	●	○	○
Slovak Republic	○	○	○	●	○	○
Slovenia	○	○	●	●	○	○
Spain	○	○	○	●	●	○
Sweden	○	○	○	●	●	●
Switzerland	●	○	●	●	○	○
Turkey	○	○	○	●	●	●
United Kingdom	●	●	●	●	○	●
United States	●	○	●	●	●	●
Russian Federation	○	○	○	○	○	○
Ukraine	○	●	○	○	○	○
<b>Total OECD33</b>						
● Yes	12	16	12	24	17	10
○ No	21	17	21	9	16	23

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

StatLink <http://dx.doi.org/10.1787/888932391925>



**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), “Strategic human resources management”, in *Government at a Glance 2011*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/gov\\_glance-2011-22-en](https://doi.org/10.1787/gov_glance-2011-22-en)

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