

Background Paper

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Top Executives

Introduction

On the topic of Top Executives, the IPSG and HRWG have taken a glance back and drawn lessons from specific examples taken from central government administrations as well as in the Commission. Furthermore a couple of academics were invited.

Especially the following themes have been in focus:

- Why focusing on top managers?
- Recruitment
- Selection
- Development
- Performance management

Background

Professional recruitment and development of qualified Top Public Managers (TPMs) is crucial for the renewal of the central government administration and for the entire society. TPMs are in positions where they are largely responsible for creating the framework for resolving national and global challenges, for implementing reforms and of course the policies of the government.

The economic crisis and financial cut backs require TPMs who focus on resource management, practical implementation of reform agendas, organisational changes and new government programmes. There is a quest for TPMs, creating effective organizations with a focus on results and strategic development of problem solving in the organization. At the same time the TPMs have the role of employer; a role that should be clear and manifest but might be fragile or challenged by different constraints.

Work methods

During the Danish presidency the theme has been addressed through presentations from experts and scientist and cases from the member states. The working groups has discussed presentations and different key questions on state of play in the member states. The findings are summarised in this paper that describes trends, lessons learned and challenges in the struggle for selecting, recruiting and developing top public managers.

Target

The overall approach of the work that has taken place in the working groups during the Danish Presidency - fruitfully bridging to the agenda of Cyprus – has been to further qualify recruitment, selection and development of TPMs by EUPAN's sharing knowledge and good practices of the different national systems and approaches.

The hope is therefore also to provide an inspiration for the Director Generals in their effort to recruit and develop the best possible and most qualified Senior Civil Service according to the legal framework, administrative and cultural traditions, whether the TPMs are political appointed or not etc. in each MS.

In other terms it is not the purpose to create a one-size-fits-all European comprehensive framework for the selection and development of government executives, but to inspire, to optimize and find the best roads that lead top executive job and ways to the development of potential senior talents as well as development of already appointed top executives and thus give framework for the discussions during the DG meeting.

Target group (TPM definition)

The functional titles of TPMs and the functional levels for TPMs differ of course across EU-27. However, almost all MS include a Secretary-General/a Permanent Secretary, Director Generals and Directors.

Some lessons learned on the four focus areas

Focusing on top managers?

The discussions at the IPSPG meetings have shown that the challenges and approaches vary greatly between member states. The demands are obvious and the TPMs in EU 27 are sharing a lot of the same challenges. However, the recruitment procedures and career systems, requested skills and competences differ from each country. The different systems have their pros and cons across member states. The EIPA study on Top Public Managers in Europe¹ shares this perspective.

The following lessons learned based on the presentations and discussion of the IPSPG working group are therefore only tentative and will not be representative for the state of play in all member states. The reflections and lessons can be seen as provisional points inviting further discussion.

During the meetings, there was the common understanding that focusing on senior management's challenges, tasks, competences, development and performances could contribute to:

- Create conditions that support the TPMs in the government sector.
- Support the legitimacy, transparency and objectivity in recruitment processes for government executives through a good organization of decision-making structure and authority.

¹ Kuperus H. & Rode A. (2008): Top Public Managers in Europe. Ministère du budget, des comptes publics et de la fonction publique. UE2008.FR /EUPAN

- Develop better TPMs who can match the increasing complexity, demands for efficiency, cross governmental orientation, a European and global perspective, increasing of change innovation and development.
- Increasing the talent pool, for example by creating competence-building process, allowing government institutions to maintain and develop existing talent by offering attractive development.
- Supporting a long term development strategy for the leadership pipeline and for the development of senior managers by clarifying skills and criteria

A couple of times during the discussions it was questioned why IPSP as well should focus on the top managers. The Presidency stated in the presentation as well, that top executives were very important when the politics of our governments should be implemented in very important areas of our democratic societies (justice, education, health, tax administration, culture etc.

- They are administrating huge budgets. Should be well managed.
- They shall assure reforms, efficiency, legality and innovation.
- They are operating in a changing, complex and increasing international environment

Another way to put it could be seen in the Finnish Government Resolution on Central Government Management Policy:

"A well-managed public administration is a national success factor. Managers in central government play a central role in contributing to social welfare and the sustainable development of the national economy, in the service of both the Government and the general public.

Management appointments in central government must be attractive, and the managers appointed must have the potential to succeed in their tasks. Because of this, central government must have an up-to date and goal-oriented management policy."

Another lesson learned is that the overarching objective of focusing on the recruitment and development of top management is to ensure a better and more efficient task performance. By extension, there are four continuous sub-objectives, which are weighted differently in member countries:

1. The first is to ensure that senior managers have the skills and experience.
2. The second is to create an esprit de corps across the state by breaking down silos, strengthen collaboration across and enhancing group awareness among the top executives (corporate thinking).
3. The third is to provide increased transparency to use all the talents and avoid discrimination.
4. The fourth is to provide an attractive public sector compared to other sectors and

countries.

In the Netherlands for example, there is a focus on breaking down silos and creating an esprit the corps among the top officials. Therefore, all TPMs are employed by one agency and then "loaned" to the various line ministries. In addition, to ensure the right competences and performance, recruitment criteria are set up.

Recruitment criteria and selection

The common feature of the countries studied is that whether they have specific criteria or more qualitative assessments, the approach is deliberate, systematic and well thought out, and often work with definitions of what should be the chief executive.

The Ministry of Interior in the Netherlands introduces some eligibility criteria for being qualified right to a job in the senior civil service (top 500). These are the three criteria:

- You need to have worked in several ministries
- You must have experience in more than one level in the steering chain: policy, service delivery and /or supervision
- You must have international experience

There are several ways to meet the criteria. For example, with regard to international experience, the experience can be achieved through employment in the EU or international organizations or by working with the implementation of EU legislation, international negotiations, etc.

Also Finland presented recruitment criteria, that were established in order to create a transparent and objective recruitment process by having more explicit and commonly defined requirements for the positions and in order to have uniform selection principles. Finally it was important to indicate for future top executives what competencies they should develop (design of pipeline).

The new perspective is that Finland now puts at greater emphasis on leadership and management skills, and it was underlined that diverse experience instead of expertise on the administrative field on question was important. In the same way, the aim is to recruit people with experience from variety of jobs and organizations (break up silo structures and facilitate cross-governmental management and inspire to mobility).

Recruitment criteria – 2 examples

What is being assessed as leadership and management skills in Finland?

- People management
- Efficiency and quality of the processes, supervision
- Achieving results and steering the organisation
- Impact on the operational environment and change management
- General expertise in public administration
- The degree of competence in EU affairs
- Capacity for continuous development

The Danish Criteria:

- Documentation of results as a manager
- Relevant portfolio experience
- Experience from a department or a political governed organisation
- Experience and knowledge of financial management and/or management of a business
- Experience from other sectors or areas e.g.
 - Another ministry, a municipality, a region or private sector knowledge
 - Different levels of the steering chain e.g. policy formulation, service delivery, inspection, operation management or economy
 - International relations
 - Relevant training courses

Since the Danish criteria are relatively recent, one has to have a certain pragmatism in implementation, because not all, though obvious candidates, have had a career that includes the mentioned experience and the pipeline developed according to the criteria is not yet established. Finally, it must be added that the criteria are not absolute but should be guide in the recruitment process.

Competences

Competences of a TPM – two approaches

Mr. Daniel Aunay presented the French program for top executives. The leadership program was the first step, where each ministry identifies and train high-potential executives. The second step was a greater cross-ministry transparency when recruiting top executives, a process that was closely related to programs designed to assess, develop and support the top executives when appointed. The seminars are stretched over a period of 2 to 6 month and both private consultants and the public administration was involved in the training process.

Denmark presented during the first WG meeting the code for chief executive excellence. The code has created a common language on top executive management, but and Forum for Top Executive management, a cross governmental initiative consisting of top 200 senior managers meets 3-4 times a year in order to discuss challenges and the top manager's role.

Code for chief executive excellence in Denmark

Nine recommendations



The nine recommendations for excellence in public sector executive management comprise the backbone of the Code. These recommendations are intended to function as a common set of norms defining the characteristics of a good public sector chief executive. The ambition is that the nine recommendations will:

- Define the most significant tasks of a chief executive
- Comprise a shared frame of reference for chief executives across all levels of the public sector
- Sharpen the focus of individual chief executives on their own roles, management style and conduct
- Give individual chief executives an opportunity to periodically reflect on their own management practices in relation to the organisation's results
- Provide material for dialogue at the top of the individual public sector organization.

For the individual chief executives, a self-evaluation method has been developed which is intended to function as a "Code-mirror".

The aim of this method is to give individual chief executives a chance to reflect on their own management practice in the light of the recommendations of the Code.

Top Executives – Performance Management

In the debate it was expressed, that performance based management could be an effective tool with which to improve and document the results of public sector institutions. Secondly, that performance based contracts will not in themselves create results. They can function as a formal framework and guidelines that help as a matter of accountability and by giving indications to the users on the daily results. Furthermore, they can help the management to focus the attention of the institution. IPSG got input from a technical expert, a practitioner and a more academic expert in the field in order to enlighten the discussions.

At the IPSG-meeting, a top manager, Mr. Klaus Majgaard, was invited. He explained that he has been working with performance management the last 20 years with fruitful results. However, performance management tends to remove dialogue on good leadership and also weaken dialogue with different stake holders. Often, performance management systems push problems and important decisions around the system. It takes dynamic partnerships to improve performance measures and an acceptance and appreciation of the different levels in the hierarchy and their autonomy. Subsequently, there is a need to renew management as a rational project.

Mr. Jørgen Grønnegård Christensen presented the Danish performance contract model which was introduced in the 1990'es first in the central government and later in the local government. The performance contracts were seen as an instrument for improving efficiency and effectiveness by specifying performance demands to be met at the executive level in terms set down in a mutual agreement by agency heads. The incentive to meet the performance contracts lies in the agency heads access to financial bonuses, if the contracts are meet. The Danish performance contact system was questioned, since there were no linkage between performance and pay, but that often bonuses were paid due to other causes. The system could be simplified by quantifying demand and making demands comparable across all agencies.

Presentations at the EUPAN working group meetings*The Danish Top Executive project*

Mr. Jens Qvesel, Senior Advisor, Agency for the Modernisation of Public Administration, Denmark

Requirements for executive and senior management

Ms. Miia Kannisto & Ms. Johanna Nurmi, the Ministry of Finance, Finland

Coordination and monitoring of senior management in the European Commission

Mr. Daniele Dotto, DG HR D/4, Social Dialogue and Relations with Public Administration, European Commission

Performance Budgeting – Focus on outcome and linking to budgets. The Top Management approach.

Mr. Anders Johnsen, project manager, the Agency for the Modernisation of Public Administration, Denmark

Management and Authenticity

Mr. Klaus Majgaard, associated professor, CBS and City Manager, Furesø Municipality

Top Executives as Leaders for Change.

Mr. Daniel Aunay, Chef de la mission des relations internationales, Directorate General for State Modernisation, Ministère du Budget des Comptes Publics et de la Réforme de l'État, France

The Senior Civil Service – Quality as the common denominator

Mr. Ivo Blommaart, Senior Policy Advisor, The Office for the Senior Civil Service. ABD, Ministry of Interior and Kingdom Relations, Nederland

The Challenges that Top Executives face in the Welfare State.

Mr. Ove Kaj Pedersen, Professor, Department of Business and Politics, Copenhagen Business School, Denmark

Performance and Executive Pay in Government.

Mr. Jørgen Grønnegård Christensen, Professor of Public Administration at the Institute of Political Science, Aarhus University, Denmark

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