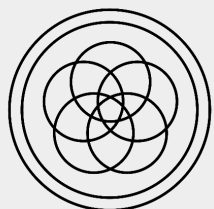


Panel 2 – Financial and other rewards related to performance

Doc. Katarína Staroňová, PhD.
katarina.staronova@fses.uniba.sk



FACULTY OF SOCIAL
AND ECONOMIC SCIENCES
Comenius University
Bratislava



Traditional vs. New Approach towards Remuneration in Public Sector

- Traditional System: Grades + fixed increments awarded automatically: consistency and predictability
- New: individualization, linking pay with organizational strategy (variable pay, flexibility and performance)

	2007	2017
YES Pay-for-performance	Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Lithuania, Malta, Slovakia, Spain, Sweden	Belgium, Bulgaria, Czechia , Estonia, Finland, France, Germany, Greece , Hungary, Ireland , Italy, Latvia , Lithuania, Malta, Netherlands , Poland , Portugal , Slovakia, Slovenia , Spain, Sweden
NO Pay-for-performance	Austria, Cyprus, Czech Republic, Greece, Ireland, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovenia	Austria, Croatia, Cyprus, Denmark , EC, Luxembourg, Romania

Forms of Performance Related Pay

	Effect on pay	Countries
↑ Increase due to high performance	Merit increment (cumulative as % of base pay)	Bulgaria, Estonia, Netherlands, Sweden
	Variable component – bonus (added to base pay as % of base pay)	Czechia, Finland, France, Hungary, Ireland, Lithuania, Slovakia, Slovenia
	Variable component – lump sum	Italy, Latvia, Lithuania, Netherlands, Malta, Poland, Portugal, Slovakia
	Change in compensation step (salary progression)	Portugal, Slovenia
	Career progression – change in grade	Belgium, European Commission, Germany, Greece, Lithuania
↓ Decrease due to poor performance		Hungary, Latvia, Greece, Lithuania

Problem: Low Salary Compression – vertical (Slovakia 2002-2003)

Grade	seniority	Salary Scales											
		1	2	3	4	5	6	7	8	9	10	11	12
1	till 3	2200	2400	2660	2930	3220	3540	3900	4290	4720	5190	5710	6280
2	till 6	2300	2530	2780	3060	3360	3700	4070	4480	4930	5420	5970	6560
3	till 9	2400	2640	2900	3190	3510	3860	4240	4670	5140	5650	6220	6840
4	till 12	2490	2740	3030	3320	3650	4010	4420	4860	5340	5870	6460	7110
5	till 15	2590	2850	3140	3450	3790	4170	4580	5050	5550	6110	6720	7390
6	till 18	2690	2960	3250	3580	3940	4330	4760	5240	5760	6340	6970	7670
7	till 21	2790	3070	3370	3710	4080	4490	4940	5430	5970	6570	7220	7950
8	till 24	2880	3170	3490	3840	4220	4650	5110	5620	6180	6800	7490	8230
9	till 27	2980	3280	3610	3970	4370	4800	5280	5810	6390	7030	7730	8490
10	over 27	3080	3390	3730	4100	4510	4960	5460	6000	6600	7260	7990	8790

% of “best performers” in Slovak central government

Organizácia	Vynikajúce výsledky (%)	Trend	Zmena 19/20	Zmena 18/19
Správa štátnych hmotných rezerv (SŠHR SR)	3,1 %	- 1,7	- 4,6	1,2
Štatistický úrad (ŠÚ SR)	9,4 %	0,6	- 0,6	1,7
Ministerstvo životného prostredia (MŽP SR)	10,5 %	- 0,3	4,5	- 5,0
Ministerstvo hospodárstva (MH SR)	16,7 %	2,3	- 4,4	8,9
Úrad geodézie, kartografie a katastra (ÚGKK SR)	23,7 %	0,7	3,0	- 1,7
Úrad pre normalizáciu, metrológiu a skúšobníctvo (ÚNMS SR)	26,9 %	7,1	- 0,2	14,4
Ministerstvo kultúry (MK SR)	32,9 %	7,3	- 6,1	20,7
Ministerstvo práce, sociálnych vecí a rodiny (MPSVaR SR)	34,4 %	8,3	6,3	10,2
Ministerstvo dopravy a výstavby (MDV SR)	40,3 %	6,3	5,9	6,7
Ministerstvo financií (MF SR)	43,0 %	1,0	- 2,0	4,0
Úrad priemyselného vlastníctva (ÚPV SR)	43,9 %	1,0	1,2	0,8
Ministerstvo školstva, vedy, výskumu a športu (MŠVVaŠ SR)	45,1 %	- 0,9	- 4,8	2,9
Úrad jadrového dozoru (ÚJD SR)	45,6 %	2,1	6,8	- 2,6
Ministerstvo investícií, regionálneho rozvoja a informatizácie (MIRRI SR)	46,6 %	14,0	23,9	4,1
Protimonopolný úrad (PÚ SR)	50,0 %	- 1,3	3,2	- 5,7
Úrad vlády (ÚV SR)	53,8 %	11,1	9,6	12,7
Ministerstvo pôdohospodárstva a rozvoja vidieka (MPaRV SR)	57,1 %	3,3	6,6	0,1
Ministerstvo obrany (MO SR)	58,0 %	9,0	2,0	16,0
Ministerstvo spravodlivosti (MS SR)	62,8 %	1,4	6,1	- 3,4
Ministerstvo zdravotníctva (MZ SR)	76,2 %	- 0,6	- 6,6	5,5
Ministerstvo zahraničných vecí a európskych záležitostí (MZVaEZ SR)	83,2%	5,9	5,5	6,3
Ministerstvo vnútra (MV SR)	Nesprístupnili informácie			
Úrad pre verejné obstarávanie (ÚVO SR)	Nesprístupnili informácie			
Priemer (bez MV SR a UVO)	41,4 %	3,6	2,6	4,6

Reform in Slovakia (2003)

HR aspect	Measure	Goal
Professionalization	Temporary civil service	to tackle political nominees (advisors) in civil service (rights and duties)
	Senior civil service	to professionalize top civil servants
	Posts of superior significance	to attract professionals from practice for key posts
Recruitment	Fast stream system	to attract young qualified candidates for the civil service that can be parachuted into higher grades
	Pooled recruitment	to attract young qualified candidates for the civil service
Incentive system	Market type of salary	to increase flexibility in the pay system in order to motivate high calibre staff or where good salaries should serve as a prime anti-corruption measure (posts of superior significance)
	Performance allowance	to link remuneration to performance rather than seniority
	Special allowance	to attract and remunerate civil service in posts that are difficult to fill

Components of Reform

- Performance allowance: regular civil service
- Market type of salary

	Discretion (WHO)	No. posts	
Posts of Superior Significance	Cabinet	5	Head of the State Treasury, Head of the Debt Mngt Agency, Chief Economist MoF, Head of the Anti-corruption Unit Gov Office, Head of Programming of Structural Funds
Special Sallary	Minister + Analytical Unit Committee (supervision)	Cca 150	Analysts in Analytical Units of Ministries

Important Lessons

- Who decides (discretion vs. Collective vs. automatic)
- Cap?
- INFORMATION from Performance Appraisal

Incentivizing	Developmental
Efficiency, effectiveness	Learning, coaching, dvlpt mentoring, training
Standard economic view	Public service motivation
Goals, targets	Competencies, needs
Immediate supervisor	Self-assessment (++)
formal	Real time

Thank you!