



FÓRSA

Reforming the AO Grade

**Administrative Officers
and their role in the
Irish civil service.**

Key messages

- The Harmonised Index of Consumer Prices (HICP) inflation was 9.6% in the year to June 2022, higher than previous forecasts.
- If Administrative Officers were given pay scale parity with Higher Executive Officers, the cost of Administrative Officers on average would increase by 25% from €44,693 to €55,735.
- If 1,252 Administrative Officers were given pay parity with Higher Executive Officers, per person this would be an average €11,042 per Administrative Officer increase, meaning there would be a basic cost to the exchequer of €13.8 million per year.



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Introduction

The Administrative Officer (AO) grade was introduced to the civil service around 1915. At the time, it was a measure to ensure that university graduates, a rarity in 1915, were attracted to the civil service. It was also to ensure that there were university-educated candidates for senior management positions working in the civil service¹. This was, in effect, a 'cadetship' for more senior management roles. Up to the 1990s, AOs automatically progressed to Assistant Principal (AP) on completion of seven years of experience.

Since this time, there has been an increase in the number of AOs in the civil service and an interchangeability has emerged between AO and Higher Executive Office (HEO). This is while AOs continue to receive less income with variable management experience and little clarity on what constitutes a graduate role, or when an AO ceases to be a graduate.

This paper examines how the AO grade has evolved, inflation and pay equity matters as well as other issues which negatively impact AOs, particularly in comparison to HEOs. This is with a view to making recommendations and suggested actions that would improve the terms and conditions of AOs, which would undoubtedly improve recruitment and retention levels of this grade, resulting in an increasingly skilled and motivated workforce.

1 Today, approximately 80% of all civil service new starters have attained a third level qualification.

Evolution of the Administrative Officer grade

Historically, there were relatively few AOs working in the civil service. However, the relatively small numbers of AOs, in relation to HEO grades, meant that few industrial relations issues materialised.

The figures² for the year ending 2021 show that there are some 3,091 civil servants who are aligned with the AO paycales, of which 1,066 are considered non-professional and technical AOs. The numbers also show an additional 186 Third Secretaries (an AO grade unique to the Department of Foreign Affairs). This compares with 6,379 Higher Executive Officers of which 5,505 are considered non-professional and technical HEOs.

The AO grade is advertised as a graduate recruitment opportunity. However, what constitutes a 'graduate' role remains undefined. As the Irish educational system has developed over the last two decades, the skills of graduates have moved onto more general postgraduate level skills. One of the key reasons that has been traditionally used to explain the large pay differential between the HEO and the AO grades has been the confinement of the AO grade to specific areas and that this was a graduate-filled role. Expectations have moved on, as have the skills base of those applying for and working in AO roles.

Operational management roles, for example, were assigned to the HEO grade rather than the AO grade. Staff management functions were traditionally not assigned to AOs as it was not part of the competencies expected of the role.

AOs were seen to be policy specialists, while HEOs were people managers. Furthermore, AOs historically were most often hired into the Department of Finance. Similarly, there was often an informal distinction between policy and managerial experience when considering promotions to AP.

Today, however, there are a number of departments that see the AO as being completely interchangeable with the HEO role. The Revenue Commissioners, the Department of Agriculture, the Department of An Taoiseach and the Department of Enterprise, Trade and Employment are four examples of this.

This is while, in effect, the role of AO is widely regarded as a waiting room for promotion to AP. AOs at specific stages of their own career appraisal seek competitive promotion to AP as soon as possible because of pay differentials. This occurs alongside there being a lack of clarity in what constitutes a graduate, no clear path to progression and little consideration for those who may wish to remain in the civil service as AOs, particularly as policy specialists.

If departments are now allowed to view staff hired as part of the government's graduate recruitment programme as interchangeable with HEOs, it begs two immediate questions:

- **What is the purpose and definition of the grade of AO in relation to the designation of graduate?**
- **How can the large pay differential between the AO and the HEO salary structure be maintained in light of changing roles and better educational qualification?**

² Headcount, as opposed to FTE figure.

In other European jurisdictions, graduate recruitment opportunities are seen as a gateway to a specialist career path. The need for the third level qualification is obvious. However, the Irish civil service has a graduate recruitment path that leads mainly to the same generalist management opportunities that are available to all staff. For example, an AO recruited into the Department of An Taoiseach can be asked to fulfil research and other technical roles but on successful promotion to AP level, is expected to integrate these into more general civil service competences. This means that people who enter at specialised AO grades lose the benefit of these specialised skills as they are encouraged and promoted into higher grades. This is a loss to the civil service as a whole.

In addition, concerns have been raised concerning generalist versus specialist AP positions. While IGEES has made great progress in this respect, concern has been raised for the recruitment and retention of APs with specialised policy and technical experience, especially for economic and legal backgrounds. IGEES as a structure has created the impression that specialised AO and AP grades exist within the civil service but there is often little done to utilise and advance the expertise induced by their recruitment.

Often times those with postdoctoral or academic backgrounds enter the civil service through the AO grade, and note that the AO grade tends not to be accorded the specialised roles that they train for or the pay that an equivalent private sector position would. For example, postdoctoral positions in Irish universities distinguish between two levels with concomitant pay structures well in advance of the AO grade starting salary. Point 1 on the postdoctoral 1 scale is currently set at €39,523 and for AO is €33,889. Similarly, many specialist policy AOs can be promoted to a generalist AP position in which their previous expertise is of little relevant value. In short, the civil service is not optimising the skills and experience of the AO role (specialised or generalist), particularly for a service that seeks to make the best use of a postgraduate skill base, itself funded by the Government.

Graduate recruitment could include:

- A career path that explicitly identifies and incorporates the need for a third level qualification, including at Masters and PhD level or NFQ Level 9 and 10;
- Ensuring that there are defined roles and definitions for graduates if recruited as NFQ Level 8 graduates;
- Building up skill set specialisations and a culture of excellence in general.

At present, none of these factors are apparent with the AO grade and subsequent career pathways. Any sense that graduate level positions at recruitment stage transition into something post-graduate following a set of training events and post-induction is not present. Consideration needs to be given to any differences in pay between an AO Graduate (i.e. time as a graduate) and the AO grade itself. In the current situation, an AO does not reach an equivalent point on the HEO scale until the last point of the AO scale.

Example

There was a recent AP competition being run in Revenue for a Tax Specialist AP. Among the requirements is a minimum of three years relevant management experience (as described in Section 2 and 3) in a large professional firm, business, or public sector organisation. However, the criteria listed in the information booklet does not specifically require that the candidate has managed people, rather the candidate must have some or all of the following:

- A deep understanding of the Irish taxation system, legislation, and practice;
- An understanding of how businesses/individuals operate from both a legal and commercial perspective;
- Relevant experience in planning, conducting and managing statutory audits of larger businesses under the Companies Acts;
- Experience in planning, conducting and managing forensic financial investigations;
- Experience in carrying out tax compliance and/or advisory functions on behalf of those with complex tax affairs;
- In-depth knowledge of the tax planning/tax mitigation strategies used by taxpayers, including wealth transfer;
- Experience in planning, managing, and conducting financial appraisals/due diligence on behalf of lenders or investors;
- A proven track record in creating, building, and implementing advanced analytics and business intelligence initiatives.

It should be noted that many Revenue APs are hired directly as university graduates from specialised accountancy courses. By definition these APs would tend to have neither managerial nor any work experience. This is a necessity to attract specialised talent in a competitive market.

There is a competency listed as *“develops capability of others through feedback, coaching and creating opportunities for skills development”* but the information booklet notes that applicants should **“possess or have the capacity to acquire the skills and knowledge required for the role of Assistant Principal.”**

In addition, there is no mention in the information booklet of any restrictions regarding a minimum length of time spent in the current grade, or in the civil service in general. This seems to show that Revenue, at least, recognises that not all suitable candidates will have experience of managing people and as such the role is not restricted to EOs/HEOs/AOs who are currently managing staff.

This appears to be a step in the right direction from Revenue, but it is assumed that this is not the case in many other departments which is something that should be addressed by DPER. In general, the civil service could be seen to have the issue of being unable to pay and rank senior researchers as anything other than AOs or APs.

Suggested actions

- Agree a set of principles governing graduate and AO recruitment into the civil service. This should include:
 - Rationale;
 - Career path (relevant to specialised streams if necessary, such as economics or environmental science);
- Recognition of differing policy specialisms in line with current educational policy for qualifications at postgraduate levels and above. End the practice of AOs being placed into HEO roles without commensurate or roughly similar starting compensation.
- Amend the Competency Framework to allow for management skills to be a key part of the AO grade such that it equates to project management more generally.

Inflation

Ireland faces a near unprecedented level of inflation and a cost-of-living crisis. The year to February 2022, HICP inflation rate was 5.7% (5.6% CPI³). This rose to a CPI inflation of 6.7% by March, with a single month increase of 2.1%⁴. As of June 2022, the current CPI stands at 9.1%⁵. The ESRI predicts that inflation could average at 6.7% for 2022 and possible peak at 8.5%⁶. As of June 2022, the HICP inflation is 9.6%, and current projections remain uncertain⁷. This would mean a real decrease in civil service wages and a lowering of standards of living.

The Ukraine crisis and continued supply chain constriction and related uncertainties mean inflation remains a significant risk. The cost of electricity and fuel has increased especially, and Ireland is disproportionately expensive in comparison to other EU member states. It is likely that interest rates will increase by Q4 2022 due to central bank policy responses.

Under the *Building Momentum*⁸ agreement, the civil service received pay increases of 1% in October 2021, 1% in February 2021 and is to receive 1% in October 2022. These would represent a move toward the restoration of pay from the previous austerity cuts, rather than an actual increase due to inflation or rising productivity.

Many AOs perform specialised roles such as accountancy, economics or programming. The pay disparity between civil service and private sector is especially pronounced for specialist roles, as well as senior management grades. This is often done with the knowledge that they were recruited as graduates, having graduated perhaps as many as three times with other qualifications.

In February 2022, unions have invoked the *Building Momentum* review clause due to the unforeseen significant increases in the cost of living. It is unknown if the current agreement is to be extended or a new one negotiated. There have been calls for pay increases to match the rate of inflation, in this case up to 6.7% for 2022, now 9.6% as of June. It should be noted that the pay talks are currently underway but as of June were suspended in the Workplace Relations Commission⁹.

Aside from the issues for recruitment, the civil service has had difficulty from retaining experienced policy specialists or technical experts moving to the multinational enterprises (MNEs) due to a utilisation of defined skillsets and higher remuneration. Some have also moved purely to gain managerial experience as part of a career break.

Many sectors have already received pay increases in line with inflation.

AOs are especially affected by the cost of living increases due to their low starting pay scale point of €33,889. As of April 2022, the Residential Property Price Index has increased annually by 15%. Nearly all AOs are located in Dublin. An AO's net monthly salary is approximately €2,250, resulting in 75% of monthly salary required to pay for market rate rent. This would leave €150 per week to pay for all other expenses, such as food and transportation. Some AOs are known to make use of social welfare supplements such as the Housing Assistance Payment (HAP¹⁰). It should be noted that due to the volatility of the current housing crisis it can be difficult to accurately estimate the average minimum cost of rental within an adequate commuting distance for a civil servant.

Ensuring AOs are paid fair and living salaries is essential to ensure the civil service is seen as an employer of choice, particularly in this employee-centred labour market. A relationship of salary to inflation and higher starting pay is necessary to alleviate recruitment and retention issues.

3 CSO, Harmonised Index of Consumer Prices. <https://data.cso.ie/table/CPM15>

4 CSO, Press Statement Consumer Price Index March 2022. <https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/pressstatementconsumerpriceindexmarch2022/>

5 CSO Press Statement Consumer Price Index June 2022 <https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/pressstatementconsumerpriceindexjune2022/>

6 ESRI, Quarterly Economic Commentary, spring 2022. https://www.esri.ie/system/files/publications/QEC2022SPR_0.pdf

7 CSO, Press Statement Harmonised Index of Consumer Prices Flash Estimate June 2022. <https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/pressstatementharmonisedindexofconsumerpricesflashestimatejune2022/>

8 Department of Public Expenditure and Reform, Building Momentum, (11 December 2020). <https://www.gov.ie/en/publication/e9d23-building-momentum-a-new-public-service-agreement-2021-2022/>

9 Fórsa, public service pay talks update. <https://www.forsa.ie/public-service-pay-talks-update/>

10 Citizens Information, Housing Assistance Payment (HAP). https://www.citizensinformation.ie/en/housing/renting_a_home/housing_assistance_payment.html

Pay equity

AOs under current guidelines can be expected to manage staff, and a portion do, for example in Revenue and in Agriculture. Under the core competencies they are required to have “leadership potential”, though many are in roles where this is not possible. For open AP competitions AOs feel disadvantaged in comparison to HEOs due to a lack of any managerial experience. A majority of AOs do not manage staff, particularly so amongst policy experts or IGEEs policy analysts; some AOs have moved on mobility purely to get managerial experience. As a general rule of thumb, AOs historically had guaranteed promotion and were seen as management trainees, while currently they are most frequently policy analysts. Pay levels should better reflect these diverse roles and specialisms.

Under legislation, equal work is entitled to equal pay. There have been disputes in Revenue concerning AOs and HEOs being treated interchangeably¹¹. Below is a table which calculates the average cost of an AO on the current February 2022 *Building Momentum* scale using the non-confidential 2020 DPER database with the distribution per point on the scale, e.g. the number on point 1 vs point 12 of the scale¹². It is not estimated how the recent increase in the number of AOs would shift the figures in terms of distribution. Including the point skips as laid out in Circular 07/2019 the cost of an AO is approximately 3% higher than otherwise.

For comparison, it is then calculated how much the average cost of an AO using current scale point distribution would cost if given parity with HEOs. It should be noted that this database indicated that approximately 15% of AOs are on AO higher as of 2020. The non-PPC scale is only relevant for those who joined the civil service before 6th April 1995 and comprises less than 2% of AOs in the database.

AO distribution as of 2020	Current cost Feb 2022 scale	Cost if parity HEO scale	Percentage difference
AO Standard	€41,943	€54,821	130.7%
AO Standard No Point Skip	€40,572	€54,821	135.1%
AO Higher	€58,377	€60,246	103.2%
AO Standard non-PPC	€54,490	€58,844	108.0%
AO Higher non-PPC	€62,242	€62,166	99.9%
AO Total Average No Point Skip	€43,550	€55,735	128.0%
AO Total Average	€44,693	€55,735	124.7%

Source: Author Calculations from the Department of Public Expenditure and Reform Civil Service Payscales Reporting Database.

In summary, if AOs were given pay scale parity with HEOs, the cost of AOs on average would increase by 25% from €44,693 to €55,735, assuming no change from the 2020 distribution. This assumes the point skips laid out in the 07/2019 circular and it should be noted that it would be difficult to increase the accuracy of these rough approximations without using non-publicly available data.

11 A union case was brought to the Civil Service Arbitration Board concerning civil servants who were promoted to AOs and then received offers to be HEOs, with a higher starting salary. Ultimately, they were allowed to keep the higher starting salary of the HEO.

12 This table is based on author calculations and it should be noted that the underlying data used may be outdated

While the AO grade is unique and has its proper place as it is currently structured, the starting pay scale is questionably justifiable as it stands in 2022. An AO PPC Standard does not reach the starting salary of a HEO PPC Standard until point 8 of the AO scale. This would mean approximately €40,788 of lost income (and pension contributions) if they were fixed at HEO point 1 or €83,028 if they were on the HEO scale. If point skips were not implemented this would be €63,381 and €105,610 respectively.

While public up to date AO numbers are unavailable for this report, 774 AO are listed on the DPER mobility map data base in Q1 2022. It is possible that this number could be rounded to 1,252 for all AOs end year 2021 across the entirety of the civil service. Given the cost increase per AO would be roughly € 11,042 per AO if AOs were given parity to HEOs, the yearly direct cost to the exchequer for only salary costs would be €8.5 million a year if 774 AOs were affected and €13.8 million a year if 1252 AOs were affected, all assuming no behavioural changes from the 2020 distribution.

The AO grade has 12 points on its scale in comparison to 9 points for the HEO. There are 8 for AO and 9 for HEO for the higher scale as a further complication, AOs have a lower starting point, despite having the same max point. For the AO PPC standard scale, point 4 and 8 of the scale is skipped due to circular 02/2014.

Roughly 18% of AOs are on the higher salary scale. There tends to be a three-year limit to change scale, which can result in a pay increase of €40,277 to €56,663 when changing. This assumes both are at point 4 of the scale. The AO higher salary scale starts below the HEO higher scale at €47,381 compared to €53,817.

In light of AO recruitment and retention, as well as inflation and compliance, raising the starting pay of an AO from €33,889 to at or close to the HEO starting salary of €50,848 seems prudent. Should the civil service wish to be an employer of choice and mitigate recruitment and retention issues, there is a significant case for a new understanding of both the role and the remuneration.

Promotion of AOs to APs (focused on general AO grade)

“The Administrative Officer (AO) is the main graduate recruitment grade for the Civil Service and provides successful candidates with the opportunity to progress to middle management.”

A graduate scheme is defined as “a structured training programme run by an employer to develop the next generation of talent for their organisation. Most graduate schemes last somewhere between a year and three years and can be in a number of different disciplines across an organisation; including, but not limited to, human resources, finance, marketing, logistics, research and development, operations and management.”

These schemes are generally described as first steps in a professional career, these schemes have a general timeframe. When this timeframe expires it is generally expected that the employee will advance to the next stage of their professional career through a new opportunity or promotion (within or outside) the organisation.

This was initially in line with the AO role which granted automatic promotion to the AP grade after 7 number of years. The current structure of the AO grade is at odds to what a general graduate scheme dictates as it allows a person to be in a graduate role for an unlimited period or their entire career with no timeline in place.

The changing structure of this scheme has in turn created a new issue around promotion opportunities for AOs. AOs now have to compete with open and internal competition for AP positions. The vast majority of AP positions place a large emphasis on leadership as a core competency with specific breakdowns including:

- Bringing a focus and drive to building and sustaining high levels of performance, addressing any performance issues as they arise;
- Leading and maximising the contribution of the team as a whole.

This competency has been the main focus in the AP competition in 2020, and 2021 being the first question in recorded online video interviews. If the applicant has failed to reach the required standard on the leadership competency on its own then the other questions (competencies) are not reviewed. This clearly indicates the emphasis placed on leadership for promotion.

A year long graduate development programme is prepared and delivered for all new AOs, which is largely composed by DPER seminars occurring every few weeks. While online completion of this programme has been welcomed under Covid-19 restrictions, it is unclear how this programme relates to other HR initiatives or the successful completion of probation in light of the Graduate role on recruitment.

Advertised-based mobility and list based mobility

For list-based mobility opportunities, an AO can apply for an AO position only. In advertised-based mobility both AO and HEO grades can apply for the same position. This latter position confines AOs who want to move to a different location where there may be numerous HEOs but no AO position. This disadvantages AOs relative to others who may be looking for mobility outside of Dublin due to lack of opportunities. This distinction in mobility draws attention to the differences between grades which have a clear pay disparity.

While secondments by definition need to be more restrictive, allowing a possible degree of interchangeability between HEOs and AOs for mobility purposes on a case by case basis may be prudent.

Considering that the Public Jobs description of the AO role makes no reference to managing staff at the initial grade and many AOs do not manage staff makes this experience for a graduate difficult to acquire outside of courses.

**It should be noted that some AOs manage staff and some do not which again causes issues how the role is defined with some department seeing the grade as equivalent despite pay disparities in place due to management aspects applied to the HEO.*

In addition to pay disparity, this creates difficulty for some AOs gaining management opportunities in comparison to HEO grades who are a management grade and are responsible for managing teams. Further difficulty should be noted when an AO seeks to expand their management experience they are unable to apply for interdepartmental or internal HEO competitions to boost this. If the grades are defined as different (which the pay disparity outlines) then no issues should arise from AOs changing grades to expand different competencies once they meet the service requirements.

Suggested actions related to pay equity

- Management opportunities (outlined above) – if the grades are distinct and management opportunities are not available, DPER should possibly allow AOs to apply for HEO mobility on a case by case basis.
- Structure put in place to reflect a more traditional graduate programme with advancement available, including specialist advancement routes.

Miscellaneous

There are a number of other issues that highlight the inequity between AO and HEO.

Annual Leave

At present, the AO grade has 25 days annual leave, rising to 29 after five years service and to 30 after ten years service. The Higher Executive Officer grade, by comparison, begins with 29 days annual leave, rising to a maximum of 30 after five years service.

Given the interchangeability of the HEO and AO grades in many civil service departments and the fact that both grades share the same pay maximum, there would appear to be no sound rationale to explain the annual leave differences. That being said, annual leave should be linked to current pay as standard. The best solution would be to give starting pay for the AO grade parity or similar equivalence with a HEO.

Recommendation

- Seek annual leave equivalence with the HEO grade.

Higher Scales

At present, an AO must wait for the completion of three years of service before becoming eligible to apply for a Higher Scale uplift. A HEO, by comparison, must complete only two years of service before becoming eligible to apply for a Higher Scale uplift.

When Higher Scales were introduced in 1995, the AO and HEO grades had separate higher scale arrangements. In recent years, however, they are considered by the majority of departments to be a common HEO/AO pool. This is based on the agreement contained in Department of Finance Circular 24/1995.

Recommendation

- Reduce the period to two years, in line with the HEO application.

Skillset Misalignment

Many AOs have reported to Fórsa that they believe that their graduate skillset was mismatched with their job placement¹³. Additionally, many have reported that they cannot see skillset development opportunities in their placement. This often leads to mobility and secondment requests.

This is a particularly interesting phenomenon as it again suggests a lack of finetuning of the planning for AO graduate recruitment in general. While it is the right of HR to decide as they see fit, improvement of this process and potential soft rebranding may improve organisational efficiency and retention, especially for specialist roles. Notably many specialists such as those in IGEES are hired through a dedicated hiring process separate from the primary civil service wide one.

Recommendations

- Agree principles of appointment for specialised graduates This should include reference to clearly-defined career paths.
- Fórsa should seek pay equity with the HEO grade.
- AO training should be reconsidered in conjunction with AOs to ensure that it is fit for purpose. This includes taking into account the competencies sought for IGEES specialist personnel.
- The barrier preventing AOs from competing for HEO positions should be lifted,
- Equate AO and HEO leave.
- AO positions not requiring staff management competencies should be clarified at the time of advertisement.
- Reduce the waiting time for applying for higher scales from 3 to 2 years (in line with HEOs)

13 Fórsa AO survey, 2021

Conclusion

The AO grade was introduced over a hundred years ago to address a specific need. In recent years, however, the grade has become confused with, and often shares the same levels of responsibility as, the HEO grade in particular.

The AO grade is an essential grade in the civil service. It plays an important part in the areas of policy development, management and key specialisations. There are a number of key reforms that are needed in order to ensure that the AO grade can continue to attract the right candidates and provide appropriate career opportunities.

The “Graduate” role must be defined and clarification when this no longer applies.

Given that the level of responsibility and decision-making is the same as the HEO level, the wide starting salary gap between the grades must be addressed.

At the time of publication, the starting pay issue is yet more exacerbated given the current inflationary pressures.

Finally, there are a number of additional changes, including changes to annual leave and qualification time for applying to Higher Scales that should be addressed in the interim.

Ultimately these reforms are necessary to ensure adequate retention and recruitment, build expertise and promote a culture of excellence in the civil service.



A note on the production of this report

This report was compiled by AOs to provide direction to Fórsa to assist with resolving AO matters. Fórsa head office, working with AO representatives, surveyed hundreds of AOs from across the civil service in 2021. The data from the survey was then used by a representative group of AOs from across the civil service to identify key themes and suggest practical recommendations.

My thanks in particular to Keith Keogh, Eoin O'Mahoney and Caroline Winston for their exemplary work in facilitating the discussion with AOs over the preceding 12 months.

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