

our terms of reference. We think however that the possibility of a considerable extension of "hiving off" should be examined, and we therefore recommend an early and thorough review of the whole question.

191. Meanwhile, we believe that the other recommendations in this Chapter should make it possible to gain some of the benefits that could arise from "hiving off", even where activities and services remain the direct responsibility of Ministers, by making it possible to allocate responsibility and authority more clearly. In this connection, we attach particular importance to our proposals:—

- (a) to distinguish those within departments whose primary responsibility is planning for the future, from those whose main concern is the operation of existing policies or the provision of services;
- (b) to establish in departments forms of organisation and principles of accountable management, by which individuals and branches can be held responsible for objectively measured performance.

## CHAPTER 6

### THE STRUCTURE OF THE CIVIL SERVICE

192. We have recommended a number of far-reaching changes in the way the Civil Service is run. We have reached the conclusion that for these changes to be fully effective, there must also be a fundamental change in the structure of the Service. Civil servants are at present organised in a large number of separate classes, almost all with their own different grading and career structures. This is a major obstacle to the application of the principle we have set out in Chapter 1. We recommend that classes as such should be abolished. In our view, all civil servants should be organised in a single grading structure in which there are an appropriate number of different pay-levels matching different levels of skill and responsibility, and the correct grading for each post is determined by an analysis of the job.

193. The change we are recommending will have massive repercussions on all aspects of Civil Service work and on the way it is organised. We believe it to be necessary, because the present structure of the Service stands in the way of what we consider to be the only efficient method of matching men to jobs—rigorously examining what each post demands before selecting the individual who is best fitted to fill it. The structure we recommend will improve the opportunities of civil servants fully to develop their talents and to get the experience they need for jobs of higher responsibility. It will provide a sound foundation for the application of the principles of accountable management, and hence for the efficient working of government departments. It will mean that the organisation of a block of work can be determined by the best way of doing the job rather than by the need to observe the traditional hierarchy of particular classes. Since it will enable success in achieving set objectives to become the determining factor in promotion, it will be a powerful stimulus to civil servants at all levels. Finally, the opening-up of opportunities, which it will offer to all civil servants, will, we believe, provide the constant competitive challenge needed for the achievement of maximum efficiency.

194. We develop all these points later in this chapter. We also give a fuller description of the new structure we recommend. First, however, we deal with the existing organisation and its defects; we survey it against the objectives which, in our view, the structure should seek to achieve.

### THE OBJECTIVES

195. The Civil Service must have a clearly articulated and relatively formal structure; jobs must be graded in distinct bands which determine the pay of their occupants on a rational and fair basis; and relative positions of authority and subordination must be clearly established.

196. The problems of structure would in some ways be much simpler if

each department employed its own staff independently, and constructed its own grading system to fit the precise needs of its own work and staff. But the Civil Service cannot be run in this way. Departments have to work closely together in the achievement of common goals; the boundaries between them are subject to constant revision; the complex interlinking of departmental tasks requires a common approach and methods of work; it is necessary for the effective discharge of the tasks of the Service that staff should be able to move easily between departments—though, as we have stressed, mostly between related kinds of work. To meet these needs, the Service must be a flexible, integrated whole; it must continue to be a unified service. Its structure should be designed accordingly as a structure that is common throughout. Within such a structure two objectives are of overriding importance.

197. The first is that the structure should enable all civil servants, whatever their background, skill or discipline, to make their full contribution to the work of government; in particular, scientific and other specialist staff should be able to bring their professional training and outlook to bear effectively upon today's major problems of policy-making and management. This means an open road to the top of the Service for all kinds of talent. It also means that suitable specialists must be able to take part in policy-making and management at the lower and middle levels of the Service; quite apart from the valuable contributions they can make to management at these levels, it is unrealistic to expect specialists to reach top managerial positions without this earlier experience.

198. The second objective is that the structure should promote the effective management of the work, and especially the organisation of mixed teams in the growing areas of work in which solutions to problems need the partnership of different skills and disciplines. Effective management calls for clear allocation of responsibility and chains of command designed to meet the needs of the particular job in hand. It also requires a structure flexible enough to accommodate future changes in the work and in the combinations of skills needed from time to time.

#### THE PRESENT STRUCTURE

199. The present structure is still fundamentally the product of the Northcote-Trevelyan report. One of its basic principles was that a proper division of labour depended on the clear separation of intellectual from routine work, and on the separate recruitment and deployment of staff for each. Recruitment was directly linked to the output of the educational system; graduates were recruited for the intellectual work and non-graduates for the rest. This principle has been endorsed as regards initial recruitment by the recommendations of subsequent Royal Commissions and Committees of Inquiry, and supported in the past by the Treasury in its responsibilities for the overall management of the Service (though it has been tempered by the Service into upper and lower classes in the same broad areas of work. The Administrative, Executive and Clerical Classes are an example of these divisions; direct recruitment to each is in the main linked to the educational system—graduates at 22 or 23 going mainly into the Administrative, school-

leavers with "A levels" into the Executive and school-leavers with "O levels" into the Clerical Classes.

200. Over the years, as the government has taken on new tasks, it has been necessary to recruit large numbers of specialists—scientists, engineers, architects and others. They have been organised separately in their own occupational groups; in the terminology of the Service, the separate grading structures which resulted are also called classes. Within the largest of these occupational groups, further divisions have been drawn between higher and lower classes. For example, there are three scientific classes—the Scientific Officer Class, the Experimental Officer Class and the Scientific Assistant Class—which broadly correspond to the Administrative, Executive and Clerical Classes. Similarly the Works Group of Professional Classes is supported by separate and parallel classes comprising technical officers and draughtsmen.

201. The classes so far mentioned, together with others such as the Legal, Medical and Accountant Classes, are "general service" classes. That is to say, their members are employed in all or in a substantial number of departments, each class with its own separate grading structure and scale of pay. They have been created over a long period of time as a means of unifying the Service. A hundred years ago, each department was largely independent in recruiting and managing its staff. The object of general service classes was to promote common standards and a sense of unity among all those who did similar work in different departments; it was also to enable staff to be moved between similar jobs in different departments. The Administrative, Executive and Clerical Classes were the first of these general service classes; the scientific classes were set up in the 1930's; the Works Group of Professional Classes after the second World War. The most recent addition was the general service Economist Class in 1965.

202. In addition to the general service classes there is a great number of departmental classes, ranging in size from the very large (e.g. the 20,000 or more in the Tax Inspector and Tax Officer Classes in the Inland Revenue) to those comprising only handfuls of staff, whose members are employed in one department only. Departmental classes account for 124,000, or some 27 per cent of all non-industrial civil servants.

203. As a result there are today 47 general service and similar classes whose members are distributed across the Service as a whole and over 1,400 departmental classes whose members work in one department only. Each civil servant is recruited on entry to a particular class, depending on the kind of work he applies for and his educational qualifications for it. His membership of his class determines his prospects, since most classes have their own different grading structures, reflecting responsibility and pay. It largely determines, too, the range of jobs on which he may be employed; there are conventions governing the allocation of types of work to each class, some of which are buttressed by agreements with staff associations. Although there is provision for individuals subsequently to move from one class to another, the processes are formal and restrictive. Thus, in practice, whether they move between departments or, as is more usual, remain in one department, civil servants do not normally think in terms of a career in the Service—they have a career in a class.

204. It is an important feature of the system that there are separate pay

scales for each class. These are determined for each class in accordance with the principles established by the Priestley Commission of 1955. The primary principle is that of "fair comparison with the current remuneration of outside staff employed on broadly comparable work". Internal relatives are used as a supplement to the principle of fair comparison in settling Civil Service rates in detail, and they become the primary consideration when outside comparisons cannot be made.

205. It is also an important feature of the system that the policy-making and general managerial jobs in the Service are generally reserved for members of the Administrative and Executive Classes. Specialists who seek broader managerial responsibilities normally have to transfer to one or other of these classes.

#### DEFECTS OF THE PRESENT STRUCTURE

206. The basis of the divisions between higher and lower classes is no longer valid. The work of the Service cannot now be broken down for the purposes of recruitment into two simple categories, the intellectual and the routine, the one appropriate for graduates and the other for the rest. The changing tasks of civil servants refuse to conform to this outmoded division, and the Service can discharge its modern responsibilities only by drawing on many different kinds of ability at every level. Higher-level posts still call for the ability to give advice to Ministers on complex policy issues. But many now also require the ability to run large projects and programmes, and to manage large numbers of staff. The practical, managerial qualities thus required at these levels are not necessarily identified by success in a written degree examination taken many years before or, indeed, by any selection method for testing young people in the late 'teens or early twenties.

207. In the middle ranges, too, there are already jobs for graduates—for example, in the Executive and Experimental Officer Classes. This will certainly continue and the number may grow. But it makes no sense to maintain a class distinction between two groups of people that has now to be based on the often narrow difference between one degree and another—between an upper second and a lower or between a second and a third. It is also difficult to maintain the present sub-division of clerical work into two separate classes, with four or five passes at "O level" required for the Clerical Officer Class and two or three for the Clerical Assistant Class. In addition, as the report of our Management Consultancy Group shows, there is often no discernible difference in content between work done at the lower levels of one class and the upper levels of the one beneath it. We have also to recognise the importance of the man whose promise is latent at the start of his career, but who then proves his worth by his performance. The present structure increases the risk that his talent will remain undiscovered.

208. The occupational divisions between separate disciplines and specialisms are also under strain. They are not at present constructed on any uniform principle. Thus physicists and biologists are grouped in one class, while doctors have a separate class of their own, as do psychologists. Secondly, not all members of the same discipline or occupation are classed together. For example, some electrical and mechanical engineers engaged on research are in the Scientific Officer Class, while others, engaged on construction, are in the Works Group of Professional Classes; but the Works Group also

contains some who are engaged on research. Similarly, there is no clear-cut occupational difference between the work done by members of different classes; for example, it is frequently difficult to distinguish between the tasks given to the following members of three classes—Technical Officer Grade II (Technical Works, Engineering and Allied Classes), Assistant Experimental Officer (Experimental Officer Class) and Senior Scientific Assistant (Scientific Assistant Class.)

209. This structure, as operated today, presents serious obstacles to the most flexible use of staff:—

(a) It prevents the best deployment and use of individual talent. The formal and relatively rigid procedures involved in moving from one class to another place unnecessary barriers in the way of the movement of individuals, both upwards to posts of higher responsibility and sideways between different kinds of related work. It also impedes the rapid development and promotion of young people with outstanding potential.

(b) It is a major obstacle to the ability of the Service to adapt itself to new tasks. Each class tends to regard the posts that its members usually fill as its own preserve, guaranteeing a career structure with a fixed number of posts at various levels. Men and women enter these classes in their youth and form expectations about their prospects, to which they cling with increasing tenacity as the years go by. Staff associations naturally tend to serve as the guardians of these territories, and to resist any proposal that seems likely to reduce the number of posts to which they feel their members have a right. This rigidity in the deployment of staff is particularly serious at a time when the tasks are changing rapidly and new techniques are being developed to meet them. For example, as we point out in Appendix D, accountants could make a useful contribution to financial forecasting and control, procurement and O and M work; they are not in a position to do so because these duties are the province of other classes.

(c) The career opportunities that are thus defined for the different classes vary greatly in their attractiveness and scope, even for people with similar educational qualifications. For example direct graduate entrants to both the Administrative and Scientific Officer Classes need a first or second-class degree. But 46 per cent of the posts in the Administrative Class carry salaries in excess of £3,500 a year, compared with 23.5 per cent of the posts in the Scientific Officer Class. The point of this criticism is not that these proportions should necessarily be equal; the work may not demand a higher proportion of purely scientific posts at middle and high levels. It is that separate classification at these levels encourages the idea that opportunity is not equal—an idea that is justified to the extent that scientists cannot move easily into appropriate middle and higher management posts except through the relatively rigid process involved in moving from one class to another.

(d) The word "class", and the structure it represents, produce feelings of inferiority as well as of restricted opportunities. This is most

marked in the attitude of other classes towards the Administrative Class, but it can be seen in greater or lesser degree between lower and higher classes generally.

210. The structure also leads to the inefficient organisation of work. It does so in three ways:—

(a) Each class has its prescribed functions. For example, financial and policy work are generally reserved for the Administrative Class with appropriate support from the Executive Class, while technical or scientific work belongs to the specialist classes. Where administrators and specialists are engaged in a common task, parallel or joint hierarchies are the usual devices to enable them to work together. But within these hierarchies the administrator is normally responsible to another administrator in the next higher grade, and the specialist similarly to another specialist; thus the separation of prescribed responsibilities is maintained. These forms of organisation, which are a major source of inefficiency and frustration, are discussed in Chapter 5; but their roots lie in the structure of the Service.

(b) The separation of functions has a particularly damaging effect in blurring responsibility and authority in command. There are many joint tasks, especially projects and programmes with a high technical content, in which good management depends upon putting a single person in charge and holding him responsible for the result; the rest of the team should be responsible to him. Often, however, the separation of functions results in twin heads being in charge, one a specialist, the other an administrator.

(c) A man's career is primarily thought of as a career within his class. There is therefore a natural pressure to maximise the opportunities of the class, in each area of work that it occupies, by making use of as many of its grades as possible. The presumption thus grows up that the organisation of any area of work should reflect in full the grading structure of the class concerned—e.g. that the Assistant Secretary is always needed between the Principal and the Under Secretary, and the Executive Officer between the Clerical Officer and the Higher Executive Officer. This is also true of the specialist classes. The convention can be, and is, broken from time to time, but not enough. The structure makes it more difficult to do so, and to introduce experiments in the organisation of the work.

211. Underlying many of these criticisms is the fundamental point to which we drew attention in paragraph 193: that the system of classes stands in the way of the most efficient method of matching men to jobs. This is because classes are too crude an instrument for the purpose. They involve two assumptions: that any job can be categorised as appropriate to one or other of the classes; and that it will then be most appropriately filled by selection from the members of that class, all of whom are in principle more likely to be good candidates for it than any member of another class. These assumptions seem to us no longer sound, particularly in view of the work the Civil Service now has to do.

212. There are many jobs that can be filled only by qualified doctors or

engineers; and many that will require the training and experience of economic or social administrators discussed in Chapter 2. But a growth of proportion of jobs in the Service require both technical and managerial knowledge and ability, and cannot now be properly classified as either technical (and therefore reserved for the appropriate specialist class), or managerial (and therefore normally reserved for the Administrative or Executive Class). These jobs are to be found not only in the highest reaches of the Service; they exist at much more modest levels from about £1,500 a year upwards, especially in the big technological departments. Taking the Service as a whole, they may be a relatively small proportion at present. But as the work of the Service continues to change, and as new specialisms emerge, they are certain to multiply. Thus, the categorisation of jobs by class becomes less appropriate year by year; and, when it comes to selection for posts, there is a steadily increasing area of work in which the implied assumption that the best man for the job will be found within a given class has clearly become invalid. In our judgment, therefore, a principle of organisation that rests upon this assumption and relies mainly upon formal procedures for inter-class transfers in order to provide for exceptions is no longer satisfactory and will, if it is not changed, become an increasingly serious obstacle to the proper deployment of talent.

213. Finally, the present system of classes is a major obstacle to the proper application of the principles of accountable management which we recommend in Chapter 5. This is because in analysing jobs the Service now concentrates its attention and thought on the duties and tasks appropriate to particular classes and the various levels within them. In contrast, accountable management requires that the main weight should be placed upon an analysis of the results required from each individual job, their relative importance to the work of the Service as a whole, and the consequent search for the man with the right qualities and qualifications to produce those results; in this context, the practice of assigning duties to individuals by reference to their membership of particular classes is at best an irrelevant distraction and at worst a serious obstacle to the kind of job evaluation that is needed.

#### THE NEW STRUCTURE WE PROPOSE

214. The structure the Service needs should in our view be based on the following principles:—

- (a) Both the grading of a post and the selection of the man to fill it should be based first and foremost on an evaluation of the job.
- (b) Management should appoint to each post the person it considers best fitted by his qualifications and experience to fill it.
- (c) No posts should be the preserve of any group, except in so far as the individuals comprising the group may be uniquely qualified for them, e.g. doctors for medical posts.
- (d) Since the qualifications and experience required for particular posts will vary from time to time, it should be the right and duty of management to determine the new qualifications and experience required for them.
- (e) In filling individual posts, management should promote the right man even if he is not the next in the order of seniority, or bring

him in from outside the Service if he cannot be found within it or if it believes that an appointment from outside would bring a valuable reinforcement of skill and experience.

(f) The pay for posts should continue to reflect the rate for the job on the basis of fair comparison with market rates for jobs of comparable responsibility and authority outside the Service.

(g) The structure should permit work to be organised in such a way that chains of command reflect the demands of the task and, where necessary, cut across any groupings by discipline or type of skill.

The application of these principles demands two fundamental and complementary changes in the structure of the Service. Together they produce the single, unified grading-system running across the whole Service that we referred to in paragraph 192. For the sake of clarity, however, we present them separately at this stage.

215. First, we recommend that the divisions between higher and lower classes should be abolished, and that a continuous grading-system from bottom to top should be substituted in each occupational group. Thus, for example, we propose the merger of the Administrative, Executive, and Clerical Classes, as recommended to us by the Treasury. But we also propose mergers of the Scientific Officer, Experimental Officer and Scientific Assistant Classes and of the Works Group of Professional Classes, the Technical Works, Engineering and Allied Classes and the Architectural and Engineering Draughtsman Classes. Movement upwards, e.g. from clerical to executive or from experimental to scientific work, should be by promotion from a lower to a higher grade; and this should lie within the direct authority of the management of each department, subject to appropriate central supervision of standards and numbers. We also consider that the supporting grades (e.g. messengers, typists, machine operators) should be brought into this structure. We discuss this further in Appendix J.

216. Although this reform will bring the Civil Service into line with other large organisations in this country, where divisions into higher and lower classes are rare, it will present a radical change for the Service itself. It is not simply a question of linking together classes that now operate at completely separate levels of pay and responsibility. There is a good deal of overlap at present between the levels at which these various classes operate and the types of work they do. Thus, to replace the present classes operate by a continuous grading structure from bottom to top for each occupational group will involve a major programme of job evaluation: a fresh examination of what each job or kind of job is for, and of the qualifications and experience it requires.

217. Secondly, we believe that the principle of the best man for the job should apply between civil servants of different occupations no less than between those who enter the Service with different levels of educational qualification. No posts should be the preserve of any one group, except in so far as individuals in the group may be uniquely qualified for them. This calls for another radical structural change. It means bringing to an end the system in which an individual can normally move between jobs now reserved for different occupational groups only if he himself moves into a different class.

218. To give full effect to our proposals at paragraphs 215 and 217, we believe that it is necessary to replace the present multitude of classes and their separate career structures by the creation of a classless, uniformly graded structure of the type that is now being adopted in many large business firms and similar to the system used by the Civil Service in the United States. The basis of the system we are proposing is the establishment of a number of successive grading levels that together would embrace all the jobs in the Service. Each grade would carry a range of pay. The number of grades required can be determined only after a more detailed analysis of the existing structure than we have been able to make; but on the basis of the advice we have received, we think that some twenty grades could contain all the jobs from top to bottom in the non-industrial part of the Service.

219. An essential feature of the system is that the salary range (or scale) for each grade should be relatively broad, and that there should be overlapping of salaries between grades (see as an example the salary grading structure of the United States civil service shown in Appendix C). This is to provide scope for advancement within grades. Thus, while the most able will be promoted well before they reach the maximum of their grade, others can continue to earn salary increases within the same grade.

220. All the jobs now performed by the many different classes should be fitted into the appropriate grade. This will require careful job evaluation. This should be based on such factors as the "end-results" required, the degree of personal responsibility involved, the importance attaching to the work and the qualifications and experience needed in the holder to achieve the prescribed results. At the same time, the process of job evaluation should take into account the market rate for jobs of similar responsibilities outside the Service. The system is equally applicable to all types of job. A scientific job in a research establishment, high-level case-work in an administrative division, an engineering job, and a line-management job in an executive-clerical establishment can all be analysed and ranked within the same grading-system.

221. This is essentially a pay structure; it is not designed to determine the actual organisation of work. The precise organisation of each block of work, and the number of working levels in it, should be determined solely by what is required for the most efficient achievement of its objectives. Thus, in any division, job evaluation would show that only a selection of the twenty or so grades should be used—the smallest number needed. There should be no set pattern.

222. Within this overall structure, there will, of course, continue to be a great variety of groups of staff. At the highest levels of the Service, we think it useful to distinguish the top management, comprising all posts in all grades from the Head of the Civil Service down to, and including, grades that are today equivalent to Under Secretary; we refer to this here and elsewhere in our report as the Senior Policy and Management Group. Although the work of these grades is not sharply different from those immediately below, nevertheless the higher one goes in the Service, the more one's work is likely to consist of policy-making and higher management rather than the exclusive practice of a particular skill or discipline. As a civil servant approaches these levels, his responsibilities become steadily heavier and usually less

specialist. He begins to share in a real collegiate responsibility to the Minister for the policy and management of the department as a whole; increasingly, too, he has to take interdepartmental considerations into account. At these levels an individual's particular occupational group is thus often of less significance than his range of experience, and personal qualities and qualifications should be the main criteria for filling posts with these wider horizons. There comes a point, therefore, where promotions become matters affecting the interests of the Service as a whole, and the Civil Service Department should play a part in them. We distinguish the Senior Policy and Management Group in order to define the area to which this should apply.

223. Below this level, the occupational content of the work is often greater than the managerial content. Thus occupational groupings of staff have a greater significance. They vary greatly in kind. The majority of civil servants are employed in supporting grades (see Appendix J), where the work has little or no managerial content and its occupational content consists more of the practice of a skill (e.g. typing, filing or operating machines) than the application of a discipline. At higher levels, the development and application of a particular discipline, and the need for specialisation by subject-matter, becomes much more important, and in many parts of the work its managerial content steadily increases as a man rises towards the senior levels referred to above. At all levels however where the work requires civil servants to specialise (whether in administrative, specialist or the various kinds of supporting work), occupational groups will be needed, and civil servants should generally be recruited and trained as members of them. They should include the present specialist disciplines, the two groups of administrative staff identified in Chapter 2 and the supporting grades discussed in Appendix J.

224. At least during the earlier years of their career, most civil servants should work in the field of their specialism. Those whose main inclinations and aptitudes lie in this direction could spend their whole careers in their specialised field, and we recognise that many people will wish to do this. Others, however, should progress after appropriate training and experience to work that becomes steadily more managerial in character in areas adjacent to their specialism; and posts at all levels which offer the right kind of experience in management should be open to members of all occupational groups who are fitted for them. In a system of this kind civil servants could be given a clear indication of their career prospects if they remained in their specialised field—the extent and shape of the structure of higher posts open to them if they develop in this direction. We attach high importance to a structure in which people are able to take part in the development of their own career patterns.

225. It is likely that occupational groups will tend to develop their own career patterns. Men and women will enter the Service at different grades, depending upon the level of the work they have been recruited to do. Thereafter, it may become usual for members of particular occupational groups to skip certain grades. This should be kept flexible; but it should be established that it is normal to skip grades on promotion, and thus that the field of candidates for promotion is not limited to the grade immediately below.

## PAY IN THE UNIFIED GRADING STRUCTURE

226. Though we have not examined in any detail the pay of the Civil Service, we feel bound to make one comment on the implications for pay of the structure we propose. The proposal does not in our view imply a departure from the principle of "fair comparison with the current remuneration of outside staffs employed on broadly comparable work" which was established by the Royal Commission on the Civil Service 1953-1955. In our view this principle remains valid and will continue to be necessary to the efficiency as well as to the contentment of the Service. But if our recommendations for a unified grading structure are accepted, we should expect the outside comparison to be made as part of the process of job evaluation: assessing the importance of the job to the work of the Service and establishing the rate for jobs of similar responsibility outside the Service.

227. We recognise that the Civil Service attaches great value to negotiation and arbitration in the settling of pay claims. These should be preserved. It will be necessary to ensure that the system we propose does not result in the extension of formal negotiation and arbitration to cover those questions, such as the grading of individual jobs, that should remain a matter for management to determine. But the general pay-scales of the grades, and claims for higher pay on the basis of comparisons with pay outside the Service, should continue to be dealt with by negotiation and arbitration, adapted as necessary to fit the new structural pattern we propose.

228. We have said in paragraph 218 that each grade should carry a range of pay. This, in our view, should be true of all grades except the very top one—which should be a flat rate varied only in the case of the Head of the Civil Service (see Chapter 7, paragraph 258)—and possibly the grade immediately below\*.

229. In all except the top grade, we think it important that there should be more flexible progression through the pay-scale of the grade. Fixed annual increments, in our view, do not give enough incentive to effort, and make possible too easy a progress for those who do not pull their full weight. We believe that it should be possible to reward merit by extra pay as well as by promotion. Thus, up to the level of the Senior Policy and Management Group, we recommend that, while annual increments should continue, there should be the following modifications:—

- (a) Additional increments should be granted both for especially good work and for success in gaining relevant qualifications.
- (b) Increments should be withheld when they have not been earned.

\*Sir William Cook, Sir Norman Kipping and Sir John Wall make the following reservation on paragraph 228:—

We see no reason why the principles of job evaluation and outside comparison should not extend to the most senior posts in the Civil Service. This applies both to the level and to the range of pay. Some Permanent Secretaries carry responsibilities comparable to those of the chairmen of the great nationalised undertakings, who command much higher salaries; others are in posts which, though demanding, are less onerous. We believe that these differences should be reflected in their pay. We do not think it wise to make a man who has perhaps been appointed to a top post at 48 or 50 feel that he has reached his ceiling at that age. Unless there is still something for him to look forward to, the temptation for him to leave must be great. We think that even the highest posts should therefore be paid on a salary band.

Above this level, regular annual increments seem to us unsuitable and the numbers are small enough to make a different system practicable. The range of pay for each grade should in effect become a "band" of pay, in which only the maximum and minimum points for each grade would be published, and the progress of each officer through the band would not be on a regular incremental basis but determined by an annual review of his performance. Individual salaries would not be published.

#### ADVANTAGES OF THE UNIFIED GRADING STRUCTURE

230. We think that the structure we propose would have five main advantages. First, we believe that the system will remove the obstacles to the flexible deployment of staff to which we referred in paragraph 209. It will thus offer wider opportunities to all civil servants.

231. In particular, the unified grading-system we propose will enable the Service to gain the full contribution which scientists, engineers and other specialist staff could, but do not now, make to policy, management and other administration. At present all these people have careers in their own separate classes. To move into more general management, they have to transfer to the Administrative and Executive Classes. A few make the first move; practically none the second (although the Executive Class occupies managerial positions in the Service up to a salary level of £5,250). For specialists, the difficult problem arises of deciding whether they are likely to do better by transferring in mid-career to a new class which fills most of the top managerial and policy jobs; or by continuing to move up the ladder of their existing class, with its narrower range of posts, which does not generally take a man to the highest levels in the Service. The decision to seek a transfer also involves at least the appearance of a formal severance from a man's original discipline—a dividing-line which has to be crossed again if he wishes to return. With the abolition of classes, such problems and difficulties should be significantly lightened.

232. This does not apply only to the higher levels of the Service. It is equally, if not more, important lower down. The present system makes it particularly and unnecessarily difficult for specialists to be tested and given experience in general management sufficiently early in their careers. There are many members of the specialist classes at present in grades carrying between £1,500 and £2,500 a year, e.g. accountants, engineers, scientists, Experimental Officers, Technical Grades A and B, who should be getting some experience of management in areas where their specialist knowledge would be valuable. This is not only because it would fit them for higher management later on; it would also enable them to make a useful contribution to middle and junior management here and now.

233. A unified grading structure will also provide a more flexible career pattern for administrative staff, by enabling the Service to deploy them to the best advantage without the need for transferring from the Executive Class to the Administrative Class or vice-versa. Here again difficult decisions now confront the most able members of the Executive Class. Their areas of work are often similar to those of the Administrative Class. The able Executive who stays in his class has good prospects of promotion to comparatively senior posts. The top posts in the Service, however, are open to him only if he seeks a transfer to

the Administrative Class; but if he gets a transfer he may in the end do less well than if he had remained a member of the Executive Class since his chances of reaching senior posts in the Administrative Class are relatively smaller. Some play safe and stay; some of those who gain class-to-class promotion regret it. At the same time there is at present almost no movement from Administrative to Executive Class jobs (which would look like demotion under the existing system). Thus, members of the Administrative Class are not normally considered for the major management jobs that are reserved for the Executive Class, although some may well have the aptitude for them. The structure we propose will allow completely flexible posting to suit the aptitudes of administrators as they develop in the course of their careers.

234. A unified grading structure will thus offer wider opportunities to all civil servants. This is not, of course, to say that it will offer better prospects to all members of all the present classes. The widening of opportunities should lead to keener competition, and favour the most able civil servants regardless of their occupational group. Our proposal is designed, among other things, to bring this about.

235. In addition to providing the framework for the more flexible deployment of staff, we believe the second main advantage of a unified grading structure is that it would promote more efficient and accountable management and the more economical use of manpower. In Chapter 5 we define accountable management as a system in which individuals and units are held responsible for performance and output measured as objectively as possible, and we make more detailed proposals there about the departmental organisation needed for this. We believe that a unified grading structure would of itself result in a far more effective method of grading and manning jobs in the Service and thus promote greater efficiency. This is because:—

- (a) The detailed job-evaluation system needed to set it up and run it will define and measure the "end-result" required of each post. An individual's performance can then be judged against this specification and by his actual achievement. The present system of grading and evaluating jobs concentrates on assessing whether the duties are appropriate to a particular level of a particular class, and not on the end-result of the job.
- (b) With the disappearance of classes, the present pressures to use all possible grades in the organisation of a block of work (to which we referred in paragraph 210) will also be reduced. This is because members of different groups will have more varied career opportunities than they have now. In a common grading structure of twenty or so grades, there can be no set pattern for their use; it will, therefore, be necessary to ensure, by analysis of the work itself, that only the right selection of grades and occupational groups is used for each block of work.
- (c) Common grading will help to get rid of the separate and parallel hierarchies which we criticised as the wrong way of applying a variety of skills and disciplines to a common task. The practice of allocating defined kinds of work to different classes will disappear with the classes themselves. In consequence, it will become easier to construct integrated hierarchies and teams that embody different

