

Compensation of middle managers

Middle managers are located between senior management and professionals in the central government workforce hierarchy. Hence they have a key intermediate position to implement human resource management reforms and to interact and build trust and social dialogue with all public employees.

On average, D3 level middle managers' compensation amounts to around USD 126 000 PPP, of which 17% represents employers' social contributions and 14% the working time adjustment. D4 middle managers' total compensation reaches around USD 113 000 PPP (including employers' social contributions and holidays).

D3 managers plan, direct and co-ordinate the functioning of a directorate/administrative unit within the ministry and D4 are just below D3 (see Annex C for details). The difference in compensation between D3 and D4 positions is smaller than the difference between the two senior positions. D3 managers earn on average 10% more than D4 managers. In addition, the compensation of middle managers is significantly lower than that of senior managers – senior managers in D1 positions earn 84% more of what middle managers in D3 positions earn, and almost twice as much what managers in D4 positions earn. This difference between D1 and D4 positions is highest in Italy, Australia, the United Kingdom and Israel, and lowest in the United States and Korea.

Relative to GDP per capita, D3 middle managers in Poland and Chile reached top compensation levels while in Norway and Estonia they earned the lowest levels in this position. Similarly, D4 middle managers earnings recorded highest ratios in the United States but lowest ratios were found in Norway, Israel and Greece.

Differences in compensation levels can also result from differences in national labour markets. On average, a D3 middle manager's compensation is 1.8 times higher than a tertiary-educated employee's compensation. D3 positions seem relatively better compensated in Poland and, on the contrary, there can be a lower level of attractiveness in Austria, Estonia and the Slovak Republic. D4 positions in the United States and Belgium were more competitive in the public sector and, on the contrary weak in Austria, Israel and Norway as compared to the compensation of the tertiary-educated workers.

Methodology and definitions

Data refer to 2011 and were collected by the 2012 OECD Survey on the Compensation of Employees in Central/Federal Governments. Officials from central Ministries and Agencies responded through the OECD Network on Public Employment and Management.

Data are for six central government Ministries/Departments (Interior, Finance, Justice, Education, Health and Environment or their equivalents). The classification and the definition of the occupations are an adaptation of the International Standard Classification of Occupation (ISCO) developed by the International Labour Organization (ILO). Compensation levels are calculated by averaging the compensation of the staff in place.

Total compensation includes gross wages and salaries, and employers' social contributions, both funded and unfunded. Social contributions are restricted to health and pensions systems, in order to have consistent data across countries.

Compensation was converted to USD using PPPs for GDP from the OECD National Accounts Statistics (database). The data are not adjusted for hours worked per week, since managers are formally or informally expected to work longer hours but adjusted for the average number of holidays.

See Annex D for the full methodology.

Further reading

OECD (2012), *Public Sector Compensation in Times of Austerity*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264177758-en>.

Figure notes

Data for Canada, the Czech Republic, Hungary, Ireland, Luxembourg, Mexico, New Zealand, Switzerland and Turkey are not available.

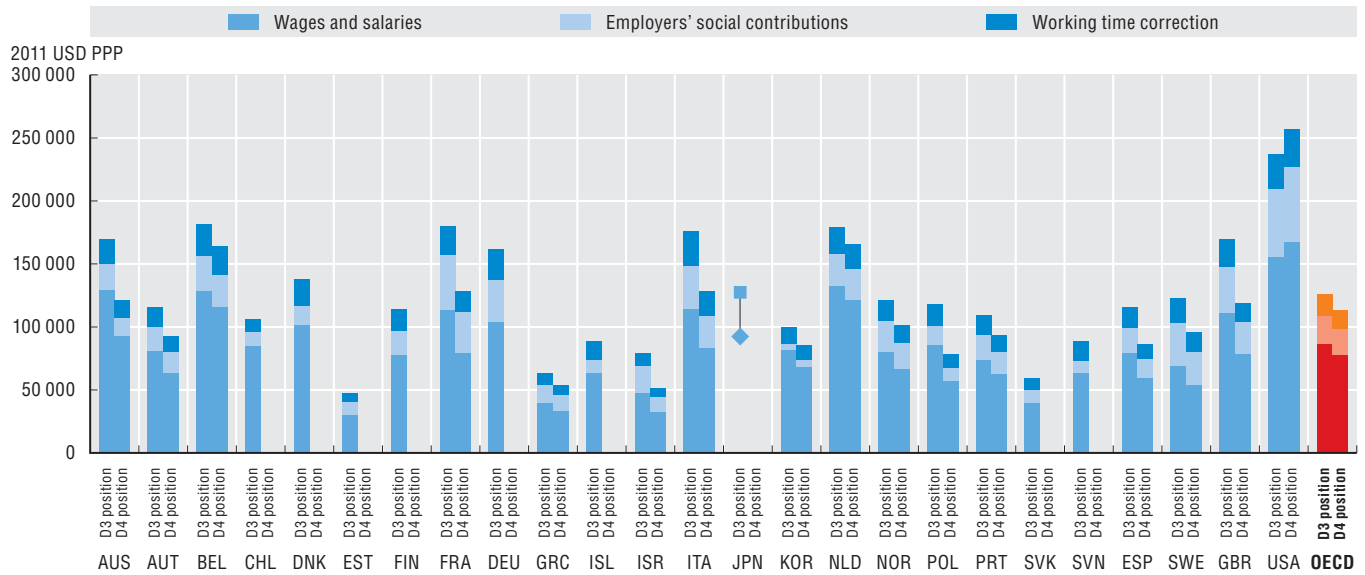
Compensation data for D4 positions are mixed with D3 in Estonia, Finland, Japan and Slovenia. **Belgium:** Ministries of Education and Environment are not included because they do not belong to the federal authority. **Denmark:** the Ministry of Education is not included because many of its tasks have been moved to other ministries. **Estonia:** data for the Ministries of Education and Environment are not available. **Greece:** only data on entry level and maximum level of compensation are available; the average is hence not the actual average but the mean between the entry level and the maximum level. **Iceland:** the Ministry of Justice belongs to the Ministry of Interior. **Japan:** data for D3 position are provided in terms of entry and maximum level of total compensation, the arithmetic mean has been taken into account in the OECD average. **The Slovak Republic:** only half of the employees in the Ministry of Justice are included for statistical reasons (consistency of ISCO codes). **Sweden:** the Ministry of Interior belongs to the prime minister's office and is not included in the data. **The United Kingdom:** data are for 2012 (using PPP 2012) and the average is the median rather than the arithmetic mean.

Please see also Annex D for additional notes.

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

5.7. Average annual compensation of central government middle managers (2011)

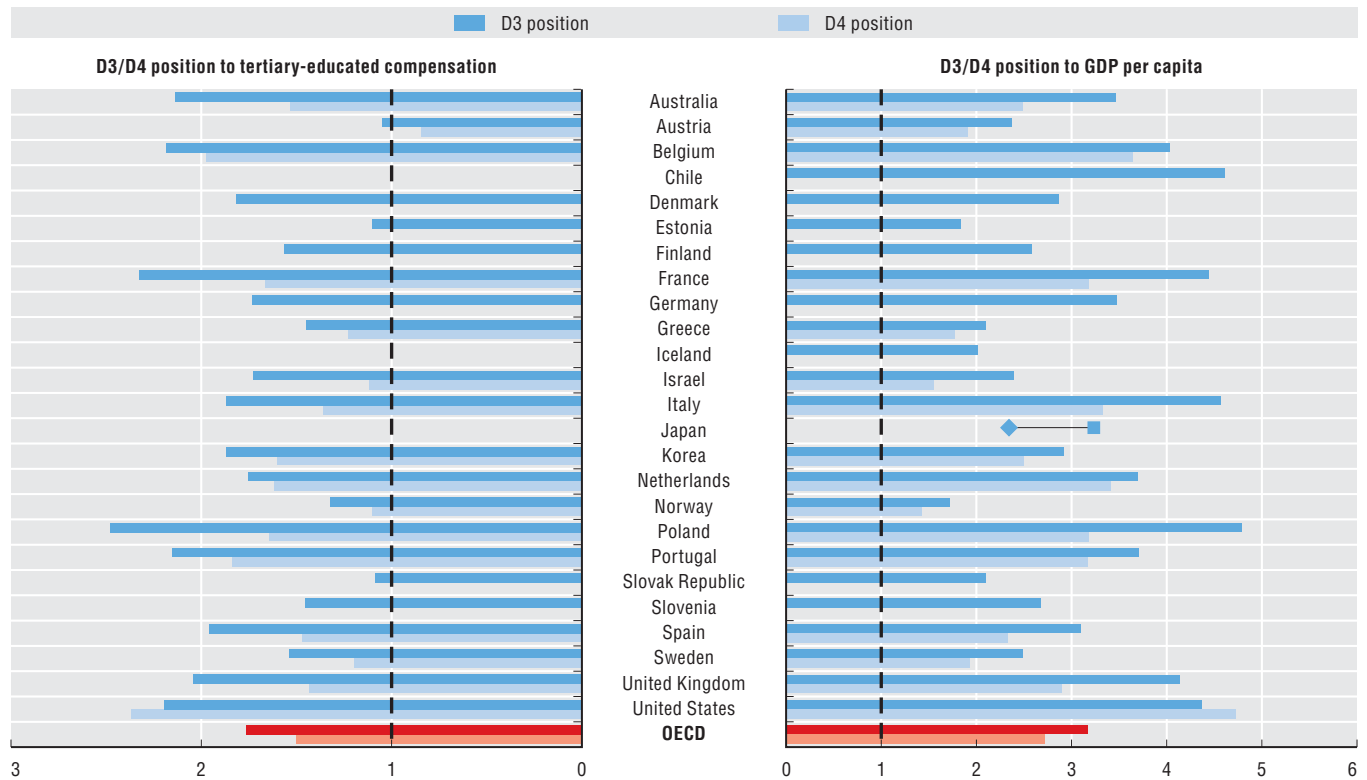
Adjusted for differences in holidays



Sources: 2012 OECD Survey on Compensation of Employees in Central/Federal Governments; OECD STAN/National Accounts Statistics (database).
 StatLink <http://dx.doi.org/10.1787/888932942355>

5.8. Average annual compensation of central government middle managers relative to GDP per capita and to compensation of tertiary-educated workers

Ratio in 2011



Sources: 2012 OECD Survey on Compensation of Employees in Central/Federal Governments; OECD STAN/National Accounts Statistics (database); OECD (2013), Education at a Glance 2013: OECD Indicators, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2013-en>.

StatLink <http://dx.doi.org/10.1787/888932942374>



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