

ANNEX E

Methodology for composite indexes on Strategic Human Resources Management

1. Data used for the composite indexes for human resources management (HRM) are derived from the 2020 OECD (GOV) Survey on Public Service Leadership and Capability and the 2020 OECD (GOV) Survey on the Composition of the Workforce in Central/Federal Governments. Survey respondents were predominantly senior officials in central government HRM departments, and the data refer only to HRM practices at the central government level.
2. Each composite index is based on a theoretical framework representing an agreed upon concept in the area it covers. The theoretical framework for these indicators refers to specific principles of the OECD Recommendation on Public Service Leadership and Capability (PSLC) (OECD, 2019^[1]), which represents an international consensus on standards for a fit-for-purpose public service. Each index is constructed in close collaboration with experts and reviewed and validated by the delegates of the Working Party on Public Employment and Management.
3. Three composites indexes have been developed to measure contemporary public sector HRM developments and dilemmas on how best to manage human resources in the public sector in the 21st century, such as the extent of proactive recruitment practices, the management of the senior level public service, and the development of a diverse workforce. The variables comprising the indexes were selected based on their relevance to the concept.
4. When making cross-country comparisons, it is important to consider that definitions of the public service, as well as the organisations governed at the central level of government, may differ across countries.
5. Various statistical analyses were conducted to ensure the validity and reliability of the composite indicators. The survey questions used to create the indexes are the same across countries, ensuring that the indexes are comparable. Missing values were at times an issue for the Public Employment and Management database. Different techniques for estimating missing values were used based on the nature of the missing information, including mean replacement, expert judgment and/or eliminating the country from the calculation of each composite indicator. In order to eliminate scale effects, all the sub-indicators and variables were normalised between “0” and “1” prior to the final computation of the index.
6. After testing several weighting options (including equal weighting and factor weights), and based on expert judgement, the index on the Use of Proactive Recruitment Practices was built on equal weights of the components and the index on Managing the Senior Civil Service was built on equal weights of the variables composing each sub-indicator and then equal weights of the sub-indicators composing the overall index. The index on the Development of

a Diverse Central Government Workforce was built with a different weighting structure. To build the composites, all sub-indicators were aggregated using a linear method according to the accepted methodology. Some statistical tools (e.g. Cronbach's Alpha) were also employed to establish the degree of correlation among a set of variables comprising each index and to check the internal reliability of items in a model or survey. This implies that the variables included in an index each has intrinsic value and they capture the same underlying concept. Finally, sensitivity analysis using Monte Carlo simulations was carried out to establish the robustness of the indicators to different weighting options.

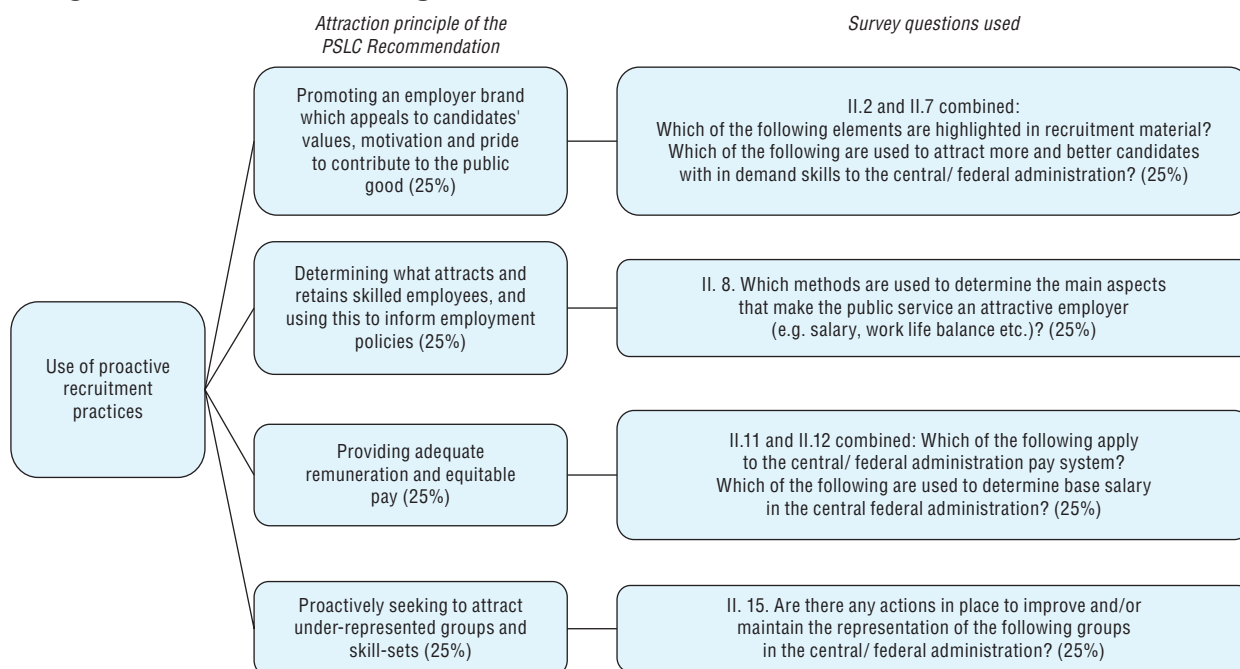
Pilot composite indicator 6.1: The Use of Proactive Recruitment Practices

7. Governments need to attract and recruit people with an increasingly diverse range of skills to keep pace with today's policy and service delivery challenges. This is why the PSLC Recommendation calls on governments to attract employees with the skills and competences required from the labour market, in particular by 1) promoting an employer brand which appeals to candidates' values, motivation and pride to contribute to the public good; 2) determining what attracts and retains skilled employees, and using this to inform employment policies; 3) providing adequate remuneration and equitable pay; and 4) proactively seeking to attract under-represented groups and skillsets. This composite indicator is organised around these four elements, each weighted equally (25%).

Variables and weights

The following items were used in the construction of this index and the weights are indicated in Figure E.1. Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

Figure E.1. **Variables and weights used in the Use of Proactive Recruitment Practices index**



Pilot composite indicator 6.3: Managing the Senior Level Public Service

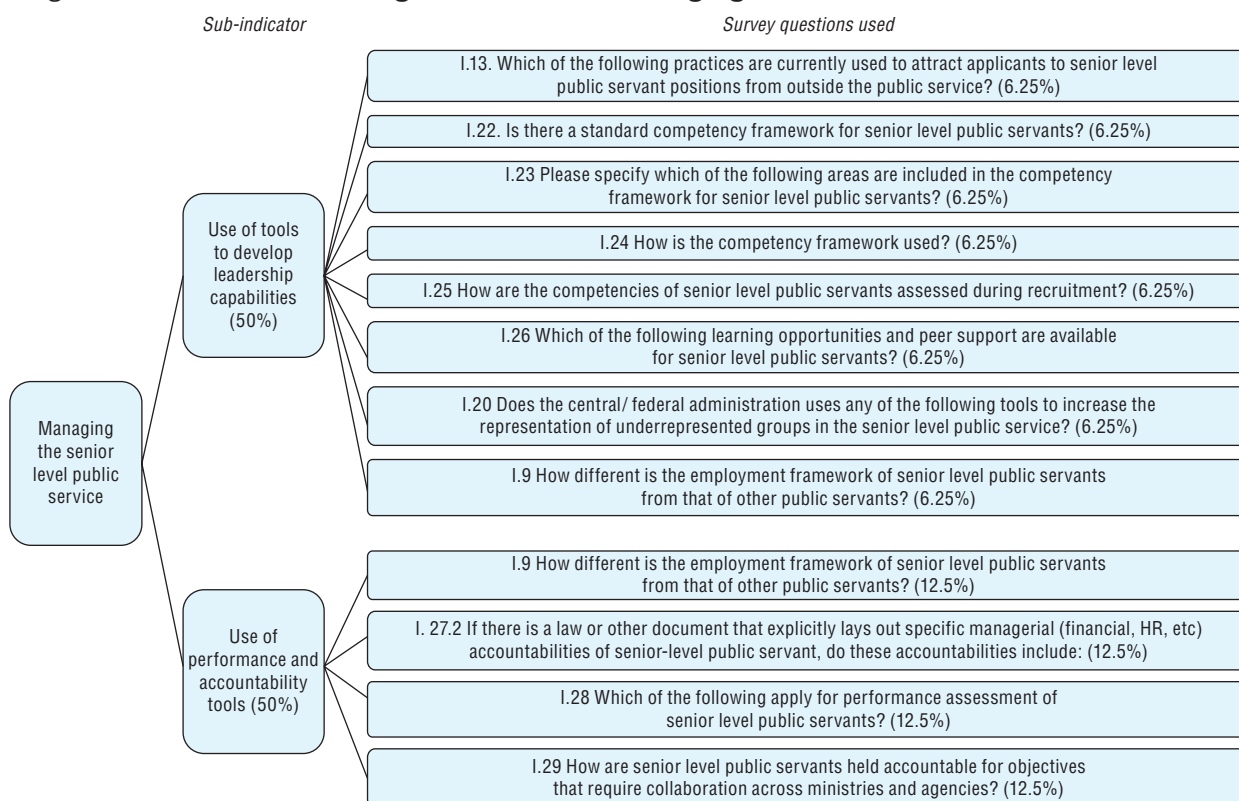
8. Public service leaders – senior level public servants who lead and improve major government functions – are at the heart of government effectiveness. This is why the PSLC Recommendation calls on governments to build values-driven culture and leadership in the public service, in part through building leadership capability. To do this, OECD countries establish senior civil service systems to develop capable public service leaders and hold them accountable for results. This indicator is based on the senior civil service systems framework developed in the recent working paper “Leadership for a high performing civil service: Towards senior civil service systems in OECD countries” (Gerson, 2020^[1]). The indicator is divided in two sub-indicators, each weighted equally (half of the final indicator). These sub-indicators measure:

- a. the use of tools to develop leadership capabilities within the senior civil service
- b. the use of tools to promote accountability for performance and results.

Variables and weights

The following items were used in the construction of this index and were given equal weights (Figure E.2). Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

Figure E.2. **Variables and weights used in the Managing the Senior Level Public Service index**



Pilot composite indicator 6.5: Development of a Diverse Central Government Workforce

9. Diversity and inclusion in the public service workforce has been emerging in recent years as a priority for governments across the OECD. The PSLC Recommendation calls on Governments to ensure an inclusive and safe public service that reflects the diversity of

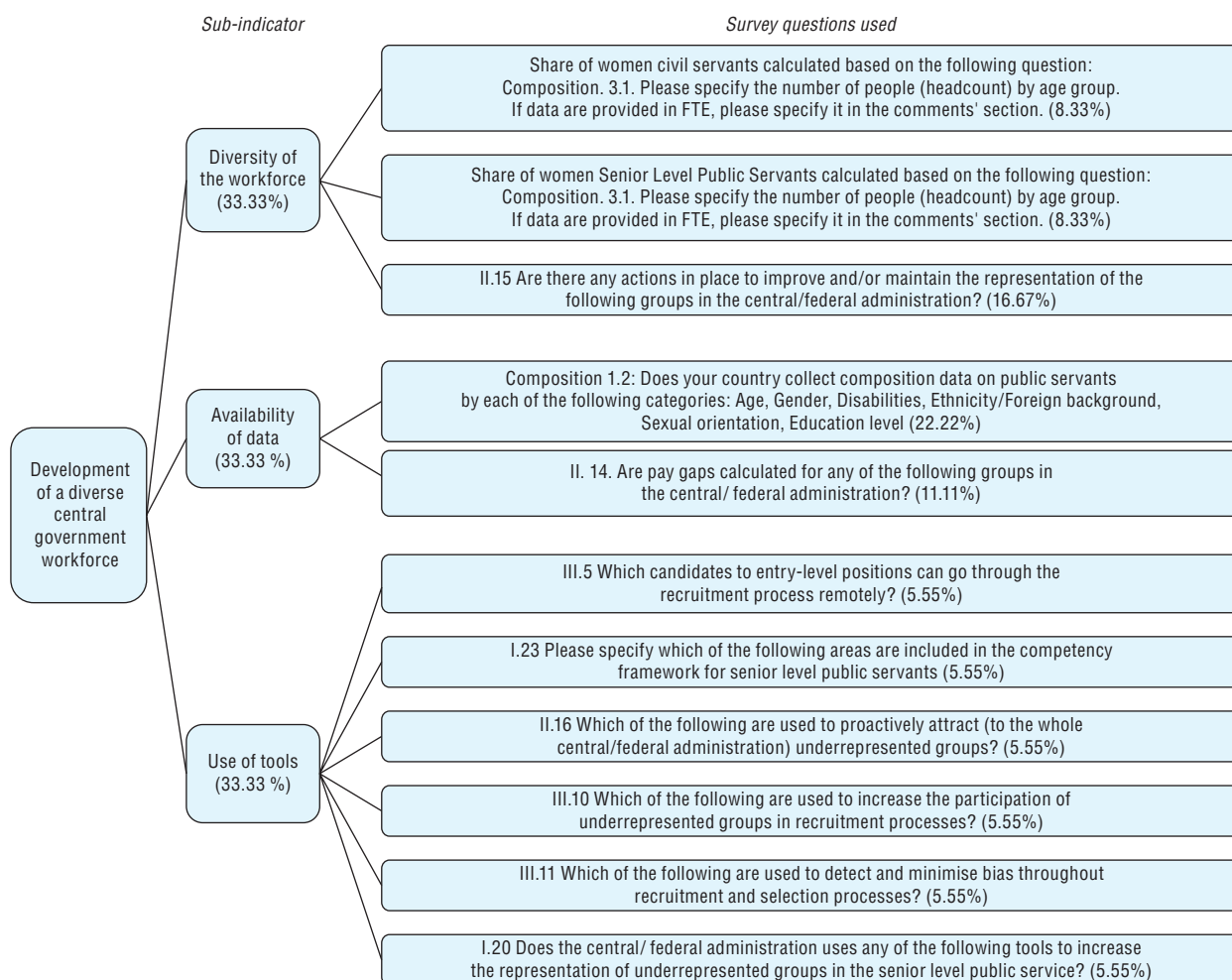
the society it represents, in particular through 1) publicly committing to an inclusive, and respectful working environment open to all members of society possessing the necessary skills; 2) developing measures of diversity, inclusion and wellbeing, and conducting measurement and benchmarking at regular intervals to monitor progress, detect and remove barriers, and design interventions; and 3) taking active steps to ensure that organisational and people management processes, as well as working conditions, support diversity and inclusion. This composite indicator is based on this principle and is the only indicator that combines data from the PSLC and composition surveys. This indicator is divided in three sub-indicators, each with a weighting of one-third of the final indicator. These sub-indicators measure:

- a. the diversity of the workforce
- b. the availability and use of data to track diversity
- c. the use of tools to develop a diverse workforce.

Variables and weights

The following items were used in the construction of this index and the subparts of the index were given equal weights (Figure E.3). Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

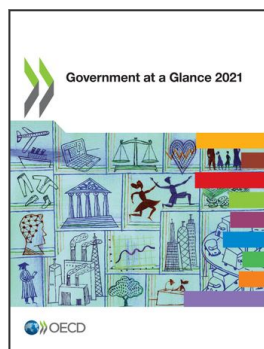
Figure E.3. **Variables and weights used in the Development of a Diverse Central Government Workforce index**



A detailed annex on the components for each of the three composite indicators is available online at www.oecd.org/gov/govataglance.htm, including the variables, answer options, scores and weights used to construct the composite indicators, as well as the statistical analysis carried out.

References

- Gerson, D. (2020), "Leadership for a high performing civil service: Towards senior civil service systems in OECD countries", *OECD Working Papers on Public Governance* no. 40, <http://dx.doi.org/10.1787/ed8235c8-en>. [2]
- OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD/LEGAL/0445. [1]



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