

OECD Public Service Leadership and Capability Review of Brazil

PRIORITY AREAS FOR REFORM



Unclassified

English text only

19 December 2022

**PUBLIC GOVERNANCE DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

Working Party on Public Employment and Management

OECD Public Service Leadership and Capability Review of Brazil

Priority areas for reform

This paper analyses three priority areas for reform in Brazil's federal public service: the career system, the use of temporary contracts, and the performance management system, and presents detailed recommendations on each. It is the second output of the OECD's Review of Public Service Leadership and Capability in Brazil's federal administration. It builds on the first output, which provided a scan of the Brazilian public employment system and its alignment with the fourteen principles of the OECD Recommendation on Public Service Leadership and Capability (PSLC).

Daniel Gerson: daniel.gerson@oecd.org

Felicitas Neuhaus: felicitas.neuhaus@oecd.org

JT03510158

Table of contents

Executive summary	4
Key recommendations	5
1 Designing the career system for a modern and agile public sector	7
1.1. Simplifying the career system	7
1.2. Ensuring equity in salary	11
1.3. Career progression based on performance	12
1.4. Providing more flexibility through mobility opportunities	13
1.5. Recommendations	16
2 Strengthening flexibility of the public service through temporary contracts	18
2.1. Contractual employment modalities to increase flexibility	18
2.2. Developing transparent terms and conditions	21
2.3. Mitigating the potential for abuse of the contractual regime	23
2.4. Recommendations	23
3 Developing a mature performance management system	25
3.1. Connecting performance assessment to the right incentives	26
3.2. Embedding performance management	30
3.3. Recommendations	32
4 Conclusion and next steps	33
Annex A. Country practice - Reforming the career system in the Portuguese Public Administration, 2005-2008	34
Principles framing the 2008 Reform of Public Administration	34
Advancing the Reform of the Public Labour Regimes	35
Reforming the Career System	35
Reform of the Remuneration System	36
Annex B. Guidelines for creating or merging of new careers in the Brazilian public service	38
1. Simplification of the set of plans, careers and effective positions	38
2. Expansion of the careers to multiple bodies instead of assigning careers to single bodies (autarchy model)	38
3. Personnel mobility mechanisms that ensure flexibility	39
4. Promotion of greater equity between remunerations	39
5. Simplification of the remuneration structure	39
6. Recognition of professional performance and development in career progression	39
7. Prioritisation of strategic and complex activities	40
Case Study: administrative technical careers	40
References	50

FIGURES

Figure 2.1. Civil servants and other employees in central administrations, 2018	19
Figure 2.2. Differences in employment frameworks for civil servants compared to other employees in central administrations, 2019	20

TABLES

Table 1. Overview of careers analysed	40
Table 2. Salary range and average salary	45
Table 3. Number of steps and time spent at each step and to reach the highest step of the career	47
Table A A.1. Legal framework implementing the reform of the public administration	35

BOXES

Box 1. The OECD Public Service Leadership and Capability Review of Brazil: Methodology Output 2	4
Box 1.1. Professions and function model in the UK Civil Service	10
Box 1.2. Types of mobility in the public sector	14
Box 3.1. Performance assessment at the Securities and Exchange Commission	28
Box 3.2. Ireland's Civil Service Management of Underperformance Policy	29

Executive summary

Brazil is taking important steps to update and modernise its well-established, professional public service made up of skilled and dedicated public servants. For example, the government has been developing digital services and human resource management systems, putting in place more opportunities for workforce mobility; supporting ministries in undertaking better workforce planning, and creating more opportunities for leadership development. However, to advance further, the Brazilian government is also looking at some of the foundational elements of its public employment system:

1. Designing the career system for a modern and agile public sector
2. Strengthening flexibility through the increased use of temporary contracts
3. Developing a mature performance management system.

This paper analyses these three priority areas for reform and presents detailed recommendations on each. It is the second output of the OECD's Review of Public Service Leadership and Capability in Brazil's federal administration. The three areas for reform were identified by the OECD in coordination with the Secretariat of Personnel Management and Performance (*Secretaria de Gestão de Desempenho de Pessoal*, SGP) based on the findings of the first output, which provided a scan of the Brazilian public employment system and its alignment with the fourteen principles of the OECD *Recommendation on Public Service Leadership and Capability* (PSLC).

These three areas are some of the most pressing, in moving towards a modern, fit-for-purpose public employment system and are dealt with in detail in the following sections of the paper. The paper is complemented by a case study that proposes guidelines for reforming and/or creating new careers as well as applying those guidelines to the example of the creation of a general administrative career (see Annex B, p.38).

Box 1. The OECD Public Service Leadership and Capability Review of Brazil: Methodology Output 2

The second output of OECD's Review of Public Service Leadership and Capability in Brazil's federal administration builds on the analysis of the first output, the analytical scan. The paper builds on three workshops held with stakeholders from the SGP and other areas of the Ministry of Economy as well as representatives from Human Resources office in entities of the public sector. The workshop served to share experiences from OECD countries, notably France and Portugal, as well as to hold discussion on the current challenges and potential steps forward in the three areas for reform.

Key recommendations

Designing the career system for a modern and agile public sector

The first priority is to simplify the career system, which is the legal and structural foundation of Brazil's public employment system.

While a full-scale reform of the career system likely requires a long-term perspective, and will depend on broad political support, various short- and medium-term steps can be undertaken to address the fragmentation, rigidity and inequities of the system. Specific recommendations include:

- Simplify the career system by developing a vision of an ideal career system based on functions and transversal skills, and work towards that vision by reducing overlap of careers, combining careers with the same functions, harmonising employment conditions and developing common job profiles that include transversal and future-oriented skills.
- Ensure salary equity by reviewing comparable functions across careers to set common basic salaries for new careers.
- Establish common criteria for career progression which take into account professional development and performance and work towards a career progression system where levels of responsibility and expertise increase as public servants move up the career ladder.
- Strengthen workforce flexibility through improved mobility by developing common frameworks that underline the value of transversal competencies and skills; reducing barriers for public servants to change careers when warranted; building on and further promoting existing programmes for mobility; and considering mobility in promotions and performance reviews. As recommended in the *OECD Centre of Government Review of Brazil* (OECD, 2022^[1]), this could also help to foster co-ordination between centre of government entities¹.

Strengthen flexibility of the public sector through temporary contracts

The second priority is strengthening flexibility by improving the strategic use of temporary contracts. This may help to meet short-term and immediate needs as well as recruiting specific in-demand skills. In order to do so, Brazil could:

- Update the conditions for hiring temporary employees. This would include a broad reflection among key stakeholders on the terms & conditions for temporary employees which should avoid creating a two-tiered system. Simplified recruitment could also be considered.
- Explore measures and policies to better respond to surge capacity and punctual needs, such as improved mobility opportunities for public servants.
- Mitigate the risk of abuse of the temporary scheme by limiting the amount of time temporary employees can be hired and rehired, ensuring conflict-of-interest policies are implemented and observed, and ensuring recruitment procedures meet a common high standard for merit and transparency.

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

Developing a mature performance management system

The third priority is reinforcing the performance management system to provide adequate incentives for public servants. Key recommendations to strengthen the performance management system include:

- Harmonise performance processes and modalities across careers to develop a standard that can be expected by all public servants. This includes giving responsibility of the assessment process to the host entity regardless of the career.
- Simplify the performance rating system to a 3-point scale, and set the middle point (2) as the default score for all public servants.
- Address underperformance by developing a mechanism to tackle underperformance through professional development and regulating performance-related dismissal as an option of last resort.
- Align organisational and individual goals by strengthening *ImpactaGOV* and further integrating the People Development Plan (*Plano de Desenvolvimento de Pessoas*) and individual objectives.
- Reinforce the capabilities of managers by providing better guidance, training and support on conducting performance assessments and dealing with underperformance.

1 Designing the career system for a modern and agile public sector

The career system is the backbone of the public employment system in Brazil. It structures the underlying job classification, positions and functions, career progression, salary, pension, and performance arrangements. Given this, the career system is the driver of public service modernisation in Brazil – as it affects the skills and competencies public servants have, as well as ability of the government to attract and retain needed skills, to allocate them efficiently across the public service, and to motivate public servants to put them to use. However, the career system suffers from a high degree of fragmentation, which reduces the government’s ability to manage the workforce strategically. The system is comprised of 117 careers (*carreiras*) and 43 “groups of jobs” (*Plano de cargos*) with 87% of Brazilian public servants belonging to one of these.

An effective public employment system structures employment to meet operational needs and to be able to deploy staff flexibly to meet changing requirements. This means flexibility, in terms of mobility across entities and between different parts of the public service, to meet the employer’s needs and to enhance career opportunities for staff. Fluid movement into and out of the public service through temporary contracts is another important aspect of flexibility. The system should also provide attractive job opportunities to be able to recruit and retain the talent it needs.

In recent decades, many OECD countries have analysed the set-up of their public administration and restructured job categories and career paths to better align to the needs of a modern public service. In general, public administrations restructure their job classification systems to reduce transaction costs by dealing (as far as possible) with collectives rather than individuals, meaning to structure the workforce in distinct categories. This may be done according to occupational grouping, i.e., the job performed, or professional corps (the profession to which an employee belongs). The most efficient approach is to ensure that common categories are used to the largest extent possible across as many organisations as possible. This simplifies the management of large workforces by applying common employment conditions and arrangements for as many employees as possible.

In recent years, efforts to increase flexibility in OECD countries have led to the creation of broader occupational groups and their transversal application across as many organisations within the public service as possible. This means that skills and competences are designed in a way that allows public servants to move more easily across occupational groups and organisations, strengthening flexibility. Examples of changes made to pay and grading systems in various countries include the replacement of incremental pay scales by broad salary bands, restructuring along the lines of job families, and the rationalisation of job classification systems.

1.1. Simplifying the career system

The Brazilian public sector is composed largely of permanent public servants hired on a merit-based system and integrated into one of over 150 professional careers, with specific characteristics defined for each career. This fragmentation of careers is the root cause of many of the challenges experienced by the

Brazilian public employment system. Each career is defined by separate legislation, which makes them relatively inflexible, as changes cannot be implemented easily but have to be amended by law. The unintended results are that Brazil's public service is not unified, but is actually made up of many separate but overlapping public services, with significant variations in their terms and conditions of employment.

The career system as structured generates a high degree of rigidity and fragmentation within Brazil's public service that is inefficient for a number of reasons. First, the rigidity of the system stems from the myriad employment conditions for each career. The great majority of careers are made up of narrowly defined job functions that are specific to a single entity. Members of the career cannot work in other entities or functions than those specifically defined by law. In other words, two employees with the same job function in different entities will likely be members of different careers, with different pay scales, performance management systems, and access to training and development. There are no common job classification standards or overarching competency frameworks for the public service, as these are defined separately for each career.

Second, the fragmentation of careers stems from the position each entity has in seeking the best employment conditions for their specific career. This has led to a situation where each career pushes for specific changes and defends its interests, which leads to further fragmentation and differentiated employment conditions across different bodies, even for similar functions. This hinders strategic management of the workforce and gives too much power to strong occupational or professional groups.

Third, skills and qualifications are not defined in a transversal manner, but rather specific, narrow skills are set out. Only a few careers have been designed to be transversal, allowing public servants of these careers to work in various entities. One example is the career of Specialist in Public Policy and Government Management (EPPGG), designed for high-level public policy and management functions. EPPGG public servants go through a common induction and initial training and can be assigned to positions throughout the administration, which means that EPPGG public servants have greater opportunities for mobility than other careers. This could be a model to consider for all future careers to follow.

Fourth, when new needs or skills are required that do not fit into one of the specific careers, a new career has to be designed or an existing career formally modified. However, as these careers are defined by law, any change to the careers are complex and long. As a result, equipping the public service for the future by including new skills and capacities is a complex and long process (as is making any reforms or changes to existing careers). The SGP has been asking entities to complete any request for career creation with an assessment of how the new career aligns with expected digitalisation. This is a first step towards including new skillsets, although it does not help reduce the overall number of careers. To promote the digital transformation, efforts should also extend to those public servants in existing careers through upskilling and reskilling.

The SGP has worked to exercise stronger control over the creation of new careers by routinely verifying if requests for new careers could be used either as an opportunity for merging already existing careers or creating more transversal careers (i.e. careers that exist in multiple entities, thereby standardising employment conditions). As a result, no new careers have been established since 2016. For example, when creating the National Nuclear Safety Authority in 2021, instead of creating a new specific career for the authority, an already existing career was expanded to be employed in this authority.

The simplification of the career system would be a crucial step towards reducing the fragmentation and rigidity of the system. The number of different job categories and different situations in individual entities should be reduced. Assigning careers to several entities would help to reduce the "ownership" of job categories by specific entities.

However, making deep changes to the career system requires significant legal activity, which is difficult to accomplish in the short to medium term it requires political consensus. However, there are opportunities

for short- and medium-term steps that do not depend on legal reforms. The large-scale restructuring of the career system should nevertheless be a long-term objective.

An important first step could be to develop and articulate a holistic and strategic vision of the ideal desired career system for the Brazilian federal public service of the future. While the SGP has been making efforts to simplify the career system by halting any further creation of careers, the entities frequently continue to request the opening of new careers. It would therefore be useful to develop this common vision of the career system and establish guidelines that promote its implementation. Stakeholder consultations should guide the development of this vision to ensure broad input and ownership by the concerned parties, including leadership positions, which are essential for realising such a vision.

Subsequently, and on the basis of the developed vision, the SGP could design guidelines for creating or merging careers. These guidelines could be used to generate common understanding and a co-ordinated effort to reduce fragmentation and rigidity. They could provide a checklist for entities to consult prior to creating any new careers. Training the human resources units according to those guidelines and discussing why the specific criteria have been put forward is important to build ownership. Elements addressed in these guidelines should include: the merging of careers where possible to avoid the creation of new careers; promoting transversal careers that pertain to more than one entity; inclusion of transversal skills; mobility opportunities; simplification of the remuneration structure; and career progression. The OECD has developed a proposal for such guidelines (see Annex B, p.38).

Building on this, the SGP could develop a strategy for grouping and organising functions in the public service, including how to identify and classify common job categories and positions within functions to avoid duplication and reduce the overall number of careers. There is a risk that positions break away from their parent function to create their own career as has happened before. This means that in a push towards creating more favourable conditions, groups argue for their specialised position to warrant the creation of a specific career instead of belonging to a more general occupational group. This would need to be managed carefully.

Brazil is not the only country that has faced the challenge of fragmented job classification and employment frameworks. In France there has been an ongoing process of reducing the number of separate corps in the public service by abolishing corps or merging them with similar functions across different ministries. Between 2005 and 2010, the number of corps was reduced by almost half. Over 80% of the mergers have concerned operational jobs. And the mergers of corps have continued since – with the creation of an inter-departmental corps of “state administrators” integrating many of the leadership and management functions of the public service. For example, in 2022, the administration decided to abolish two senior management functions of the Ministry of Foreign Affairs. Effective from 2023, they will be integrated into the corps of state administrators. Diplomats will be pooled from all branches of public service, encouraging greater mobility across ministries and opening competition for such positions to a broader pool of candidates. The French system prior to these reforms had some parallels with the Brazilian situation in that many of the corps were highly specific categories.

Portugal, which had a career system with many similarities to the Brazilian system, went through an extensive reform process in 2008. It downsized the career system from more than 1716 general and special careers to only three general careers:

- Professional Staff (“Senior Technician”);
- Secretarial Staff (“Technician Assistant”);
- Technical Support Staff (“Operational Assistant”).

The functional complexity and qualification level varies according to the career. Overall, this reform of the career system represented a huge milestone. It strengthened versatility of the system and improved mobility for public servants (for further details, see Annex A).

In Brazil, as many job categories as possible should be inter-ministerial to strengthen fluidity of the system as well as to break down ownership of entities for specific careers and the subsequent corporatist pressure that arises. Jobs could be grouped into a smaller number of categories by merging similar jobs in different entities into one cross-cutting category, for example creating one administrative support category. The number of job categories attached to individual institutions should be reduced with a view to eliminating such arrangements over time.

Competency frameworks could support these efforts by identifying and articulating the needed skills and competencies for common functions across entities, as well as future skills needs. Competencies could be a lever for identifying how jobs could be regrouped, for example by defining competencies by *métiers* (the French approach) or by forming professional and functional groupings for the civil service (as in the United Kingdom, Box 1.1). Job profiling could be a way to approach this by developing generic profiles for key job categories.

Box 1.1. Professions and function model in the UK Civil Service

The Civil Service in the United Kingdom (UK) is made up of a profession and function model. The UK Civil Service is categorised in 28 professions. The professions group public servants with similar expertise and focus on developing specific capabilities and career development opportunities. Professions in the civil service can be categorised into three main categories:

- **Operational delivery:** This broad category includes public servants responsible for delivering services to the public. Examples of public servants working in this profession are case handlers at the Department for Work and Pensions, Border Force officers at the Home Office or prison officers at the Ministry of Justice.
- **Cross-departmental specialisms:** Professions in this category include those which can be typically found in all entities, such as finance, human resources or policy or analytics.
- **Departmental specialisms:** This category consists of professions which a specific expertise and tend to be found in certain organisations. This includes tax specialists at HM Revenue and Customs or education inspectors at the Office for Standards in Education, Children's Services and Skills.

In addition to the professions, several cross-cutting functions were introduced in 2013 which group professions according to activities that can be found across departments, such as finance or human resources. Around a quarter of public servants belong to a function. The functional model standardises processes, enables investment in systems and tools that can be leveraged at scale, while also designing career paths that go beyond a single department.

Each function has a head of function at the centre of government who provides strong central leadership across departments. The head of function is supported by functional leaders in the departments who report to the head of function. The function leader can enforce common standards for the function across government, provide expert advice and direction and drive improvement.

Overall, there are 14 cross-cutting functions:

- **Analysis:** to plan and undertake analysis to support well-informed decision making, in order to deliver better outcomes.
- **Commercial and grants:** to drive consistency in the planning and management of procurements and grant making, ensuring contracts and grants realise value for money and support the delivery of high quality public services

- **Communication:** to deliver responsive and informative public service communication that supports government policy and priorities, and assists with the effective operation of public services.
- **Counter fraud:** to ensure the effective management of counter fraud, bribery and corruption activity in government
- **Debt:** to drive consistency in the management of debt owed to government organisations, minimising losses to the exchequer, protecting taxpayers' money and minimising unnecessary stress on debtors
- **Digital, data and technology:** to raise the profile of Digital, data and technology and give government leaders the necessary skills to make informed decisions and support the delivery of consistent and excellent digital services and user experiences, the use and sharing of data, and the building and deployment of technology.
- **Finance:** to ensure that public funds are managed and used effectively
- **Human resources:** to lead and manage human resources activity across government, ensuring people are recruited, developed and deployed to meet the government's needs
- **Internal audit:** to enhance the effectiveness and efficiency of governance, risk management and control in government organisations
- **Project delivery:** to direct and manage portfolios, programmes and projects to ensure value for money and the successful and timely delivery of government policy and business objectives
- **Property:** to ensure government property is well managed, designed, constructed and operated; is efficient and provides value for money; is safe, secure and sustainable; and meets the needs of those using the property
- **Security:** to protect the government's assets (people, property and information), including visitors to government property, third party suppliers engaged on government business, and citizen data

Source: <https://www.instituteforgovernment.org.uk/explainers/professions-civil-service>; <https://www.gov.uk/government/publications/progress-on-government-reform/strengthening-the-cross-government-functions-progress-update-january-2022>; <https://www.gov.uk/government/publications/government-functions/government-functions>

1.2. Ensuring equity in salary

The fragmented career system in Brazil combined with several different remuneration concepts has resulted in a complex remuneration system. Each career 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. Basic salaries of comparable functions in different careers are highly dispersed, resulting from the corporatist pressures exercised by individual careers. While previously the Ministry of Economy conducted the wage bargaining process, this has been moved directly to Congress which makes the outcome of the process even more vulnerable to pressures from individual groups.

Ideally, wage is determined by complexity of duties, required skills, responsibilities and sometimes by performance. Financial and budgetary availability and strategies for human resources act as a further determinant for wages. In Brazil, however, the pay scale is most likely defined by the power of individual entities and historic decisions that no longer remain relevant, rather than strategic priorities of the government as a whole. As a result, mobility may be discouraged while also distorting recruitment and

retention of staff. It is common that employees who are recruited for the public sector often subsequently prepare for another public examination which will allow them to enter a higher paid career.

Ultimately, Brazil will eventually need to redesign the wage structure to align with future needs, rather than those of the past. This should include standardising and consolidating the various salary components (base pay, bonus payments, etc) to make pay more transparent and easier to manage. This may be a challenging and long-term undertaking given the interests involved. However, the SGP could take steps towards reducing the inequity of salaries among comparable functions. Salaries of any new careers should follow a general average salary set by function. In order to determine this average salary, the SGP could review comparable functions across the career system. This basic average salary per function could be taken as a standard basic salary for any new careers with a similar function. As an additional factor, studies on the comparability of salaries in the Brazilian public sector in comparison with private sector salaries may help to determine a salary that is largely in line with the standard, while still attracting candidates for those areas which are hard to recruit for. Some OECD countries have established independent pay review bodies to provide recommendations on pay in line with strategic priorities. For example, in 2016, the Irish Government approved the establishment of an independent Public Service Pay Commission (PSPC) to advise Government in relation to public service pay. The Commission produces a series of reports providing recommendation to government on various aspects of how pay affects attractiveness, recruitment and retention. In the United States, the Federal Salary Council makes recommendations on Federal pay. In 2019, these recommendations covered estimated locality rates; the establishment or modification of pay localities; the coverage of salary surveys conducted by the Bureau of Labor Statistics (BLS) for use in the locality pay program; the level of comparability payments; and the process of comparing General Schedule (GS) pay to non-Federal pay.

1.3. Career progression based on performance

In Brazil, vertical career progression is limited to movement up the salary scale. This is not in line with what most OECD countries would define as career progression. Many, in particular career-based systems, differentiate seniority increases in pay (corresponding to different pay levels for the same position or “grade”) and changes in positions, i.e. changes in the level of responsibility. This principle should guide reforms in Brazil today.

In Brazil, the careers are generally divided into a number of steps. Within a career, progression up the steps is based on length of service as well as in some cases performance evaluation results and training hours (although performance evaluations are not well implemented – see chapter 4). Steps to implement a system for career progression based on a more differentiated set of criteria was put forward with the Career Development System introduced by Law 11.890 in 2008 for 33 specific careers (e.g., Specialist of the Brazilian Central Bank; Finance and Control; Planning and Budgeting; Foreign Trade Analyst; Specialist on Public Policy and Governmental Management and others). These include results of the performance evaluation; frequency and attendance in training activities; obtained degrees; appointment to management positions or for coordinating team or unity; effective job time; technical or academic production in the specific work area; work in priority areas; regular participation as an instructor of technical courses offered in the annual training plan of the body or entity. However, the law has not been regulated to date as there is a lack of consensus among entities overseeing these careers. This shows the difficulties arising from the fragmentation of the career system.

On average the time spent in each pay step is between 12-18 months. As such, it can be the case, that in some careers the top salary level can be reached relatively quickly, while in others it takes much longer. For example, public employees belonging to the internal revenue service can be at the top level in 11 years. In comparison, it takes 20 years for those belonging to the General Jobs Plan to the Executive Branch (PGPE).

“Promotion” within the career is therefore limited to progression up the salary scale. This means that career progression can be only achieved through mobility or appointments to senior level public service positions. However, mobility across careers is extremely limited in Brazil. This lack of career opportunities can be demotivating, in particular for those public servants that have achieved the top salary level within their career.

Most OECD countries have a series of promotion grades based on competitive internal selection, often based on performance evaluations, testing and/or interviews. Levels of responsibility and expertise increase as public servants move up the career ladder. The advantage of these hierarchical systems is that they provide public servants with a clear perspective and can be linked to performance and competency management (OECD, 2010^[2]).

Brazil could consider to reform career progression. First, for those careers that will be newly created, career progression criteria should go beyond seniority and take into account additional factors, such as performance. These criteria should be harmonised across careers to set a common standard across the public sector (see also chapter on performance management). Brazil could begin with three levels within the career – junior, standard, and senior. Junior positions could be the common starting point and be oriented towards learning. Employees in this category could have access to many learning opportunities and be expected to be promoted once they show a mastery of their functions. The standard category would be the biggest, while the senior positions would be reserved for those who have developed a deep specialisation and/or take on supervisory functions. In this kind of structure, career progression would be based on demonstration of skills and effectiveness, for example through selection process for promotion to provide better incentive structures. In the long-term, Brazil could also consider to initiate a discussion to provide opportunities for public servants to enter other careers at higher levels and in this way provide career progression.

1.4. Providing more flexibility through mobility opportunities

A fit-for-purpose civil service needs to be able to put the right people with the right skills into the right roles to meet changing demands and emerging challenges. Mobility within the workforce is crucial for providing the flexibility needed. It allows public organisations to adapt as strategic priorities change, ensuring governments remain responsive to emerging policy challenges and changing user needs. Lateral job mobility has the potential to increase cross-agency coordination by overcoming policy silos and building connections between people and skills throughout the public sector.

Public servants are usually hired long-term, on open-ended contracts. Mobility is therefore essential to ensure that the investment made in public servants pays off by providing opportunities for skills and competence development as well as being able to restructure the workforce. Mobility allows administrations to build and develop key skillsets in-house, by allowing for more varied and flexible career paths for public servants. This means that the public service can make the most use of the workforce. The prospect of a varied career path may also help to strengthen the attractiveness of the public sector as an employer by providing more varied work experience. Lastly, mobility can also allow the rapid shifting of specific skills to where they are needed urgently in times of crisis

1.4.1. Providing mobility opportunities

As detailed above, the current career system in Brazil is relatively rigid, which results in an inflexible public service where opportunities for mobility across careers and organisations is only possible within careers (Box 1.2).

Box 1.2. Types of mobility in the public sector

The mobility of public servants can be a valuable asset in achieving greater flexibility and adaptive capacity in public sector organisations. Broadly defined, employee mobility can consist of any of the following dimensions:

- Horizontal: lateral moves within the same job classification system.
- Vertical: an ascension in job responsibilities, usually a formal promotion, (but can refer even to a demotion or downward mobility).
- Functional: marked by a transition to a new field or profession.
- Internal: taking up another post within the same organisation or broader public service.
- External: a transition outside the public service – e.g. to another sector, level of government or international organisation.
- Temporary: where the public servant retains their original position and is expected to return to it after a period of time.
- Permanent: such as a permanent transfer or new position.

Source: forthcoming

Mobility in the Brazilian federal administration is limited by the fact that many categories are narrowly defined and are specific to individual entities, even for similar functions, without any general classification system that would allow determining equivalent positions across entities. Constitutional provisions relating to recruitment into a job category are also an important barrier to mobility. Public servants cannot move from one career to another without passing through a new competitive examination. When moving to a new job category as a result of passing such an examination, a public servant enters at the bottom point of the salary scale for the new job category, regardless of their former position.

An additional barrier to mobility is that the functions and attributes of each career are defined by legislation and tend to be interpreted narrowly. The result is that public servants effectively have tenure in an individual position and it is virtually impossible to redeploy staff to another entity. The creation of a number of inter-ministerial careers provides for mobility for the functions or professions concerned, although it has not been possible to determine how much movement of staff actually occurs. This makes it extremely difficult to reallocate staff, with the result that new needs tend to be met by hiring more people rather than by redeployment.

To address this rigidity, the SGP has promoted mobility within careers in line with a recent ordinance², which regulates mobility of the workforce within a career to strengthen professionalisation of the civil service and the development of capacities. Mobility can be through either nomination, called consensual appointment, or a personnel relocation. In the case of nomination, the receiving and sending entities 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, public servants can take part in the mobility programme without the prior consent of the sending entity. The receiving 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. The mobility programme provides opportunities for relocation of public servants on short notice improving flexibility of the Brazilian public service to react to emergency situations.

² Ordinance N° 282, of July 24, 2020, which revoked Ordinance N° 193, of July 3, 2018 initially regulating mobility

The use of the mobility programme seems to differ greatly from entity to entity, depending on the proactive support of the entity and managers. Since the Ordinance was passed in July 2020, 1692 public servants (as of August 2022) have benefitted from the programme. As of July 2022 the Ministry of Economy is the entity which has used this mechanism the most with 740 public servants recruited. The Federal University of Amazonas has used the programme second most, to bring 68 public servants on board. This means there is scope to anchor this programme further as a mobility tool and promote it among public servants, human resources units and managers.

The basic salary of the public employee undertaking the mobility opportunity is paid by the sending institution, while the receiving institution is responsible for paying any specific bonuses. This can create disincentives for entities to support public servants taking part in mobility programmes as the salary will still be taken from the entity's budget, while the public servant is not contributing to fulfilling the entity's work programme. This can be particularly disadvantageous for those entities that mostly send public servants.

OECD countries commonly offer a variety of mobility programmes aimed at different types of mobility (Box 1.2). For example, Belgium has set up two specific mobility programmes facilitating temporary mobility. The *Special Federal Forces* is a mobility programme that supports organisations that have a specific urgent, punctual need with public servants from other areas that temporarily fill this need. The *talent exchange* programme is a network of federal public sector organisations to facilitate the exchange of public servants for specific assignments and projects. The duration is usually between six to eighteen months. Assignments are published on jobsites and the intranet and public servant can apply for the advertised opportunities. Other countries use mobility programmes specifically to build competences for a selected group. In Canada, one example is the centrally managed rotation programme, *Mosaic Leadership Development Programme*. The programme aims to build a pool of diverse future public leaders. Experience-building mobility assignments within a ministry or others within the public service is a required part of the programme.

Brazil could consider developing additional targeted mobility programmes. For example, mobility programmes could target future leaders as part of the *LideraGOV* to build up expertise across government. Similarly, a talent pool for specific sought-after skills could be developed. For example, innovation could be one area where expertise has already been developed and dedicated mobility programmes could help to spread innovation skills throughout entities.

In addition to specific mobility programmes, the identification and inclusion of transversal skills in careers can help to promote mobility. Currently, most careers define skills very narrowly with skills not designed to apply across entities. In line with the proposal to build competence frameworks, specific transversal skills could be identified and included in new careers. The competence framework could underline the values of transversal competences and skills. This would be supported by a common approach for job (career/ position) classification and skills identification. SGP is currently exploring efforts to include this as requirement for any future careers.

The current entry requirements preclude permanent mobility opportunities across careers. Public servants cannot enter careers at higher levels, but only at entry level. While this would require a legal amendment, in the first instance, a discussion could be initiated to lower the entry criteria for public servants to other careers and allow entry at comparable steps of the career. This would promote mobility opportunities across careers and throughout career progression. Valuing mobility opportunities in performance evaluation and as criteria for career progression can also incentivise mobility further.

1.4.2. Equipping managers and organisations to support mobility and incentivising employees

In order to integrate the mobility programmes as an effective human resources tool, the organisations, human resources units as well as line managers play an important role. They can be both an inhibiting as well as encouraging factor for public employees. The mobility programme is contributing towards changing the people management culture towards an environment in which senior managers are open to these mobility opportunities. It is key that the SGP supports both the sending and receiving organisation to facilitate the mobility opportunity. It can be expected that sending institutions might be less keen to let employees go and will need to experience the benefits for themselves to appreciate the advantages of these programmes.

To support organisations, the SGP has developed an online guide material answering the most frequent questions and detailing the key steps to take advantage of a mobility opportunity. In addition, the SGP should also regularly seek exchange with line managers and human resources units to present the opportunities that may arise from mobility as well as the kind of job postings suitable. Providing standard onboarding processes and processes to provide feedback after the mobility opportunity may also be helpful to not only facilitate mobility programmes, but also receive regular input on good practices and areas of improvement.

While entities are responsible for the identification and management of mobility opportunities themselves, the SGP could work towards encouraging an exchange of public servant. This means that those entities sending public servants will be able to fill the vacant position through the mobility programme, if needed. As such, these institutions could receive more targeted support in identifying suitable candidates.

To reach employers and employees effectively, the SGP could take advantage of the already established digital talent bank and an opportunities model integrated into the digital platform *SOUGOV* which centralises personnel record. The talent bank, launched in July 2018, allows public servants to upload their resume to the platform and apply to job vacancies through the talent bank. Meanwhile the opportunities model, launched in December 2021, is set up to centralise the dissemination of job vacancies of the entities of the Federal Public Administration. In October 2022, 455,038 resumes were registered at the Talent Bank and 747 vacancies were published on the opportunity module.

In line with efforts to set up a mobility system to facilitate the mobility programme, a mobility platform could be integrated in *SOUGOV* that advertises mobility opportunities. This could help to raise awareness of mobility opportunities and facilitate the selection process. Specific streams could be set up which combine specific in-demand skills and hierarchical level where employees and employers load up their profile.

1.5. Recommendations

The challenges within the career system have an impact for the entire public employment system. This means that it is necessary to develop a clear reform process which identified the priorities for reform as well as defining what issues can be taken on the short, medium and long-term. Making such changes requires careful management of many at times opposing interests, including those of trade unions and professional organisations. The SGP should take the lead in developing a view of what needs to be done in terms of a well-integrated set of reforms.

This chapter proposed the following actions to design a career system for a modern and agile public sector in Brazil:

1. Design a comprehensive vision of an ideal career system through stakeholder consultations, focussing on:
 - a. Reducing the number of careers, based on functions spanning across entities.

- b. Incentivising transversality by encouraging mobility programmes and transversal skills.
 - c. Promoting equity of remunerations between careers.
 - d. Simplifying the remuneration structure.
 - e. Recognising professional performance and development in career progression by providing more opportunities for career progression (horizontal and vertical).
 - f. Reflecting on strategic and complex activities that would be filled by public servants, while more temporary opportunities are filled by temporary public employees.
2. Develop guidelines to direct the creation of new careers across entities which:
 - a. Limit the creation of new careers in the short term.
 - b. Combine existing career when and where possible in the medium-term.
 - c. Abolish careers to develop a new career system that simplifies and streamlines the system in the long-term.
 3. Develop a cross-cutting competency framework which underlines transversal competencies. A common approach for job classification and skills identification should be developed to support these efforts.
 4. Promote equity of remuneration:
 - a. Initially, group similar functions and identify assess the salary divergence for these functions.
 - b. Compare the salary to private sector salaries to determine a salary that would attract skilled candidates.
 - c. Identify a new appropriate salary as a standard for future careers.
 5. Introduce career progression beyond seniority:
 - a. Redevelop vertical and horizontal career progression to go beyond automatic progression based on seniority.
 - b. Work towards a career progression system where levels of responsibility and expertise increase as public servants move up the career ladder. This could foresee three levels within a career: junior, standard and senior.
 - c. In the long-term, initiate a discussion to provide opportunities for public servants to enter other careers at higher levels as part of career progression.
 6. Promote mobility:
 - a. Promote the already existing mobility programme by supporting entities and managers further with guiding material answering the most frequent questions and detailing the key steps to take advantage of a mobility opportunity.
 - b. Take advantage of the already established digital talent bank and an opportunities model integrated into the digital platform SOUGOV. A mobility platform could be integrated in SOUGOV that advertises mobility opportunities.
 - c. Encourage mobility opportunities for specific in-demand position and hierarchical levels by leveraging already existing networks, for example on innovation and leadership.
 - d. Encourage the exchange of public servants, meaning that those entities sending public servants will be able to fill the vacant position through the mobility programme, if needed. These institutions could receive more targeted supported in identifying suitable candidates.
 - e. In the long-term, analyse specific conditions to lower the entry criteria for public servants to other careers and develop options for public servant 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.

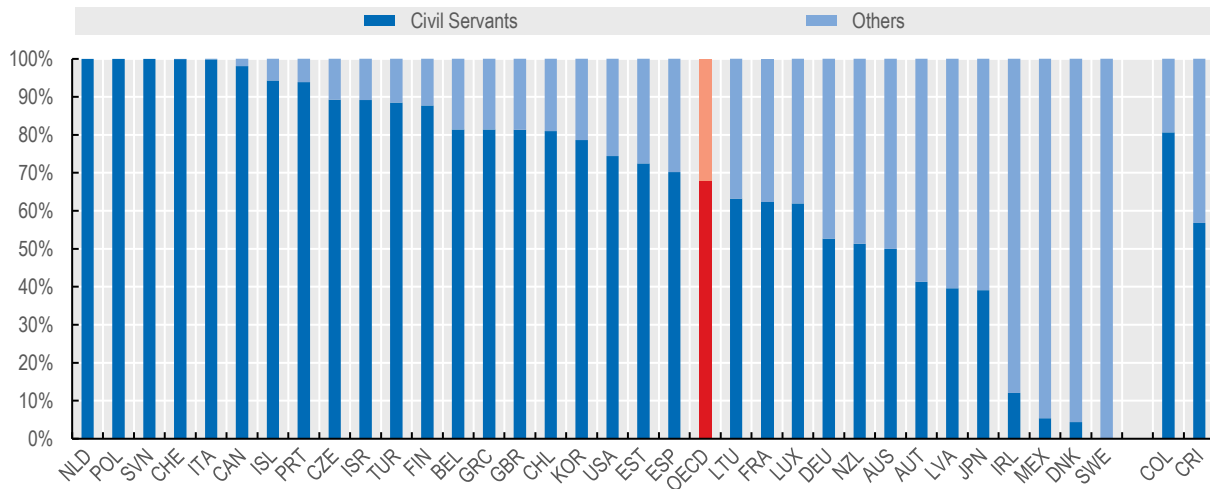
2 Strengthening flexibility of the public service through temporary contracts

2.1. Contractual employment modalities to increase flexibility

In OECD countries, the public workforce is generally employed through different types of employment contracts (or contractual modalities) depending on the needs of the position filled. The most common distinction is between statutory public servants, hired according to a specific employment framework, and employees hired under a different type of legal framework, for example the private sector labour law, with different employment conditions. The contractual modalities have implications on pay, job security, performance evaluation and learning opportunities. They can, in turn, impact the effectiveness of the public sector, innovation, level of attraction and retention of skilled employees as well as motivation employees to achieve the best outcomes.

The ideal mix of contractual modalities is rather specific to every public administration. Figure 2.1 shows the large breadth in the composition of the public workforce. On average, public servants make up 68% of the workforce in OECD countries in 2018 and in almost all OECD countries, there is some combination of statutory public servants and other categories, raising the question of how best to organise positions and functions across these multiple categories. No matter the composition of the public workforce, it is key that any considerations in designing and using different contractual modalities need to carefully consider the risk of fragmentation of the labour market and the workforce.

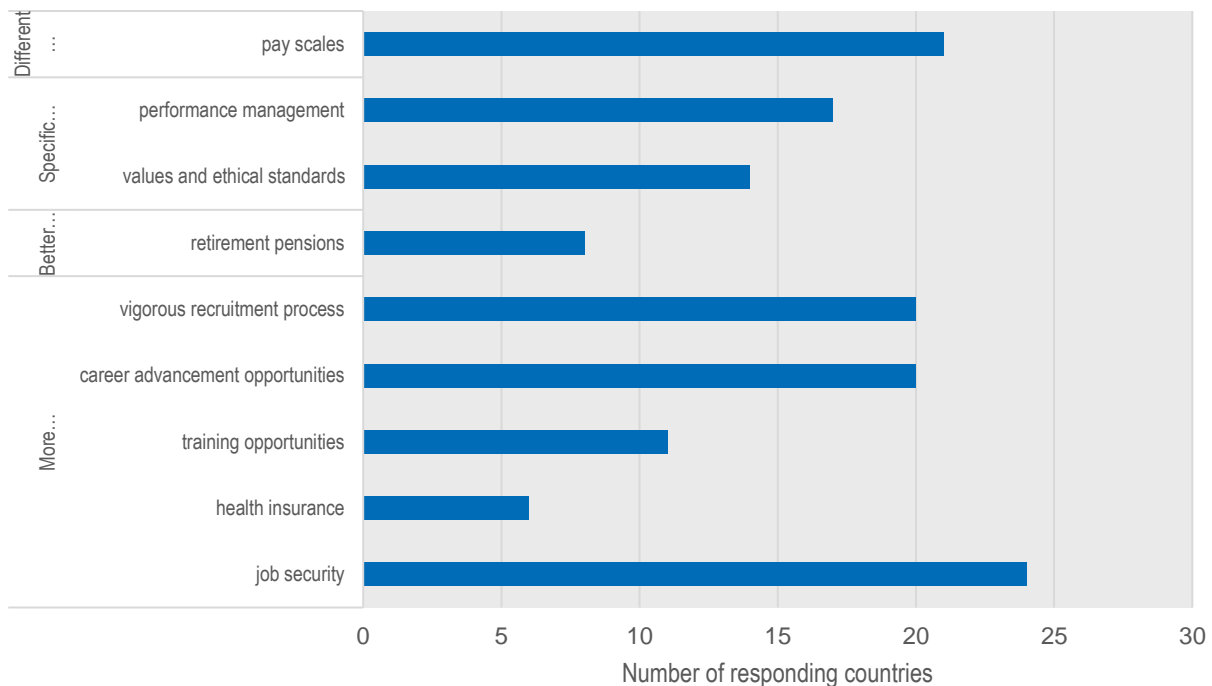
Figure 2.1. Civil servants and other employees in central administrations, 2018



Note: Data for Denmark, Israel, Japan, Mexico and New Zealand refer to 2019. Data for France, Germany, Korea and Poland refer to 2017. Data for Italy, Latvia, and the United States refer to 2016. Data for, Iceland, Türkiye and Colombia refer to 2016. Data for Slovenia refer to 2015. Data on other public employees were not available for Hungary, Norway and the Slovak Republic. For Korea, data for civil servants were compiled by the Ministry of Personnel Management and data for 'other public employees' were compiled by the Ministry of Employment and Labour. For Portugal, 'other public employees' includes executive limited-term managers. Civil servants defined as civil public employees covered under a specific public legal framework or other specific provisions refers in Denmark to "tjenstemænd".
 Source: (OECD, 2009^[3])

The most common difference in OECD countries between civil service modality and other modalities is job security. In 2019, 67% of OECD countries indicated that public servants have more job security compared to other public employees (Figure 2.2). Used under the right circumstances, different contractual modalities can help to increase the flexibility of the public service, in particular in the case of temporary recruitment which offer a higher degree of flexibility in terms of recruitment and management.

Figure 2.2. Differences in employment frameworks for civil servants compared to other employees in central administrations, 2019



Note: Data for Iceland, Türkiye and Colombia refer to 2016.
Source: (OECD, 2019^[4])

In Brazil, 87% of Brazilian federal public servants fall under the civil service status. Employing contractual staff is subject to very specific and 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 emergencies or other specific actions which are temporary in nature, such as researchers to collect data for the Brazilian Institute of Geography and Statistics. This is reflected by the relatively low percentage of temporary staff in the public sector in Brazil. In July 2022, 5% of all public employees of the Brazilian federal public service were employed under the temporary regime, while 87% of the Brazilian public servants have civil service status.

This makes the public sector workforce inflexible to react or proactively anticipate any short-term needs that go beyond those detailed in the law. It also means that the majority of hiring is done through the civil service status which has a long-term impact on the budget given the permanent nature of public servants' contract. However, for certain tasks it may be more effective to hire temporary employees given that some tasks may be of short-term nature. It can also have an impact on the attractiveness of the public sector. Some public employees may be more interested in temporary assignments than committing to permanent civil service status. Therefore, public workforces which rely on a high degree of civil service contract modalities may have a relatively low degree of permeability between the sectors. This is exacerbated in Brazil where entry into the career system is only possible at the lowest step of the career.

As part of an administrative reform proposed in 2021, Brazil has started a conversation on increasing the use of temporary contractual modalities. Given the potential implication of such a move, opening further opportunities to hire temporary public employees has to be preceded by a broad reflection on the type of position or functions which may be appropriate to be filled by temporary employees. For example, in Germany where the use of other contractual modalities than the civil service status is quite common, core

state activities have to be filled by public servants. Those are areas where the state intervenes in the rights of individuals in the interest of the general public, for example the police, the prison system or financial administration. It is also common that public servants occupy more senior management positions, while contractual staff tend to fulfil more clerical tasks. Currently, in Brazil, temporary employment is not allowed for typical State careers. This includes activities related to tax administration, tax auditors, inspection activities, police duties, health surveillance inspector careers, traffic guard, civil and military police and environmental agents, among others.

In Brazil, broad stakeholder discussions involving government, representation by public servants as well as the public could help to demarcate the functions that should exclusively be fulfilled by public servants. Such a discussion forum can also contribute to a cultural shift in which it may be perceived that the introduction of more opportunities to use temporary contracts is used merely to cut costs. Instead reflecting on the benefits, but also on the potential risks should be included.

2.2. Developing transparent terms and conditions

In most OECD countries, it is common that there are differences in the employment terms and conditions depending on the contractual modality (Figure 2.2). However, as underlined by the PSLC Recommendation, it is useful to determine 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. Transparent contractual modalities can help to attract and retain skills, but also avoid a two-tier system where public servants enjoy much better working conditions which are not aligned to the difference in tasks performed.

For example, 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.

In a majority of OECD countries, the recruitment process is more rigorous for public servants, since temporary recruitment often allows for a simplified process to hire staff more quickly. Since the long-term effect on the budget is less, the hiring criteria and process of checks and controls is also reduced. However, certain standards on merit will need to be ensured.

In Brazil, the hiring of permanent public servants takes one year on average. For temporary employees, it takes around 255 days as the same steps need to be taken throughout the hiring process as for permanent employees. Only in the cases of emergency, this time can be reduced by avoiding a selection process and relying primarily on the analysis of the curriculum vitae or any other requirement deemed necessary by the contracting entity. This means that the opportunity for temporary hiring provides very limited advantages for flexibility. A simplified recruitment process could be considered to shorten the timeframe. According to the principles of broad disclosure, competition and equality in Brazil, selection processes must include a written test. Therefore, a simplified recruitment process could consist of a written test and an interview instead of the additional assessment tests included in the recruitment process for public servants. If the capacities are strong enough in the entities, those recruitments could be conducted by the organisations, instead of outsourcing them to third parties. Minimum standards of transparency, fairness and merit throughout the recruitment process will still need to be set and monitored carefully.

There are also difference in the career advancement opportunities and the pay scale between the different employment modalities. More than half of OECD countries do not have a different performance management regime in place. 39% of countries do apply specific values and ethical standards to public

servants which is often an expression of the core functions they exercise. Regarding health insurance and pension rights, there is a less pronounced difference between public servants and other public employees with most countries offering the same conditions.

In the case of Brazil moving forward in updating its regulations on hiring temporary employees, it could consider defining clear terms and condition for temporary hiring that would allow for a standardisation across the public sector, but also take into account the risk of a two-tiered system in case of conditions that vary beyond what would be appropriate given the functions fulfilled by public servants and temporary employees. Elements that could be set out in this common standard include:

- Type of functions/positions and circumstances: Set out which type of functions may be filled by temporary employees – and define those core state activities which should be reserved for public servants. Exceptions under certain circumstances, such as activities of distinctly short-term nature could be included. Part of the reflection would be if those set out in the current law are the right ones or need to be amended.
- Recruitment: This could be a simplified procedure which allows for a short timeframe to recruit
- Compensation: This should be broadly in line with civil service salaries for similar function, while allowing for some flexibility to be able to attract sought-after skills.
- Term length: Clear limits should be set, including specific criteria and limitations for contract renewals to ensure that temporary hiring is not used as means to undercut the civil service regime by hiring temporary employees long-term. Part of the reflection on these elements would include if the term lengths currently defined are appropriate and effectively implemented or need to be amended.
- Cooling-off periods: Defining a period after which a temporary employee be hired again by the public sector. Currently, this is set at 24 months. The reflection process around these elements would need to deliberate if this period is effective or should be amended.
- Working conditions and ethical standards: These should be largely in line with the those of permanent public servants.
- Performance evaluations: These should be similar to those for public servants in comparable functions and be taken into account if contract renewals are possible.

Defining these could be the task of a stakeholder process to ensure the inclusion of different perspectives.

Once the terms and conditions are defined, implementation will largely depend on the entities. Therefore, the SGP would need to provide detailed guidance to HR units and managers under which circumstances temporary recruitment is possible. The use of temporary recruitment should also be monitored closely by collecting figures on the use per entity and recurrent hiring of temporary employees.

Once established, Brazil could also reflect on the authorisation process to hire temporary employees. Currently, this is a centralised process focussing on ex-ante control. The SGP authorises any temporary recruitment to ensure budget availability. It significantly lengthens the process. This can undermine the flexibility that is usually provided by hiring temporary employees. While in the short-term, this authorisation process may be needed to mitigate the risk of abuse, once the capacities in the HR units are strengthened and data on the use of temporary contracts with frequent monitoring and evaluation efforts, the authorisation process could be delegated to the organisational level to allow for flexibility with risk-based spot checks and audits conducted ex-post. Brazil has already taken some steps towards this by delegating the authorisation for temporary recruitment to Ministers of State in the case of emergencies and as long as the temporary employees do not replace public servants.

2.3. Mitigating the potential for abuse of the contractual regime

Providing for different contractual modalities for the public workforce may pose the risk of abuse given that the conditions under which in particular temporary employees can be hired may be lower than those for the civil service. Similarly, there is a risk of revolving doors with the frequent exchange between the public and private sector. While this may be beneficial to push innovation, it can also lead to conflict-of-interest situations if not managed adequately. During the recruitment phase procedures to manage conflict of interests and measures to avoid undue political influence are essential. Similarly, exit interviews may be beneficial to raise any concerns regarding activities following the public sector contract. Appropriate measures should be taken where red flags appear.

To mitigate the risk that short-term contracts are used effectively as permanent contracts by extending the contracts time and time again, it is common that countries introduce limits on the initial contract length as well as how often contracts may be renewed. France limits temporary contracts to six years. In Portugal, temporary employees can be hired for three years and not extended more than twice. Spain recently reformed its legal framework for hiring interim public servants which is now only possible under specific circumstances and with a clear term limit. According to Law 20/2021, the following circumstances must apply:

- If vacancies cannot be covered by civil servants, interim civil servants can be hired for a maximum of three years.
- The temporary replacement of civil servants, for the time strictly necessary.
- The implementation of temporary programmes, which may not last more than three years, which can be extended for twelve more months.
- In case tasks accumulate, an interim civil servant can only be hired for a maximum total period of nine months, over eighteen months.

Brazil has already limited the contract length and stipulates a cooling-off period of 24 months after the previous contract has ended. However, at times provisional measures are introduced, which effectively weaken the term limit set.

2.4. Recommendations

In Brazil, the recruitment of temporary public employees is very limited. While this may not per se be an issue, entities have expressed the need for more flexibility to be able to react to short-term needs. The following actions could be taken to increase temporary recruitment in the public service to increase flexibility:

1. Initiate a broad stakeholder discussions involving government, representation by public servants as well as the public to demarcate the functions that should exclusively be fulfilled by public servants and those which could be filled by temporary employees.
2. Build on this reflection, the SGP could propose terms and conditions for the temporary regime which include:
 - a. Type of functions/positions and circumstances: Set out which type of functions may be filled by temporary employees – and define those core state activities which should be reserved for public servants. Exceptions under certain circumstances, such as a activities of distinctly short-term nature could be included. Part of the reflection would be if those set out in the current law are the right ones or need to be amended.
 - b. Recruitment: This could be a simplified procedure which allows for a short timeframe to recruit

- c. Compensation: This should be broadly in line with civil service salaries for similar functions, while allowing for some flexibility to be able to attract sought-after skills.
 - d. Term length: Clear limits should be set, including specific criteria and limitations for contract renewals to ensure that temporary hiring is not used as means to undercut the civil service regime by hiring temporary employees long-term. Part of the reflection on these elements would include if the term lengths currently defined are appropriate and effectively implemented or need to be amended.
 - e. Cooling-off periods: Defining a period after which a temporary employee be hired again by the public sector. Currently, this is set at 24 months. The reflection process around these elements would need to deliberate if this period is effective or should be amended.
 - f. Working conditions and ethical standards: These should be largely in line with the those of permanent public servants.
 - g. Performance evaluations: These should be similar to those for public servants in comparable functions and be taken into account if contract renewals are possible.
3. Allow for simplified recruitment process which could consist of a written test and an interview instead of the additional assessment tests included in the recruitment process for public servants.
 4. Ensure recruitment processes and hiring procedures meet minimum requirements regarding merit and mandating regular performance evaluations.
 5. Mitigate the risk that short-term contracts are used effectively as permanent contracts by introducing limits on the initial contract length as well as how often contracts may be renewed.
 6. In the long-term, move from ex-ante authorisation for temporary recruitment to ex-post spot checks.

3 Developing a mature performance management system

In an ever more constrained environment, public administrations seek to optimise processes and increase efficiency to achieve objectives. This means emphasising the performance of both organisations and individuals. In this context, performance management systems can link organisational and HR decisions to monitor and evaluate the performance of public administration and their public servants. Across OECD countries, performance management systems have traditionally been characterised by explicit goals, performance measures and targets, and systems to monitor progress towards their achievement. Such systems can generate important information to stimulate learning and develop talent, improve management decision making, reward productive behaviours and identify and address under-performance. They can also help to identify individual and organisational development priorities, and lead to a greater alignment between individual and organisational goals. This however requires important efforts to set-up and monitor performance management systems tailored for the federal public service.

Brazil's federal administration uses performance management with many of the objectives listed above, however the systems could be simplified, reorganised and better aligned to improve their impact. Performance assessments amount to a rating attributed by the immediate supervisor. The average performance grade given throughout the Brazilian federal public service is 98/100, which is significantly high, and raises questions about the significance and value of the current system.

The career system in place in Brazil (chapter 2) also leads to complicated peculiarities regarding performance assessment – as responsibility for the detailed design of the performance management process rests with the career of origin and the entity responsible for it, based on guidelines from the SGP. This has particular impact for managers who work with teams from multiple careers, who have to follow different processes with different timings for each public servant. For example, the current Ministry of Women, Family and Human Rights (*Ministério da Mulher, Família e dos Direitos Humanos*) sees more than 90% of their workforce coming from careers belonging to other entities. This means that the Ministry of Women is only directly in charge of performance management process of 10% of its total workforce. Such complexity makes it very challenging for performance assessments to be used as a tool to manage team and organisational performance, and for being organisational stocktaking exercises identifying and monitoring the skills at-hand and the ones to develop.

Mis-aligned performance management systems can lead to unintended consequences, which limit or work against the goals of such systems. It is particularly difficult to design performance management systems for Brazil's complex, legally driven and mission-oriented public sector organisations. To work well, performance management systems need a high level of transparency, legitimacy, goal clarity and certainty, which is not always the case. This means that performance management systems should not only be seen as control-mechanism, but also as learning and development tools, cultivating self-efficacy and self-determination through goal orientation and ongoing employee development. In practice, this could for instance translate into using performance systems to identify learning opportunities rather than financial rewards. Lacking this, mis-aligned and badly designed performance management systems can lead public servants to focus on process compliance rather than achieving meaningful results.

3.1. Connecting performance assessment to the right incentives

3.1.1. Simplifying performance assessment

Performance management relies heavily on the way performance is measured and assessed. In almost all OECD countries, performance assessments tend to be formalised and mandatory for all or almost all government employees. In Brazil, this is also the case, however, performance assessment amounts to a rating attributed by the immediate supervisor (60%), assessment by the work team (25%) and self-assessment (15%). The average performance grade given throughout the Brazilian federal public service is 98/100, raising questions about the significance and value of the current system.

This stands in contrast to a majority of OECD countries which focus on regular performance discussions based on pre-identified objectives. The discussions provide an opportunity to reflect on the objectives and the quality of their achievement. The final result of these discussions is usually a performance rating, but most OECD countries use a narrower scale based on 3 or 5 possible scores, rather than the 100 point scale used in Brazil. Ireland recently implemented a 2 point scale – good or not good. Using simple scores allows for a more comprehensive and understandable approach to performance measurement, particularly across a diverse set of jobs and occupations as are found in the public service. Most systems orient the vast majority of employees to the middle score – which suggests that employees are fulfilling their roles effectively. Anything above this is considered exceptional and reserved for truly stand-out performers, which by definition, can only be given to a small few. Anything below the middle signals performance problems that need to be addressed.

These performance assessment tools more importantly, allow for a moment of exchange between public servants and their direct superiors to reflect on past performance, as well as set objectives for the upcoming year. In this context they also provide important opportunities for the manager to discuss professional development and identify potential training activities that would align with these ambitions. Many countries develop a learning and development plan in parallel with the performance objectives.

Good performance and underperformance are hard to identify in the Brazilian federal administration, as the inflated ratings given do not reflect accurately employees' performance. In this context, performance rewards fail as a motivational tool, as they are perceived as automatic rewards given by default. This also means that underperformance cannot be properly addressed, no matter the incentives put in place to tackle this challenge.

Brazil should consider the introduction of a 3-point system where all public servants by default receive a score of 2. A score of 3 would be limited to a small number of proven high-performers, and a score of one reserved for those with clear performance problems that must be addressed. At the beginning, it could be prudent to limit the awards for high performance to a certain percentage – for example, only 5-10% of employees in any given organisation – to ensure they are really reserved for truly exceptional cases. In order to award a 3, managers should have to justify their rating to a committee of peers. This is often done in an annual meeting where managers come together to pitch their awards to each other. This can have 2 important benefits. First, it ensures that managers use similar criteria for their awards and it can allow some to challenge the award if they don't think it is fairly merited. Second, it provides visibility for the high-performers across the management team, since their performance is discussed and recognised.

To make this as effective as possible, Brazil would also need to harmonise the performance assessment systems in each career, so that managers are working with one common system across their workforce. This could be done either by standardising the timing and approach across all careers, and/or by shifting the responsibility for performance management design from the careers to the individual entities.

3.1.2. Rewarding performance

Across OECD countries, good performance usually impacts career advancement, contract renewal and/or remuneration. Career advancement typically depends on seniority and on performance assessment. In almost half of OECD countries, good performance is highlighted as being “important” for career advancement in the public service. Linking career advancement to good performance is a meritocratic way of ensuring that the right people have the right positions, and that performance monitoring is actually useful to the organisations. Performance management can also be an important way of helping employees identify the kind of career path they would like to follow, recognising that not all employees are fit to progress towards management levels.

Almost half of OECD countries use some kind of performance bonuses in most positions in the central/federal administration (OECD, 2020^[5]). Rewarding performance therefore often translates into implementing performance-related pay (PRP) systems. When designed and implemented well, performance-related pay can create positive outcomes by raising and signalling performance norms. However, performance-related pay only works when it sits on a well-functioning and accepted performance assessment system. The system must be perceived as legitimate by all actors – that it rewards the right people for the right things – which in turn suggests the need for simplicity and transparency, which is missing in the Brazilian system. Many studies have reported weaknesses in PRP in the public sector and little evidence for increased motivation or increased quality of public services. It may be well suited to work environments with easily defined and measurable performance metrics – such as sales, which are harder to quantify in public sector contexts.

In Brazil, good performance amounts almost exclusively to performance bonuses, with performance-related pay representing a variable share of total compensation in each career. Performance-related pay can represent in some cases between 50% and 70% of total pay. This high percentage could stand to create a positive incentive if the system were able to detect and reward performance effectively. However in Brazil it appears to create a system in which public servants almost always receive their full performance bonus and perceive it to be part of their basic fixed salary. Considering its importance, such high bonuses risk creating a disincentive for managers to give public servants any lower ratings that would threaten their pay. This likely contributes to the explanation of why ratings of public servants’ performance are so high.

In this context, some entities are seeking to develop “parallel” performance management systems, linked to non-financial incentives (Box 3.1), which may provide interesting tools to link public servants’ activities to performance. Entities should however make sure those systems target specific objectives and do not duplicate the formal mandatory performance assessment. A better medium-term objective, would be to simplify the performance system to the three-point scale suggested above, integrate the existing performance pay into the regular civil service pay (or leave it for those who score 2), and reserve a smaller pay bonus and/or non-financial award only for those who score 3, to realign awards with truly exceptional performance.

Box 3.1. Performance assessment at the Securities and Exchange Commission

The Securities and Exchange Commission (*Comissão de Valores Mobiliários*, CVM), employing 420 public servants in 2022, seeks to develop an original approach to performance management of its employees. Each public servant has a “working plan” with individual objectives based on 5-year organisation goals. Performance assessment is based on a discussion with line managers, who have three ways of rating said performance: normal performance, extraordinary performance, exceptional performance. Exceptional performance can lead to non-financial external incentives, such as free parking space or remote working days. This system, elaborated before COVID-19, has offered a satisfactory framework to reward performance, in parallel of the classic 0-100 system.

The Securities and Exchange Commission faced challenges regarding the acculturation of managers. The programme, that started in 2013, slowly saw an increasing number of managers being convinced by the system.

3.1.1. Addressing underperformance

Underperformance is a complex challenge to solve in public administrations, which are often characterised by life-long tenure and frequent automatic step increases. An efficient performance management system should allow for the identification of underperformers, and set up appropriate response mechanisms. This first means developing a management culture oriented to performance, enabling managers to identify, report and address underperformance. It also implies defining clear consequences of underperformance. Corrective measures can consist of informal counselling, special training and support to remedy the weaknesses of public servants, warnings, or eventually dismissal of public servants. In almost all OECD countries, it is possible to dismiss public servants for low performance, although it happens very rarely. This is likely due to a combination of 2 factors. One, is that low performance can often be resolved through other means, such as through training, counselling, making changes to the working environment and/or improving the person/job fit (e.g. finding a new position that matches their abilities). It is also likely due to the high burden of proof and effort required on behalf of the manager to implement dismissals.

Addressing underperformance is as important as rewarding good performance. This might require a cultural and organisational change towards the embedding of performance management throughout HRM processes. For example, clearly associating underperformance to improvement processes based on learning and development strategies can be a way forward (Box 3.2).

Box 3.2. Ireland's Civil Service Management of Underperformance Policy

In 2016, the Department of Public Expenditure and Reform of Ireland developed a civil service management of underperformance policy. The policy defines clearly the responsibilities of different stakeholders and the process to address underperformance. Before having to use the policy, line managers are expected to discuss concerns around individual underperformance informally. Line managers also have a central role in applying the policy and helping to public servant to perform.

The policy is detailed through different steps: a performance review meeting, a performance improvement plan (PIP), progress review meetings, and the conclusion of the performance improvement plan. The PIP should state the performance concern, the previous informal discussions that took place, and detail the expected performance and the action required, the resources and support the public servant can use, and minutes of the progress review meetings. Line managers are expected to develop such plan, and consult HR for approval. The PIP, which normally lasts 8 months, is followed every two months through progress review meetings. The goal of those meetings is to highlight any progress of public servants towards satisfactory performance or support measure, such as coaching, training, or self-learning.



After every meeting, the manager can decide whether performance concerns are resolved, in which case the PIP is terminated, if performance is improving but needs continued monitoring, or if it did not, which can lead to a verbal or written warning. Should the public servant receive three written warnings throughout the process, they would be asked to attend a disciplinary meeting. Such meetings can lead to a reassignment, a demotion, a suspension without pay, or a dismissal.

Source: Department of Public Expenditure and Reform (2016), DPE200-006-2016 Civil Service Management of Underperformance Policy

The federal administration in Brazil does not have a process to manage underperformance in place. It could however be of interest to specifically create a public service mechanism to address this challenge, and develop an associated learning and development toolkit. It is also worth noting that, despite Article 247 of the Federal Constitution clearly stating that underperformance can lead to dismissal, no mechanism is in place to implement this in the Brazilian public service.

3.2. Embedding performance management

3.2.1. Aligning organisational and individual goals through People Development Plans

Well-functioning performance management systems are useful tools to clearly define both organisational and individual objectives. At the organisational level, performance agreements give a framework highlighting the different targets of the agency structured around specific goals. Organisations should be able to define and identify a handful of specific goals, around which performance can be measured and strengthened. Goals should then be cascaded to specific units or departments, with managers translating organisational objectives into individual ones.

In order to be perceived legitimate, performance management systems should be transparent to public servants. Moreover, communicating around goal alignment has been proved to induce greater positive behaviours among public servants. Therefore, while cascading down objectives from the organisational level to the team level to the individual level is important for organisations, it is equally important for public servants to receive clear communication on how reaching their objectives helped reaching the organisational goals. This type of communication strengthens the perceived legitimacy of the performance management system, which in return can be increasingly used as an efficient HRM tool.

The Brazilian federal public service has recently reinforced its efforts to plan personnel development actions by developing a National Policy of People Development (*Política Nacional de Desenvolvimento de Pessoas*, PNDP). The main instrument of this is the People Development Plan (*Plano de Desenvolvimento de Pessoas*, PDP), which is to be developed annually by each of the 187 entities of the Brazilian federal administration. The goal of this plan is to align the development necessities with the strategy of each entity, through clear organisational objectives. Concretely, the People Development Plan focuses on the skills needed and the ways to develop them. Organisations are supported by the Civil Personnel System of the Federal Administration (*Sistema de Pessoal Civil da Administração Federal*, SIPEC) and its actions towards developing federal employee development guidelines. SIPEC is also in charge of developing a consolidated plan of development actions (*Plano Consolidado de Ações de Desenvolvimento*) and share it with ENAP to enable schools of government to coordinate transversal development actions.

In practice, the elaboration of the People Development Plan remains a complex task for many entities. The SGP is currently developing an initiative called *ImpactaGOV* to assist entities. This initiative is structured around three main projects. First, a “normative compass” seeks to consolidate all normative texts related to the National Policy of People Development. Second, *DesEnvolve* is a people development programme. Finally, *Vitae*, is a “one-stop shop” centralising all training opportunities. The ambition of the National Policy of People Development is also limited by the capacity of SIPEC to actually monitor and track People Development Plans. By June, the SGP had only analysed 18 entities as part of a control group, to identify the potential weaknesses of individual People Development Plans. This low number is a first step towards a new direction and role for performance management in the Brazilian public administration.

Once organisational performance is clearly defined and structured across different entities, the Brazilian federal administration could seek to better link organisational and individual performance. This would mean, among others, reinforcing the capacity of managers to do so and structuring objectives around entities, departments, and individuals. The fact that most Brazilian entities already have some level of team performance management in place might provide a foundation to build upon.

3.2.2. Improving managerial capabilities and incentives to conduct performance management

Line managers are play the most essential role in making performance management work. Even the best-designed systems will fail if line managers are not up to the task of managing performance, and are not actively supported to fulfil this function. In most cases, they are at the forefront of goal-setting and

performance assessment. Both of these are difficult and complex tasks with many risks involved. Many managers are often afraid to have difficult conversations with their subordinates about performance problems, especially in environments where they have very limited tools to address these. For this reason, most OECD countries require public managers to undergo training on performance management.

In a Brazilian context, the performance assessment task given to line managers is further complicated by the multiplicity of performance management systems managers have to deal with, as described in the introduction to this chapter. It could be relevant to provide training to line managers to highlight the nature of different performance management systems, the interest of performance assessment, or how to conduct performance discussions with employees. The People Development Plan is an interesting path to reinforce the role of performance management and link it to other Human Resources Management tools. In practice, this linkage depends on the maturity level of managers.

However training is rarely enough to ensure a performance system is effective. Line managers need to also be supported by their own management and HR departments on a regular basis to conduct their performance management functions. Involving these actors in the performance assessment of public servants helps to remove the full weight of the process off the shoulders of the line manager, allowing the line manager to describe performance more accurately, and therefore making the performance assessment more reflective of actual performance. In many countries, preliminary evaluations filled by line managers are collected by Human Resources departments and discussed in “harmonisation meetings” with managers for across a group, to ensure that the same standards are being applied. This can also help to counteract ratings inflation.

3.2.3. Performance management for senior level public servants

Considering their tasks and special position in public organisations, managers’ performance is often evaluated differently. This is even truer for senior managers, who have to navigate political and administrative sphere and oversee numerous dimensions of public administrations (processes, budget, people). More than two thirds of OECD countries have a performance-management regime for senior managers, based in a majority of cases on outcome, output, organisational management indicators, and performance-related pay. In over 60% of OECD countries, those assessments are essential as there is a clear relationship between contract renewal of senior level public servants and the results of formal performance assessment.

Performance assessment for senior level public servants typically see a higher number of stakeholders involved than for other public servants. In a growing number of OECD countries, this can for instance translate into an increased use of 360-degree assessment, where performance is assessed against feedback from concerned parties (OECD, 2020^[5]).

In Brazil, formalised performance assessment is not mandatory for senior level public servants. This can hurt the legitimacy of performance management systems in the eye of public servants, and creates an accountability concern in the eye of citizens. As new senior level public servant careers are being defined and a specialised leadership competency framework is implemented, it could be beneficial to develop efficient performance mechanisms targeting this group.

3.3. Recommendations

The foundations of performance management already exist in Brazil. Performance management systems exist across virtually all careers, but remain too often perceived as an administrative formality unrelated to real performance. As such they could be reformed to better reward performance and address underperformance. This diagnostic is intrinsically related to the structure of performance management systems in the Brazilian federal administration, which are defined legalistically career by career. Given this assessment, Brazil could consider the following recommendations:

1. Harmonise performance processes and modalities across careers to develop a standard that can be expected by all public servants.
 - a. Give responsibility and control of the assessment process to the host entity regardless of the career. This is an essential precondition for the performance system to function.
 - b. Simplify the performance rating system to a 3-point scale, and set the middle point (2) as the default score for all public servants. Remove the existing link to pay.
 - c. Reserve a score of 3 for truly exceptional performance, and reward with appropriate financial and non-financial rewards, including career progression.
 - d. Have managers justify high performance ratings to their peers as a way of ensuring they are applied equally across the organisation. High ratings could also be limited (e.g. no more than 10% of employees).
 - e. Move to a more discussion-based performance assessment, including providing space to discuss past performance and future objectives to make performance management a tool for professional development.
2. Establish a clear process to manage underperformance (ratings of 1) that includes
 - a. counselling and support, as a first step, to identify the underlying cause of the low performance and try to address it.
 - b. Training opportunities if the low performance is due to a lack of skills and capabilities,
 - c. Reassignment if the low performance is due to a problem with the working environment, or a bad fit between the employee and the specific nature of their job.
 - d. Dismissal for underperformance as a last resort. This will require some regulatory changes.
3. As the SGP continues to support entities in developing organisational performance targets, take efforts to define individual goals which link to the Personnel Development Plan.
 - a. structure objectives around entities, departments, and individuals.
 - b. In those entities where team performance objectives have already been introduced, organisational performance goals should cascade down to the team and individual objectives.
4. Support managers to conduct performance management effectively.
 - a. Provide adequate training and workshops at regular intervals.
 - b. Make performance part of the usual agenda in management meetings
 - c. Ensure managers are supported by their own managers to do effective performance management – and manage low performance when needed.
 - d. Use calibration committees to ensure managers come together around performance management and support each others' decisions.

4 Conclusion and next steps

Brazil has a long-standing professional public service that is composed of skilled and dedicated public servants. The challenge for the government is to make sure that their people have the right management frameworks to build their skills and motivation to contribute to the country's most pressing social, environmental and economic challenges. This paper complements the first output of the Review by taking a deep dive into three priority areas for action and has included specific recommendations in all three.

The Brazilian government has a significant opportunity to now move from recommendations to real lasting change in its ambition to reinforce the capacities and capabilities of its public service. Structuring the strategy for this change is the next step in the process. This will have to be done on multiple fronts, with various timelines.

In the long term, the incoming government would be well placed to work with stakeholders across the administration to establish a common vision of what the future public service should be in Brazil's federal administration – and then work with all stakeholders to build a political movement around this vision, including legislators who will need to be deeply engaged as partners, working with Brazil's complex legislative processes.

In the short to medium term, the paper also outlines some steps that could be taken within the administration that would already help to move towards needed improvements. Examples of these include:

- Using the guidelines published in annex B to begin simplifying the career system and promote transversal careers.
- Generate stakeholder discussions to reflect on who needs civil service protection, what are core state activities which can only be undertaken by permanent public servants, and under which conditions temporary hiring should be used.
- Explore measures to build surge capacity by setting up a pool of public servants which could be mobilised on short-term notice and increasing short-term mobility opportunities, in particular by supporting entities and managers in identifying and facilitating suitable mobility opportunities.
- Harmonise performance processes and modalities across different careers to develop a simplified standard that can be expected by all public servants.
- Provide more guidance to managers to conduct the performance assessments across careers.

As a concrete next step, the government of Brazil could gather the relevant stakeholders together at the start of the new government, to discuss the various recommendations in this paper and put together a concrete action plan for implementation. The OECD would be happy to support any such effort in this direction.

Annex A. Country practice - Reforming the career system in the Portuguese Public Administration, 2005-2008³

In 2008, having been hit hard by the global crisis, the Portuguese government undertook a consolidation programme to control spending and improve efficiency of the public sector. This was in part driven by external pressures through the EU-IMF-ECB supported programmes.

One of the key pillars of the programme was a public administration reform, which foresaw, among other areas, the reform of the career system and remuneration system to enhance efficiency of the public administration.

Principles framing the 2008 Reform of Public Administration

In 2005, a diagnosis was carried out on the reality of the Portuguese Public. The following aspects stood out regarding the regime applicable to civil servants:

- At the Statute level:
Rigidity of the rules applicable to appointed civil servants leading to management difficulties and little flexibility in relation to the needs of public services and in adjusting performance management.
- At the level of careers:
As far as careers were concerned, there was a great complexity and rigidity, with more than 1500 different professional careers, with very similar functional contents, but which had different remuneration structures, generating inequalities.
- In terms of remuneration:
In the field of remuneration, automatic progression mechanisms prevailed, unrelated to the performance and to the budget capacities of the State. Career progression was based on seniority and performance assessment of an almost automatic nature, or based on competitions with bureaucratic procedures. Myriad of pay scales existed, contributing to the low transparency of the pay system and an excessive number of different salary positions.

Based on the diagnosis, the general principles that framed the reform in 2008 were as following:

- Developing a common labour regime while respecting the specificities of Public Administration (subordination to public interests, maintaining a public nature)
- Standardisation of labour regimes, careers and remuneration systems
- Merit-based career development and performance assessment

³ Soraia Jorge, Professional in Directorate General for Administration and Public Employment (DGAEP), Portugal Public Administration

- Integration of human resources management in the overall management of public services (subordinated to budget planning and management)
- Management of human resources based on the identification of activities/tasks and academic degree/area necessary to achieve the objectives, through annual and multi-annual updating personnel maps, based on the definition of skills profiles

Advancing the Reform of the Public Labour Regimes

Table A A.1. Legal framework implementing the reform of the public administration

1989-2008	Reform period	
	2009-2015	2015- Until today
Decree Law n.º 184/89, of 2 June, which establishes the general principles in terms of public employment	Law n.º 12-A/2008, of 27 February, which establishes the employment, career and remuneration regimes of workers performing public functions (LVCR)	Law n.º 35/2014, of 20 June – General Labour Law in Public Functions (LTFP)
Decree-Law n.º 427/89, of 7 December, which establishes the regime for the constitution, modification and termination of the legal relationship of public employment	Law n.º 59/2008, of 11 September, which approved the employment contract regime in public functions.	

Based on the principles, three main areas were reformed until 2008:

- The appointment, which constituted the rule, and conferred the “Status of Civil Servant”;
- The administrative Provision Agreement, which conferred the status of administrative agent; and,
- The Employment Contract – the exception, and mostly used in entities of the indirect state administration and public business sector.

After 2008, the employment frameworks of the public sector were aligned with the private sector with regard to the legal employment relationship. This meant that the three forms of public employment relationship in the public administration are as followed:

- The Employment Contract in Public Functions – which constitutes the general rule, since 2008;
- The appointment – constitutes the exception. The “Status of Civil Servant” is assigned to a few special functions related to the exercise of powers conferred by public law that safeguard the general interest of the State, such as: Military; Foreign Affairs, State Security; Public Security, Criminal Investigation and Inspection Activities.
- Limited Executive Tenure.

As a result of the reform, on 1 January 2009 more than 300.000 public servants automatically moved from the appointment regime to the modality of employment contract in public functions.

Reforming the Career System

In 2006, a survey performed by a “Career and Remuneration System Review Commission” concluded that in the Portuguese Public Administration existed of:

- At least 653 general careers;
- About 119 special careers or/and special corps;
- Around 407 isolated categories.

The reform envisioned the extinction of 1716 general and special careers and the transition of all civil servants to only 3 general careers.

Taking into account the nature of the functions, the careers were categorized in two broad areas:

- **General careers:** Those whose functions characterize positions that the majority of public bodies and services need for the development of the respective activities.
- **Special careers:** Those whose functions characterize positions that only one or some public services need for the development of the respective activities.

Special careers can only be created when, cumulatively:

- The respective functional content cannot be included in the contents of general careers;
- The respective public employees are subject to more demanding functional duties than those imposed on public employees of general careers; and,
- The respective public employees needs to have undertaken a specific training course of a duration no less than six months or hold a certain academic degree or professional certificate to enter the career.

Based on this, the reform introduced three general careers:

- Professional Staff (“Senior Technician”);
- Secretarial Staff (“Technician Assistant”);
- Technical Support Staff (“Operational Assistant”).

The functional complexity and qualification level varies according to the career. As such, special careers can only be created in exception circumstances fulfilling several of requirements outlined. Overall, this reform of the career system represented a huge milestone. It strengthened versatility of the system and improved mobility for public servants.

Reform of the Remuneration System

In 2008, the remuneration system was reformed which established, for the first time, the same remuneration system for all public employees, regardless of the type of legal relationship with the state their employment contract dictates.

In practice this means that, since 2009, the public administration has a single pay scale, made up of 115 pay-steps (corresponding to a monthly remuneration in euros and before taxes) to be used in determining employees basic remuneration.

This single pay scale replaced 22 existing pay scales, with a total of 522 pay-steps, and is applicable to all employees performing public functions.

Each career corresponds to a variable level of pay positions, and the base pay is determined by the position of the public employee in a given career.

In addition, the criteria for career advancement were reformed. Career progression is no longer based on seniority and therefore automatic. Career advancement and change of pay-step are based on performance assessment as regulated in an Integrated Public Administration Management Assessment System (SIADAP).

Finally, it is important to mention the 2014 reform according to Law n.º 35/2014, of 20 June. The purpose of the reform was to:

- Consolidate the essential aspects of the labour regime for employees in public functions in one single law.
- Complete the process of aligning the legal regime of public employment with the common labour regime (adoption of the Labour Code and its complementary legislation, as a subsidiary regime or, on some matters, as its own regime, safeguarding the necessary adaptations).
- Set the employment contract in public functions as the model for public employment, seeking a unitary regime for the two major types of public employment bond (contract and appointment) and highlighting their specificities, whenever necessary.

Bibliography

João Figueiredo. “As reformas na Administração Pública de 2005 a 2008: Alguns aspectos fundamentais”. Separata da Revista do Tribunal de Contas n.º 52, Julho/ Dezembro – 2009 – 2.º semestre de 2009. Lisboa 2011.

Comissão de Revisão do Sistema de Carreiras e Remunerações. “Vínculos, Carreiras e Remunerações na Administração pública – Diagnóstico e Perspectivas de Evolução”. Setembro de 2006.

Annex B. Guidelines for creating or merging of new careers in the Brazilian public service

Building on the findings and recommendations of the OECD Public Service Leadership and Capability Review of Brazil, the OECD in co-ordination with the SGP proposes the following guidelines presenting criteria for creating and merging of new careers in the Brazilian public service.

1. Simplification of the set of plans, careers and effective positions

The multiplicity of plans, careers and positions makes it difficult to manage the workforce, tends to increase personnel expenses and generates various asymmetries. It makes the public service inflexible by limiting opportunities for restructuring and reassigning personnel. It may also reduce the attractiveness of the civil service by proposing a restrictive career path with limited opportunities for mobility and variety. Reducing the overall numbers of careers and avoiding duplication of positions while also harmonising the main terms and conditions across careers and plans could help to overcome these issues, while allowing for the necessary diversity in the set of activities to be performed.

2. Expansion of the careers to multiple bodies instead of assigning careers to single bodies (autarchy model)

Currently, the underlying logic of the career system is that “each entity needs to have its career”. To simplify the career system and allow for more flexibility, careers would be structured according to the function performed, not according to the body or entity to which they are linked. This means that functions that are found in several bodies should be structured as a career with transversal attributions that can work in all those organisations that perform these functions. The career can be further broken down into specific job families, however, the main features related to career progression, key skills, and remuneration should remain comparable. The specifics of each organisation can be valued and managed in people management processes, such as selection, admission and development, without necessarily having a career of their own.

The existence of careers that compile functions common to different organisations brings several advantages for the public sector:

- flexibility to manage the allocation of the workforce to meet needs that prove to be a priority over time
- incentives for public servants seeking new professional challenges
- wider learning and development opportunities for public servant
- improved coherence across organisations and bursting of silos by creating a wider network of relationships between public servants, with the potential to support the implementation of new projects and programmes, in particular across organisations, among others.

A transversal model will ultimately contribute to improving the quality of public policies and public services delivered to citizens.

To strengthen flexibility of the public service, the transferability of positions, careers and plans needs to be a priority. This means new positions, careers and plans should be able to fit across entities and cluster where applicable several functions based on broad, transversal attributions. In this way, position, careers and plan are designed so they can be adapted to the needs of the public administration over time.

3. Personnel mobility mechanisms that ensure flexibility

The specific and narrow attributions for positions and careers which are enshrined in specific laws makes it difficult or prevents the mobility of servers. In addition, there is a culture of retaining people in the entities where they were initially allocated. To facilitate mobility, the public administration has some legal mobility mechanisms for the public servant to act in a horizontal, vertical, functional, internal, external, temporary or permanent dimension, among them: removal, redistribution, assignment, requisition and change of exercise for composition of workforce.

For the efficient and effective use of these personnel mobility mechanisms, it is necessary that new or altered plans and careers adopt criteria that encourage the application of these mechanisms, as well as provide for transversality elements, such as transversal skills and qualifications, that privilege a dynamic, agile, adaptive and flexible workforce, as required by the contemporary work context.

4. Promotion of greater equity between remunerations

Another characteristic of the multiplicity of plans and careers is the wide salary variation between positions with similar attributions within the scope of the federal Executive Power itself. It is suggested to seek a more equitable model while observing the necessary specificities of certain areas and activities. It is important that public servants when analysing the set of positions in the public administration, recognise their remuneration as fair. This means that equal work should be paid equally.

5. Simplification of the remuneration structure

Currently, there are a variety of bonuses, indemnities, incentives, remuneration, support and other instalments. This makes it difficult to properly manage personnel expenses, generates internal imbalances and distorts the original objective that motivated the creation of these specific remuneration components. The simplification of the remuneration structure, in addition to facilitating management, provides transparency to the servers themselves and to society and encourages equality in the remuneration policy.

6. Recognition of professional performance and development in career progression

Currently, most servants reach the highest career levels within a decade or two of service. This period does not correspond to the length of service required for retirement so the public servant can be “parked” for more than 20 years after reaching the top of his career until he retires. There are also difference between careers in how fast public servants can reach the top of the career. In addition, the current model of progression and promotion has shown to be a merely formal process, not based on the professional achievements of the public servant.

New or altered careers and plans need to aim for a harmonisation throughout the public service. They should provide public employees with opportunities for capacity development throughout their working life. Careers should also evaluate the progression and promotion rules and performance management tools,

to create incentives for the continuous professional development of public servants to deliver results for society.

7. Prioritisation of strategic and complex activities

Hiring public servants is a long-term (financial) commitment by the public administration given the permanent nature of their contract. Considering the evolution of state action over time, it is necessary to design positions, careers and plans that not only correspond to current needs, but are also flexible to adapt to future needs. Meanwhile more ad-hoc, temporary functions may be better suited to be outsourced meaning the specific expertise can be hired for a determined time period.

In this context, priority for new careers should be given to designing positions more suited to the core state activities, concentrating efforts on final activities and giving space to the indirect contracting of services, whenever this solution proves to be more adequate to guarantee the focus of the direct action of the public administration.

Case Study: administrative technical careers

The next section of this annex looks at a particular group of careers or “Job Plans” to illustrate some of the opportunities and challenges of implementing the principles written above, and the recommendations of the paper. This presents a sort of case study to complement the analysis in this paper.

In the Brazilian public service, the function of administrative-technical support, such as human resources professionals, accountants, administrative analyst does not exist in one specific career, but is rather spread out over various careers. These careers usually belong to specific entities.

Focussing on ten exemplary careers with similar features (Table 1), this analysis examines their alignment to the various principles of the proposed guidelines for careers, and explores the potential opportunities and challenges for merging and restructuring them for great efficiency and effectiveness.

Table 1. Overview of careers analysed

Name of career	Assigned entity (entity overseeing career) and entities where this career operates	Number of public servants belonging to the career, average age & step (If available please indicate the figures over the last 5 years)
General Jobs Plan to the Executive Branch (<i>Plano Geral de Cargos do Poder Executivo, PGPE</i>)	51 different bodies and entities (e.g. Ministry of Economy, Ministry of Education, Ministry of Tourism; Federal National School of Public Administration, National Health Foundation and others).	5.253 active public servants + 10.806 inactive ⁴ people Active public servants (in each step): 1 st step = 0,10% 10 th step(middle) = 5,72% 20 th step (last)= 22,24%
Careers and Jobs Plan of the Administrative Technicians in Education (<i>Plano de Carreiras dos Cargos Técnico Administrativos em Educação, PCCTAE</i>)	108 different Universities and Federal Education Institutes (e.g. University of Brasília, Federal University of Rio de Janeiro, Federal Institute of Bahia, and others)	46.511 active public servants + 21.784 inactive people. Active public servants (career position): 1 st step = 3,40% 8 th step(middle) = 1,11% 16 th step(final) = 8,64%

⁴ ‘Inactive people’ refers to all those former public servants that are retired and pension plan grantors (this means any person with pension rights stemming from public servant activity)

Name of career	Assigned entity (entity overseeing career) and entities where this career operates	Number of public servants belonging to the career, average age & step (If available please indicate the figures over the last 5 years)
Special Jobs Plan for Culture (<i>Plano Especial de Cargos da Cultura</i> , PEC Cultura)	7 different bodies and entities (e.g., Ministry of Tourism; Brazilian Institute of Museums, National Library Foundation, National Foundation for the Arts, and others).	1.313 active public servants + 1.303 inactive people Active public servants (career position): 1 st step = 1,8% 10 th step = 7,41% 20 th step (final) = 17,89%
Special Jobs Plan of the Ministry of Finance ⁵ (<i>Plano Especial de Cargos do Ministério da Fazenda</i> , PECFAZ)	3 different bodies and entities (Ministry of Economy, National School of Public Administration (ENAP) and Attorney General's Office (AGU))	476 active public servants + 2.147 inactive people. Active public servants (career position): 20 th step (final) = 42%
Special Jobs Plan to the Superintendence of the Manaus Free Zone (<i>Plano Especial de Cargos da SUFRAMA</i> , SUFRAMA)	Only one entity: Manaus Free Zone (SUFRAMA)	254 active public servants + 59 inactive people. Active servers (career position): 1 st step = 1,57% 7 th step = 23,22% 20 th step (last) = 1,97%
Special Jobs Plan of the National Institute of Educational Studies and Research (<i>Plano Especial de Cargos do Instituto Nacional de Estudos e Pesquisas Educacionais</i> , INEP)	Only one entity: National Institute of Educational Studies and Research (INEP)	41 active public servants + 36 inactive people. Active public servants (career position): 10 th step = 31,70% 20 th step (last) = 31,70%
Special Jobs Plan for the National Fund for Educational Development (<i>Plano Especial de Cargos do Fundo Nacional de Desenvolvimento da Educação</i> , FNDE)	Only one entity: National Fund for Educational Development (FNDE)	46 active public servants + 269 inactive people. Active public servants (career position): 20 th step (last) = 93,48%
Special Jobs Plans of the Regulatory Agencies (<i>Plano Especial de Cargos das Agências Reguladoras</i>)	9 different Regulatory Agencies [e.g. National Petroleum (ANP) Agency; National Telecommunications Agency (ANATEL); National Civil Aviation Agency (ANAC) and others]	45 active public servants + 145 inactive people. Active public servants (career position): 20 th step (last) = 97,78%
Career Plan of the Reform and Agrarian Development Jobs (<i>Plano de Carreira dos Cargos de Reforma e Desenvolvimento Agrário</i>)	Only one entity: National Institute for Colonization and Land Reform (INCRA)	1.103 active public servants + 1.203 inactive people. Active public servants (career position): 1 st step = 0,09% 10 th step = 9,43% 20 th step (last) = 41,89%
Special Jobs Plan of the Brazilian Tourist Board (<i>Plano Especial de Cargos do Instituto Brasileiro de Turismo</i> , EMBRATUR)	Only one entity: Brazilian Tourist Board	45 active public servants + 79 inactive people. Active public servants (career position): 10 th step = 26,67% of the servers 20 th step (last) = 15,56 %

The size of each career varies broadly. The Careers and Jobs Plan of the Administrative Technicians in Education consist of 46.511 active servers and 21.784 inactive people in July 2022. In comparison, the Special Jobs Plan of the National Institute of Educational Studies and Research is made up of 41 active servers and 36 inactive people.

Most of the careers have not held a recruitment process since 2015. Several of the plans are in the process of being abolished with public servants moved to other careers where possible. For example, since 2006,

⁵ The Ministry of Finance has been reformed as the Ministry of Economy

vacant positions of the Special Jobs Plan of the National Institute of Educational Studies and Research must be transformed into positions of the Researcher-Technologist in Educational Information and Assessments. The same applies for vacant position of the Special Jobs Plan of the National Fund for Educational Development which must be transformed to Specialist in Financing and Execution of Educational Projects.

Most careers are also quite top-heavy with a majority of public servants in the highest step of the plan. In the General Jobs Plan to the Executive Branch, 22,24% of public servants are found in the highest step (nr. 20). Even more pronounced, in the Special Jobs Plans of the Regulatory Agencies, 97,78% of public servants have reached the highest step of the plan (nr. 20).

The following analysis is taking the information provided in Table 1 into account and applies it to the *Guidelines for creating and merging new careers in the Brazilian public service* to create a common administrative-technical career.

Simplification of the set of plans, careers and effective positions

What?

This principle aims to reduce the overall numbers of careers and avoid duplication of positions, while also harmonising the main terms and conditions across careers to facilitate the management of the workforce and avoid asymmetries between careers.

Current situation

- All 10 careers analysed have their origin in the Jobs Classification Plan (*Plano de Classificação de Cargos, PCC*) created by Law nº 5.645 (December 10th, 1970). This law provides guidelines for the classification and the assignment of professions of the public service. Originally, the plan described the following groups of professions that require graduate level courses:
 - Administrator: Control, programming, coordination related to studies, research, analysis and projects about personnel management, budget, finance, material management, and organisation.
 - Accountant: activities of control, coordination or execution related to accounting and finance and assets management, working with balance sheet, balance, records, and accounting statement.
- Each law that creates one of the 10 careers has an article establishing the creation of a new Special Jobs Plan. This maintains the same job name and assignment as originally stipulated in the Jobs Classification Plan in 1970. This means that the Administrator of the General Jobs Plan to the Executive Branch has the same assignment of the Administrator of the Special Jobs Plan of the Ministry of Finance and the careers.

Considerations for implementing this principle

- Despite these similarities, each career is managed differently, with its own recruitment processes that mean that public servants can only apply to one career and are not able to move to other careers having been created based on the Jobs Classification Plan.
- A second challenge is that each of these plans includes a wide variety of functions ranging from human resources professionals to accountants to research and analysis. It would be ideal to be able to manage these functions separately when it comes to setting pay, designing entry exams, and managing career progression.
- As a first step, the Brazilian administration should consider which functional groupings of the technical administrative functions make sense to manage together. For example, it would likely

make sense to separate personnel management, accounting and research/analysis functions into three separate transversal careers. This would enable functional specialisation and standardisation across the administration.

- Creating this blueprint would then make it possible to identify where these functions sit across the administration by career and entity, halt recruitment of those functions to those careers and open new ones that would be the careers of the future.

Expansion of the careers to multiple bodies instead of assigning careers to single bodies (autarchy model)

What?

To simplify the career system and allow for more flexibility, careers should be structured according to the function performed, not according to the entity to which they are linked. This means that functions that are found in several entities should be structured as a career with transversal attributions that can work in all those entities that perform these functions.

Current situation

- Currently, some of the selected careers exist in a wide range of bodies. For example, the General Jobs Plan to the Executive Branch (PGPE) has employees working in 51 bodies and entities of the federal administration, including most central ministries. The Careers and Jobs Plan of the Administrative Technicians in Education (PCCTAE) is also transversal in the education sector, with positions in 108 universities and Federal Education Institutes.
- Most of the careers are much more limited: The Career Plan of the Reform and Agrarian Development Jobs only exists in the National Institute for Colonization and Land Reform (INCRA); and the Special Jobs Plan to the Superintendence of the Manaus Free Zone -SUFRAMA only exists in the Manaus Free Zone.

Considerations for implementing this principle

- Public servants working in those careers which are narrowly attributed to one agency or ministry may have far fewer opportunities for development, advancement, career variety and mobility. Having career variety and options for development is commonly correlated to job satisfaction and a driver of attraction and retention.
- The two largest careers in the list are also the most transversal. The PGPE currently employs over 5,200 active public servants and spans 51 of the federal bodies, while the PCCTAE employs over 46,000 and spans 108 institutions in the higher education sector. This suggests that these are well placed models to expand into other entities, while phasing out the existing technical administrative careers that employ fewer people and are specific to one federal entity.
- In some instances when there are great differences groups of entities and subsequently tasks performed, two separate careers could be kept. For example, maintaining both the PGPE for the central ministries and the PCCTAE for the universities could be logical as those are fairly separate clusters of institutions. The overall goal would be to ensure that each career is clear on its span of authority, and to harmonise, to the extent possible, terms and conditions across them.

Personnel mobility mechanisms that ensure flexibility

What?

Mobility can contribute to an agile and flexible public service by providing opportunities to move people where they are needed. For the efficient and effective use of these personnel mobility mechanisms, it is necessary that new or altered careers adopt criteria that encourage the application of these mechanisms as well as provide for transversal elements, such as transversal skills and qualifications.

Current situation

- Currently each career has its own staff. Mobility is possible within the career, however not across careers despite the similarity of functions (unless using some of the new mobility mechanisms put in place by SGP –see section on mobility, p.13)
- The skills included in the careers are set out very broadly and are relevant across entities, not specific to only the positions of the career itself. The skills included are planning, monitoring, coordination, support, and execution of administrative and technical activities.

Considerations for implementing this principle

- Simply merging careers doesn't ensure mobility. It could be useful to study the frequency of mobility across entities in already transversal careers such as the PGPE and PCCTAE to determine how much mobility happens and under which conditions. This could lead to insights on how best to promote mobility.
- Defining a competency framework for the administrative-technical functions that sets out transversal skills applicable to the function, in relation to the level of seniority, would help to create the conditions for mobility.
- Recognising mobility in performance evaluation and career progression can also be an effective incentive.
- These tools can also be effective to promote mobility across careers (see section on mobility, p.13)

Simplification and equity of remunerations

What?

Positions with similar attributions should receive a comparable salary to provide for a more equitable remuneration model while observing the necessary specificities of certain areas and activities. The myriad of bonuses, indemnities, incentives, remuneration, and other salary instalments making up the remuneration make it difficult to manage personnel expenses and generates internal imbalances. The simplification of the remuneration structure, in addition to facilitating management, provides transparency to the public servants themselves and to society and encourages equity among similar functions.

Current situation

Table 2. Salary range and average salary

Name of career	Salary range per and average salary
General Jobs Plan to the Executive Branch (<i>Plano Geral de Cargos do Poder Executivo, PGPE</i>)	Initial = R\$ 5.739,09/ Final = R\$ 8.924,74 *These values consider basic salary (represents 42,28% of the total) + performance gratification of 100 points (represents 57,72% of the total)
Careers and Jobs Plan of the Administrative Technicians in Education (<i>Plano de Carreiras dos Cargos Técnico Administrativos em Educação, PCCTAE</i>)	Initial = R\$ 4.180,66/ Final = R\$ 8.323,87 These values consider only the basic salary. There is also an encourage qualification bonus, that can represent an increase of 10 to 75% of the values.
Special Jobs Plan for Culture (<i>Plano Especial de Cargos da Cultura, PEC Cultura</i>)	Initial = R\$ 5.739,09/ Final = R\$ 8.924,74 These values consider basic salary (represents 42,28% of the total value) + performance gratification of 100 points (represents 57,72% of the total value)
Special Jobs Plan of the Ministry of Finance (<i>Plano Especial de Cargos do Ministério da Fazenda, PECFAZ</i>)	Initial = R\$ 5.735,09/ Final = R\$ 8.924,74 These values consider basic salary (represents 42,28% of the total value) + performance gratification of 100 points (represents 57,72% of the total value)
Special Jobs Plan to the Superintendence of the Manaus Free Zone (<i>Plano Especial de Cargos da SUFRAMA, SUFRAMA</i>)	Option 1 [basic salary (90% of the total value) + 100 points of performance gratification (10% of the total value)]: Initial = R\$ 9.685,83/ Final= R\$ 15.966,36 Option 2 [basic salary (87,1% of the total value + 100 points of performance gratification (9,7% of the total value) + qualification bonus - level I to 15% of the servers (3,2% of the value)]: Initial = R\$ 10.217,36/ Final = R\$ 16.517,69 Option 3 [basic salary (84, 39% of the total salary) + 100 points of performance gratification (9,38% of the total salary) + qualification bonus - level II to 30% of the servers (6,23% of the total salary)]: Initial = R\$ 10.748,89/ Final = R\$ 17.049,22
Special Jobs Plan of the National Institute of Educational Studies and Research (<i>Plano Especial de Cargos do Instituto Nacional de Estudos e Pesquisas Educacionais, INEP</i>)	Option 1 [basic salary (56,03% of the total value) + 100 points of performance gratification (43,97 of the total value)]: Initial = R\$ 7.386,19/ Final= R\$ 11.864,61 Option 2 [basic salary (48,96% of the total value) + 100 points of performance gratification (38,42% of the total value) + bonus for academic degree -Specialization (12,62% of the total value)]: Initial = R\$ 8.431,91/ Final = R\$ 13.579,41 Option 3 [basic salary (44,01% of the total value) + 100 points of performance gratification (34,53% of the total value) + bonus for academic degree - Master's degree (21,46% of the total value)]: Initial = R\$ 9.364,63/ Final = R\$ 15.106,99 Option 4 [basic salary (41% of the total salary) + 100 point of performance gratification (32% of the total salary) + bonus for academic degree -Doctorate (27% of the total value)]: Initial = R\$ 10.062,51/ Final = R\$ 16.252,41
Special Jobs Plan for the National Fund for Educational Development (<i>Plano Especial de Cargos do Fundo Nacional de Desenvolvimento da Educação, FNDE</i>)	Option 1 [basic salary (56,03% of the total value) + 100 points of performance gratification (43,97 of the total value)]: Initial = R\$ 7.386,19/ Final= R\$ 11.864,61 Option 2 [basic salary (48,96% of the total value) + 100 points of performance gratification (38,42% of the total value) + bonus for academic degree -Specialization (12,62% of the total value)]: Initial = R\$ 8.431,91/ Final = R\$ 13.579,41 Option 3 [basic salary (44,01% of the total value) + 100 points of performance gratification (34,53% of the total value) + bonus for academic degree - Master's degree (21,46% of the total value)]: Initial = R\$ 9.364,63/ Final = R\$ 15.106,99 Option 4 [basic salary (41% of the total value) + 100 point of performance gratification (32% of the total value) + bonus for academic degree -Doctorate (27% of the total value)]: Initial = R\$ 10.062,51/ Final = R\$ 16.252,41
Special Jobs Plans of the Regulatory Agencies (<i>Plano Especial de Cargos das Agências Reguladoras</i>)	Initial = R\$ 10.719,14/ Final = R\$ 16.062,22 These values consider basic salary (70% of the total value) + 100 points of performance gratification (30% of the total value).

Name of career	Salary range per and average salary
Career Plan of the Reform and Agrarian Development Jobs (<i>Plano de Carreira dos Cargos de Reforma e Desenvolvimento Agrário</i>)	Initial = R\$ 5.410,16 / Final = R\$ 11.328,57 These values consider basic salary (34% of the total value) + 100 points of performance gratification (66% of the total value).
Special Jobs Plan of the Brazilian Tourist Board (<i>Plano Especial de Cargos do Instituto Brasileiro de Turismo, EMBRATUR</i>)	Option 1 [basic salary (34% of the total value) + 100 points of performance gratification (66% of the total value)]: Initial = R\$ 5.780,83/ Final= R\$ 9.362,19 Option 2 [basic salary (59,56% of the total value + 100 points of performance gratification (34,48% of the total value) + qualification bonus -level I to 15% of the servers (5,96% of the total value)]: Initial = R\$ 6.373,75/ Final = R\$ 9.955,11 Option 3 [basic salary (56,21% of the total value) + 100 points of performance gratification (32,55% of the total value) + qualification bonus -level II to 30% of the servers (11,24% of the total value)]: Initial = R\$ 6.966,67/ Final = R\$ 10.548,03

- The table above shows wide salary variation between the careers listed (up to double in some cases) for what appear to be equivalent functions – for example:
 - Plano Geral de Cargos do Poder Executivo – PGPE (General Jobs Plan to the Executive Branch): * Initial = R\$ 5.739,09/ Final = R\$ 8.924,74
 - Special Jobs Plans for the Regulatory Agencies Plano Especial de Cargos das Agências Reguladoras: Initial = R\$ 10.719,14/ Final = R\$ 16.062,22
- However, the two largest careers (PGPE and PCCTAE) appear to have more equitable salaries, depending on the impact of the bonus in the PCCTAE.
- The remuneration structure in each career also differs significantly despite a similarity of function. For example, the basic salary ranges from 42,28% (PGPE) to 70% of total salary in the case of regulatory agencies.

Considerations for implementing this principle

- This is likely the most difficult aspect to implement as salaries are depended upon by public servants and are often seen as acquired rights in the eyes of the law, meaning that they tend to be grandfathered. Reforms in this area may have to begin with new hires, and take long time to materialise significant change.
- Setting an appropriate pay level for a function is a complex endeavour that requires carefully balancing a significant number of variables, including supply and demand for skills, financial flexibility, internal equity and fairness, labour market analysis and relative pay to the private sector, the importance of job aspects like seniority, managerial responsibilities, working conditions and various political factors. These should be done with appropriate expertise and care.
- Any pay review also needs to look at the structure of pay with a view to harmonise the remuneration structure in line with the average salary identified. The majority of the remuneration should ideally be composed of the basic salary to promote equity and ensure transparency.

Recognition of professional performance and development in career progression

What?

To harmonise career progression, provide for career progression based on skill and expertise and promote professional development, careers should harmonise the number of steps for similar functions and the conditions for career advancement (which should include aspects of performance) to create incentives for the continuous professional development of public servants to deliver results for society.

Current situation

Table 3. Number of steps and time spent at each step and to reach the highest step of the career

Name of career	Number of steps in the career, average time spent at each step, average time to reach highest step of the career
General Jobs Plan to the Executive Branch (<i>Plano Geral de Cargos do Poder Executivo, PGPE</i>)	20 steps ; 12 to 18 months in each step (time spent in the job) or professional merit depending on performance evaluation); at least 20 years to reach the highest step
Careers and Jobs Plan of the Administrative Technicians in Education (<i>Plano de Carreiras dos Cargos Técnico Administrativos em Educação, PCCTAE</i>)	16 steps ; 18 or 24 months in each step (depending on the professional training or professional merit after performance evaluation). 22 years at least to reach the highest step
Special Jobs Plan for Culture (<i>Plano Especial de Cargos da Cultura, PEC Cultura</i>)	20 steps ; 12 to 18 months in each step (time spent in the position or professional merit depending on performance evaluation); 20 years at least to reach the highest step
Special Jobs Plan of the Ministry of Finance (<i>Plano Especial de Cargos do Ministério da Fazenda, PECFAZ</i>)	20 steps ; 12 to 18 months in each step (time spent in the position or professional merit depending on performance evaluation); 20 years to reach the highest step
Special Jobs Plan to the Superintendence of the Manaus Free Zone (<i>Plano Especial de Cargos da SUFRAMA, SUFRAMA</i>)	20 steps ; 12 to 18 months in each step (time spent in the position or professional merit depending on performance evaluation); 20 years to reach the highest step
Special Jobs Plan of the National Institute of Educational Studies and Research (<i>Plano Especial de Cargos do Instituto Nacional de Estudos e Pesquisas Educacionais, INEP</i>)	18 steps ; 18 months spent in each step; and 24 years to reach the highest step.
Special Jobs Plan for the National Fund for Educational Development (<i>Plano Especial de Cargos do Fundo Nacional de Desenvolvimento da Educação, FNDE</i>)	18 steps ; 18 months spent in each step; and 24 years to reach the highest step.
Special Jobs Plans of the Regulatory Agencies (<i>Plano Especial de Cargos das Agências Reguladoras</i>)	18 steps ; 12 or 18 months (time spent in the position depending on performance evaluation); 18 years to reach the highest step.
Career Plan of the Reform and Agrarian Development Jobs (<i>Plano de Carreira dos Cargos de Reforma e Desenvolvimento Agrário</i>)	20 steps ; 12 months spent in the position depending on performance evaluation); 20 years to reach the highest step.
Special Jobs Plan of the Brazilian Tourist Board (<i>Plano Especial de Cargos do Instituto Brasileiro de Turismo, EMBRATUR</i>)	20 steps ; 12 to 18 months in each step (time spent in the position or professional merit depending on performance evaluation); 20 years to reach the highest step

- The table above shows some variety in the number of steps in each career, ranging from 16 in PCCTAE to 20 steps in the majority of cases.
- The average time to reach the highest step in the career ranges from 18-24 years. There is an inverse relationship between the number of steps and the length of time taken to reach the top. In most cases careers with 20 steps see public servants reach the top in at least 20 years, while those with fewer steps seem to take longer, with the expectation that public servants spend more time at each step.
- Career advancement is based on seniority and performance evaluation. However, the process of performance assessment throughout the Brazilian public sector lacks impact as most public servant receive extremely high grades (see section on career progression, p.12). The Careers and

Jobs Plan of the Administrative Technicians in Education is the only career which includes completed training courses as additional criteria for career progression.

- The distribution of public servants across the steps (Table 1) is also an indicator of the effectiveness of the system. The data shows that most of these plans are very top-heavy – for example over 22% of PGPE employees have reached the top of their career, while that number reaches 42% for PECFAZ, 31% for INEP, and almost 100% of the regulators. Notable exceptions include PCCTAE with 8% in the top category, and SUFRAMA with less than 2%.

Considerations for implementing this principle

- While the differences in this category are not as significant as others, they have impacts on important aspects of pay equity.
- It would be important to reflect on the ideal number of steps and time spent in each. A structure with many steps and steep salary progression makes sense in relatively closed professions where seniority is necessary to reward – i.e., when public servants become more productive with time and therefore merit additional rewards – teachers are a classic example. However, when jobs are more dynamic, and there is a focus on attracting new talent, a flatter pay scale with higher initial salary may make more sense.
- The OECD has recommended moving from careers based solely on relatively automatic step increases to careers with grades and step increases (see section on career progression, p.12). Promotion to grades would be based on performance, organisational need, and bring an increased level of responsibility. If Brazil is able to redesign the organisation of these careers, this could be a moment to pilot such a format.
- Setting out such a process for career progression that recognises professional performance and development would require a reformed performance evaluation process (see chapter on performance evaluation, p. 25). It could also incorporate more explicit expectations for training and development at each grade, creating certification schemes such as those of registered accountants.

Prioritisation of strategic and complex activities

What?

Considering the evolution of state action over time, it is necessary to design positions, careers and plans that not only correspond to current needs, but are also flexible to adapt to future needs. Priority for new careers should be given to designing positions more suited to the core state activities and giving space to the indirect contracting of services, whenever this solution proves to be more adequate to guarantee the focus of the direct action of the public administration.

Current situation

Each of the careers listed here includes a broad range of activities – some which may be rather clerical and transactional, and others which are more strategic.

Considerations for implementing this principle

The functions set out in this group of careers raise important questions for the implementation of this principle – namely how to distinguish between an accountant or an HR advisor who is doing strategic and complex activities and one who is not, and could be considered eligible for hire through other means (outsourcing, temporary contracts, etc).

Given the ambitions across OECD countries to increase the strategic relevance of many of these functions, it would not be advised to consider the full privatisation of any of the administrative technical functions of government.

Furthermore, to make any privatisation work, the government requires well informed experts to ensure contracts are well designed, and the work of external service providers is of high quality.

There may be scope to identify specific job roles that are considered to be less strategic and to exclude some of these from the creation of a new career structure, but this would have to be on a case by case basis, and require careful consideration of the longer-term costs (including transaction costs and loss of internal capability, flexibility, etc) and benefits.

References

- OECD (2022), *Centre of Government Review of Brazil: Toward an Integrated and Structured Centre of Government*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/33d996b2-en>. [1]
- OECD (2020), *Survey on Public Service Leadership and Capability*. [5]
- OECD (2019), *Government at a Glance 2019*, OECD Publishing, Paris, <https://doi.org/10.1787/8ccf5c38-en>. [4]
- OECD (2010), *OECD Reviews of Human Resource Management in Government: Brazil 2010: Federal Government*, OECD Reviews of Human Resource Management in Government, OECD Publishing, Paris, <https://doi.org/10.1787/9789264082229-en>. [2]
- OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264075061-en>. [3]