Meeting with Russian delegation

Implementing Human Capital Management Reform in Israel’s Civil Service

Ron Tzur
Chief of Staff, head of the HR Reform Initiative in the Israeli civil-service
Introduction

Who are we?
## The Public Sector

<table>
<thead>
<tr>
<th>Government corporations</th>
<th>Central government</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Insurance Institute and national institutions</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Public non-profit institutions</th>
<th>Local authorities</th>
<th>Prison service</th>
<th>Hospitals</th>
<th>Israel Police</th>
<th>Ministries and other sub units</th>
<th>Hospitals</th>
<th>Total Government employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>248,000</td>
<td>134,000</td>
<td>9,000</td>
<td>15,000</td>
<td>27,000</td>
<td>45,000</td>
<td>30,000</td>
<td>75,000</td>
</tr>
</tbody>
</table>

**Total ~ 630,000**

**Rate of ~10% regard to population**

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Government of Israel | Prime Minister Office | Civil Service Commission
The Civil Service Commission

• The Minister-in-charge of the Civil Service Commission is the Prime Minister.
• The Civil Service Commission is an autonomous subsidiary unit in the Prime Minister Office.
• The Commission is headed by the Civil Service Commissioner, who is appointed by the Government.
• The Civil Service Commission is responsible for implementing government policy regarding civil-service administration and personnel.
The Civil Service Commission

Functions

• Improve service to the public
• Government ministry personnel quotas;
• Approve the structure and division of powers among government agencies and ministries;
• Decide on promotion tracks in various Civil Service functions;
• Administer tests and competitions for Civil Service vacancies;
• Oversee appointments, handle dismissals, and set severance pay;
• Supervise retirement and set pension rates;
• Offer in-service and general training;
• Draft and publish administrative codes;
• Determine terms of service;
• Organize and streamline working methods;
• Tighten discipline among civil servants.
Introduction

Why do we need reform and what kind of reform?
Anecdote

Reform in the Israeli civil-service

The 3'rd Year of implementation
How are we perceived?
Which attribute is typical of the public sector?

- Irritating: 37%
- Slow: 30%
- Poor quality: 21%
- Quality and courtesy: 10%
- Fast: 2%

88% negative attributes

Public survey – May 2013
Prime Minister’s Office

Government of Israel | Prime Minister Office | Civil Service Commission
Background of the Reform
We didn’t meet the public needs

Summer 2011
“social justice” protests

The point at which the public lose their trust in the government and its administration, mixed with a high-level of uncertainty about the future - that is the point where there is a threat to the state’s stability and future.
We still don’t meet the public needs

OECD Economic Survey of Israel 2016

The cost of living is high

Poverty is high

Food prices are particularly high

Transportation, meat, oil, milk, cheese, bread
The outcome of inefficient government bureaucracy


2006-2014 Israel is losing its competitive abilities

14 to 27 in the world...

219 days to open a new business compared to 147 days in OECD’s states
We still don’t meet the public needs
OECD Economic Survey of Israel 2016

Subjective well-being

Civic engagement and governance
The Israeli Paradox

Startup Nation

Public Sector

Reform in the Israeli civil-service

The 3’rd Year of implementation

Government of Israel | Prime Minister Office | Civil Service Commission
The Israeli Paradox

The way we manage our resources
Human capital, organizations, working processes, knowledge....

The outcome of the public products and services
Quality, Quantity, Equity
To improve the civil service, and to limit the gap between the rate of change in public needs and the rate of matching capabilities in human capital and organizational infrastructure of the civil service.
The prime minister appointed a committee to pinpoint and propose solutions to Israel's socioeconomic problems.

- **Government decision No’ 3993**
  - December 2011

- **Trajtenberg Committee**
  - August 2011

In May 2013, the committee completed the report.

**Government decision No 481 for implementation**

- Adopt the report
- June 2013

The prime minister appointed a committee Headed by the commissioner, to propose solutions and to create a plan to improve the civil service, focusing on HR.

**Summer 2011**

- "social justice" protests

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**The Road map to the Reform**
Introduction

The reform – in a nutshell...
We established a Strategic planning unit and started to plan the humane resources in the government to the next years.

To emphasize the outcomes: we found that...

In the next 10 years 40% of our engineers will retire.

Negative trend of anesthetist practitioners.
The Strategic planning unit

Management and development of human capital in the Civil Service: CSC Strategy Map

Minimizing the gap between the Executive Branch’s mission and execution through exercising the responsibility for optimal Human Resources and Organizational Infrastructure

- Optimal Professional performance of the Human Capital management functions
- Position CSC as the top professional authority as well as an enabler
- Maximize potential of Human Capital and Organizational Infrastructure

Professionalism
- Proper Conduct/Integrity
- Service Oriented/Mission Accountability

Vision Objectives

Involved Parties Objectives (Govt., Govt. Offices, Units, Employees)

- Involved Parties feel partnership with the CSC
- Adaptations to changing challenges are easy and quick to perform
- The Civil Service is a preferred employer among relevant employees
- The CSC promotes transparent, equal, professional and fair administration

Involved Parties Objectives

- Position Human Capital Management as a Profession
- Collaborative and de-centralized processes with the CSC
- Human Capital is available and relevant for changing needs
- An effective planning, implementation and monitoring of Human Capital

Process Objectives

- Effectiveness and Efficiency of the Human Capital
- Effective communication of the Strategy
- Performance Management
- Employees and Managers grow in the Civil Service

Learning & Growth Objectives

- An Embedded Human Capital Philosophy
- Available Information, Knowledge and Experience used by all
- Enabling and sharing infrastructure in the CSC: Organizational, Technological and Cultural
- Employees and Managers grow in the Civil Service
The Strategic planning unit
We managed to inforce governmental decisions and directives

To emphasize the outcomes:
Diversity

Growth of 13%
Woman in senior positions

Growth of 20%
Ethiopian employees

Growth of 23%
Arab employees
We established a doctrine unit we started renewing our management and HR policy by “The tree of knowledge” Program

Strategic and short term Workforce planning
Mobility of knowledge and personal
Human knowledge
Annual objectives to the employee
Meritocracys and excellency empowerment
Benchmark between government offices (HR indicators)

Training of senior managers
Ethics code for the public services
Management by objectives
Talent Management
Employees Differential evaluation
Innovation encouragement
Career planning
The doctrine and research unit
We established the AGCC Program
Academy-Government Cooperation Committee
We established an implementation and training unit.

For each one of the things we wanted to change – we built a specific implementation and field training tools.
The implementation and training unit

Example:
Training activities in February – March 2016

- 200 workshops and training
- 4,000 managers
- 40,000 employees

Annual feedback and improvement of the employees capability

That serve 8,000,000 citizens
Outcomes of the Annual feedback

Weakness in the management skills

Weakness in promoting the professional knowledge of the employees

Weakness in the employees commitment
Clarify the relative position of the employee in his unit and agency

Potential for management advancement

- Focus on weakness and strength points
- Unique unfitting evaluation
- 15% get an excellence reword
The Best Place to Work in the Public sector

We started to do an organization climate survey which is a competitive benchmark

Working methods, Management competencies, Diversity, Ethics and more...
We started to focus on Leaders and the senior management.

We executed a senior position term and rotational concept.
focus on Leadership

We started to build a career planning and developing a future top-executives and leaders

Senior leaders
Rotation
Cadets for senior positions
Mid level management
Management Cadets

Outer programs for Mid-level management
Excellent students
Excellent Professionals
Government colleagues programs
Developing and cultivating of future top-executives

In general, provide knowledge and tools to a management cadre that will be leading change in the Civil Service public policy.
Innovation

Reform in the Israeli civil-service

The 3’rd Year of implementation
Summery – the Reform in a nutshell

- Civil service commission
- Delegation activities and minimize the internal bureaucracy
- Innovation
- The HR organizations and subunits
- Senior management
- Training and learning
- Knowledge Management Human Intellectual
- Recruiting
- Leverage the employees potential
- Annual feedback and performance evaluation
- Ethics and values
- Annual planning
- Strategic planning
Questions?

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