

Delegation in human resources management

Human resources management (HRM) decisions, regarding for example employee selection, recruitment, remuneration, working conditions and dismissal, may be taken by central HRM authorities or delegated to line ministries, departments or agencies. Delegation, under appropriate framework conditions and minimum standards, empowers and enables public managers to better direct their staff, allowing them to consider in their HRM decisions both the unique requirements of their own organisations and the merits of individual employees. This could lead to a better alignment of human resources (HR) planning and business strategy. However, delegation without some level of common HRM standards and central oversight often result in uneven pay scales, limits opportunities for government-wide strategic HR planning, and opens the door to nepotism and political interference in staffing decisions.

The composite index presented here summarises the extent of delegation of human resources management practices in line ministries in central government. Results show that there is no single model or common standard of delegation in HRM in OECD countries, and the variance in the extent of delegation across OECD countries is considerable. In 2016, several OECD countries demonstrated a high degree of delegation, with the Slovak Republic and Sweden standing out as the most prominent examples. In the Slovak Republic, there is no central HRM unit to oversee minimum standards, which contributes to challenges in collecting useful data for HR planning or establishing common performance processes. In Sweden, delegation is accompanied by effective standards managed from the central HR authority and this enables more effective delegation. In comparison, Luxembourg and Israel display relatively lower levels of delegation, with central HRM bodies in these countries retaining greater responsibility over such decisions.

Almost all OECD countries (with the exception of Germany and the Slovak Republic) have at least one central HRM unit at central/national/federal level. 22 OECD countries have a central unit responsible for at least some key HRM functions, the most common of which are pay setting, the establishment of performance appraisal systems, codes of conduct and ethics issues. Eleven OECD countries (Australia, Austria, Belgium, Finland, France, Iceland, Ireland, Italy, Portugal, Slovenia and Sweden) have a central HRM unit that plays a co-ordinating role across line ministries but is not formally responsible for HRM functions.

Since the survey was last conducted in 2010, the Slovak Republic, Germany, Italy, and Ireland have all increased delegation significantly. By contrast, the Czech Republic has become increasingly centralised. In the Netherlands there are also more centralised HR policies such as the job family system and performance management system, and more Shared Services working for all ministries. Despite these shifts among specific countries, it is not possible to identify a clear trend one way or the other. The HR functions that

are most often delegated to ministries are the management of the variable portion of pay (e.g. bonuses), training and individual career management. Central HR Units and the Ministry of Finance tend to be more involved in issues like the general management of pay systems, performance appraisal systems, the codes of conduct and ethics issues.

Methodology and definitions

Data refer to 2016 and 2010 and were collected through the 2016 and 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 countries (except Luxembourg and Latvia in 2010), as well as the OECD accession countries Colombia, Costa Rica and Lithuania. 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 delegation of HRM practices is composed of the following variables: the existence of a central HRM body, and the role of line ministries in determining the number and types of posts within organisations; the allocation of the budget envelope between payroll and other expenses; staff compensation levels; position classification, recruitment and dismissals; and conditions of employment. The index ranges from 0 (no delegation) to 1 (high level of delegation). Missing data for countries were estimated by mean replacement.

See the Annex online 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.

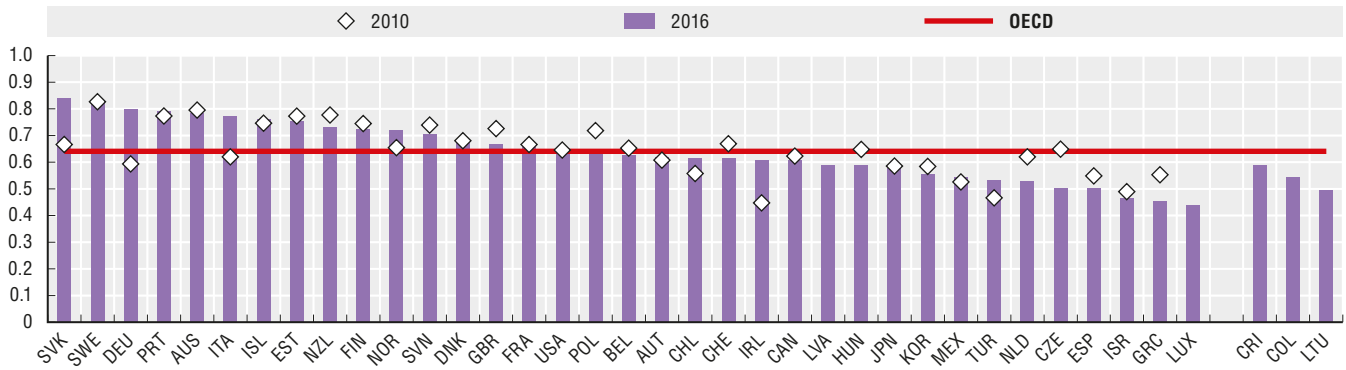
Further reading

OECD (2011), *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris.

Figure notes

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

6.1. Extent of delegation of human resources management practices in line ministries in central government, 2016 and 2010



Source: OECD (2016, 2010), Strategic Human Resources Management Survey, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/888933532865>

6.2. Delegation of key HRM responsibilities to line ministries in central government, 2016

	General management of pay systems (salary levels, progressions)	Flexibility of working conditions (number of hours, etc.)	Allocation of budget envelope between payroll and other expenses	Performance appraisal systems	Management of the variable portion of pay benefits; performance-related pay	Number and types of posts within organisations	Recruitment into the civil service
Australia	■	■	■	■	■	■	■▲
Austria	◆	◆	■	◆	■	◆	■
Belgium	◆	◆	■	■	◆	■	◆
Canada	◆	◆◆	■	◆■	◆◆	■	■▲
Chile	◆■	■	◆■	◆■	◆■▲	◆■	◆■
Czech Republic	◆	◆■	◆	◆	◆■	◆◆	■
Denmark	◆	◆■	◆	■▲	■	■	■▲
Estonia	■	■▲	■	■	■	■	■
Finland	◆■	◆	■	◆	■	■	■
France	◆	◆■▲	◆■	◆■▲	◆	◆■	◆■▲
Germany	■	■	■	■	■	■	■
Greece	■	◆	x	◆	x	x	◆
Hungary	◆	■	◆■	◆	◆◆■	◆■	■
Iceland	◆	■▲	■	x	◆■	■	■▲
Ireland	x	■	◆	◆	x	■	◆◆
Israel	◆	◆	◆	■	◆	◆	◆
Italy	◆■	◆■	■	■	■	■	■
Japan	◆	◆	x	◆	◆	◆	◆
Korea	◆	◆	◆	◆	◆	x	◆
Latvia	◆	◆■	◆■	◆	■	◆■	■
Luxembourg	◆	◆	◆	◆	x	◆	◆
Mexico	◆	◆■	◆■	◆■	◆■	◆■	◆■
Netherlands	◆	◆■	◆	◆	◆	■	■
New Zealand	■	■	x	■	■	x	■
Norway	◆	◆	◆■	■▲	■▲	■	■▲
Poland	■	■	◆■	◆	■	■	■
Portugal	■	■	■	■	■	■	■
Slovak Republic	■	■	■	■	■	■	■
Slovenia	◆	■	◆	■	■	◆	■
Spain	◆	◆	◆◆	◆◆	■	◆◆	◆◆
Sweden	■	■▲	■	■▲	■▲	■	■▲
Switzerland	◆	◆■	◆	■	■	◆	■▲
Turkey	◆	■	◆	■	◆	◆	◆
United Kingdom	■	■	◆	■	■	■	■
United States	◆	■	■	◆	■	■	■
Total OECD							
Central HRM body ◆	19	14	18	15	7	11	8
Central HRM body but with some latitude for ministries/ agencies ◆	6	7	2	6	8	5	6
3 Ministries/ agencies ■	12	23	20	18	23	23	25
4 Unit/team level ▲	0	4	0	4	4	0	8
x = not applicable/ not available	1	0	3	1	3	3	0
Colombia	◆	■	x	◆	◆	◆■	x
Costa Rica	◆	x	◆	◆	■	◆	◆
Lithuania	◆	◆	◆	◆	◆	■	■

Source: OECD (2016), Strategic Human Resources Management Survey, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/888933534993>

