

# OECD Public Service Leadership and Capability Review of Brazil

ANALYTICAL SCAN



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## **Working Party on Public Employment and Management**

### **OECD Public Service Leadership and Capability Review of Brazil**

#### **Analytical scan**

This paper is the first output of the OECD Public Service Leadership and Capability Review of Brazil. The paper presents an analysis of the main strengths and challenges of the public employment and management system of Brazil, against the 14 principles of the OECD's Recommendation of the same name.

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# Executive summary

Throughout the last decade, Brazil has undertaken considerable efforts to modernise the public employment and management system and align it to OECD good practices. This has included recent investments in digitalisation, reforms to the senior level public service, and initiatives to improve opportunities for learning and development. The foundation for a modern and fit-for-purpose public service are structures and policies that attract and retain in-demand skillset, and motivate and reward public servants to deliver high-quality and innovative solutions while underlining public values and promoting values-based decision-making. In Brazil, there remains scope to link up isolated policies and initiatives to improve their impact, and to simplify some of the legal and structural complexities that govern the public employment system.

This paper is the first output of the OECD Public Service Capability and Leadership (PSLC) Review of Brazil. The paper analyses the public employment and management system against the fourteen principles of the OECD *Recommendation on Public Service Leadership and Capability* (PSLC) and proposes areas of exploration to support a fit-for-purpose public service. The PSLC Recommendation presents a normative framework agreed to by all OECD governments to structure and guide civil service reforms according to 14 principles (Figure 1). The paper is followed by a second output which contains deeper analysis and recommendations on three priority areas: the career system, the use of temporary employment contracts, and performance management.

The paper is organised following the main pillars that compose the Recommendation and address its 14 principles for a fit-for-purpose public service:

- Pillar 1 of the OECD PSLC Recommendation focuses on a values-driven culture and leadership, Brazil has taken some steps to strengthen the senior level public service by consolidating the system to better distinguish managerial roles throughout the hierarchy and introducing minimum criteria for appointment. The National School of Public Administration (ENAP) has worked with entities to develop a leadership pipeline and train future leaders. Furthermore, *Labora!gov* and ENAP have been crucial in putting forward innovative solutions. However, the Review encourages Brazil to expand the implementation of these initiatives throughout the public service and embed them in a broader vision of the senior level public service in Brazil. The Review also identifies important gaps in the area of diversity and inclusion where there is a need to develop policies beyond quotas and collect better data.
- Pillar 2 of the PSLC Recommendation centres on skilled and effective public servants. The Review recommends Brazil to systematically identify the changing skills needed and integrate skills development with learning opportunities. This is limited, in part, by the career systems which are not flexible enough to recruit and assess new skill sets. The recruitment processes are very transparent, but there is scope to introduce modern assessment methodologies of candidates' competencies. More appropriate assessment methodologies could be identified, while also clarifying the role of private sector organisations in running the assessments. The SGP could use the authorisation process of the opening of new recruitment competitions more strategically to underline the need for strategic future-oriented competencies.

- Pillar 3 of the Recommendation highlights responsive and adaptive public employment systems. Within the public employment system of Brazil, the SGP has a broad mandate on setting operational standards. The progress in the digital transformation of the public service provides an opportunity to delegate more strategic HR management tasks to the HR units as more operational tasks are automated. However, this needs to be accompanied by measures to build capacities within the HR units to take on more strategic people management. This should be reflected in a strategic approach to public employment which reinforces existing efforts for workforce planning to build a more forward-looking public service. Lastly, nascent efforts to measure and strengthen employee engagement could be followed-up with decisive actions to take steps towards a more open and engaging public sector culture.

**Figure 1. OECD Recommendation on Public Service Leadership and Capability**

1 Values-driven culture and leadership	2 Skilled and effective public servants	3 Responsive and adaptive employment systems
<ul style="list-style-type: none"> <li>1. Defined values</li> <li>2. Capable leadership</li> <li>3. Inclusive and safe</li> <li>4. Proactive and innovative</li> </ul>	<ul style="list-style-type: none"> <li>5. Right skills and competencies</li> <li>6. Attractive employer</li> <li>7. Merit-based</li> <li>8. Learning culture</li> <li>9. Performance-oriented</li> </ul>	<ul style="list-style-type: none"> <li>10. System stewardship</li> <li>11. Strategic approach</li> <li>12. Mobile and adaptive</li> <li>13. Appropriate terms and conditions</li> <li>14. Employee voice</li> </ul>

Source: (OECD, 2019<sup>[1]</sup>)

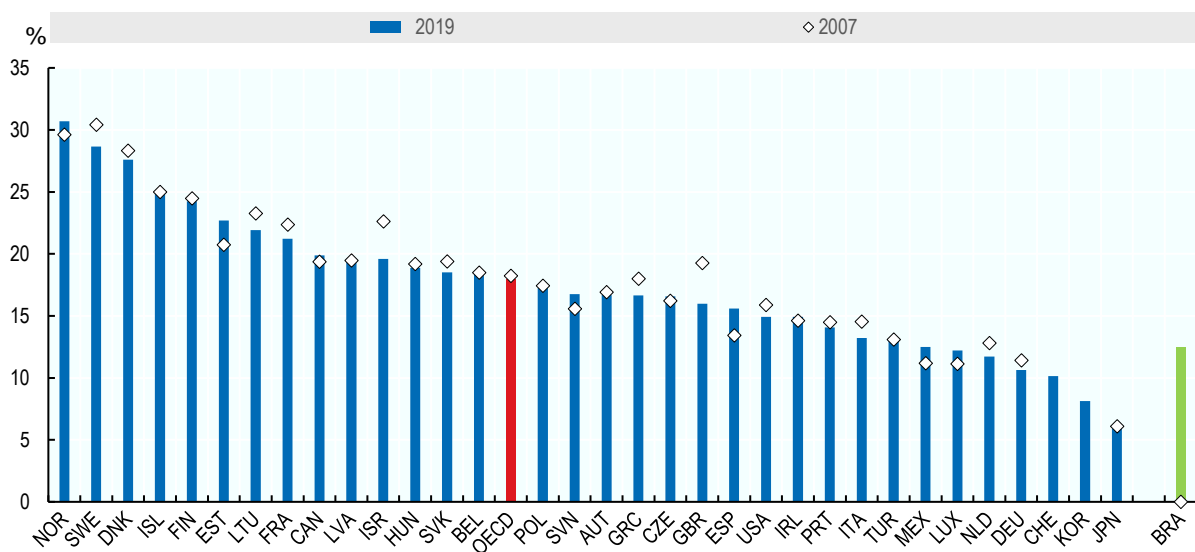
**Box 1. The OECD Public Service Leadership and Capability Review of Brazil: Methodology Output 1**

The analytical scan builds on desk research as well as interviews with stakeholders from the Secretariat of Personnel Management and Performance and other relevant areas from the Ministry of Economy. In addition, interviews were held with representatives from Civil Cabinet of the Presidency, Federal Revenue of Brazil, Human Resources Forum of Regulatory Agencies, Ministry of Defence, Ministry of Environment, Ministry of Infrastructure, National Forum of Deans for People Management, and the National School of Public Administration. It takes into account the findings and recommendations made in the 2019 report *Innovation Skills and Leadership in Brazil’s Public Sector Towards a Senior Civil Service System* (OECD, 2019<sup>[2]</sup>) and the *Review of Human Resource Management in Government: Brazil 2010* (OECD, 2010<sup>[3]</sup>).

# 1 Public employment and management in Brazil

In Brazil, government employees represent 12.5% of total employment, slightly below the OECD average of 17.9%, but above the Latin American and Caribbean (LAC) average of 11.9% (Figure 1.1) (OECD, 2020<sup>[2]</sup>) (OECD, 2021<sup>[3]</sup>). However, the expenditure in Brazil for compensation of public employees is relatively high. The compensation costs are 13.3% of GDP (public enterprises excluded), compared to the average for OECD member countries (9.2%) as well as LAC countries (8.9%) (Figure 1.2) (OECD, 2020<sup>[2]</sup>) (OECD, 2021<sup>[3]</sup>). Given this high investment in public employment, the public service should set out to achieve the most value from this investment to promote a professional, capable and responsive public service that is able to provide efficient public services responsive to the needs of citizens. Concerning the distribution of public employees, both active and inactive, across the levels of governments, 15% of all public employees work at the federal level, 34% at state and 50% at the municipal level.

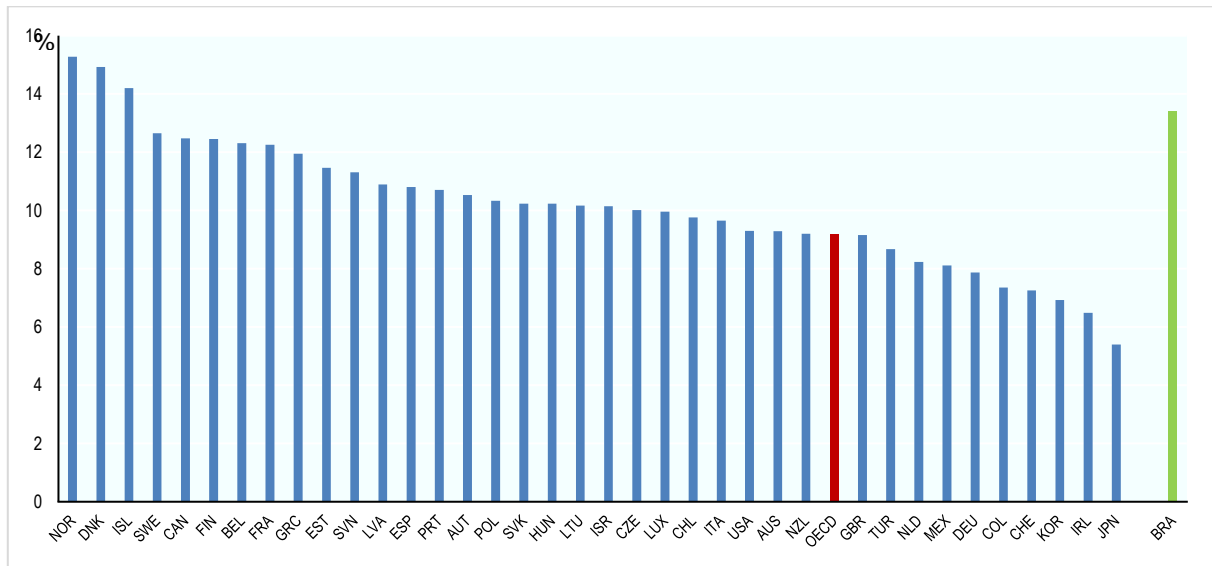
Figure 1.1. Employment in general government as percentage of total employment- 2007 and 2019



Note: Data for Australia and New Zealand are not available. Data for Korea and Switzerland are not included in the OECD average due to missing time-series. Brazil, Chile, Colombia, Costa Rica, Luxembourg, Norway and Switzerland: 2018 rather than 2019. Japan: 2017 rather than 2019. Iceland and the United States: 2008 rather than 2007.

Source: (OECD, 2021<sup>[5]</sup>) (OECD, 2020<sup>[4]</sup>)

Figure 1.2. Compensation of general government employees as percentage of GDP - 2019



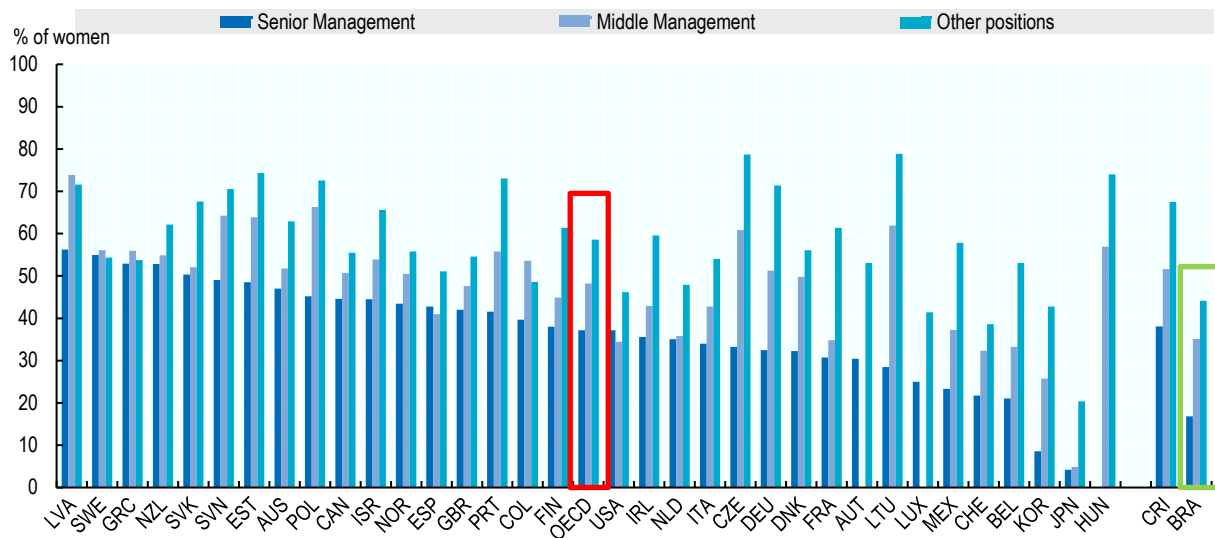
Data for Chile and Türkiye are not included in the OECD average because of missing time series or main non-financial government aggregates. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of National Accounts and Government finance statistics data provided by the Australian Bureau of Statistics.

Creating equality in participation and opportunity contributes to a more representative and diverse workforce. In Brazil, diversity in the public sector is weak. In 2018, the share of women in the Brazilian public sector represented 44.8% (Fundação Escola Nacional de Administração Pública, 2018<sup>[9]</sup>). In senior management, only 16.8% are women and in middle management 35.1% of the positions are held by women, well below the OECD average of 37.1% for senior positions and 48.2% of middle management positions (Figure 1.3) (OECD, 2021<sup>[3]</sup>). Furthermore, Brazil's public service is predominantly white. Approximately 64% of all public servants are fully Caucasian, with this number growing to around 75% in management, compared to 43% of the Brazilian population reported white (IBGE, 2018<sup>[4]</sup>).



Figure 1.3. Gender equality by positions in central government, 2020



Note: Data for Hungary are for 2018. Data for France refer to 31 December 2018. Data for Luxembourg, the Netherlands, Slovenia and Poland refer to December 2019. Data for Denmark and Finland refer to February 2020. Data for Colombia refer to March 2020. Data for Korea refer to December 31 2020. Data for Chile, Iceland and Türkiye are not available. Senior management data for Austria refer only to D1. Data for middle management are not available for Austria and Luxembourg, so other positions refer to all central positions excluding senior managers. Data on middle reflect all management positions

Source: (OECD, 2021<sup>[5]</sup>)

## Institutional Responsibilities

The Public Employment and Management System of Brazil is comprised of several different actors each with specific mandate and responsibilities. The central body for people management is the Secretariat of Personnel Management and Performance (*Secretaria de Gestão de Desempenho de Pessoal*, SGP) in the Ministry of Economy. The SGP is primarily a policy-setting body tasked with establishing norms and providing guidance to the entities<sup>1</sup> of the public administration on relevant legislation and coordinating and supervising strategic Human Resources directions. The SGP is responsible for designing position classifications, setting and overseeing the pay systems (as approved by Congress). It sets the guidelines and oversees the guidelines for recruitment and dismissal of public officials, coordinates working conditions with the entities, performance appraisal and other general issues related to personnel policy.

These entities carry out operational human resource management. This includes tasks such as carrying out recruitment, performance management and defining organisational training needs. In addition, the Secretariat of Management (*Secretaria de Gestão*, SEGES) in the Ministry of Economy is responsible for designing the initial staffing structure for the public bodies and the definition of leadership positions. Furthermore, there are several schools of government, with the National School of Public Administration (*Escola Nacional de Administração Pública*, ENAP) as the coordinating actor. These schools are responsible for personnel training, developing skills and capacities among public servants and advancing innovative solutions. They also provide postgraduate training in specific policy areas.

<sup>1</sup> This paper uses the term 'entities' to refer to ministries, agencies and any other public organisation or body providing services to the public.

## Classification of the job categories in the public sector

The Brazilian public service is organised into the following principal job categories:

- The career system is comprised of 117 **careers** (*carreiras*) and 43 “groups of jobs” (*Plano de cargos*) with 87% of Brazilian public servants belonging to these careers. Employees hired in the career system have civil service status. Most careers are narrowly defined occupational or professional job categories that are specific to one entity requiring specific skills and qualification. Only a few careers are designed transversally giving access to posts in different entities, for example the career of Specialist in Public Policy and Government Management (EPPGG). In order to join a career, candidates have to sit a specific public competition. It is not possible to change the career without undergoing competitive examinations for the specific career. This means that additional needs have to be filled by opening a formal competition. Regarding career advancement, the only form of progression possible in most of these job categories is movement up the salary scale based on seniority or a combination of seniority and performance. Depending on the career, the top of the scale may be reached in a relatively short time. For example, public employees belonging to the internal revenue service can be at the top hierarchical level in 11 years. In comparison, it may take 24 years for teachers.
- Regarding the negotiation of working conditions, each career is represented by a specific group, which may present proposals to the Ministry of Economy to be proposed to the President. Indeed, representative entities of each career may have a strong position to lobby congress for specific changes. This has led to a situation where each career pushes for specific changes which leads to further fragmentation and differentiated employment conditions across different bodies, even for similar functions. In the case of new needs or skills required that may fit into one of the specific careers, a new career has to be designed or a career formally modified. However, as these careers are defined by law, new careers and changes to the organisation of a specific career have to be passed by Congress. This includes changes to the salary structure. As a result, any changes to the careers are complex, long and tend to generate an effect of internal competition between other careers for similar improvements.
- There is a separate regime for senior management positions. Effective January 2022, under Law n. 14.204/2021, a new classification came into force. Previously termed “DAS’ positions have been converted to **CCE (Executive Commissioned Positions)**, ranging from levels 1-18 and previously termed ‘FCPE’ positions have been converted to **FCE (Executive Commissioned Functions)**, ranging from 1-17. As before, this includes some non-managerial posts. 60% of the commissioned positions need to be occupied by career public servants. The Law clarifies managerial roles throughout the hierarchy, much more so than under the previous legislation. Under the new regime both CCEs and FCEs may hold positions of “Management”, “Project Management” and “Advising”, however only FCEs may hold positions of “Specialised/Technical Management”. The new regime also carries over some recent requirements from a previous 2019 Executive Order that established minimum criteria for selection/appointment. These are discussed in more detail further in the report. As before, the main difference between CCE and FCE and other public servants are that the latter must pass through a competitive examination, while the CCE and FCE positions can be freely appointed in line with the quota set for positions to be filled by public servants.

The salary structure in the Brazilian public service at federal level is complex, as each job category has its own salary scale and allowances, resulting in more than 700 salary grids. The base pay represents approximately 40% to 60% of public servants' remuneration, with the rest made up of a myriad of differentiated benefits (OECD, 2010<sup>[5]</sup>).

In Brazil, the rate of unionisation in the federal government (excluding public enterprises) is around 45% (including retirees). While the Constitution supported by Legislative Decree nº 206, of 2010 guarantee public servants the right to strike, no specific regulation has been adopted so far. This means that in practice, legal judgement on individual cases regarding the illegality of the strike force public servants return to work, because of the lack of appropriate legal rules. Negotiations are completely centralised. As salary and benefits are decided by Congress, negotiations happen at this level as well. In addition, the Ministry of Economy has instituted a central negotiation table. Although currently negotiations are not taking place regularly around 54 unions have already participated at this negotiation table in the past. The negotiations mostly concern work conditions, the employment framework and the introduction of new management tools.

Overall, given the fragmentation of the system, it is complex and difficult to administer. There is duplication and overlap among a number of job categories with some no longer meeting the needs of the public service which may however not be extinguished as long public servants still belong to the specific career.

## Recruitment and dismissal

Regarding recruitment, all new hiring must be done through civil service examinations, except for temporary hiring which is only permitted to address emergencies or in exceptional situations. The overall number of new positions is authorised a priori by Congress. At the end of May of each year, entities submit their requests for new staff to the SGP according to technical requirements defined by the SGP. The requests need to be supported by basic workforce data, information on progress toward strategic goals, as well as information on progress on digital transformation. Once the requests have been approved technically, the SGP compiles the information and prepares the budget needs which is forwarded to the Federal Budget Secretariat in the Ministry of Economy (*Secretaria de Orçamento de Federal*, SOF). The SOF prepares the proposal for the budget law which is sent to Congress for approval at the end of August. There is a specific competition for entry into each career to assess the specific skills and capacity base required. The assessment is done first through a written test, in many cases through multiple-choice questions assessing academic knowledge, followed by tests assessing general and position-related knowledge and physical and psychological tests depending on the career. . The candidates with the highest grades in all phases are selected for a classification list. The entity who opened the competition can recruit the candidates from this list for the validity period established for each tender, which can be up to a maximum of two years, with a potential extension of two additional years. After that, a new public examination is required (Dias and Aylmer, 2018<sup>[7]</sup>). Entities often use external service providers to organise and carry out the competition, including the design of the exam and the assessment itself. These are often public universities or foundations. There is no central mechanism for vetting and certifying providers of competition services, and each contracting organisation can make its own selection.

Possibilities for hiring staff outside the rigid employment framework of careers are limited. Temporary contract staff can be hired under specific circumstances to meet demands of exceptional public interest. The rigidity of the career system makes it extremely challenging for public administrations to reallocate staff in case of needed surge capacity to address temporary demands.

The public law contract for regular government employees is open-term and guarantees stability to statutory servants after a probationary period of 3 years. The Constitution allows the dismissal of employees for poor performance, however, this is not done in practice, because of the absence of complementary regulation. This makes it impossible to dismiss federal government public servants except

for serious misconduct. Government reorganisation or obsolescence of the activities performed are not a case for dismissal either. When an organisation needs to reduce its staff, staff are put in a pool and then reassigned. These reassignments have to be within the career of the public servant (OECD, 2010<sup>[5]</sup>).

## Competency development, training and performance management

Under the National Policy for the Development of People, each entity is responsible for preparing a personnel development plan for the following year. This is intended to be informed by a comprehensive needs analysis based on the entity's strategy and long-term needs, among other aspects. Human Resource units at entity level prepare an annual report on learning and development for staff overall. Supporting the entities, ENAP is in charge of defining and providing training opportunities for transversal competencies (competencias transversais).

Defining these competences, in 2021, SGP and ENAP published a set of essential competencies for leaders (self-knowledge and personal development; engagement of people and teams; network coordination and collaboration; generation of value for the user; management for results; crisis management; vision of the future ; innovation and change; and strategic communication) and core competencies for all public servants (data-based problem solving; focus on results for citizens; digital mindset; communication; teamwork; guided by ethical values; and systemic view).

As part of competency development, performance management can play a crucial part in identifying individual needs for skill and competency development. In Brazil, the rules on performance evaluation are provided for in the law for each career and, therefore, vary from case to case. Generally, performance evaluation is mandatory for the majority of public servants every 12 months. There are, however, some groups that are not evaluated, such as public servants who occupy senior leadership roles and public servants in some careers who are no longer evaluated when they reach the top of that career. The criteria for performance evaluations are based, in general, on institutional and individual goals, in addition to the assessment of competences. However, there are no unified and standardised rules regarding criteria and assessment procedures for performance evaluations. Therefore, while the entire federal administration is expected to carry out performance assessments for public servants, the level of implementation varies according to the level of maturity of each entity.

# 2 Analytical scan

## Principle 1: Defining the values of the public service and promoting values-based decision-making

Values underpin the policies and actions of public sector institutions, with citizens expecting public administrations to meet their needs and reflect common societal values. Public values at the administrative level (as opposed to the political level) may vary across systems, or carry more weight in certain circumstances, with commonly stated values including: upholding the rule of law, accountability, impartiality, inclusiveness, equality, integrity, transparency, and efficiency or value-for-money. It follows that core organisational public sector values must be reflected at the individual level as well, and guide the judgement of public servants in performing their tasks and daily operations. As opposed to rules-based leadership and management, where laws and policies are heavily imposed to govern decision-making and adherence to set processes, values-based management is based on mutual trust. Indeed, when there is a common understanding in public administrations about what is acceptable, and what principles must be upheld, there is less of a need to rely on strict oversight measures to ensure compliance. This often permits greater flexibility and innovation in organisations and individuals while still ensuring that core processes are followed effectively.

Public service leaders play a particularly important role in ensuring such values are manifested in their organisations and displayed by the public servants who work in them; and the *OECD Recommendations on Public Integrity* and *Public Service Leadership and Capability* emphasise the relevance of values-driven leadership. Values-driven leadership can be challenging, however, as there are often tensions, trade-offs and/or value conflicts that must be balanced. For example, inclusiveness and consultation in policy-making take time and may incur additional costs which may contradict values for speedy delivery and efficiency.

Public service leaders therefore are central, not only in imparting the values that guide decision-making across the public service, but also in helping their organisations and employees in navigating these value tensions and ensuring public interests are ultimately upheld. Leaders and public servants therefore often require institutional support to better identify, understand and manage value-conflicts. The PSLC Recommendation specifically states that public services should promote values-based decision making by:

- a. Clarifying and communicating the shared fundamental values which should guide decision-making in the public service;
- b. Demonstrating accountability and commitment to such values through behaviour; and
- c. Providing regular opportunities for all public servants to have frank discussions about values, their application in practice, and the systems in place to support values-based decision making.

***The SGP and ENAP could display stronger leadership in promoting a common set of public values in the civil service, such as those recently put forward by the CGU, and strengthen their support of public servants, especially leaders, in navigating value conflicts and promoting innovation***

Various pieces of primary and secondary legislation articulate the values of Brazil's public institutions, and set out standards- or codes of conduct- for public servants<sup>2</sup>. Taken together, these translate and codify the principles of the public service as promulgated in the 1988 Federal Constitution. These principles are legality, morality (i.e. ethics), impartiality, effectiveness and transparency, similar to those of OECD member countries, and widely considered as the basis for establishing an ethical administration and for building trust in government. More recently, the Office of the Comptroller General (*Controladoria-Geral da União*, CGU) has established a set of core public values in cooperation with the OECD following a large consultation. These include: engagement; integrity, impartiality; kindness; justice; professionalism; and vocation (*Controladoria-Geral da União*, n.d.[8]).

The SGP and ENAP could display stronger leadership in promoting and communicating these common values, as well as in supporting public servants- especially at senior levels- in navigating value conflicts. Firstly, the SGP could formally adopt these values and participate in a large-scale communication effort to diffuse them across the public service. Second, the SGP could mainstream these values throughout public employment policies in, for example, job descriptions, recruitment or selection processes, onboarding, trainings, and in general communications. If a dedicated unit were created for senior public servants (see principle 2), such values could also be promulgated by this unit.

ENAP could similarly play a stronger role in this latter area. For example, while ENAP includes public values in its training curricula for future leaders, it could apply international good practices in terms of offering more practical support in managing value-conflicts, and provide peer-to-peer support to aid public servants in identifying and managing value-conflicts. The SGP could support ENAP in organising and implementing the peer-to-peer exchanges on managing value conflicts.

A very important role for both ENAP and the SGP is assisting public servants in navigating the inherent value of conflicts of innovation and compliance. A strong "rules-based compliance culture", as mentioned above, often stifles innovation and opportunities to improve working methods and public service delivery for citizens' wellbeing. Innovation as a means of achieving public values should be promoted in the administration and discussed in the context of values. Innovation as a principle is discussed in more detail further on in this report.

***The Ministry of Economy should ensure it models public values such as merit, transparency, results-based management (accountability), and user-focus, especially in the recruitment, promotion and assessment of public servants***

New and planned public employment reforms in Brazil aim to strengthen and embed public values of merit and transparency in public employment policies themselves, and this is a positive step forward. However, as discussed in other sections of this report, important weaknesses remain and therefore the Ministry of Economy could do more to model such public values in its own employment policies. For example, the lack of transparency and merit-based practices for appointing and selecting senior public servants calls into question adherence with public values of integrity, impartiality, inclusiveness and others (see principle 2). Similarly, the lack of performance assessment for senior public servants undermines values of results-

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<sup>2</sup> These include the Code of Conduct for the Federal Public Administration (Federal Law no. 8 027/1990), the Code of Conduct for the High Officials of the Public Administration, Federal Law no. 8 112/1990 regarding the Public Administration, the Code of Professional Ethics for Public Officials in the Federal Administration (Federal Decree no. 1 171/1994).

oriented practices. While the Special Secretariat for Debureaucratization, Management and Digital Government (SEDGG) has started a Pilot Leadership Performance Programme to improve the performance evaluation of senior public servants, in practice this is still quite rare. In practice, this means going beyond what is currently mandated in law, for example by ensuring open competitions for senior public servants in its own Ministry, as an example and lead to other public sector organisations.

### **Areas for exploration**

- Stronger support and promotion of the newly adopted value statements with specific SGP-led communications to leaders and public employees;
- Mainstreaming newly released public values into job descriptions, testing, recruitment procedures, onboarding, and training.
- Developing additional training for leadership on managing value-conflicts accompanied by opportunities for peer to peer exchanges facilitated by professional mediators.
- Modelling of values of merit and transparency in the administration, by demonstrating open and competitive recruitment/promotion for senior positions in the Ministry of Economy.

## **Principle 2: Building leadership capability in the public service**

Capable leadership is required if public administrations are to keep pace with an increasingly complex, volatile and uncertain world. While elected leaders certainly play a key role, the importance of senior level public servants (SLPS) cannot be underestimated. Ultimately, it is these women and men who are responsible for transforming policies into action. Additionally, they must guarantee the delivery of public services to citizens and firms, including in times of crisis. They must collaborate horizontally across policy boundaries- and increasingly across sectors- to achieve results and generate greater public value. They are increasingly called upon to demonstrate innovative approaches to do more with less, while inspiring their own diverse workforces and imparting public values throughout. Given these demands, the competencies and behaviours required of senior level public servants are increasingly rigorous. Unsurprisingly, citizens' confidence in their national governments can at least partly be traced to the effectiveness and competence of their civil services.

In order to be successful in these endeavours however, senior level public servants need to have both the right skills and institutional support to deploy them. Indeed, unlike their private sector counterparts, senior level public servants work in a unique environment with impressive opportunities, but also distinct constraints. Therefore, the PSLC recommends that countries provide senior level public servants a clear mandate and support to be politically impartial leaders of public organisations, upholding the highest values of integrity, to provide evidence-informed advice and deliver innovative solutions to meet the government's priorities. To do this, the PSLC Recommendation specifically calls for governments to develop leadership capacity by:

- a. Clarifying the expectations incumbent upon senior-level public servants to be politically impartial leaders of public organisations, trusted to deliver on the priorities of the government, and uphold and embody the highest standards of integrity without fear of politically-motivated retribution;
- b. Considering merit-based criteria and transparent procedures in the appointment of senior-level public servants, and holding them accountable for performance;
- c. Ensuring senior-level public servants have the mandate, competencies, and conditions necessary to provide impartial evidence-informed advice and speak truth to power; and
- d. Developing the leadership capabilities of current and potential senior-level public servants.

***Brazil is in need of a coherent and more ambitious strategy to further consolidate and strengthen the federal senior level public service (SLPS), backed by effective institutional mechanisms, to continue to develop this core cadre of the public service***

Recent reforms in Brazil have aimed to clarify and consolidate the senior civil service regime in Brazil,<sup>3</sup> which until recently included DAS, FCE and various other contract types. As of 2021, DAS positions have been converted to CCE (Executive Commissioned Positions), ranging from levels 1-18, and FCPE have been converted to FCE (Executive Commissioned Functions), ranging from 1-17. As before, this includes some non-managerial posts. This reform clarifies managerial roles throughout the hierarchy (Table 2.1), much more so than under the previous regime, which is a positive step forward. Under the new regime both CCEs and FCEs may hold positions of “Advising”, “Management” and “Project Management”, however only FCEs may hold positions of “Specialised/Technical Management”. This new regime consolidates the majority of senior positions in only these two types.

The new regime carries over some recent requirements from a previous 2019 Executive Order to establish minimum criteria for selection/appointment. As noted in Table 2.1, minimum selection criteria do not apply to levels 1-4. Additionally, Article 13 of Law 12,204/21 states that, for existing commission positions in the federal public administration, at least 60% of the total will be occupied by career public servants.

**Table 2.1. New guidelines for minimum selection/appointment criteria for FCE and CCE (only 1 criteria per level must be met)**

Types of criteria/CCE and FCE levels	Before: DAS and FCPE levels 2-3 (at least 1 of the below criteria should be met)  As of January 1: CCE and FCE levels 5-8	DAS and FCPE level 4 (at least 1 of the below criteria should be met)  As of January 1: CCE and FCE levels 9-11	DAS and FCPE levels 5 and 6 (at least 1 of the below criteria should be met)  As of January 1: CCE and FCE levels 12-14	As of January 1: CCE and FCE levels 15-17
<b>Relevant professional experience</b>	Yes (at least 2 years)	Yes (at least 3 years)	Before: Yes (at least 5 years)  Now: Yes (at least 4 years)	Yes (at least 6 years)
<b>Hold a position of trust</b>	Before: Yes (for at least 1 year prior)  Now: Yes for at least 2 years prior	Before: Yes (for at least 2 years prior)  Now: Yes for at least 3 years prior	Before: Yes (for at least 3 years prior)  Now: Yes for at least 4 years prior	Yes (at least 6 years)
<b>Be a public servant or member of military</b>	Yes	No	No	No
<b>Related university degree</b>	Yes (specialist, master or doctorate)	Yes (specialist, master or doctorate)	Yes (at least master or doctorate)	Yes (at least doctorate level)
<b>Training with workload of min 120 hours</b>	Before: No  Now: Yes	Before: No  Now: Yes	Before: No  Now: Yes	Before: No  Now: Yes

<sup>3</sup> Under Decree 10.829, of 5 October, 2021,



However, despite these reforms, the approach to the senior level civil service (SLCS) has been piecemeal, unaccompanied by a broader strategy, lacking institutional support, and significant weaknesses remain even in the new legislation. Firstly, only one of the criteria often have to be met for a candidate to be eligible or get hired. Second, entities are able to circumvent these requirements entirely as long as they justify the decision to the Presidency. Third, the Executive Order states that entities may “choose” to conduct a selection process, however, it is not required. Fourth, there are still two distinct groups of senior leadership position, with only some filled through a competitive examination..

While entities are apparently complying with the new rules and undertaking some competitive selection processes, these are not systematically implemented, and remain the exception rather than the norm. At the time of drafting, data was unavailable as to the share of appointments to these positions that included a competitive process and/or complied with minimum requirements. The application of merit-based processes for selection and promotion are therefore improving but remain weak, especially given the fact that many are not required to pass a competitive examination.

Additionally, existing legislation fail to address other key dimensions of strengthening the senior civil service regime, including performance assessment criteria; learning and development; and open, transparent promotion opportunities. Institutionally, support could be strengthened. For example, while SLPS policy is overseen by the SGP, there is no dedicated team or unit to manage this group, monitor compliance with guidelines or set out a coherent learning and development strategy. Such a unit would help ensure the implementation of new policies, provide guidance and support to entities, support strategic mobility of managers and leaders across departments, and serve to monitor progress over time.

It is important to note that imposing additional requirements on entities and applying open, competitive processes for recruitment and selection do not have to come at the cost of flexibility within the regime. On the contrary, building of a highly skilled cadre of senior managers and leaders ensures a ready supply of capable personnel is available to entities and departments. Flexibility can be maintained by ensuring a strong pipeline of leaders is readily available, such as through the *LIDERAGOV* programme. As it stands, the flexibility often cited as a benefit of the current regime refers merely to the speed of appointment, since competitive examinations are perceived as lengthy. In this sense, flexibility could be maintained without sacrificing merit by having in place institutional support to entities in their recruitment processes, having clear guidelines as to how those should take place, having greater mobility, and drawing from existing cadre of qualified leaders that are pre-cleared.

***New programmes and initiatives by the SGP and ENAP to develop a pipeline of senior public leaders are a positive step forward, but such initiatives must be promoted and scaled-up if they are to remain attractive channels for entering senior executive roles***

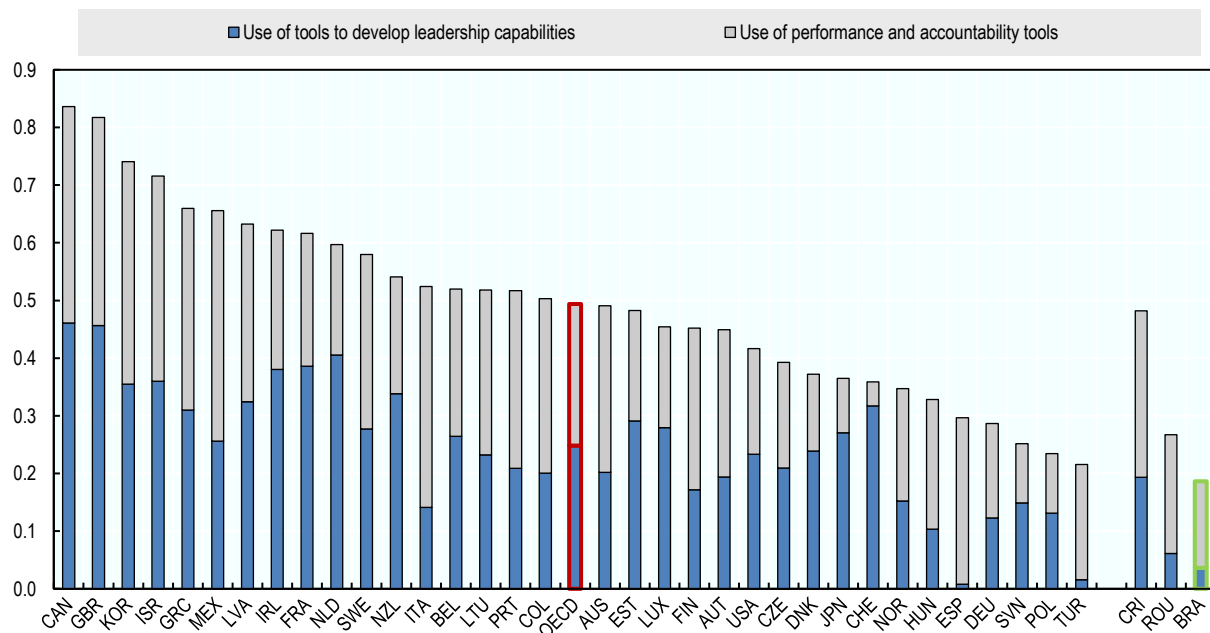
ENAP’s mandate on leadership training evolved with Decree No. 8.902/2016, which stressed that one of ENAP’s missions was to support and promote training programmes for people in leadership positions. As part of its new mission, ENAP strengthened its partnerships with international leadership training institutions to develop and deliver short-term courses in areas related to innovative leadership in public organisations (*Programa de Capacitação para Altos Executivos*).

The SGP and ENAP jointly developed and recently piloted a programme called *LIDERAGOV*, whereby a group of selected public servants participated in a leadership development programme, after which they were put forward for DAS/FCPE positions. The Program was established by Joint Ordinance No. 254/2020 with the first courses beginning in February of 2020. The courses, which prepare candidates for future leadership positions, are part of a programme that includes leadership in the public sector, managing by strengths, systemic vision and strategic thinking, futures thinking, evidence-based decision-making, change and crisis management. The programme also acts as a networking platform for participants to continue their exchanges.

In the first round of the programme, the class included a total of 60 people, with 22 women and 38 men. Feedback from the participants was extremely positive. About 15% of the participants were later selected for more senior executive positions in entities. This is partly due to the availability of open positions, and the match of candidates’ qualifications with the available job openings, but also from the lack of uptake from entities who continue to prefer to appoint their own candidates. Legitimacy and perceived value of this programme as a pipeline into senior leadership roles may be undermined in the future, and the SGP must continue to strongly promote the selection of personnel from the *LIDERAGOV* programme and manage this group more distinctly. The example of the Netherlands is one that the SGP could consider going forward, with a dedicated team/unit to managing senior level public servants through separate recruitment, mobility and learning policies and opportunities. The programme remains in high demand, with 60 candidates scheduled for the 2022 class. As such, it is encouraged that the SGP continue to promote this group post-graduation into leadership roles so that the programme continues to act as a future pipeline for leaders.

These weaknesses in the senior-level civil service are ultimately reflected in the OECD's pilot composite indicator on the management of the senior level public service (Figure 2.1). The composite indicator is made up of the following dimensions of senior level public service management: 1) the development of leadership capabilities (use of competency frameworks, learning and development opportunities, distinct employment framework); and 2) the use of performance and accountability tools (responsibility for HR and financial objectives, use of performance assessments, and accountability for cross-entity objectives). Stronger emphasis on the management of this distinct group would help Brazil to align itself with OECD member countries.

Figure 2.1. Pilot index: Managing the senior level public service, 2020



Note: Data for Chile, Iceland and the Slovak Republic are not available. Data for the Slovak Republic are not available as the senior level public service is not a formalised group.  
 Source: OECD (2020), Survey on Public Service Leadership and Capability

### **Areas for exploration**

- Managing senior level public servants as a *distinct* group of public servants, with a clear strategy and vision for their long-term development.
- Establishing a specific institution (unit/division) within the SGP responsible for overseeing the senior level public servants regime and strategy (from branding to recruitment, promotions, learning and development, mobility, etc.).
- Scaled-up development of the leadership pipeline for senior level public servants through more concerted use of the pool of ENAP-leaders.
- Further strengthening of requirements for senior level public servants for recruitment, promotion, and assessment, especially for the requirement to enter through an open, competitive process (i.e. examination and/or panel interview, for example).
- More stringent data collection on the senior level public servants cadre, including statistics on the share that comply with new selection criteria.

### **Principle 3: Ensuring an inclusive and safe public service that reflects the diversity of the society it represents**

An inclusive and representative workplace contributes not only to leading the creation of fairness and equity in society, but also to the creation of a workforce with broad skillsets and experiences, and employees who understand the needs of the population. While societal and cultural factors are unique among countries, the PSLC recommends that all governments commit publicly to diversity and inclusion, and reinforce its importance, especially among leadership. It calls on governments to take active steps to ensure that organisational practices and conditions align with the goal. Further, collecting data, monitoring and measuring progress, and adjusting strategies as needed are recognised as integral tactics to improve diversity over the long term. The Recommendation specifies striving to attain Principle 3 through:

- a. Publicly committing to an inclusive and respectful working environment open to all members of society possessing the necessary skills;
- b. Developing measures of diversity, inclusion and well-being, and conducting measurement and benchmarking at regular intervals to monitor progress, detect and remove barriers, and design interventions; and
- c. Taking active steps to ensure that organisational and people management processes as well as working conditions, support diversity and inclusion.

#### ***Brazil's public sector workforce does not reflect the diversity of the society it represents, and formal discussion to address the issue is limited***

Brazil's public service does not reflect the population it represents. Research from 2018 shows that approximately 36% of federal public servants at all levels are either indigenous or of African descent, despite more than 51% of the population being so (World Bank, n.d.<sup>[9]</sup>) (Fundação Escola Nacional de Administração Pública, 2018<sup>[10]</sup>). More than 55% are male, though men account for 49% of the population (World Bank, n.d.<sup>[9]</sup>) (Fundação Escola Nacional de Administração Pública, 2018<sup>[10]</sup>). At the top levels of management, these numbers reveal an even greater discrepancy; women make up less than 17% of employees, and those who are indigenous or of African descent less than 25% (OECD, 2021<sup>[5]</sup>) (Fundação Escola Nacional de Administração Pública, 2018<sup>[10]</sup>).

There is also a very limited scope of thinking about broader diverse groups. While gender and ethnicity are frequently referred to in research and discussions around the topic, other factors such as socioeconomic status, sexual orientation or indigenous background, were not.

There is wide and somewhat open recognition about the lack of diversity in the workforce, though overall levels of concern about the issue – and intentions to implement changes – are low. Individual attempts to open discussion on increasing diversity are reportedly seldom successful.

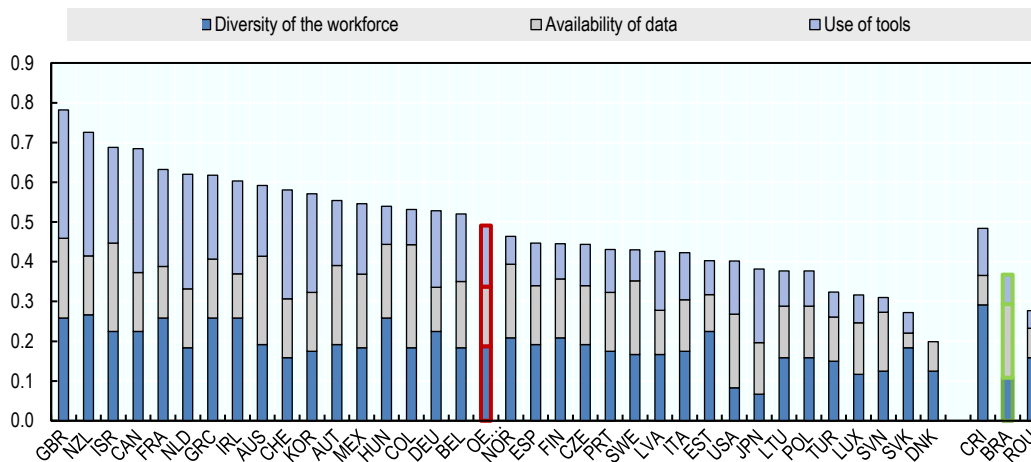
***Protocol and policy around diversity are extremely limited and there is very little in place in terms of data, monitoring and measurement***

There are few policies in place to increase diversity. A 2014 law mandated quotas for entry to the public service for both people with African descent as well as those with disabilities. These quotas are 20% and 5%, respectively, and apply only to initial entry to the administration and overall numbers. There are no measures in place pertaining to non-entry-level positions (i.e. that grade increases, promotion and career growth continue to reflect this quota), or to ensure consistency across the administration. Metrics vary widely across the public service. For instance, less than 12% of the diplomatic service is of African descent. Inconsistencies also occur in terms of gender in the absence of any policy. Despite 45% of total public servants being female, in the Federal Police department, only 15% of employees are, and in the diplomatic service and fiscal auditor, this number is 25% (Nexo, 2021<sup>[10]</sup>).

Recourse mechanisms for employees who feel they have faced discrimination or harassment based on a diversity metric are limited, and those that do exist are reportedly not well known or actively promoted. Protocols would – in theory – involve the ombudsman for each department, before being elevated at a second stage. The CGU also has programmes covering – among other topics – sexual harassment. It is not clear what level of involvement or participation such programmes see.

Data on the issue is, in many cases, not available. While information of ethnicity and gender is collected, other inclusions information seldom is. Further, the utilisation of data that exists does not currently appear to be widespread for purposes of measurement or monitoring. Figure 2.2, below, illustrates a comparison indicator of OECD countries on diversity metrics. While Brazil's availability of some limited data is an encouraging step towards increasing inclusion, the use of data and associated tools, and the overall workforce diversity, are markedly lower than comparison countries. Often, outside agencies (e.g. academic researchers or think tanks) have been responsible for the available analysis of publicly available data on the topic this far. Countries that do well on measurements of diversity in the long term often have effective strategies for data collection and use.

Figure 2.2. Pilot index: Development of a diverse central government workforce, 2020



Note: Data for Chile and Iceland are not available. Gender data for senior level public servants used in the indicator only refer to D1 senior managers for Austria and Hungary, and D2 senior managers for Australia.

Source: OECD (2020), Survey on Public Service Leadership and Capability; OECD (2020), Composition of the workforce in central/federal administration survey

While a cultural shift and increase prioritisation of diversity are likely to be essential elements of improving inclusions, introducing more extensive policies aimed at this goal – and actively collecting data for monitoring and measurement – should be considered going forward. There are stated concerns around the implementation of such policies, due to the effect it may have, or appear to have, on blind and unbiased selection processes. There is a high level of importance placed on transparency, particularly to combat corruption, that can be taken into account in exploring this issue going forward. However, it can be noted that diversity levels in appointed leadership positions – which do not undergo a transparent competitive selection process – are notably extremely low, with the majority of managers being Caucasian men.

### ***Inequity and unfairness appear prevalent between diverse subgroups inside the administration, with large gaps in metrics like salary and promotion***

When diversity is present inside the administration, there is evidence of disparities between groups. Because pay scales are set for grades and positions, these gaps appear to be largely driven by disparities in who is promoted or appointed to higher-level – and therefore better-paying – positions. For example, the average salary for white male employees in the executive public service is approximately 13% higher than for white women, 40% higher than for black men, and 52% higher than for black women (IPEA, 2021<sup>[12]</sup>). Among employees with post-graduate education, just under 28% of indigenous or black employees are top earners, compared to more than 42% of their white colleagues (Fundação Escola Nacional de Administração Pública, 2018<sup>[10]</sup>). Such gaps contribute to overall inequity in the administration, and point to issues that warrant correcting.

### ***Areas for exploration***

- Designing and implementing more extensive policies aimed at increasing diversity and inclusion. These may include diversity targets, changes in recruitment and development practices and leadership selection.
- Conducting barrier analyses to address roadblocks to the public service for underrepresented groups.

- Collecting data and using it to measure and monitor progress, and appointing a governing body or working group responsible for this. Official data on diversity should be collected internally, and be used to monitor and correct internal disparities and gaps between diverse groups.
- Evaluating attitudes about diversity within the administration, possibly through a formal working group or “audit”.
- Creating recourse, watchdog or complaint mechanisms and processes for addressing instances of discrimination.

#### **Principle 4: Building a proactive and innovative public service that takes a long-term perspective in the design and implementation of policy and services**

The public sector is facing increasing complex and ever-changing challenges that demand innovation and forward-thinking mind sets to address. This principle focuses on the need for governments to stay ahead of modern issues, find new solutions, and design and implement policy and services. To do this, the PSLC Recommendation advises that governments invest in innovative skills and technology and balance continuity with change. It recommends striving to create a culture of innovation, outward engagement, flexibility and both personal and organisational development. Specifically, it outlines that administrations can work towards achieving Principle 4 Recommendation through:

- a. Ensuring an appropriate balance of employment continuity and mobility to support policy and service implementation beyond a political cycle;
- b. Investing in foresight, innovation and analytical skills and capabilities; and
- c. Engaging with communities outside the public service to set quality standards and ensure policies and services are responsive to users’ needs.

#### ***Efforts to transform the culture around innovation are often grassroots initiatives, and are isolated across the administration***

Initiatives to increase innovation are often fuelled by the will and enthusiasm of their participants, acting in contrast to a deeply engrained organisational culture. In many ways, innovation is counter to the norm within the administration. However, in recent years, several initiatives have been developed that aim to increase innovative processes and systems and the development of innovation competencies. These include *Labora!gov*, a laboratory for innovation in people management, and pilot skill-development programmes within SGP. ENAP also acts as a hub and incubator for innovation-related projects, and runs a network of outside organisations undertaking innovative research and work. It organises a yearly themed “Innovation Week” that brings together more than 18 000 participants and runs awarded innovation challenges to find solutions to public problems.

There are also efforts from the third sector, such as *Movimento Pessoas à Frente*, advocating for change and innovation in the public sector. Cultural factors and political interests that are counter to change are prevailing mechanisms that restrict change and innovation, though legislation also plays a role. Initiatives to increase innovation and create change are at current distinct and separate entities; their ideas and culture have not yet permeated throughout the administration, though they are gaining attention and momentum.

***Innovation is not consistently being recognised or developed as a value or core competency, and is often viewed with high degrees of hesitancy due to repercussions of failure***

Recognition and development of innovative skillsets and thinking contribute to a culture of innovation. A lack of these within the Brazilian public service, and a view of public servant roles as often being highly oriented around taking and following direction, appear to be contributing factors to a cultural barrier to innovation within the administration. Incentives, motivation systems and legal structures often function to discourage innovative thinking, change and progressive work systems. The administration lacks a framework to help identify and foster the innovative skills and competencies needed in employees. Often, governments that do well with establishing a culture of innovation establish related competencies in the required elements of a role, and reinforce this in hiring and promotion decisions. This can be especially important in Brazil as an aging workforce creates opportunities for large-scale hiring resulting from retirements. Creating competency frameworks for employees and roles is therefore an important element of developing innovation (see Principle 5).

Recognition and encouragement of demonstrated innovation warrant improvement. Innovation and experimentation are viewed with extreme trepidation, due to “a risk environment that proves challenging for innovators”, which was noted in 2019 OECD work on the innovation system in the public sector of Brazil and remains still (OECD, 2019<sub>[12]</sub>). Currently, employees are highly reluctant to engage in innovation practices due to counterproductive incentives and a fear of the repercussions of failure. While workers may be willing to innovate, a lack of “safe spaces” to do so can prevent this from happening. While maintaining norms, achieving results, and following directions are rewarded, possible failures that necessarily accompany some degree of innovation and experimentation can be punished. Both practical and culture incentives strongly reinforce counter-innovative behaviours. Maintaining the status quo is “safe” – it will allow an employee to continue to rise through positions. Performance evaluations are often viewed negatively - as opportunities to highlight failures rather than celebrate success or growth and identify areas to develop (see Principle 9 for more on performance evaluation). There is also fear around outside consequences of failures, such as legal penalties, fines or even dismissal. Initial research suggests that this contributes to a strong tendency to avoid risk and experimentation in order to prevent the appearance of failure. Administrations with high levels of innovation strive to allow for and even celebrate some degree of failure from experimentation as a way to foster innovation and a “safe space” for innovative thinking.

***Mobility limitations and restrictions on outside hiring make it difficult to foster innovation internally or find the needed competencies externally***

Mobility within the administration is possible but not always commonly used. Existing rules and structures can make it difficult to move within the administration, though new structures are being implemented to increase administrative mobility rates (see principle 12). Mid-career hiring is not constitutionally possible. The SGP has reinforced mobility programmes, however, structures such as compensation regulations and the career system prohibit or discourage mobility and flexibility between departments, which can restrict the development of innovation skillsets and thinking and reinforce change-hesitate systems and thinking (see Principle 12 for more on employee mobility). Only a few public entities, such as the Presidency, may mandate the release of an employee. *Labora!gov* has introduced two initiatives to mainstream innovation in this context, *Free-LA!* and flexible teams. In the *Free-LA!* Initiative, public servants can register to work at *Labora!gov* for specific projects according to their skills and interests. Currently, almost 400 *Free-LA!* Are registered in the database. As part of flexible teams, public servants work around 16 hours per week for *Labora!gov*, in addition to their original work.

Leadership positions have more freedom to move to new positions and departments. This can function positively, to transfer needed managerial skills and capability to where they are needed. However, it could also potentially cause difficulties for creating and sustaining long-term capacity and perspective in

leadership. At these highest levels of leadership, it is common to change positions frequently. This may result in leadership struggling to implement long-term plans and to foster participation and buy-in of innovative changes with employees and within the department.

Sourcing innovation skills from outside of the administration is also restricted, due to a lack of ability to hire through a selection process outside the entry examinations. Only leadership positions can routinely be filled through looking outside of the existing public service ( for more on leadership selection see Principle 2). Temporary hiring of private sector professionals is extremely limited. Access to certain professional qualifications and skills is also limited due to salary levels in the private sector. A significant barrier for hiring mid-career professionals with innovative skillsets is not only the lengthy hiring process to be admitted to the public service, but also the compensation for innovation, digital and technology-related roles being below those outside of the administration. The restrictions on sourcing skills from the external job market is likely a hindrance to fostering innovation and building forward-thinking and flexible capacity within the administration.

***Legislative and regulatory processes, and the pace at which they can be amended, make it difficult to implement change***

The needed pace of change and innovation often out-paces what is possible in regulation, and it is most often not possible to take many actions unless they are specifically allowed for in regulation. This makes the creation of new systems or programmes – even those that find support – often very difficult. This issue seems widely acknowledged, with the legislation and the regulation-based system viewed as a roadblock to innovation while also being important to ensure transparency and tackle corruption. One view for implementing change is that incremental steps are more feasible. Therefore, smaller-scale innovation and experimentation is an emerging strategy to justify constitutional adjustments. For instance, *Labora!gov* aims to test new innovative ideas, and then implement what works to create a new standard of practice. This can then be adopted into legislation after it begins to become the norm, rather than request changes to legislation to begin the process.

***Areas for exploration***

- Building on and implement competency frameworks that incorporate innovation skills, embedding them into HR management, career development, hiring and mobility strategies.
- Reengineering performance review and objective systems to realign the risk versus reward perceptions of engaging in innovation. Employees should be incentivised towards innovation, with an expectation for this behaviour set in objectives and reviews. Accountability should be rebalanced to incorporate progress and forward movement rather than maintaining the status quo.
- Creating structures that allow for a safe space for experimentation and failure, such as policy labs. Successful innovation programmes in innovation-based departments and areas can be scaled up to the wider administration rather than remaining siloed and distinct.
- Reinforcing and rewarding networks of innovators to connect people working in innovative areas and creating progress, thus creating support mechanisms, nurturing new ideas and working towards creating a culture of innovation.
- Analysing innovative strategies that are compatible with legislative restrictions.



## Principle 5: Continuously identifying skills and competencies needed to transform political vision into services which deliver value to society

The complex and inter-connected nature of challenges facing governments means that they must be able to attract, recruit and develop many types of skills and competencies. The attraction, recruitment and development aspects are further clarified and explained in Principles 6, 7 and 8. However, before hiring and training new staff, public administrations must take an in-depth look at what types and mix of skills and competencies are needed now and in the future. Some OECD countries, like France and Spain, have begun to do this through re-thinking what types of skills and competence candidates for prestigious ‘*concours*’ (entrance exams) should be tested for.

In Brazil, whole-of-government initiatives such as the digitalisation of many public services depend not just on digital skill-sets, but on a wider variety of technical skills and knowledge. These include cognitive and social skills that enable learning, collaboration, and innovation. The digital transformation of the public sector – underway in many OECD countries – will only proceed as quickly as public servants are able to develop and apply new types of digital skills. One of the most important aspects to bear in mind is that these types of skills and competences are constantly evolving.

The PSLC Recommendation therefore recommends that governments take note of the wide range of changing skills and competencies required, and embed these throughout the employee lifecycle to ensure competency-based management, in particular through:

- a. Continuously identifying skills and competencies needed to transform political vision into services which deliver value to society, in particular through:
- b. Ensuring an appropriate mix of competencies, managerial skills, and specialised expertise, to reflect the changing nature of work in the public service;
- c. Reviewing and updating required skills and competencies periodically, based on input from public servants and citizens, to keep pace with the changing technologies and needs of the society which they serve;
- d. Aligning people management processes with identified skills and competencies.

### ***Many entities in Brazil are embarking on digitalisation of key services – but struggle to identify needed competencies related to and supporting this***

The Federal government of Brazil aims to digitalise thousands of services on the gov.br portal by the end of 2022, and more than 70 Federal Agencies currently have an agreed digital transformation plan in this regard (Government of Brazil, 2022<sup>[14]</sup>). The *OECD Digital Government Review of Brazil* highlighted that such ambitious digital transformation requires the prioritisation and development of new competencies and skills to face the new policy environment (OECD, 2018<sup>[15]</sup>).

However, the pace of digital upskilling is uneven across the public sector. Many entities reported difficulty identifying what type of digital skills they needed to contribute to the digitalisation agenda. They also face difficulty identifying more transversal competencies and developing and accessing appropriate learning and development opportunities. Currently, many learning courses are broadly seen as reactive to many individual needs rather than long-term workforce priorities. Conducting a training needs analysis at entity level would be a first step toward identifying competency gaps with a view to determining what learning tools can be deployed centrally and at entity level, though this depends on whether the organisation in question has the capability and tools to do so.

In Brazil, public entities have to identify annually their development needs and forward them to the SGP, in accordance with the National People Development Policy. Based on these assessments, the SGP, in

coordination with ENAP, plans concrete capacity development training programmes to develop capacities across the public sector.

Across the OECD, countries seek to embed competence management into people management processes. These include recruitment, performance management, and learning and development. For instance, Ireland is currently developing a unified learning and development strategy based on the assessment of future skills requirements for the civil service to replace fragmented learning offerings at individual entity level. Such practices help fill skill gaps by embedding competencies throughout the employee lifecycle.

### ***ENAP has begun to map competencies systematically***

In 2020, ENAP developed a classification of transversal competencies – a strong step toward mapping what skills and competences are needed in the Brazilian public sector. This classification includes competences related to systemic vision, orientation of ethical values, teamwork, communication, digital mindset, user-centric approach to results, and data-based problem solving. This framework appears to be a first step at developing a common but flexible competency framework. Moreover, a strategic goal for 2020 was to align 70% of ENAP’s training courses with competences identified as transversal for the public sector (ENAP, 2021<sup>[16]</sup>).

70% of OECD countries have a central competency framework, either specific to senior level public servants or applied to all public servants. France developed a dictionary of competences (*Dictionnaire Interministériel des compétences de l’État*, DICO,) used to define public service jobs (Ministère de l’Action et des Comptes Publics, 2017<sup>[17]</sup>). This framework identifies what skills are needed throughout the public service in order to build a common understanding of those skills. These skills are categorised under 127 types of ‘know-how’, 24 interpersonal skills, and 36 knowledge areas. Most of these skills are considered transversal. Others are more agency- or job-specific to allow enough flexibility for entities to reflect the specificities of certain jobs.

This type of in-depth competency mapping allows for a more skills-based human resource management system. For example, with common definitions of skills and competences across different entities, public servants may find it easier to identify opportunities for mobility (where their Career permits it). It can also help facilitate facilitating mobility, promotions, or training courses.

### ***Areas for exploration***

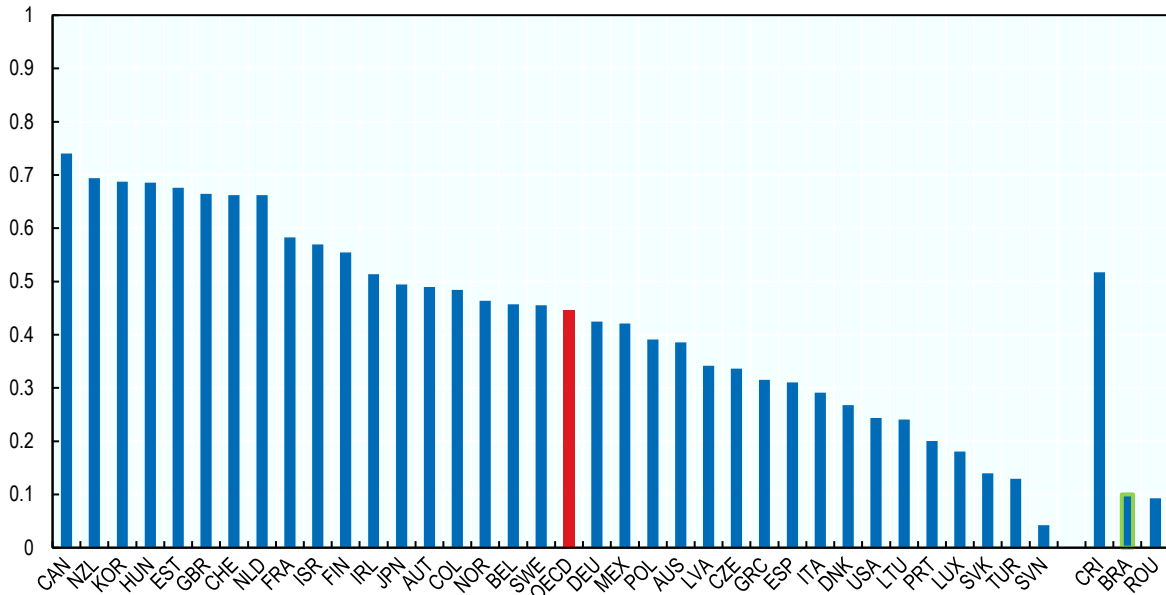
- Strengthening the capacity of entities to identify digital skills and transversal competences related to the digital transformation of the public service.
- Facilitating discussions on changing skills requirements between entities and training providers such as ENAP.
- Finding ways to align competences with people management processes, especially recruitment and learning and development.
- Improving the annual process of planning and offering training opportunities

## **Principle 6: Attracting and retaining employees with the skills and competencies required from the labour market**

Addressing climate change and implementing Agenda 2030 are both examples of the types of complex and cross-cutting challenges facing governments referred to above, and both of these areas call for an wide variety of skillsets and professional backgrounds. This is why public services must be able to attract people with new and still-emerging skillsets, as well as hard-to-recruit skillsets (such as in the digital field)

that are in demand by the private sector. As indicated in Figure 2.3, across OECD countries, this typically includes a mix of initiatives to position the public sector as an employer of choice, analysis of what aspects of the public service appeal to different types of candidates, some margin for manoeuvre to align salary with expectations, and proactively seeking to attract under-represented groups to the public sector.

**Figure 2.3. Pilot index: Use of proactive recruitment practices, 2020**



Note: Data for Chile and Iceland are not available

Source: OECD (2020), Survey on Public Service Leadership and Capability

In this context, the PSLC Recommendation calls on adherents to take action to improve attraction and retention, including through:

- a. Positioning the public service as an employer of choice by promoting an employer brand which appeals to candidates’ values, motivation and pride to contribute to the public good;
- b. Determining what attracts and retains skilled employees, and using this to inform employment policies including compensation and non-financial incentives;
- c. Providing adequate remuneration and equitable pay, taking into account the level of economic development; and
- d. Proactively seeking to attract under-represented groups and skillsets.

***The Brazilian public sector is generally seen as an attractive employer overall but finds it hard to attract candidates with specific skillsets***

Though the entrance exams to the Federal Public Service are perceived as challenging, the stability of employment and employment conditions are seen as two key aspects that drive applications to the public sector. As such, individual entities have generally not felt the need to develop proactive outreach strategies to deepen and widen the potential pool of candidates. However, some report difficulty hiring candidates with skills valued in the private sector, such as in law or digital fields. This attractiveness also manifests itself in relative lack of difficulty retaining staff: once hired, most staff remain in the same ‘Career’ for their professional career.

In this context, a potential area for exploration is to deepen insights on what aspects of attractiveness appeal to specific groups. For instance, if the stability of employment appeals to specific demographic categories, targeted communication campaigns could be conducted to emphasise this aspect with a view to future recruitment. On the other hand, if factors such as the relative lack of mobility do not align with the expectations of candidates used to a more horizontal and project-based way of working, this could inform future HR policy changes (see principle 12).

### ***Greater flexibility on hiring temporary staff could help bring in new and hard-to-find skills***

Many OECD countries use a variety of contractual modalities to hire public servants. This is intended to give them the flexibility to acquire specialist skills, or to recruit quicker and more flexibly than for civil servants. In Brazil, however, the Federal Public Service can only hire contract staff under very specific circumstances, such as in the aftermath of a natural disaster, to conduct specific projects provided for by law or in certain situations that fall outside the spectrum of normal contingencies of the Federal Public Administration. Providing more flexibility to hiring temporary staff that could help to acquire hard-to-find skills would require a change to the Constitution. It would also require supporting managers in identifying what skills they need, and how greater use of contractual staff can help them build high-performing teams while still ensuring a robust and merit-based recruitment process (see principle 13 for further detail).

### ***Recruitment restrictions (mainly on the opening of new tenders) have limited the ability of the Brazilian Federal Public Service to attract new talent***

Many entities in Brazil have been unable to open recruitment competitions ('tenders') in recent years due mainly to the constrained budgetary situation. Entities are also constrained in their ability to hire new staff because it is difficult to get authorisation to open a competition. This situation means that it has proven hard to renew the pool of talent in the Federal public service. As such, there is scope to develop more proactive recruitment practices to compensate for the relative lack of new openings and ensure a better match between candidates and jobs on offer. This could include creating and systematising partnerships with universities to present career opportunities to students in areas of particular interest to the public service, communicating more strategically about public sector jobs opportunities (e.g., through social media), or supporting current employees to engage with a more diverse range of groups and backgrounds. *LIDERAGOV*, led by SGP and ENAP, is an interesting example in this regard. It aims to attract candidates with the potential to take on management responsibilities through targeted communications and outreach.

### ***The transparent but complex salary system may affect the supply and demand of skills***

The salary system of the Brazilian public service offers a high degree of transparency, with most of the nearly 700 different salary scales of public servants accessible online as well as individual salaries. However, some distortions can lead to a mismatch of supply and demand. For example, some entry-level positions are paid higher than the overall labour market. Yet some positions – where skills are in high demand by the public service – are paid lower than comparable positions in the labour market. Similarly, the distortions have led to cases where salaries vary significantly between careers despite similar type of function exercised.

Adjusting the salary scale to attract in-demand skills would require legal amendments following pay negotiations with unions and Congress. In order to mitigate the risk of a politicisation of salary-setting, an independent commission or service could help focus on the situation of each career. In Ireland, for example, an independent Public Service Pay Commission advises Government in relation to public service pay, providing reports on the impact of pay on attractiveness, recruitment, and retention.

**Areas for exploration**

- The SGP and ENAP could support entities to develop a more proactive approach to candidate attraction and recruitment
- Identifying and attracting key skills for key positions (such as leadership)
- ENAP could scale its offer to provide targeted recruitment support to a wider variety of clients and skillsets
- Considering limiting the distortions in the remuneration system to establish a fairer and more sustainable model in the long term

**Principle 7: Recruiting, selecting and promoting candidates through transparent, open and merit-based processes, to guarantee fair and equal treatment**

Principles 5 and 6 have illustrated the importance of analysing what types of skills and competences are needed in the public sector, and in attracting and retaining talent. The next step is to make sure that recruitment and promotion processes – the focus of Principle 7 – are fit-for-purpose.

However, in many countries, recruitment processes and systems have been around for a long time. Changes to how recruitment is done may face a range of cultural and technical barriers. This is why the PSLC Recommendation places an emphasis on recruiting, selecting and promoting candidates through transparent, open and merit-based processes, to guarantee fair and equal treatment, in particular through:

- a. Communicating employment opportunities widely and ensuring equal access for all suitably qualified candidates;
- b. Carrying out a rigorous and impartial candidate selection process based on criteria and methods appropriate for the role and in which the results are transparent and contestable;
- c. Filling vacancies in a timely manner to remain competitive and meet operational staffing needs;
- d. Encouraging diversity – including gender equality- in the workforce by identifying and mitigating the potential for implicit or unconscious bias to influence people management processes, ensuring equal accessibility to under-represented groups, and valuing perspective and experience acquired outside the public service or through non-traditional career paths; and
- e. Ensuring effective oversight and recourse mechanisms to monitor compliance and address complaints.

***There is scope to review the content and format of selection processes***

Transparency is a core feature of recruitment processes in the Brazilian Federal public service. Recruitment competitions are advertised publicly and the list of successful candidates is published. While this transparency is welcome, it is important to make sure that the recruitment processes test relevant knowledge and skills as well. Transparency is a part of, but does not equal, effectiveness. The perception of merit-based recruitment in the Brazilian Federal Public Service is one that adheres strictly to the legal framework governing recruitment processes. Within this framework, there is scope to identify ways to innovate and adjust recruitment processes – such as asking different types of questions, investing in preparation for panel interviewers, and examining ways to mitigate bias. Identifying the margin for manoeuvre and adjusting recruitment processes and assessment criteria to the needs of the post is essential.

Previous OECD reports have noted that most recruitment processes in Brazil do not formally assess skills (OECD, 2019<sup>[2]</sup>) in a systematic manner. Making sure that candidates are tested through modern methods,

and for competences that align with job performance and long-term organisational goals, is crucial. In Brazil, most stages of the recruitment openings are outsourced to private companies by the entity that is hiring. Exceptions mainly concern specific agencies that require specialised training, such as the Federal Police. Outsourcing different aspects of the recruitment and selection process can enable entities to access more sophisticated ways of assessing candidates than are available in-house. However, the scale of outsourcing may also point to a lack of human resource skills and capability at entity level, which is an area to be explored further.

### ***Authorisations for opening recruitment competitions can be used be more strategically***

As outlined above, entities that wish to recruit are obliged to submit a business case to the SGP justifying their request to open a recruitment competition. This business case includes workforce data and budgetary considerations, though entities vary in their ability to develop strategic business cases setting out why they need new talent. The General Coordinator of Public Tenders and Staffing office in the SGP then produces a recommendation on the authorisation of whether or not to open a competition.

Although the final decision-making process is based in part on political criteria (see Principle 6), the SGP has the potential to incentivise certain types of organisational behaviour by linking budget to strategic investment at entity level. This is because the SGP takes progress on digital transformation into account when producing a recommendation to Casa Civil regarding future recruitment openings. As such, in a context of limited recruitment and tightened budgets, there is scope to encourage entities to undertake structural reforms such as digitalising key services and supporting staff to up-skill in line with this transformation.

### ***The prospect of a probationary internship is an interesting development worth monitoring closely***

Currently, the probationary period lasts for three years, at the end of which a special assessment is carried out to decide whether the public servant is suitable for public office. The rationale behind this is to better assess the fit and competences of candidates who pass the recruitment competition. Some OECD countries have broadly similar programmes in place in the form of on-boarding processes and induction periods that culminate with an exam – like sub-national government administrations in Poland. This highlights an important aspect, i.e. ensuring that the focus of these periods is to support and encourage new joiners to develop their skills, rather than framing the periods as potentially punitive if certain standards are not met.

### ***Areas for exploration***

- Determining appropriate assessment methodologies for future-oriented skills and competences
- Better aligning authorisations for new recruitment competitions with strategic workforce planning needs across the Federal public service
- Defining success factors for the ‘experience link’ probationary period
- Clarifying the extent of the role, of private sector organisations in designing and running testing and assessment for public sector positions and developing a strategic approach to their use.
- Creating effecting on-boarding programmes to help new joiners learn relevant skills on-the-job

## **Principle 8: Developing the necessary skills and competencies by creating a learning culture and environment in the public service**

Learning and development is a core part of public sector capability. Learning is not just a tool or a product provided by human resource department – it is an essential skill that public servants must acquire over the course of their careers. Learning goes far beyond classroom training. In high-performing public services it includes a variety of formats. These can include aspects such as mobility programmes to build experience or coaching and mentoring, as well as combinations of self-directed learning and assigned learning tasks.

The OECD PSLC Recommendation emphasises the role of managers in creating and incentivising a learning culture, as well as in providing quality opportunities to engage in different types of learning. While attraction and recruitment can bring in well-qualified and motivated candidates, learning and development strategies aligned with core competence areas are an essential component of public service capability. This is why the Recommendation calls on adherents to develop the necessary skills and competencies by creating a learning culture and environment in the public service, in particular through:

- a. Identifying employee development as a core management task of every public manager and encouraging the use of employees' full skillsets;
- b. Encouraging and incentivising employees to proactively engage in continuous self-development and learning, and providing them with quality opportunities to do so; and
- c. Valuing different learning approaches and contexts, linked to the type of skillset and ambition or capacity of the learner.

### ***Brazilian managers could be further supported in their role of creating and incentivising a learning culture***

Learning in the Federal Public Service tends to be driven by individual employees who request training based on their own perceived gaps, though a new obligation to create an Annual People Development Plan (PDP) at organisational level may improve the situation. Not every entity has a full-time learning and development department, which places the burden primarily on managers for encouraging learning. One way to support managers is to reinforce their capabilities to carry out performance management: linking learning to performance management not only helps make the performance management more robust, it also helps encourage the perception of learning as an ongoing activity rather than an isolated training course.

### ***Designing incentives for learning can help embed a culture of learning***

Entities in the Brazilian Federal Public Service struggle to provide learning and development opportunities linked with long-term organisational goals. For example, participants to certain modules run by ENAP receive a certification, but when it comes to hiring or promotion decisions, that certification counts for relatively little. At present, this places a premium on participants' own intrinsic interest to apply for and complete training. In the future, SGP could explore with partners such as the ENAP and entities whether it makes sense to identify key training courses (such as in the area of HR upskilling) which would become recommended in order to be considered for promotion within a career, or management duties. While this is not widespread across the Brazilian public administration, some careers link career progression to the completion of specific courses and training hours.

### ***Shifting the frame: from providing training to building a learning culture***

Learning opportunities exist in the Brazilian Federal Public Service. However, there is significant scope to take steps to move toward a more joined-up culture of learning. A recent area of focus for ENAP has been

to try to support a culture of continual learning through re-framing its offer to entities in terms of solving business needs, such as in designing new learning modules to help entities understand their obligations under recently passed legislation. This also includes efforts to reach out to parts of the public service that do not typically engage with ENAP. In terms of its product offering, ENAP has the potential to be a core element of building and sustaining a learning culture. However, a potential barrier is how to operationalise the National People Development Policy, i.e. link the training needs identification carried out at entity-level with the formats and content that ENAP proposes. As ability to carry out training needs analysis varies across entities, a constructive approach to building a learning culture may begin with supporting entities in carrying out organisation-wide learning needs analysis.

The Annual People Development Plan which entities have to develop is a step towards guiding entities in building a learning culture. The People Development Plan aims to align the strategy and mandate of the entity with the development needs of employees. The plan can support the planning of training activities. The SGP guides entities in developing the plan and reviews these plans.

### ***Areas for exploration***

- Improving the identification of learning needs and generating economies of scale in provision of learning opportunities, both at organisational and managerial level.
- Building a leadership 'pipeline' through innovative learning modalities, particularly in collaboration with ENAP
- Developing new pathways for public servants who want to re-skill or up-skill, particularly in areas where recruitment proves difficult (i.e. digital skills)

## **Principle 9: Assessing, rewarding and recognising performance, talent and initiative**

Performance management can prove tricky to carry out effectively, particularly in parts of the public sector where goals or objectives may be difficult to quantify. A specificity of the public sector may also lie in the prevailing attitude to risk: how can public servants be encouraged to take the initiative and develop new ways of doing things in an environment characterised by increased public scrutiny and emphasis on prudent handling of taxpayer money?

Formalised performance assessment is mandatory for most government employees in Brazil (OECD, 2020<sup>[2]</sup>). However, with an average grade of 98/100, these assessments lead almost automatically to increased remuneration and career advancement. They are not generally seen to reward high performance, nor address under-performance. Recognising that this challenge also affects many other public administrations, Principle 9 of the Recommendation encourages adherents to assess, reward and recognise talent and initiative through:

- a. Aligning and assessing individual, team and organisational performance through agreed indicators and criteria which are regularly discussed and reviewed;
- b. Rewarding employee performance by appropriate means and addressing underperformance as part of a coherent approach to performance management; and
- c. Ensuring that managers have the capabilities and support necessary to carry out performance management and to identify and develop talent.



### ***A seemingly high-performing public service, but with scope for improved objectivity in performance management***

The high average grade of 98/100 is the symptom of a system where inflated grades come at the expense of performance and results. Interviews with a variety of Brazilian stakeholders indicated that many managers are reluctant to give staff lower grades because of a perception that such grades are a penalty. This prevents managers from giving fair and honest feedback to their teams and skews the incentives for personal and career development. It also acts as a considerable barrier to identifying and supporting high-performers across the public employment system.

Some OECD countries have sought to rectify or prevent situations such as this by developing systems where individuals are assessed against the delivery of their objectives using a simplified grading system. Staff are assessed using a menu of criteria, such as 'top', 'achieving' or 'low'. With only three possibilities, the purpose is to encourage managers to use each label with greater discretion – and to provide an increased range of tools for managing each.

This can lead top performers to receive special bonuses or be assigned to talent management programmes to further develop their competences. Such rewards seek to motivate public servants to reach high levels of performance. They require clear definitions of objectives and targets to reach every year. They build upon strong performance management frameworks developed by each agency depending on its needs and vision.

Achieving this in Brazil would potentially require to redefine a clear and usable grading system, better defining criteria for high-performance.

### ***A lack of tools to address underperformance***

The relatively low numbers of public servants who receive low grades in Brazil suggest that managers have few tools to address underperformance. It may also be indicative of a barrier to attribute poor performance reviews, rather than a culture that recognises stumbles on the way to high-performance. Rather than stigmatising poor performers, across the OECD most countries seek to invest in performance management as a way to pre-empt or head off poor performance by forming a common understanding of what is expected of employees. What counts is the process of discussing objectives, constraints and needs with staff – not only the final grade received by the employee. Where the final grade is sub-optimal, clear outcomes should be defined, for instance related to appropriate learning or coaching.

The focus of the process needs to be, therefore, the adequate identification of low performance and the effort to identify and treat its causes, privileging the development of professional competencies so that the servers reach their potential. This process, however, also needs to consider the treatment to be given in extreme cases of repeated performance problems, including the possibility, as a last resort, of dismissal of the professional, if the other measures are not effective.

### ***There is scope to improve use of performance management as an employee development tool***

Performance management should not be seen as a tool to address poor performance exclusively through sanctions. Part of employee development involves fostering acceptance that performance is a variable, not an absolute. Poor performance can be remedied through collaboratively identifying learning opportunities; high-performance can be encouraged through the same process. Linking learning to performance management not only helps make the performance management more robust, it also helps encourage the perception of learning as an ongoing activity rather than an isolated training course.

In this light, some organisations within OECD countries are trying to shift the perception of performance management from a graded assessment to a more employee development-driven perspective. A recent

survey conducted by the Australian Public Service Commission highlighted that more than half of participating agencies were including employee development and capability uplift dimensions in their performance frameworks (Australian Public Service, 2021<sup>[18]</sup>). By not focusing performance assessment solely on career progression, Australia is promoting a safe culture of performance benefiting both the employees' development and the agencies' workforce planning.

### **Areas for exploration**

- Redesigning the performance assessment process around simplified grading systems and clear outcomes of the performance evaluation process.
- Linking performance to individual learning incentives such as mentoring, peer learning, or mobility assignments, for employees to perceive an added-value to their career development.
- Strengthening efforts to develop institutional performance management processes and align it with individual performance.

## **Principle 10: Clarifying institutional responsibilities for people management**

Within the public employment system, various institutions and entities have responsibilities for people management. Setting institutional responsibilities for designing, leading and implementing the elements for people management are fundamental to ensure the effectiveness of the public employment system. The delegation of responsibilities, under the right framework and according to set standards, can enable entities and managers to better direct staff and consider HR decision in line with the needs of their entities to deliver on government priorities. However, a framework for the public employment system and central oversight of its implementation is crucial to ensure similar employment conditions and allow for government-wide strategic HR planning as well as reducing opportunities for nepotism and political interference in staffing decisions (OECD, 2017<sup>[19]</sup>).

The PSLC Recommendation therefore recommends that countries clarify institutional responsibilities for people management to strengthen the effectiveness of the public employment system, in particular through:

- a. Establishing institutional authority to set and oversee common minimum standards for merit-based people-management;
- b. Delegating an appropriate level of autonomy to individual entities, leaders and/or managers, in order to allow the alignment of people management with their strategic business objectives;
- c. Ensuring appropriate mechanisms for communication and information sharing among institutional actors in the public employment system; and
- d. Ensuring that each institutional actor in the public employment system has the appropriate mandate and resources to function effectively.

### ***The institutional responsibilities are often not aligned to the mandate or capacities of the actors within the public employment system***

The public employment system is characterised by a mismatch of the institutional responsibilities, mandate and capacities of its actors. The current structure is characterised by the SGP setting operational standards and relying heavily on top-down regulations, while it does not have an operational mandate. In order to fulfil its broad mandate and ensure dialogue with HR units in the entity, it is crucial that the SGP counts with the necessary resources. HR units are often overburdened with administrative tasks and have limited resources and capabilities for more strategic people management. In addition, the regulations and

standards set by the SGP are often too strict for the decentralised bodies. The decentralised entities, those that have their own legal identity, such as public foundations, executive agencies and regulators, often have specific structures and needs and in many cases have developed more innovative approaches which go beyond the requirements set. As a third actor, ENAP advances innovative approaches on people management, but lacks the mandate and capacities to scale these up.

In order to resolve this, in the short-term, the SGP could reinforce efforts to create communication channels with the HR units. While the SGP has already established a network of HR units through *ConectaGente*. *ConectaGente* was set up to provide a forum in which HR units can report on latest actions and initiatives taken and debate any relevant topics. However, it seems that this network could be further institutionalised and used for more strategic exchange regarding in particular the development of any policies in the area. For example, Poland developed a similar initiative, the Forum of Directors General (DG) to improve cooperation between the Head of Civil Service and the DGs. It provides a framework for regular meetings to share information, discuss “hot issues”, elaborate drafts of solutions. By using *ConectaGente* more strategically and actively involving the entities on issues including opportunities for proposing new areas of work, the norms set by the SGP could be more targeted, while also strengthening implementation in entities. ENAP could be invited regularly to such exchanges to provide for opportunities to exchange on innovative solutions in people management in coordination with *Labora!gov*. Lastly, efforts to introduce IT tools reducing the workload arising from administrative work could be promoted, while strengthening strategic management capacities in HR units.

In the medium- and long-term, the SGP in coordination with the HR units in the entities could assess which norms and regulations hinder flexibility in the area of HR within the entities and evaluate where specific responsibilities could be delegated to the HR units to allow for more innovative practices. SGP should maintain overall supervision of the system to ensure alignment with overall principles of the HR system and government-wide HR planning. The degree of delegation will have to be mirrored by an increase of capacities within the HR units. Without the necessary capacities, the HR units would otherwise not be able to fulfil additional responsibilities. The assessment of potential delegation of responsibilities will need to be accompanied by defining the needed capacities and skills and developing a capacity-building strategy and a potential gradual delegation (see principle 11).

### ***The Brazilian career systems is characterised by rigidity and inflexibility***

The Brazilian career system is characterised a high degree of rigidity, fragmentation and inequality as numerous careers have been created over the years with specific conditions applying for each. This has led to a situation where 117 careers and 43 groups of jobs, which comprise several positions, exist with often similar functions, but considerable differences in salary. The SGP has made efforts to halt the creation of new careers as far as its remit permits, instead promoting a comprehensive vision of the career system considering changes and its implications for the entire career system rather than taking isolated decisions on individual careers. This means the Ministry has merged some careers or stopped recruitments for specific narrow careers replacing these with broader transversal careers according to a strategic focus to limit the amount of careers and the system’s fragmentation. However, the merging of careers can prove expensive. The new pay grade has to follow the highest pre-existing one, so that no public servant takes a pay cut. While these are promising steps towards a more coherent career system, they are rather piecemeal. A more holistic view of how to modernise the career system would be needed.

In recent years, many OECD countries tried to reform their HRM system to make the most of career-based and position-based systems. Career-based systems allow for greater public service ethos and career paths, while position-based systems can adjust their workforce more quickly to evolving conditions. In countries with a mostly career-based system, like Brazil, this sometimes translates into the creation of broader careers with more functional approaches, or the merger of some careers. In France, the number of *corps* in the State administration, similar to Brazilian careers, was reduced by more than half between

2005 and 2018 (Ministère de la Transformation et de la Fonction Publiques, 2009<sup>[20]</sup>) (Ministère de l'Action et des Comptes Publics, 2019<sup>[21]</sup>). This has been done through the merger and extinction of corps following proposals of individual ministries, as well as through the creation of inter-ministerial, or transversal careers. In Portugal, prior to 2008 more than 1000 public careers existed. An administrative reform reduced these to three and ended automatic career progression by length of service (Camila Penido, 2019<sup>[22]</sup>).

A large-scale administrative reform to restructure the career system in Brazil depends on the political decision in Congress, which is a long-term undertaking. However, there are steps that the SGP could promote to support a more holistic and strategic vision of the career system without depending on an administrative reform. This could be done through guidelines that promote a streamlined career system throughout the government creating a common vision. Increased communication with the entities on their needs regarding competencies would be key to consider in this process. Such guidelines would provide an opportunity to develop a strategic view of how the public service should group and organise jobs, including developing a standard way to identify and classify positions with the aim to reduce the overall number of careers and move towards a competency framework (see principle 5). It should also allow vertical and horizontal mobility to build real career progression based on the acquisition of competences and performance (see principle 12). Careful consideration needs to be given to unions representing different careers who may oppose changes curtailing salaries and benefits.

Furthermore, criteria should be developed that are aligned with priority needs and guide the opening of new careers and new recruitment processes for already existing careers. In part, this is already done by demanding entities to include digitalisation as criteria for opening new recruitment processes. Additional criteria could be included.

### **Areas for exploration**

- Building capacities within the HR units by building on the communication channel *ConectaGente* to enable exchange with the units, simplifying administrative procedures to enable HR units to take on more strategic responsibilities and develop a capacity-building strategy for HR professionals.
- The SGP could identify ways in the short-, medium-, and long-term to consolidate and improve the functioning of career system for enabling a more outcome- orientated administration. These could include:
  - Developing a holistic and strategic vision of the career system through guidelines that promote a streamlined career system throughout the government creating a common vision;
  - Reducing the number of careers by combining careers and developing job profiles that are include transversal skills promoting mobility;
  - Strengthening flexibility of the career system, by, for example, enabling vertical and horizontal mobility to build real career progression.

## **Principle 11: Developing a long-term and strategic approach to people management**

A long-term and strategic approach to people management in the public sector helps to get the right people in the right job or position at the right time. By assessing the skills needed and available in relation to strategic priorities and requirements, the public sector can better prepare its workforce for future needs such as the size of the workforce, deployment of the workforce and the knowledge, skills and competences available and needed to achieve its mission and strategic objectives.

The PSLC Recommendation recommends that countries develop a long-term, strategic and systematic approach to people management based on evidence and inclusive planning that:

- a. Is informed by evidence-based assessment of skills needed and skills available to meet current and future core business requirements, using HR and workforce data for strategic and predictive analytics, while taking all necessary steps to ensure data privacy;
- b. Sets strategic direction and priorities with input from relevant stakeholders, in particular public servants and/or their representatives, and the management accountable for implementation;
- c. Considers all relevant aspects of people management and ensures alignment with strategic planning processes of the government, including budget and performance management; and
- d. Includes appropriate indicators to monitor progress, evaluates the impact of HR policies and processes, and informs decision-making.

### ***Developing a strategic vision to guide the development of the public sector***

The development of strategic approach to people management and availability of tools is rather limited in Brazil given the rigidity of the career system, with a focus on ensuring compliance with norms and regulations, controlling the size of organisations, limiting the number of new careers created and providing staff in policy priority areas.

In order to be able to develop a strategic approach to public management, it is important to have an understanding of the aims and objectives to be reached. Most countries develop a strategic plan setting out the vision for a future-orientated public sector based on the status-quo and anticipated needs. Based on such a document, countries can then breakdown this vision into short-, medium- and long-term objectives and corresponding actions on the entity level. Ideally, this should be accompanied by a monitoring and evaluation approach that allows for check-in points throughout to see if the actions lead to the fulfilment of the objectives and ultimately vision for the public service.

In Brazil, a clear vision on public management could be further developed to advance a common understanding on the kind of public service. This means that the goals set out in the Federal Development Strategy could be further broken down into actionable items and what this means in practice. This could include efforts to build a sustainable public service in the long term in line with budgetary considerations. Evaluation efforts should also be introduced to measure progress on any goals set. This could be done through a stakeholder consultation process to take into account different views and needs for the public service.

### ***Elaborating a workforce planning approach for the public sector***

Implementing the strategic vision for the public service will depend on the workforce and its capacities and skills to deliver services to the public. As future needs develop, new skills and capacities may arise that are needed in the public service. This makes it essential to plan workforce development to ensure it is ready for future developments. Effective workforce planning relies on analysing various data points pertaining to the workforce, focussing not on the number of employees needed to deliver on government priorities, but rather identifying the skills and competences needed to deliver. This may include data on the overall size, cost, current available capacities and skills and future needs both for the public service overall, as well as at the entity-level. This can be useful to consider in any decision process to open new competitions or design new careers supporting the Brazilian public sector to make the most use of its investment in the public sector.

The SGP tracks the overall staff numbers and costs and can project the development of staff in the future. However, it does not use these statistics in a strategic manner. The SGP currently mostly reacts to the entities' indications of future hiring needs as new policy priorities arise. Workforce planning at the entity-

level is not common either. Requests for new hires to the SGP are rarely based on the need for these competencies, but rather taking advantage of the assigned quota to recruit.

Conscious of these weaknesses, the SGP has made some progress in recent years towards strategic workforce planning. In cooperation with the University of Brasilia Foundation, it has developed the *Workforce Dimensioning Project*. The project aims to develop and implement a reference model to support the definition of the ideal number of staff in each entity, identify needs in the workforce and anticipate change. The data gathered allows entities to have an overview of how staff numbers are developing taking into account, for example, ageing or temporary shortages of staff across areas. It also aims to link output of staff to strategic deliverables and the public value generated allowing the entities to allocate staff according to priorities and map where specific capacities or skills are currently lacking in the workforce. However, given the weaknesses in strategic capacity development in the entities this process is still in the initial stage and efforts would need to be aligned with a general strategy to support capacity development in the entities (see principle 5).

To ensure implementation, the SGP is undertaking specific actions. It is offering training and a certification course in partnership with ENAP. In 2022, the training course conducted by ENAP has been taken by public servants from 50 entities giving them subsequently access to the Workforce Dimensioning System. The SGP is also publishing regulations on the procedures to be followed to promote a standardised approach and providing information to the public.

While this is a first step towards strategic workforce planning and developing a common understanding, the scope is very ambitious and may risk overcharging those responsible for implementation. It is therefore key to prioritise objectives and develop a scaled approach building on progress achieved. Each objective should be forward-looking, not only assessing the status quo, but also analysing how the information obtained can be used to build a workforce that is fit for future challenges and priorities.

In addition to the approach at entity-level, the SGP could also work towards a workforce analysis of the current available skills and those needed in the future throughout entire public sector using the information provided by the *Workforce Dimensioning Project* where available. The analysis could assess how the current jobs and competences meet present and future goals of the government, any trade-offs involved and potential actions to be taken to be prepared for future needs.

### ***Developing capacities in HR units and among managers***

Building capable HR units needs be a priority to enable the development of a strategic HR approach in the entities. In Brazil, staff within HR units generally do not have the training and capacities to perform strategic people management, including workforce planning. Most of their work focuses on negotiations regarding job categories, payroll issues and other administrative tasks.

Conscious of this, the SGP is pushing towards a higher degree of automation of administrative tasks through the introduction of the electronic platform “*Sougov*” which would free up HRM staff to take on more strategic tasks. *Sougov* is a service platform launched in 2021 to promote improvements and digitalisation of people management processes in the Federal Government. The platform provides digital access to services, through a single web interface. Currently, more than 65 services are accessible to approximately 1.4 million internal users. The platform simplifies and automates internal people management processes, standardizes work processes and has the potential to free up HR units to carry out more strategic and greater added value. The Brazilian administration estimates that *Sougov* generated operational cost reductions of around R\$52 million resulting from the reduction in the use of paper, printing and postage and savings of more than R\$ 430 million owed to time savings of public personnel management agents.

An additional measure introduced recently with the potential to enable human resources units to focus more on strategic activities rather than operational management tasks is the centralization of the management of pensions, specifically the Special Social Security Regime (RPPS). The Special Social

Security Regime was administered by the entities the public servant was working. A constitutional amendment in 2019 reformed the Brazilian social security system and mandated the establishment of a Single Management Entity of the Special Social Security Regime (RPPS) in each entity. The objective was to improve efficiency and effectiveness for public management. Once implemented, this centralisation has the potential to free up the workforce allocated to this activity to work on more strategic personnel management tasks.

The efforts undertaken so far should ideally be accompanied with an assessment of capacities for human resources units concerning the need for strategic changes to be made in relation to people management. Based on this, a profile for human resources staff and key competencies could be developed. In parallel, the SGP could review regulations in the area of recruitment, training, and workforce planning to specifically define the responsibilities of human resources units and consider introducing a degree of flexibility to better align people management with organisational priorities (see also principle 10). Delegating this function to a greater degree will have to be accompanied by appropriate accountability mechanisms for the individual performance of the units to ensure success. As human resources professionals take on a new role, it could be considered to develop an human resources career path building on the certification course offered in 2022 on 'payroll' and 'workforce planning'.

Besides the human resources units, managers can support the development of a strategic human resources approach. Being at the frontline of implementing government priorities, managers are aware of the skills and capacities they need currently and to fulfil these in the future. The SGP could engage in coordinating with the human resources units on identifying these skills and designing job profiles and openings accordingly which can help to develop a workforce that can efficiently deliver on government priorities.

This is also applicable for the implementation of the *Workforce Dimensioning Project* described above. Equipping managers with the skills for workforce planning and developing a strategic human resources approach is an important component to reinforce efforts taken. This would need to include efforts to raise awareness of managers' role in these areas. The SGP could start to develop guidance for managers and include workforce planning as part of leadership courses as well as making workforce planning part of managers' accountability. In addition, human resources units could reach out to managers to highlight their role in strategic human resources managers and support them in identifying the skills they need.

### **Areas for exploration**

- Strengthening workforce planning within the SGP and across the public sector through:
  - analysing the current available skills and those needed in the future, how current jobs and competences meet present and future goals of the government, trade-offs involved and potential actions to be taken to be prepared for future needs as proposed in parts by the *Workforce Dimensioning Project* developed by the SGP
  - developing guidance on workforce planning as part of organisations' strategic documents and as part of managers' accountability supported by a continuous dialogue between the entities and the SGP.
- The SGP could strengthen the collection and analysis of relevant data to support the evidence-base for strategic people management.
- Building capacities within human resources units and managers for more strategic management. This could include a dedicated human resources career path and support to managers to enable them to identify needed skills and capacities.

## Principle 12: Setting the necessary conditions for internal and external workforce mobility and adaptability to match skills with demand

Mobility is understood as the process whereby staff move from one job to another, in the context of a career path, or for short term assignments (e.g. secondments where staff are borrowed by another team for defined period of time). When managed well, mobility can be good for employees, by supporting learning, staff development and engagement; and it can be good for employers, by creating the flexibility need to assign existing staff to new and emerging priorities. In order to foster mobility, a range of factors usually needs to be in place. Hence, the OECD recommends setting the necessary conditions for internal and external workforce mobility and adaptability to match skills with demand, in particular through:

- a. Establishing common frameworks and/or vocabulary to identify transversal job requirements and competencies (for example, through common competency frameworks and/or standardised job profiles);
- b. Enabling and encouraging short- and medium-term assignments within and outside of the public sector, while ensuring conflicts of interest are avoided, in order to encourage learning and exchange of information or to occasionally meet short-term labour demands,
- c. Valuing mobility as an asset for merit-based and transparent job promotion; and
- d. Making available adaptable and remote working options where possible and suited to the needs of the organisation, in order to enhance productivity.

### ***The career system in the Brazilian Federal Public Service acts as a strong barrier to internal mobility***

The design of the Brazilian career system means that careers are often siloed and prevent people to apply to another public entity or institution, move temporarily to new assignments and posts or even move internally within the entity. Doing so would require the opening of a new competition, undertaking a new entry exam and interview process for the specific career they are applying for and entering at the lowest grade of the career. An additional factor impeding mobility is the lack of transversal job requirements in other careers, making the identification of suitable opportunities difficult. A challenge of the current career system is that the premise of creating careers by bodies, not by functions, was prioritised in the past.

Moreover, varying arrangements for allowances (i.e., the additional pay components added on to base salary based on individual situations) that are specific to certain entities and careers mean that public servants in Brazil could be faced with a net salary reduction by moving to a new career, as many allowances are career-specific rather than public service specific. This leads to a situation where mobility both across and within careers in Brazil is very uncommon, except if the career was designed specifically to be transversal across entities. This undermines learning and skills development (see principle 5). It also reduces flexibility of the Brazilian public service to deploy public servants with specific skills temporarily to react to emerging short-term needs.

To address this rigidity, the SGP has promoted mobility within careers in line with Ordinance N° 282, of July 24, 2020, which revoked Ordinance N° 193, of July 3, 2018 initially regulating mobility. It regulates mobility of the workforce within a career to strengthen professionalisation of the civil service and the development of capacities by working in various entities. Mobility can be through either nomination or a selection process. In the case of nomination, the receiving and sending entity agree on the terms and conditions, such as length of placement. Once agreed with the public servant, the entities seek agreement of the SGP. In the case of mobility through a selection process, the sending entity requests the transfer through the SGP based on the selection process. If approved the sending entity has 30 days to agree. In authorising the mobility requests, the SGP assesses the relevance and compatibility of the activity to be



performed. Since the Ordinance was passed, 1692 public servants (as of August 2022) have benefitted from the programme.

Furthermore, the SGP is exploring to build in more transversality in careers to allow for greater mobility across entities when proposing the restructure of plans, careers and leadership positions. This includes the requirement for more transversal skills and attributes. This would be similar to the EPPGG career for specialists in public policy and government management which is specifically designed to be transversal across entities. To integrate these measures into a strategic framework, the SGP could develop a competency framework that underlines the values of transversal competences and skills (see principle 5). Furthermore, a common approach for job classification and skills identification could be developed on which both the design of new careers as well as job profiles could build (see principle 10).

While currently constitutionally not possible, in the long-term any administrative reform could contemplate how to enable temporary mobility across careers. As a first step, the SGP could examine specific conditions to lower the entry criteria for public servants to other careers. Having already proven their capacities as public servants, this could be recognised. It could also be considered to develop options for public servants to keep their pay and parts of their bonuses that are not specific to the tasks undertaken in the previous position, covered by the sending or receiving entity.

Another operational measure the SGP could consider is to promote a programme for career exchange, which also requires constitutional amendment – this means that public servants would swap positions temporarily and as such bring new skills and ideas to both careers and entities. In order to enable exchange within careers, a platform could be set up that publishes temporary opportunities. For example, the *talent exchange* programme in Belgium promotes learning through mobility by connecting 21 public and semi-public sector organisation through a centralised job portal where opportunities for mobility are posted. It allows for shortened recruitment processes in order to meet strategic needs. In addition, it offers support to the employee and the sending and receiving teams to facilitate the exchange. The SGP could explore a similar initiative in line with their programme promoting mobility within careers.

### ***Lack of mobility opportunities may dissuade candidates from applying to the public service, affecting skills acquisition***

Mobility opportunities are used by many public services as key factors of attractiveness. The UK Fast Stream Programme, for example, competes with other employers for the best graduates by emphasising the opportunity for internal mobility. However, in the Brazilian public service, the relative lack of possibility to experience working in other parts of the public sector and particular across careers may discourage candidates with much-needed skills from applying. In the context of skills gaps, such as for candidates with digital skills, fostering greater internal mobility opportunities could help build public service capability.

### ***Identifying organisational barriers to mobility requires cooperation from actors across the public service***

In addition to the rigid career system, one of the potential barriers to mobility across careers, but also within careers, is the different roles of institutions across the Brazilian Federal Public Service. The SGP is a policy-setting body, so while it can encourage mobility it falls to the entities themselves to operationalise it. Regarding mobility within careers, the degree to which mobility possibilities according to Ordinance N° 282, of July 24, 2020 are used varies considerably among entities. For example, as of July 2022 the Ministry of Economy is the entity which has used this possibility the most with 740 public servants recruited out of a total of 1692 public servants (in August 2022). The Federal University of Amazonas which has used the programme second most has selected 68 public servants.

This indicates that HR units in the entities have varying degrees of capability to design and oversee mobility programmes. ENAP, for its part, is regularly in touch with candidates with strong skills, and could be a valuable touch-point for identifying candidates for mobility opportunities, e.g. through providing certification

in areas related to transversal skills. However, making this happen would require greater cooperation vertically and horizontally. One way to promote this is across the already existing networks on specific themes, such as the innovation network organised by ENAP bringing together organisations undertaking innovative research and work. This could be used to mobilised to access specific innovation related expertise which the public sector at times struggles to acquire (see Principle 4)

### ***Managers are not accustomed to facilitating mobility requests***

There is a strong culture of retention in the Brazilian Federal Public Service. Once hired through a competition, public servants tend to remain within their career or even entity for much of their professional lives. At senior levels, however, public servants tend to be more mobile. Designing flexible management structures to facilitate and promote this mobility would be key to implement any measures related to mobility. In France, a recent mobility programme designed to allow digital talent to move more freely throughout the public service on a project basis never really got off the ground. One of the main reasons was that managers were unwilling to let key talent go, fearing disruption to their teams and workload. In the Brazilian public service, where many managers have little experience dealing with incoming and outgoing mobility demands, managers could be supported to see mobility as a key tool to build effective workforces by supporting staff in developing sought after skills. There is scope to develop such support through coordination with the SGP on the design of new career paths and in conjunction with ENAP to facilitate training and support modules. In line with the recommendation to improve the performance evaluation process and use it as a tool for staff development (see principle 9), managers could be encouraged to include both the identification of mobility opportunities to develop new skills as well as the positive recognition of having participated in a mobility scheme as part of the performance evaluation. The SGP could further reinforce these efforts by mandating entities to consider mobility for job promotion, thereby sending a clear signal on the value of mobility for the public sector.

### ***Fostering a talent pool for specific positions or hierarchical levels could help link the right candidates with priority work areas***

One of the frequently cited barriers to mobility in the Brazilian Federal Public Service is the limited use of the talent bank, which provides a readily-available talent pool. Managers report using informal networks and contacts to identify candidates for their team, with employees themselves taking much of the responsibility for ‘knocking on doors’ to find out where their skills could be a good fit. Through ENAP, the public service has taken some steps toward building a talent pool of senior leaders with a view to shortlisting them for vacant positions. This success could be further developed to work toward a ‘free market’ for leadership positions, with greater clarity on missions, remuneration and conditions for mobility. The SGP could also identify specific positions and hierarchical levels for which there is a high demand and managers experiencing difficulties to identify suitable candidates. The SGP in coordination with HR units could improve the talent pool by actively collecting suitable profiles and making them available to managers.

### ***Areas for exploration***

- The SGP and HR units could provide greater incentives for mobility at individual and organisational level, such as considering mobility in promotions and performance reviews
- In line with restructuring the career system as suggested in principle 10, the career system could facilitate more transversal and horizontal mobility, in particular by breaking down barriers between careers to improve flexibility, facilitating secondments both within and across careers and promoting transversal competences and skills.
- Improving the talent pool for specific in-demand positions and hierarchical level with suitable profiles.

## Principle 13: Determining and offering transparent employment terms and conditions

Transparent employment terms and conditions are core to the agreement between employees and public employers. Those terms and conditions, including but not limited to remuneration, term length, job security, rights and obligations, have to match the skills needed and functions of the position, while taking into account external and internal labour markets to ensure the attractiveness of the public sector. These terms and conditions should allow for flexibility in contractual modalities, enabling public services to adapt quickly to emerging situations and environments. The PSLC Recommendation calls for countries to determine and offer transparent employment terms and conditions (e.g. compensation, term length, job security, rights and obligations) that appropriately match the functions of the position, taking into account external and internal labour markets, in particular through:

- a. Clearly defining the categories of employment that fall under civil service statutes, where such statutes exist, or general labour law, based on transparent and objective criteria;
- b. Clearly defining, and consistently applying, the terms and conditions of employment for functions and positions based on factors such as the nature of the work, labour market considerations, and public service capability development needs; and
- c. Engaging representatives of public employees in legitimate consultation procedures, negotiating through open and fair processes such as collective bargaining, and setting procedures for monitoring the implementation of agreements.

### ***A very restrictive use of contract staff limiting the flexibility of the public service***

Most OECD countries categorise public employees falling mainly under two contractual modalities: one linked to the civil service status, and one contractual, i.e. based on a contract linked to the position. These two modalities typically entail different outcomes on tenure, salary, or career paths. The advantage of contractual employees is that it allows the public service more flexibility in hiring and reacting to specific short-term needs. In Brazil, the hiring of contractual staff is subject to restrictive conditions allowing the hiring of contractual staff to meet demands of exceptional public interest. All cases qualifying for this are defined through an extensive prescriptive list in Law N° 8,745 of 1993. This includes for example emergencies or other specific actions which are temporary in nature, such as researchers to collect data for the Brazilian Institute of Geography and Statistics. The objective of including this prescriptive list is to limit any distortion in using the temporary regime. As a result, 87% of Brazilian public servants fall under the civil service status with the remaining 13% being split between public employees hired according to the private sector regulation, contractual regime, medical residents and commissioned positions. The restrictions on hiring temporary staff limits the flexibility of the Brazilian public sector. Most recruitment takes place through the civil service regime which means considerable stress on the budget as it is a long-term commitment given the civil service status.

The use of contract staff has to be based on transparent and objective criteria for which type of positions or functions this may be appropriate and ensuring a merit-based process in hiring contractual staff. For example, in Germany, most public servants are in middle or senior management positions, while contract staff tend to occupy clerical positions (Reichard and Schröter, 2021<sup>[23]</sup>). France introduced more workforce flexibility by reinforcing the role of contract staff with a law passed in 2019 that gives more leverage to administrations to hire contractual staff (*contractuels*). Contractual staff can be hired to work on specific projects, up to 6 years, or be hired for leadership positions where and when needed. It is also possible, under specific conditions, for this type of workers to obtain tenure. In order to strengthen fairness and merit in the recruitment of the contractual staff, France places a strong emphasis on transparency in recruitment processes and remuneration.

### ***A lack of reflection around contractual modalities and status***

In the context of Brazil, strengthening flexibility of the public service by increasing the use of contractual employees faces three immediate challenges. First, from a legal perspective, a reform would be required to change the condition under which temporary staff could be hired. This would need to be preceded by a reflection open to any result around who requires the protection granted by the civil service status and who does not which was initiated as part of the debate of the PEC 32 of administrative reform. Any such reflection should clearly structure the regime, setting out the conditions, such as compensation, term length, job security, rights and obligations, under which it could be used. Law N° 8,745 of 1993 which sets out some of these elements, such as maximum contract time and limitations to rehire temporary employees, could be taken as a basis, while also considering where there are currently shortcomings in the implementation of the legislation or potential ways to circumvent it. For example, provisional measures are at times used to extend contracts beyond the maximum time stipulated in the law. An additional measure to consider could be to include limiting the overall percentage of temporary staff per entity to ensure that this job category is not used to bypass the strict qualification criteria of public servants..

Second, introducing the possibility to hire contractual staff is accompanied by the risk that merit-based recruitment is bypassed. While there are strong arguments for the conditions and qualifications of contractual staff to be less stringent than those of public servants, such as simplified recruitment processes, standards need to be set to ensure merit-based processes. Currently, Law N° 8,745 sets out some exceptions where hiring can be carried out based on analysis of the CV as the only step in the recruitment process or at the discretion of the entity. It is crucial that these processes include procedures to manage conflict of interests during the recruitment process and include measures to avoid politicisation of the public service as a result of clientelistic recruitment practices. Similarly, performance criteria should be aligned to those of public servants with regular performance evaluations taking place.

Third, there may be a cultural challenge, in which changes to the temporary regime will be perceived as trying to bypass the civil service and its protections. A discussion should be held with stakeholders that underlines the value of increased flexibility of the public sector through the use of temporary contracts, while the civil service status has to remain protected.

### ***Areas for exploration***

- Exploring measures and policies to better answer to surge capacity and punctual needs in the Brazilian public sector.
- Ensuring the discussion around terms and conditions is taken into account when developing transversal careers.
- Enabling a reflection among key stakeholders around who requires the protection granted by the civil service status and who does not, in order to rethink which contractual mechanisms could be put in place to fit the Brazilian context and strengthen flexibility.
- Building on this reflection, the SGP could propose revised terms and conditions for the temporary regime that set out the conditions, such as compensation, term length, job security, rights and obligations, under which the regime could be used. This could also include limits on temporary hiring per entity.
- Ensuring recruitment processes and hiring procedures meet minimum requirements regarding merit.

## Principle 14: Employees as partners in public service management issues

The effectiveness of the public service ultimately depends on the public servants providing those services. One key element to consider is the level of engagement of public employees. This can be in the form of enabling employee representation, consulting employees regularly on well-being and engagement and ensuring open and constructive communication between the different levels of hierarchy. Furthermore, employees should feel confident to speak up and report misconduct using the reporting channels in place without fear of retaliation.

The PSLC Recommendation underlines the need for countries to ensure that employees have opportunities to contribute to the improvement of public service delivery and are engaged as partners in public service management issues, in particular through:

- a. Enabling employee representation and entering into constructive social dialogue with them;
- b. Regularly consulting employees on issues such as their well-being and engagement, in order to identify strengths, challenges and trends to inform leadership and improve management decision-making;
- c. Ensuring ongoing communication between the front lines and senior-level public servants, and horizontally through networks and communities of practice.
- d. Having processes in place for employees to report grievances and violations of integrity standards, without fear of retribution or harassment, and providing appropriate follow-up procedures.

### ***Engaging unions for constructive dialogue***

Enabling employee representation and entering into constructive social dialogue with them can be conducive to engaging public employees in public service management issues and involving them actively in improving the public service. One way to do so is via the unions representing the public servants. In addition, inclusive labour relations enable to effective exchange of information and consultation supporting the finding solutions and formal agreements to any issues regarding the workplace (OECD, 2021<sup>[24]</sup>).

In Brazil, the dialogue with unions is centralised. The SGP has set up a permanent institutional channel for exchange with unions through the Department of Labour Relations in the Public Service. In any dialogue held, a representative of the entity affected participates in addition to the unions and the Department. This provides an opportunity for engaging in constructive dialogue with the unions. However, the discussions held are quite detached from the priorities developed within the SGP or the issues at entity-level with mostly unions raising issues they would like to address, but not vice-versa. There seems to be also no formal agreement on how issues debated are followed up on. As such, the opportunity to build a constructive dialogue and proactively engage with the unions on changes is not taken advantage of.

There is also the option to negotiate any terms and conditions within the scope of the National Permanent Negotiation Table. However, this option is not used as frequently. For example, the last Permanent Negotiation Table involving 58 unions was held in 2015/16 resulting in 45 new agreements. Despite these channels for dialogue, unions or entities overseeing the careers often lobby Congress representatives directly. This results in fragmentation with entities lobbying for the interest of the specific career they are representing and which have not been agreed based on consensus among careers. This is particular relevant for the negotiations regarding pay structure. However, the roundtable is not built on a formal model for negotiation, but rather an informal model developed by the SGP.

### ***Employee surveys are emerging, but could be used more strategically for follow-up actions***

A wide variety of tools are available to strengthen employee engagement and measure the level of engagement to benchmark results and take appropriate action. This is often done through employee surveys which can measure not only the relative level of engagement across the public service and in individual entities, but also identify factors for low or high engagement. According to the OECD pilot model on employee engagement in which more than 32,000 employees from the Federal executive Public administration in Brazil participated, the level of engagement in Brazil is quite high. 69% of respondents were overall satisfied with their jobs and 63% agreed with the statements that their jobs inspired them and gives them a sense of accomplishment (OECD, 2021<sup>[5]</sup>).

In addition to the engagement module, the SGP in partnership with 'Great Place To Work', ENAP and the República Institute conducted a public sector wide employee survey between September 21 and October 23, 2020. The aim of the survey was to understand the perception that the public servants have and to enable management to develop people management policies to respond to the demands identified. It included questions on various issues relevant for employee engagement, such as communication, trust, adequate support from the leader and colleagues, recognition at work, sense of justice, significance, pride and others. In line with good practices from other countries, Brazil is planning to publish the results of the survey which may have an effect on some of the lower performing entities to take measures.

While these are promising first steps towards establishing a baseline on employee engagement, no follow-up actions have been designed so far. Regarding the SGP survey, the SGP in partnership with a 'Great Place to Work' could provide opportunities for the entities to engage with the experts to understand their results. In order to promote follow-up action, the SGP could also ask each entity to develop a number of actions to be submitted to the SGP to ensure accountability. ENAP and the República Institute could offer their expertise in supporting the development of targeted actions. Some of the lower performing entities could be asked to set up a Committee on Organisational Climate consisting of representatives from different areas. Their aim would be to discuss possible measures to take to improve employee engagement. This would be similar to the approach taken in the Brazilian Electricity Regulatory Agency (*Agência Nacional de Energia Elétrica*, ANEEL). ANEEL has conducted employee engagement surveys every two years since 2010 with scores improving each year. It has set up a Committee on Organisational Climate, which is comprised of the senior leadership. This Committee elaborates a plan for improvement based on the results of the survey.

Lastly, the response rate was relatively low with an overall participation of 6% of the target audience. Follow-up editions of the survey could anticipate this low response rate and design communication measures to raise awareness and encourage public servants to respond to the survey.

### ***Designing campaigns and measures to build trust in reporting channels***

Formalised channels through which employees can report grievances and violations of integrity standards without fear of reprisals can be an effective measure to expose irregularities, fraud, fraud, mismanagement, and corruption (UNODC, 2015<sup>[25]</sup>). Both the OECD Public Integrity and PSLC Recommendations underline the value of providing public employees with such channels. Even if entities have strong preventive measures in place such as an ethics code or ethical training, wrongdoing cannot be avoided entirely. Employees have access to up-to-date information concerning their workplaces' practices and are usually the first to recognise wrongdoings (UNODC, 2015).

In Brazil, entities at all level of government have to set up an ombudsperson office or correction unit to ensure that public officials can report information about crimes against the public administration, unlawful administrative actions or any actions or omissions harmful to the public interest. In order to be able to submit the information, every public entity needs to set up various channels such as e-mail, telephone and

in-person submission. The telephone line can also be administered by a private non-profit entity. In addition, there is also a toll-free telephone number “Disque-Denúncia” for complaints at each level of government. It is also possible to submit reports through the Fala.Br platform accessible to citizens and public officials. Furthermore, breaches of ethics involving a high public official can be reported to the Public Ethics Commission. Reports of ethics breaches involving any public official can be made to the ethics committee (if in place) of the entity where the official works. (OECD, 2010<sup>[3]</sup>)

While there are various channels available to public employees to report grievances or integrity violations, the establishment of these channels is only a first step. In order to make these effective, the public sector will need to foster a culture in which public officials feel confident in reporting misconduct and not fear retaliation for reporting. A dedicated whistleblower protection law that guarantees anonymity and protection against retaliation is one element. Another element are efforts to foster an open organisational culture within the entities. The tone from the top and effective follow-up to reports would be crucial in this. In addition, communication and awareness-raising campaigns could be designed to highlight the value in public employees stepping forward to report irregularities. Managers should also be supported to develop skills to create a trustful organisational climate. Efforts taken to foster such a climate could be closely coordinated with the Integrity Management Unit in the entities and the CGU responsible for integrity policies (OECD, 2020<sup>[26]</sup>) (OECD, forthcoming<sup>[27]</sup>) (OECD, forthcoming<sup>[28]</sup>).

### **Areas for exploration**

- Leveraging the roundtable the SGP has set up with unions to construct a meaningful dialogue to discuss any issues regarding workplace conditions.
- Designing communication measures to increase the participation in employee surveys and ensuring specific follow-up actions on employee surveys which are developed in coordination with employees.
- Exploring regular consultation processes for employees to raise specific concerns, ideas for improvements and collect information on well-being.
- Designing awareness-raising campaigns on the reporting channels aimed at building trust and showcasing support for these channels from the leadership in a whole-of-government effort.
- The SGP could train leadership in building an open organisational culture and receiving and managing reports on misconduct in coordination with the CGU.

### **Next steps**

Throughout the last decade, Brazil has undertaken considerable efforts to modernise the public employment system and align it to OECD good practices. However, many of the policies and initiatives remain isolated and do not address the core issues which would need to be made a priority. Taking the PSLC Recommendation as a reference, this paper provided an initial overview of the strengths and weaknesses in key areas of public employment and management.

Regarding Pillar 1 of the OECD PSLC Recommendation focussing on a values-driven culture and leadership, Brazil has taken some steps to strengthen the senior level public service by consolidating the system to better distinguish managerial roles throughout the hierarchy and introducing minimum criteria for selection/appointment. ENAP has worked with entities to develop a leadership pipeline and train future leaders. Furthermore, *Labora!gov* and ENAP have been crucial in putting forward innovative solutions. However, the implementation of these initiatives throughout the public service remain ad-hoc and are often not embedded in a broader vision of the senior level public service in Brazil, and how it could be managed most effectively. Brazil could focus on building this strategic vision and strengthening leadership in the Brazilian public service, by improving the professionalisation of this group. This could include reinforcing

leadership pipelines to support the selection of competent senior level public servants with an emphasis on selecting leaders from a diverse background, and with an orientation towards innovation.

Pillar 2 of the PSLC Recommendation centres on skilled and effective public servants. In the context of Brazil, this signifies a reflection on the skills and capacities needed currently and in the future. Brazil could analyse how to develop these competencies in a context where recruitment is limited. This could mean looking at streamlined recruitment for temporary employment contracts, to facilitate more flexible access to skills on the labour market. This would have to be explored carefully, to ensure safeguards are in place to prevent abuse of the system that would open a back door to public service recruitment processes. Furthermore, Brazil could look at the best way to motivate public servants to ensure they are putting their skills to best use. This suggests looking at the performance management systems with a view to simplifying them and better aligning goals and incentives for performance.

Pillar 3 of the Recommendation focusses on responsive and adaptive public employment systems. In Brazil, the fragmented career system is the key barrier towards a modern and agile public sector. The SGP has undertaken efforts to reduce the numbers of the careers and harmonise the system, however, a broader reform process will have to be envisioned for an efficient public service. Brazil could look more deeply into potential avenues for reforming the career system, based on the type of skills and capacities a future-ready public service should have at its disposal, and how careers and job profiles could be redesigned to simplify the system. This could include a focus on making the public employment system more flexible through e.g. career progression, and increased permeability of the career system encouraging horizontal and transversal mobility. In order to enable effective change, these considerations would ideally be embedded in a reform process that identifies short-, medium- and long-term outputs as well as overall outcomes, possible opposition to the reform, quick wins and a clear implementation roadmap. Given the breadth of proposals, a well-resourced body will need to be in charge of implementing such a reform agenda. Analysing the mandate and resources of the SGP could help to assess if these are in line with those needed for moving the reform agenda ahead and to ensure effective implementation throughout.

Based on these, the next phase of the review entails a deeper dive into the three themes, agreed upon by the OECD and the SGP: the career system, flexible hiring modalities, and performance management. These issues are central to set up a process towards a modern and fit-for-purpose public service that delivers the most value for the investments taken.



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