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**THE STATE OF THE HIGHER CIVIL SERVICE AFTER REFORM:
BRITAIN, CANADA AND THE UNITED STATES**

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FOREWORD

In the context of the public sector reforms which occurred in OECD countries during the past decade, the management of the higher civil service has been perceived as a critical topic. There is an agreement in OECD countries on the leading role that higher civil servants play in conducting reforms and managing change. However there has been little exploration of the impact of changed public management methods on this specific group of civil servants.

As a part of its work on Human Resource Management, the Public Management Service has studied the present condition of the higher civil service in three OECD countries that have engaged in substantial reforms to their higher service. The analysis is based on a limited number of individual interviews conducted end of 1997. As the text points out, it cannot be interpreted as a complete picture of the state of civil service in the countries involved.

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1. INTRODUCTION AND CONTEXT

The past twenty years have seen a number of administrative reforms around the world. Financial management, budgetary reforms and civil service reforms, contracting out, downsizing, pay for performance, and new forms of performance management including performance contracts are among the most common. Managerialist reforms, as these are commonly categorised, have often also focused on members of the higher civil service. The higher civil service, perceived both as part of the public management problem and as a potential solution to it, has in the three countries covered by this research, been the target of downsizing, of demands for increased political responsiveness and of more stringent efforts to measure performance and to reward that which is desirable.

Both management and accountability expectations have changed. More members of the higher service, traditionally valued for policy advice or program expertise, have become executives or links between the centre and newly created executive performance based agencies in many nations. Public service ethics, values and norms -- the heart of the ethos of the higher service in most nations -- have been joined or sometimes replaced as accountability mechanisms by performance contracts and budgetary bottom lines.

It is notable that many of the reforms operated with common assumptions: appropriate public reform models could be found in the private sector, private sector models could be transferred, and members of the public service could be motivated and rewarded by essentially the same techniques and procedures as private sector employees. An OECD study explored these assumptions in the context of pay for performance and financial incentives (PUMA, 1997). That report concluded that financial incentives and monetary incentives did not play the central role that many managerialist reforms presumed. Further, because so many reforms had occurred simultaneously or in close sequence in the nations studied, the actual impacts of reform and the current "state of the service" were difficult to discern.

2. RESEARCH QUESTIONS AND METHODOLOGY

The exploratory pilot study reported here follows earlier PUMA studies. This limited study was designed to explore the complex and multi-dimensional issues related to disentangling the effects of accumulated reform. The intensive interview format promotes both in-depth understanding and the framing of research questions for future study. The questions analysed here include the following:

- Which incentives are now most critical to those members of the higher service still engaged? Why? Are they likely to be available in the future?
- After a full decade of reform in most nations, how do members of the civil service -- specifically the higher service -- perceive their role to be changed? In their view, have new performance expectations and accountability measures "taken hold"?
- How do members of the higher service perceive their future public management problems, what is the nature of the challenges that remain and which are most important?
- If previous reforms have not fully addressed contemporary and future public management problems, what is the nature of the challenges that remain and which are most important?

The study is, therefore, not only an exploratory assessment of past reforms, but a preliminary scan for the key components of those of the future.

To accomplish these objectives, intensive structured personal interviews were conducted with twenty-five members of the higher service in three countries, the United States, Canada, and Great Britain. In the United States, the interviewees were drawn from a list provided by the Office of Personnel Management. In an effort to sample the feeder pool for the future, as well as to examine the attitudes of long term members of the public service, women and minorities were somewhat over-represented in interviews (see Attachment 1 for agency and demographic background of those interviewed in each of the three countries).

In Canada, the interviews were obtained with the assistance of the Canadian Centre for Management Development and the Office of the Clerk of the Privy Council and, while broadly representative of the higher service, carefully included women and minorities in the sample. All of those interviewed in Canada were Deputy Ministers or Assistant Deputy Ministers. These are the two highest levels of public servants in the Canadian system. In Britain, the interviews were selected and scheduled with the assistance of the Cabinet Office directorate responsible for the Senior Civil Service (SCS). The sample included a higher proportion of women than found in the SCS and one disabled person but no other minorities. In all three nations all interviews were conducted in or near the capital city.

It is important to note that the political environment of the higher service is quite different in each of the three nations and has undoubtedly contributed to the different kinds of findings reported here. The United States is midway into President Clinton's second term and the members of the Senior Executive Service have become familiar, if not fully comfortable, with the administration's efforts to reinvent government. In Canada, the higher civil service has been badly shaken, as has the nation, by the Quebecois separatist movement and by the narrowness of some election margins. In this context, the higher service views itself as symbolic of the national public interest and views its future from this perspective. In Britain, the Labour victory and the government of Prime Minister Blair are relatively recent and there is still uncertainty about the long term impact, direction and the implications of their stated priorities for modernising government. Indeed, the election occurred in May 1997 midway through the interview process.

The nations studied differ in other important ways, of course. For the higher service, one of the most important is the centrality and scope of the policy advice function. The United States does not explicitly assign a policy role to its senior corps, instead reserving that function for top level political appointees. In both Britain and Canada, however, the policy advice role of the higher service has been a proud hallmark of their respective traditions. As the findings demonstrate, the conditions of contemporary policy advice continue to be an issue of central significance in Britain and Canada.

Limitations of the Method

The nature of the sample group of interviewees should be recognised as a limitation when considering extrapolation of these responses to the state of the civil services concerned -- interviews were limited to those executives still employed in the civil services. Interviews with recently departed members of the higher civil services would have provided further valuable and perhaps quite contrasting assessments of the state of their services after reforms and particularly pertinent comment on, for example, the issue of retaining senior executive talent in a downsizing environment. The authors wish to flag the possibility that responses from this group of former members of the higher civil service would offer a less favourable assessment of the state of the higher services after reform than is presented in the study reported below.

The Interview Questions

The personal interviews covered the following topics:

- Perceptions of current policy and management roles of the SES and the balance between them;
- Critical motivations and incentives and satisfaction with each of the most important;
- Performance evaluation, contracts and pay;
- Accountability mechanisms and public service values and the relation between them; and
- Critical issues for the future.

These questions mirror most of the values and characteristics contained in the Denhardt (1993) “significance” paradigm which has been used in other PUMA research (for example, commitments to values, public service and change) but move beyond this to examine satisfaction with current practices and preparation for future challenges. A copy of the interview questions is included at Attachment 2.

3. THE FINDINGS BY COUNTRY -- BRITAIN

The Background

The **Senior Civil Service** (SCS) formally came into being in Britain in April 1996. It currently (Spring 1998) contains some 3,000 people in what were previously Grades 1-5 of the Home Civil Service. Previous to that, there existed the Senior Open Structure that contained Grades 1-3 and the grades below were part of the broader Civil Service. The SCS is now formally identified in terms of the senior managers, policy advisers and leaders responsible for:

- Ensuring that ministers are given policy advice and support;
- Ensuring government policies are represented accurately as well as implemented efficiently and effectively; and
- Managing and delivering public services on behalf of ministers.

It includes all agency Chief Executives. In essence it is the key cadre of senior people responsible for underpinning collective Cabinet Government, leading management change and preserving the professionalism and values of the service. Its creation embodies some clear cultural objectives that focus on the fostering of a service wide vision, greater co-operation and cohesion between departments, increased specialisation and professionalism, coherent standards and common ethics. As well as cross-departmental deployment of senior talent to safeguard the breadth of the top management perspective and decision making, in essence these individuals provide the “corporate glue” in an increasingly devolved environment. Apart from some Agency chief executives on fixed term contracts, members of the SCS now have contracts of indefinite length. These have been introduced within the last two years to give greater articulation to pre-existing terms of employment as well as to emphasise and recognise the obligations and values of members of the senior cadre.

SCS jobs are evaluated using a new system (JESP -- Job Evaluation for Senior Posts) that underpins assimilation into nine overlapping job and pay bands. Recommendations on pay levels and performance related pay progression principles are made by the independent Senior Salaries Review Body. This body is serviced by the Office of Manpower Economics, which reports directly to the Prime Minister. It comprises nine members, drawn mainly from leading top executives/industrialists who take a view each year on what top public servants should be paid.

A new performance management process was implemented in 1996 following detailed study of good practice across the UK economy. It now incorporates agreement on a Personal Responsibility Plan, self assessment, the use of nine core competencies for development purposes and a rating scale giving “box markings” (performance assessments). Pilot studies of 360° feedback have been undertaken in a number of departments and agencies. More are planned. The UK Senior Civil Service Group at the Cabinet Office actively monitors both reward and development issues and their links to the career management and development process. In addition, there is some delegation of the detail of implementation of Human Resource policy for the SCS to individual departments and agencies.

A series of Government initiatives and White Papers have influenced current thinking on management of the Civil Service at senior levels, as well as the morale of British senior civil servants:

- The creation of “Next Steps” executive agencies from the late 1980’s to the present day -- now encompassing over 70 per cent of civil servants.

- The Financial Management Initiative of the late 1980's which impressed stronger financial management disciplines on the civil service -- in some cases for the first time.
- The "Oughton Report" on career management and succession planning which covered the policies and practices for ensuring an adequate supply of suitably qualified people to fill senior posts in Departmental/Headquarters Agencies and executives (November 1993).
- Two White Papers (Government Policy proposals) "The Civil Service -- Continuity and Change" and "Taking forward Continuity and Change" which made proposals for reform across the whole Civil Service (1994/95).
- Senior Management Reviews (SMR's) in each department/agency aimed at streamlining the senior management structure to better match individual organisational needs. SMR's have produced a reduction of some 23 per cent in the SCS since January 1994.
- Delegated pay, grading, performance management and HR management below the Senior Civil Service which will ultimately create or further emphasise differences in culture and values between different departments and agencies.
- An ongoing series of fundamental expenditure reviews (FERs) which engendered significant attempts at business process re-engineering as part of cost reduction programmes. The new Labour Government has now launched on a Comprehensive Spending Review that follows on from the FERs.
- A much stronger focus on customer service through programmes launched under the "Citizens Charter" initiative.
- Market testing (now called Competing for Quality) of elements of departmental and agency work that could be outsourced if economically viable.
- Mergers in two areas: education and employment and environment and transport; which has forced a rethink of culture and values within the merged departments.
- A new white paper on "Freedom of Information" was issued at the end of 1997 and another on "Better Government" is being prepared for publication in 1998. Both will further add to the public service reform agenda but from a Labour Government perspective.

Some of the influences on change in the British Civil Service have stemmed from radical changes in other public services. Sweden (executive agencies), the US (reinventing government), Australia and New Zealand have all provided experience and thinking. Many members of the SCS have been involved in benchmarking exercises to test the advisability of the adoption of such initiatives in Britain, and there have been continuing programmes of secondments and exchanges.

During the progress of this research programme there was a change of Government. On 1st May, 1997, when just under half of the interviews had been completed, a new Labour Government was elected with a very large majority. It was the first change of Government for 18 years. This event has had a significant effect on the findings of the British research. The perception of both operating realities and future possibilities changed as the new government began behaving in a significantly different way to its predecessor and previous Labour Governments. The effects of this are commented on with findings on individual issues.

Major Findings in Britain

The Nature of the Job -- Policy and Management Roles Now

The core policy role of giving impartial advice to ministers and setting out implementation options and their implications is still critical and changing relatively little. Advice is certainly becoming broader and more contextual with an improved focus on management consequences and other practicalities as well as cross-departmental issues. Top civil servants see themselves much more in the role of policy development managers than they used to, often delegating the process of advising ministers to more junior levels (i.e. except in the most sensitive of circumstances) and spending a great deal less time honing the drafting of advice -- an impossible task without the resources they had even a decade ago. There is therefore, even in policy areas, much greater emphasis on management and the skills needed to develop policy in a more open environment that will frequently now also involve external political advisers. The members of the SCS interviewed after the change in government greeted their policy role with more enthusiasm when compared to the “grubbing around for ideas” described as prevalent in some departments after 18 years of Conservative Government.

This had, however, to be balanced against the perceived tight control on the public debate by the new government and the different challenges this presents to the neutrality of policy advice (see below). Internal delegation, specialisation, and the speed at which responses are now required, as well as ministerial style, mean that the policy advice environment is also becoming markedly less formal. But “the best brains are still pointed towards policy work” even though “ministers don’t want ivory tower advice” any more.

The management role has moved on from traditional concepts of public administration into the active management of change, much more proactive and positive management of people, more emphasis on teamwork and much greater delegation to the line. The underlying objective has been to take management much closer to the model of “good, blue-chip private sector companies” and to provide the training and support to achieve this.

If anything, there has therefore been a shift towards a better balance between policy and management roles in the UK, with improved understanding of the contribution of each to effective public service. Within the policy role, this sample saw a growing importance for the effective management of policy teams. Within the management role they stressed the importance of leadership, improved “people skills” and of sound financial disciplines.

The Rewards of the Job and Job Satisfaction

For two-thirds of British interviewees the Civil Service was a long term career choice -- a choice made in the light of the professional opportunities it gave to graduates, a strong commitment to public service and, in a few cases, a family tradition of public service. The changes in the way the Civil Service is now run have meant that perspectives both on the nature of a public service career and the perceived options for career development have changed. British civil servants appear to understand well the concept of the self -- managed career and the need to be opportunistic about possible job moves that may benefit them. They are more conscious of the need to work on personal positioning, influencing strategies and networking in the pursuit of maximising their potential.

However, the participants felt that SCS seems less of a career for life than it did and that promotion prospects have diminished. Looking outwards, they believe that other career routes have gained in status at the expense of the public service, notably work in the finance sector in the City of London. This group is not however without optimism and with very few (and older) exceptions, saw at least one more promotion ahead of them into a role that would interest and stretch them.

Two motivations associated with public service work are predominant in this group:

- intellectual challenge; and
- the opportunity to have impact on policy.

This is hardly surprising in this group, largely made up of high flying graduate recruits (“fast streamers”) who had built on their early success in the rigorous selection process by taking early responsibility in the rapid career moves that had been their experience to date.

The other important motivators were:

- quality of colleagues in the workplace;
- opportunities for career growth and promotion; and
- the opportunity to perform public service.

Job security, financial rewards and even the prestige of being in the higher service on its own were of very little significance.

Job satisfaction is high. Almost all participants were either very or fairly satisfied currently with the motivators they identified as important. These motivators have not however always been consistent throughout individual careers. In half the sample they had changed; job security had become less important (“Do we have it any more?”) and quality of colleagues had become more important.

The quality of the current performance management process has a role in these high levels of job satisfaction among British senior civil servants. Apart from the one Agency chief executive interviewed who is covered by a formal performance contract negotiated with the Permanent Secretary of the Department, all of this sample are subject to the new (1996) process. This provides individuals with a self-assessment process as well as processes for the drafting and agreement of a personal responsibility plan. Most of this sample believed that the whole process provided for a good link between organisational objectives, individual objectives and assessment of their contribution towards achievement of these. In general they found the new approach of performance management helpful in achieving greater clarity within their organisations about their priorities, but this does vary significantly by department. Three Departments at one end of the spectrum appeared to have better-embedded and linked processes than one Department at the other end, where implementation appeared extremely patchy.

Levels of satisfaction with performance management also varied with the quality of the reviewing manager. Those managers who ran the process as one of joint discussion and agreement generated more motivation than those who were over-bureaucratic or those who abdicated from real involvement (“I give him a piece of paper with my objectives on and he says yes”). This sample were sufficiently committed to the process to believe that improving it should be about making it work better rather than changing it.

Without exception, those who had participated in one of the 360 degree feedback pilot studies were enthusiastic about the power of this process in building realism about management style and laying foundations for positive culture change.

Perhaps predictably, there were lower levels of satisfaction around the whole issue of performance related pay. Nevertheless, almost half of participants believe that the concept of rewarding performance is right in the public service and a quarter are neutral in the subject, leaving a quarter who still reject the idea. A new perception of equity related to differential performance appears to have been embedded among the majority. The majority of this group does not however, view performance related pay as an incentive, (“the difference between a 4.89 per cent and a 5.33 per cent increase wouldn’t make me run significantly harder”) but it does definitely see it as recognition for contribution.

There was considerable ambivalence around the issue of performance rating. Some see it as a necessary evil in the interests of fair performance judgements, especially for large populations. Others see it as oversimplifying complex contributions. It is quite clear however, that in Britain rating is seen as a reward in its own right and, perhaps inevitably, those participants who always received the top rating liked it more than those who fared less well. The high performing group liked the financial rewards that went with this, recognising its accrual value in their pay level over time. Others saw it as a waste of time and effort and stressed the downside of over-mechanistic processes in linking performance rating to pay. There was quite strong adverse feeling about the forced distribution of pay awards that had been required by the Senior Salaries Review Body for the 1997 pay review. Also, several participants suggested de-linking rating and pay so that rating and performance management itself could be more effectively used for developmental purposes.

Working Relationships in Government

In common with the US and Canada, the accountability and responsiveness of the SCS has been an issue in the ongoing debate on public service reform. Considerable efforts have been made to improve this while preserving the independence and neutrality of the service. Many participants believe that this greater accountability has led to increased public exposure and potentially to more public criticism from Select Committees of Members of Parliament and from the Public Accounts Committee. Participants expressed a feeling that, in the outgoing administration, Ministers did not take responsibility for their Department’s actions in the way they used to -- resigning if need be in the face of severe criticism. There were also concerns in relation to the much greater use of political advisers by the new government -- “re-thinking the ministerial cabinet” as one interviewee put it.

There was also a view that the extent of real independence in the role of Agency chief executives needs to be resolved. The case of the head of the Prison Service dismissed by the Home Secretary of the previous Government was frequently quoted as an example of lack of clarity over the extent of executive freedom in relation to ministers. This was seen as an early task for the new Government.

This sample was divided almost equally on the likelihood or otherwise of problems for the SCS resulting from increased managerial autonomy and the reduction of detailed rules and regulations. Many welcomed the greater freedoms and flexibility now available, but others voiced concerns over “the dangers of empowering people too far”, the need for improved risk assessment, and the potential problems of lack of consistency and cohesion, especially in relation to programs which impact directly on individual members of the public; for example, social security benefits.

In general, participants were positive about the effects of public service reforms on issues such as the targeting of resources to program needs, an improved focus on efficiency and effectiveness and more coherent and practical links between policy and implementation. They did not however see a change in public service values coming from all this and were vehement in their defence of the need to retain a common service wide perspective -- "Our values are deeply set, processes may change, values remain".

Participants were evenly split over the increased incidence of risk taking as a result of increased flexibilities in the public service reform process. Where this exists it appears to be in an environment where both ministers and senior civil servants are agreed on the nature and the advisability of the risk. Risk aversion remains, however, a hallmark of policy development in many areas.

Participants saw attitudes to risk and flexibility as linked to the downsizing and budget cuts that have also been part of the process -- "we have to live more by our wits". Many commented on increased workloads, longer hours, more stress, a feeling of "living on the edge" and the reduced opportunities for outreach and for keeping up with developments in their specific area of responsibility produced by the new environment. There was some demoralisation accompanying this, but this needs to be counterbalanced with the view that those who are surviving well in a more resource-constrained and demanding environment are also getting some personal motivation from managing more effectively and developing themselves to achieve this.

In general, this sample believed that ministers were still getting a very high level of service from their senior public servants despite the tougher working environment.

The provision of neutral policy advice remains almost a sacred issue. Participants were almost unanimous that the senior civil service has not deviated from its commitment to the provision of neutral policy advice even after 18 years with one party in power. Many cited enjoying the challenge of maintaining these standards with a new administration and took considerable pride in their ability to get inside the policy issues contained in the Labour manifesto, so that they could make an effective start on working with new ministerial agendas using their traditional skills. It was clear that the incoming government had often been pleasantly surprised by the policy advice skills available to them, even though the advent of more political advisers had "introduced a greater element of competition into the policy advice role". Neutral policy advice is clearly a finely honed "craft skill" and as one participant put it "you would need all long serving senior civil servants to go before you lost it".

Challenges to the System

In common with their US and Canadian counterparts, British senior civil servants see turbulent and challenging times ahead of them. The dominant changes they see in the next decade stem from the policies of the Labour Government around devolution (the creation of Scottish and Welsh Assemblies and a stronger regional focus in the UK), improved use of IT in government and an increasingly strong influence from Europe with the widening of the European Union. These changes, in the context of a fairly radical new agenda, will raise issues in the areas of improved resource management, greater mobility of people and in improving the quality of leadership and management across the Civil Service. Participants expect the Civil Service to continue to shrink in the face of cost pressures and the increasing use of partnerships with the private sector on service delivery.

When asked about the skills and abilities necessary for the SCS to meet this agenda, management and notably change management skills come to the fore. IT skills and grasp of IT strategy, personal flexibility, adaptability and teamworking skills were also seen as important. Many participants referred

back to the core Senior Civil Service Competency Framework in their response (i.e. Leadership, Strategic Thinking and Planning, Delivery of Results, Management of People, Communication, Management of Financial and other Resources, Personal Effectiveness, Intellect, Creativity and Judgement, Expertise and Professional Competence).

A large majority of participants believe that they have or can acquire the skills needed to operate in the fast changing environment in which they work. Many had found benefit in the Top Management Programme run by the Cabinet Office and other senior management development programmes from various sources. Those who felt ill equipped were those who felt very pressured and could see no way of making time for development, those who had been in the SCS a long time and who felt unable to put themselves forward for development and those who felt they had no support for this within their departments i.e. where the belief persisted that “by the time you reach our level you have either got it or you haven’t” -- very much an “old style” mandarin view of the environment.

The challenges for the management of the UK SCS therefore looks somewhat different from those in the US and Canada. From this research, the sample interviewed generally appears somewhat more satisfied with their work and perhaps more highly motivated. By and large these were survivors of more than a decade of often-turbulent reform. Sustained recognition of their value from the new Government will be critical to the future of this group -- active rebuilding of confidence and self-esteem that had at times taken something of a battering under the previous government. Continuity will also be important in building on SCS management initiatives to date, in terms of refinements to the performance management process and in greater clarity over accountabilities. Longer term, the attractiveness of a career in the SCS may become an issue unless there is a greater public understanding of the attractiveness of the work and the rewards available to top civil servants. The “Policy Implications” appendix returns to these themes.

Summary

The recent Civil Service reforms and creation of the SCS in the UK have therefore had a significant impact on the nature and managerial focus at the top of the service. A better balance between policy and management roles has developed. Job satisfaction is relatively good and linked to the key motivators of intellectual challenge, the opportunity to have an impact on policy and the quality of colleagues in the workplace. The approach to performance management introduced in 1996 is generally liked although implementation has been patchy. Performance related pay is seen as a recognition for contribution, alongside performance rating, but it is not seen as an incentive. The concept of differential rewards is accepted.

Despite continuing change and a tougher working environment, the core values of impartiality and neutrality remain strong. The new Labour Government and the prospect of devolution presage further change and challenge. Personal flexibility, adaptability and team working, along with enhanced IT skills are seen as important to future success. So is recognition of the value of senior civil servants in contributing to the process of continuing reform and improved effectiveness in the machinery of Government.

4. THE FINDINGS BY COUNTRY -- CANADA

The Background

The Public Service of Canada is a clear example of a civil service functioning within the Westminster tradition. The higher civil service has been an elite group characterised by recruitment from good universities, a centralised personnel system, and lifetime careers within the public service. Once in office senior civil servants were accustomed to exercise strong influence over policy, and to exercise that influence largely in private, as a result of the Westminster tradition of ministerial responsibility and associated anonymity of the individual civil servant. There also has been an implicit, and sometimes explicit, assumption that compensation for public servants would be broadly comparable to that offered in the private sector, or at least would closely track pay developments in the private sector. In return for these power and rewards, public servants were expected to serve the public loyally and energetically.

To a greater degree than in the United States, the Canadian government provides a broad array of socio-economic programmes similar to those found in European mixed-economy welfare states. One distinctive feature of the Canadian civil service is its role in national unity. It is a bilingual structure, with proportionate recruitment of Francophone and Anglophone personnel, and the good performance of government has been seen as one possible way to enhance national unity.

These traditions in the public service have been challenged severely since the 1980's (see Savoie, 1994). Conservative governments during the 1980's began to replace civil service policy advice with more partisan advice, and the personal staffs of ministers increased accordingly. Civil servants began to lose some of their anonymity and to be held more personally responsible for policy and administrative failures in Parliament and in the press (Sutherland, 1991). Canadian government also began to be downsized, with several of its economic activities privatised and social programmes somewhat curtailed.

The above description of changes since the 1980's would sound familiar to people interested in public affairs in almost any OECD country. In the Canadian case, problems in the political economy (largely public sector debt and deficit) have, if anything, increased pressures on government to reduce its size and its expenditures. Further, the continuing crisis of national unity in Canada has placed particular pressures on the performance of Canadian governments and its public servants, and has increased the demands of the job. The continuing economic problems have meant a continuing downsizing of government, especially through wide-ranging Programme Reviews conducted by the current Liberal government, and a long-term pay freeze for the public service.

There have been other attempts to transform the nature of the public service in Canada. As far back as the 1960's and 1970's, Royal Commissions argued for a number of managerialist reforms to the system. More recently the proposals contained in PS 2000 (Tellier, 1990) were intended to make the public service system more participatory, both within public organisations and between government and the public. In addition, La Relève (see below) is a major initiative of the Canadian government directed towards enhancing the personnel capacity of the civil service. Thus, although economic forces continue to drive changes in the administrative system, there also have been other quite different attempts to reform government.

Major Findings in Canada

The Nature of the Job -- Policy Advice

Public servants were asked if their job had changed over the past decade, and most responded that indeed it had changed, and in several important ways. They were particularly concerned about their role in policy advice and in actually implementing programmes that serve Canadians.

Traditionally the major task of senior public managers was to prepare policy advice for ministers, with that advice reflecting largely the best available knowledge within the Department. Most respondents commented that when they began their government careers their sense was that the minister was largely dependant upon the advice coming from their Deputy Minister (DM). Several respondents did note that this may be a nostalgic view that excessively glorifies a “golden past” for the public service, but certainly Deputy Ministers were major policy actors until the late 1970’s.

It was clear in the minds of the respondents that their role in offering policy advice changed during the 1980’s. Ministers created large personal (and partisan) staffs headed by a chief of staff who became something of a rival to the DM within a department. The task of the civil service increasingly was management and implementation rather than policy formulation. Further, because of fiscal problems and because of a more conservative policy agenda, there was “policy atrophy” during the 1980’s. Government was not interested (according to several respondents) in new policy ideas but only in finding ways to save money and reduce the apparent impact of government on the private sector. This declining interest in policy for quite a long period was argued by some respondents to have diminished the capacity of the contemporary public service of Canada to perform policy tasks. A generation of people were not provided with adequate experience in policy, and some who had been accustomed to policy work lost touch with developments in substantive policy areas.

The policy role of the public service has been restored somewhat under the current government, but still not to the role that they had during the Trudeau government, identified as the “golden years of policy advice” by some respondents. The private offices of ministers have been reduced in size and advice is expected to come upward from the public service. However, despite the restoration of some of the policy role the respondents still perceive some differences from the past. One difference is that policy-making is now more centralised in the Prime Minister’s Office than in the past, with some arguing that the Canadian system has become increasingly “presidential”.

A second important difference is that although public servants are now expected to provide policy advice, the source of that advice is expected to be substantially different. The older pattern was that advice from the Deputy Minister to the Minister would represent the best judgement of the department providing that advice. Two respondents in particular argued that the future of civil servants in providing advice would be as compilers and brokers of information coming from a number of different stakeholders in the policy arena. Their own organisation may be one of those stakeholders, but it is only one and the duty of the public servant will be to consult widely and present a balanced view. This shifting pattern of advice reflected the loss of monopoly by the public sector, with numerous private sector organisations now being entirely capable of providing independent policy advice. That view of advice must also point out which participants hold which views and therefore what the likely political consequences of a decision might be. This may move the role of the public servant somewhat closer to a political one (it is argued) but it would also secure the policy role of the public service.

Rewards of the job

The large majority of civil servants with whom we spoke remained extremely committed to their profession and were still highly motivated. They considered the principal virtues of the job to be the intellectual challenge that it presented to them, the opportunity to serve the public, and the opportunity to impact public policy. For people at this level of government working for the government of Canada is still seen as a very good job, and most very much enjoyed their jobs.

It is important to note that none of the respondents placed monetary rewards near the top of their list of the factors that either attracted them to the public sector initially or had kept them in government later in their careers. That having been said, however, the long-term erosion of pay for public servants in Canada was beginning to have a major impact on morale in the system. At the time of the interviews, there had been no meaningful increase in salary for managers for six years, and they perceive themselves falling ever farther behind their counterparts in the private sector, while some rough parity with the private sector had been the tradition. None of the respondents had expected to become rich by working for the government, but they were very frustrated by the continuing erosion of their relative position, and the disrespect for their contributions to society that they felt was symbolised by this erosion in rewards.

Management

Just as the policy advisory role of public servants in Canada has changed so too has management changed. Our respondents argued that the tradition of hierarchical management was now almost completely discredited within the public service. The management style was evolving almost universally to be more co-operative and more “teamwork” based, rather than being strictly from the top down. This change is hardly an unexpected finding, but what was more interesting was the lack of regret for the passing of the old system. It appears clear that the leadership of the public service is committed to more democratic management within their organisations, as well as in interactions between the public sector and society. However, as we will point out below they felt as if some elements within the structure of government were slowing the process significantly.

The generalised commitment to greater internal democracy is seen in a number of points made in our interviews. The public servants justify these changes in management style on both normative and empirical grounds. First, this is not the “right way to manage in a public sector that is meant to be democratic; the public sector should be a model of the rest of the society and cannot be so if it preserves an authoritarian style”, one respondent argued. Further, a number of respondents argued that a more participatory style of management works in 1997, just as the other style had been successful previously. The shift in management styles was especially important for younger people coming into government who had never become accustomed to hierarchy and authority, as had their seniors..

We asked the respondents specifically about the implementation of performance contracts for their own performance, and it is clear that this technique has not yet made a significant impact in Canadian government. None of the respondents said that they would be happy to be on performance contracts, and would welcome plans like “360 degree feedback” for assessing their own work. Indeed, many respondents found the current methods of assessing performance opaque, and potentially unfair. One of the respondents had done that form of evaluation (on his own, rather than as part of a formal process) and commented that it provided a number of important lessons about his performance.

The respondents were, however, less positive about the idea of pay for performance in the public sector. With few exceptions they did not think that the idea was appropriate for government, especially for senior

managers. They did see that the technique might be useful for assessing clerical and perhaps technical staff, but did not think that the managerial role was suited for pay for performance as usually conceived. The respondents were especially concerned that individualised pay for performance schemes did not fit well with a management philosophy that was increasingly oriented toward co-operation and teamwork.

Working Relationships in Government

Another of our concerns in this study was the working relationship that exists between the public service and other parts of the political system. As noted above there have been several sources of strain in that relationship over the past several decades. One source of tension has been the role of the public service in working with their ministers, as discussed above. There have been also some important questions about the emerging form of accountability required in the civil service, and the relationships between line departments and central agencies.

Accountability

Accountability is a crucial issue for any administrative system serving a democratic government. The respondents in our survey were approximately evenly divided on the basic question of whether there had been any fundamental shift in the understanding of accountability in Canadian government. Approximately half of the respondents believed that the system was almost unchanged from the time they entered government with the doctrine of ministerial responsibility undamaged by claims of ministerial “ducking” of issues. These respondents believed that the traditional system still worked, and was sufficient even in an era when the tasks and internal functioning of government was changing rapidly.

The other half of the respondents saw the accountability system differently, with views ranging from one of mild concern to a belief that the former system was almost irrevocably broken. Several of these respondents described the emerging system of accountability as being “American”, with Parliamentary Committees becoming more active scrutineers of the public service. Although they differed in the degree of damage they saw the system having sustained, the nature of the damage perceived by these respondents was similar. There was the belief that individual public servants were being held more personally answerable in public for their actions, including activities such as policy advice that involve the exercise of judgement. None of this group of respondents objected to being held accountable for their actions, but they did not believe that scrutiny of actions should occur in public where they had little or no possibility of defence. They attributed these shifting patterns of accountability to ministers, the general nature of politics in the late 20th century, and to the increased involvement and activity of the press.

For the respondents who considered that the traditional system was substantially altered for the worse, there was a strong sense that the important bonds of trust between politicians and their public servants remained -- they could depend upon their ministers to protect them, at least in public, and to take responsibility for policy (if not always implementation) failures. These respondents, while concerned with changes in accountability, did not believe that politicians had become so concerned with their own careers that they would do almost anything to avoid responsibility for failures.

Relationships with Central Agencies

The public servants that we interviewed were also concerned about the relationship between line departments and central agencies. We inquired specifically about the extent to which internal regulatory

controls over line departments had been reduced. One strategy for reform seen in many countries has been to allow line managers to make more decisions about personnel, budgets and purchasing.

Few of our respondents saw any significant changes in their relationships with central agencies, and tended to see a perpetuation of the traditional patterns of control. This tended to be truer in personnel than in other areas, but even in the area of purchasing there was a sense of control. In fairness, they did note that the controls were to some extent implemented by different organisations, with ex post controls through auditing replacing some of the ex ante controls by the Treasury Board and Privy Council Office. Still, few of the respondents believed they had sufficient freedom to do their job as they would like, and believed that the controls reduced the overall efficiency of the public sector.

One of the most important impacts of the continued interventionist position of the central agencies was on the role of Deputy Ministers in their departments. A number of the respondents argued that central agencies had become a major barrier to developing more collegial management styles within departments. This was because of their tendency to locate all responsibility for the performance of the department with the Deputy. This pattern of responsibility means that the Deputy will be less willing to let go of any decision, knowing that if it should go wrong s/he will be blamed for the failure anyway. These respondents argued that, if the goal of administrative change is to promote greater “teamwork” within organisation, then the (still) pervasive role of central agencies will be a major barrier to effective change.

Challenges to the System

All the respondents to whom we spoke believed that the public service of Canada is facing a number of very serious challenges. Perhaps most disturbingly a significant number of the respondents were considering leaving government for the private sector. These were all people with long experience in government and commitment to the goals of the system who felt (with genuine disappointment and regret) that they owed it to themselves and their families to consider their alternatives. They also pointed to the large numbers of senior public managers who had already left government to pursue much more lucrative careers in the private sector. They considered that retention is a major issue for the public service.

An associated issue is that of recruitment of new blood into the public service. The continuing downsizing of the public service has meant that at least one generation of new public servants had not been hired. That recruitment gap, along with the continuing flight of managers already in the system, meant that the system was facing a potential leadership vacuum in the not too distant future. Several respondents also remarked that this was a qualitative as well as a quantitative problem for government. These respondents feared that the “best and brightest” who at one time might have entered government in Canada were not doing so now. Not only were the financial rewards available in government much lower than those of the private sector but the general public scepticism about government and its capacity to contribute to society also kept many young people from considering a career in the public service. Several of the respondents noted that they had missed the opportunity to socialise the next generation of younger employees, and feared that even if an adequate number of high quality recruits were available, there might still be a socialisation gap with the younger generation not being adequately brought into the value system of the civil service.

In addition to the recruitment and retention problems, the changing styles of policymaking also makes traditional policymaking more difficult. The contemporary style of policy development places increasing responsibility for policy and implementation in the provinces rather than in the central government. This means that central governments departments will have to accustom themselves increasingly to be parts of large and relatively unstructured networks around issues rather than being in positions to control those

issues. Although this style corresponds to the increasing democratisation of organisations, it will still require some adjustment in thinking about the way in which government performs its tasks.

Finally, several of the respondents were concerned with how government could balance its core values of providing public service to all citizens with the pressures to become more businesslike in its own operations. While the two sets of values need not be wholly contradictory, one being policy-oriented and the other more operational, some of the respondents did fear that there was an emerging conflict. This appeared to be a part of a more general concern about threats to public values in Canada, and the growing disregard for the role of government.

Summary

The Canadian public service has undergone significant change over the past two decades, and it appears likely that there will be continuing change for the near future at least. These changes have been in part a function of national economic problems and the need to reduce public expenditure and public debt. They have also been a function of the changes in the ideological and political complexion of the government holding office. To some extent, members of the public service believe that the changes they have undergone have been positive, particularly in making management within the system more democratic and in opening government to a wider range of opinion and advice from society.

On the other hand, the respondents regarded some of the changes as being negative, both for them personally and for the service as a whole. They considered the most important negative to be the decline in respect for government in general and for the career public service in particular. These respondents appear extremely concerned, and pessimistic, about the future of government. Not enough younger people, and certainly not enough young people of the calibre needed, are being attracted into the public sector. Part of this problem is financial, but it would be easier if that were the only problem. The decline in respect is more important, and is also more difficult to solve.

5. THE FINDINGS BY COUNTRY -- THE UNITED STATES

The Background

The American Senior Executive Service (SES), created in 1978 by the Civil Service Reform Act, was the first effort to create an identifiable cadre of higher civil servants in the United States. At the time of its creation, approximately 7,000 “supergrades” were grandfathered into the new SES. The reform act, in an effort to bridge the traditional gap between senior civil servants and political appointees in the United States, specified that ten percent of the SES could be political appointees.

In its nearly twenty year history, the size of the SES has remained approximately the same: but with some recent reductions: the SES membership exceeded 8,000 in 1992, but has since decreased in line with budget cutbacks and other downsizing efforts to less than 7,000 (OPM, 1998;76). Many younger members of the SES—those in their late forties or early fifties—opted for the early retirement incentives offered in the first Clinton term, for example. Except for a brief time in the Reagan administration when the 10 per cent political figure was exceeded in some agencies by filling all political slots, but neglecting to fill those that were career, the total political appointment percentage has been at approximately nine percent (Ingraham, Thompson, and Eisenberg, 1995).

There is general agreement that the SES has never met its initial objective of becoming an elite cadre which possessed both policy and management skills, and which was able to transport those skills across agency and program lines. Indeed, the initial size of the SES has been a continuing issue. Seven thousand strikes many observers as simply too large to qualify as an “elite cadre”. The combination of technical, managerial and policy skills -- the most frequent emphasis has been on the first -- and the reality of the mobility provisions has also been problematic.

Quite clearly, the combined effects of the budget cuts, downsizing, and various administrative reform efforts of the past fifteen years have had some impact on the American SES. Most recently, Clinton administration efforts to reinvent government have sent messages that senior career members of the SES must be leaders of change, must devolve authority down through the organisation, and must hold both their organisations and themselves more accountable for results. The most recent reform, Performance Based Organisations, parallels the British Next Steps model and creates new performance standards. Efforts to create citizen/consumer satisfaction standards add another dimension. How are current members of the SES responding to many pressures that confront them? How do they view their jobs, their future, and the challenges that are likely to emerge?

Major Findings in the United States

Job Satisfaction

Generally, these interviews reflect the same high levels of satisfaction with jobs and work opportunity as did earlier analyses of the SES. Five years ago, the General Accounting Office reported that over ninety percent of the career SES were satisfied with the challenge of their work and the nature of their duties. The PUMA interviews found that a very large majority of respondents held the same views. Those respondents who expressed reservations, or whose level of satisfaction was not so high, fall into two categories: members of the SES whose organisations are now at the cutting edge of change in the Federal

government (the Patent and Trademark Office, for example, has been proposed as a Performance Based Organisation candidate), and those who are beginning to “look back” at their careers. One of these latter respondents reflected, “Have I left any tracks after all this time?”

Where dissatisfaction exists, it is linked to recognition of contribution, in terms of performance appraisals and pay, and in terms of other forms of recognition. As virtually all previous public sector research has demonstrated, the link between performance evaluation and pay is difficult. These interviews strongly reinforce those findings. None of the respondents voiced satisfaction with the performance appraisal process, with their own performance evaluation, with the link between performance and reward, or with the level of financial incentive contained in the performance pay package.

Commitment to the Public Service and Public Service Values

One of the most striking findings in these results is a strong and idealistic commitment to the public service. Even for those who entered the -- service essentially by accident rather than design -- about one-half of the respondents -- the present level of commitment is notable. The opportunity “to do something for society”, for “democratic governance”, for “a very high calling”, for “a dream”, were all cited as both initial reasons for joining the public service and for continuing to be satisfied with the opportunities that are offered.

This is so despite what many referred to as “rocky” times over the past years. Several interviewees linked their continuing commitment to the “need to get better”, and to “accept the new challenges” of downsizing, reinventing, re-engineering and other reforms. Several respondents referred to the current need to redefine their own role in the organisation and to relate to their staff in different ways. Others noted, however, that some of the toughest changes and challenges are still down the road. The need to cut services, for example, rather than changing the way in which services are delivered, was cited as a critical problem and one that would have a currently unpredictable effect on job challenge and satisfaction.

Attitudes Towards Reform

There is a clear recognition that administrative reform has had an impact. The language of reform and reinvention was very nearly a mantra among the members of the SES interviewed for this study. Without exception, those interviewed indicated that reform -- particularly reinvention -- has had some impact; most assessments were also quite positive. The most common reform impact comments related to the changing emphasis on customer and quality of service; to creating more streamlined and accessible procedures and to eliminating unnecessary old ones; to new emphases on problem solving and flexibility; and to the ability to “fundamentally rethink what we do”.

The Office of Personnel Management and the Patent and Trademark respondents were most firm about the transition to a business environment; both sets of respondents argued that they could create a clear bottom line and that their performance ought to be judged by results in relation to that bottom line. Several respondents identified themselves as “entrepreneurs”; others noted that reforms had already changed patterns of communication within and between agencies and that collaboration was becoming more the norm.

One clear impact of the reform rhetoric and activities is recognition of the centrality of management and managerial skills. At the same time, a large majority of the respondents argued that policy -- particularly operational policy -- and management are so closely intertwined that clearly separating them is

impossible. Patent and Trademark respondents, whose PBO status would force them to consider the separation between policy and management very closely, were sceptical of the ability to do so. Most respondents argued that to be effective it was necessary for them to have both a policy and a management role, and that they would continue to define their responsibilities in those terms.

Further, and despite the current emphasis on management, there was little belief that the current system had the ability to develop management skills adequately or to recruit persons with the necessary talent and skills into the higher service. Development of skills within the SES was described as “short-term”, “hit or miss”, available “if you pursue them yourself”, or, in the words of one recent recruit from the private sector, “just not available in the public service”. This is one part of the widespread concern with recruiting future members of the SES: most of the members we interviewed saw little real movement away from the “lawyers and experts” emphasis in recruiting to one that places more emphasis on managerial and executive skills. In addition, several respondents indicated an unwillingness among current executives to recruit people unlike themselves because a different skill mix would set different standards of performance and create different -- and possibly more extensive -- demands for change. “Nervousness”, said one, “is rampant”.

Changing Accountability Structures and Mechanisms

One objective of the reinvention reforms in the United States was to move away from rules and regulations as primary accountability mechanisms. The flexibility that this move assumed is in some tension with direct accountability to elected and appointed officials. Emphasis on clients (customers) and customer satisfaction increases the complexity of the new systems. For the members of the SES interviewed in the Department of Defence, the issues of civilian/military accountability structures and civilian direction of the military were cast into bold relief by the Secretary of Defence’s decision to hold the military commanders responsible for the loss of life in the Saudi Arabian bombing.

The findings of this research indicate that a transition is underway, but that, while there is commitment to many of the new ideas, there is also lack of understanding of the implications of the new systems and some resistance to change. Some of the respondents noted that discussion of the need for new accountability systems has always played out in somewhat pejorative terms and had negative implications for the SES. One person interviewed argued that the “old” SES was, indeed, part of the problem: “We are acculturated to avoiding accountability; we don’t even know how to build it back in a serious way”. Others linked accountability issues to the transience of the political management system, to budget cuts and downsizing, and to changing organisational goals and priorities.

Quite clearly, the emphasis on consumer and customer has had an impact on how the senior executives interviewed define their accountability structures. Several defined efforts -- most linked to the Government Performance and Results Act of 1993 -- to focus on performance measurement, expressing the hope that progress in that regard would lead to improved external understanding of what the organisation does for both citizens and members of the Congress. The idea of partnerships was a common part of this discussion. GPRA, and the strategic planning and communication processes that it involves, was generally viewed as the most likely and most positive means of clarifying and aligning new expectations and systems.

At the same time, there is a keen awareness of how early and how tenuous are many of the components of the accountability changes at this point. One respondent, after noting that a large percentage of the SES in his agency had been shifted or retired to ensure greater commitment to new objectives and accountability mechanisms (performance and the bottom line), observed that the “tough issues are still ahead in this

regard. Reinvention has been primarily ribbon cutting to this point. It has failed to take the long view about how to get these systems in place”.

The potential risks posed for members of the SES in this transitional period were also noted. One respondent’s comment summed up those of many: “GPRA and reinvention are forcing changes. Budget cuts are forcing internal reallocations. SES staff are pitted against one another, but are still struggling to make tough overall choices. It is not exactly splitting “political” and “careers”, but there is real concern about moving to “glitz” instead of core activities”. She was clearly identifying career members of the SES as defenders of core activities and basic services; this perspective was echoed by a majority of the respondents. This reflects the concern that commitment to change must be balanced by commitment to organisational and policy mission, to history, and to broader objectives. As the institutional memory of the organisation and its programs, career members of the SES perceive themselves to be at the centre of this tension, and, however much they might recognise the need for change, as protectors of last resort.

Challenges to the System

The future will be defined by even more change; the continuing capacity of the SES to manage that change is being questioned. Without exception, the members of the SES interviewed for the PUMA project view the future as one of turbulent change. The size of the organisation, the size and skills of the leadership cadre, the nature of the services delivered, and the arrangements for their delivery are all likely to be different in the next decade. New intergovernmental partnerships and devolution of programs are already underway. Respondents were essentially unanimous in noting that these changes had been addressed simultaneously with the move to a “more businesslike” environment, which will permit more effective performance management and measurement.

The leadership challenges were described in very similar terms: to be more strategic; to focus on results, not processes; to develop communication and team building skills, to be less of a technical expert and more human resource management oriented; to be more adaptable and flexible. Several added “we have to become credible”. Recruiting excellent new members, while being more strategic about retaining present members who have critical skills and abilities, was viewed as fundamental to success.

At the same time, those interviewed returned to the values and ideals of public service as one guide through the changes. One executive noted, “Our values of integrity need to remain constant.” Another said, “We need to rebuild credibility around our values of public service”. Others added “emphasise our higher objectives”, “sell the quality of public service”, and “we have to say: you owe it to public service to make a difference.”

Summary

In the United States, recent waves of administrative reform and budget cuts have had a definite impact on the membership of the Senior Executive Service. The definition of job, of organisational role, of accountability mechanisms, and of future challenge reflects an increased awareness of performance, productivity, and bottom line results. There is a concern about the ability to meet future challenges and a general consensus that the necessary skills do not currently exist, nor are there mechanisms in place to guarantee their availability in the future.

As expectations of performance and accountability change, however, core public service values -- integrity, responsiveness, expert advising in the public interest -- appear to have remained relatively intact

and still central to the enterprise. Indeed, the issues of recruitment and retention of high potential talent were identified by those we interviewed as being as much related to replenishing public service values and credibility as to obtaining the new skills and abilities required by the new expectations.

6. CONCLUSION

Inevitably, administrative change and reform generates new sets of problems and issues to be addressed. The “solutions” created by the managerialist reforms are no exception. The complexities of political shifts, continuing budget constraints, and social and demographic changes in the three nations have added new problems. In the United States, the challenge of the Republican Congress caused the Clinton administration to rethink its reinvention initiatives, from “What can government do better”, to “What should government do?” In Britain, the Labour victory has brought a Government intent on modernising public sector institutions, focusing on outcomes and service delivery from the client perspective, determined to make optimum use of new technology and intently focused on the need, in four years time, to demonstrate to the electorate the delivery of their manifesto promises. In Canada, the Quebecois separatist movement stimulated the most fundamental questions. “What will be the nature of the national government that we are to represent?” asked one Canadian official. These are political questions and will be resolved in political arenas. That resolution, however, will have profound implications for the higher service and its future.

As well as having different, if challenging political environments, the three countries have different experiences with administrative reform that serve as another frame for this study. The United Kingdom has had a series of incremental and cumulative reforms (see pages 5-6), all of which have pushed the Civil Service in a strongly managerialist direction. The Canadian government has, at least in recent years, addressed budget issues first, particularly the need to reduce the deficit through initiatives such as Programme Review. These initiatives then created the need and the opportunity for changes in the higher civil service, as for example “La Relève” [OECD] now being implemented. Finally, the United States had a major reform of the higher civil service in 1978 and a series of piecemeal reforms since that time, notably the attempt to address pay issues in 1991. More recently, both the reinvention effort and the Government Performance and Results Act are carrying the United States further down the managerialist road already taken by the United Kingdom.

Despite the very different political settings, and their different positions along a continuum of reform, the three systems are encountering similar challenges to their higher civil service. All of them face the challenge of recruiting and retaining the high quality executives required to manage the increasingly sophisticated business of government in the context of increased public scrutiny. They are competing also for the best in an increasingly tough market for high calibre graduates. They also all face the challenge of finding ways of rewarding adequately the contributions that senior public servants make to society, and of providing them with more than psychic incentives to continue to make those contributions. The gap between public service and private sector rewards has widened significantly in the last decade and the process shows no sign of slowing.

Governments have the additional challenge of preparing their civil services for a style of governing that is vastly different from that of the past, and which will require a different mix of skills from that emphasised in the traditional civil service. For example, the increased decentralisation of government has accentuated diversity where once a (relatively) common set of values existed, so that civil servants need to be able to function in a more ambiguous and diverse environment. Finally, all three systems face the challenge of ensuring that modern managerial practices of, for example, decentralised delegated decision making and risk management are consistent with meeting current expectations of accountability and public scrutiny.

Part of the value of doing a comparative study of the current conditions and perceptions of higher civil servants is that these three countries are at different points in grappling with the issues. In some instances the longer experience of the United Kingdom civil service with some of the newer instruments for

managing public programs, for example performance based organisations, may lend some comfort to managers who are struggling with the early stages of implementing these ideas elsewhere. Further, there is a more general capacity to learn from the experiences of other systems and to develop strategies that may address some of the central issues facing these, and other systems of government.

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ANNEX

Policy Implications

Based on the responses of the interviewees, this research has identified a number of policy issues with direct consequences for the higher civil service as an institution, as for its members. As well as identifying these issues the authors have presented some ideas about policy instruments that may be able to address the issues effectively. The remedies proposed are intended to be a place to begin the discussion of solutions. It recognised that they may be more suitable for one administrative system than another and that not all are applicable to any one nation's civil service.

Recruiting and Developing Future Members of the Corps

In each of the three nations, the members of the higher service asked "Who comes after us?" Broad policy objectives must include recruiting persons with the right skills and expertise and assisting them in developing critical managerial and interpersonal abilities. Increasingly, that development must include learning to take the broader, "horizontal" view of policy and government. If such development is allowed to be haphazard, the chances of creating a cadre unable to meet new management and accountability expectations are greatly increased. Creation of longer term development policies and programs is made more challenging, however, by increased career mobility: many members of the public service now enter with no expectation for a long term career. The proportion of such members may be increasing; on the other hand, many of our respondents (now long term members of the civil service) indicated that their own public service career was essentially serendipitous.

Potential Policy Instruments

- Recruitment bonuses specifically targeted for those with requisite executive and managerial skills. The public acceptability of these will be a real issue in some countries where they run counter to existing remuneration values.
- Rigorous and elite management intern programs, which carry provisions for minimum specified lengths of public service following completion.
- Improved executive career development planning including designated opportunities, careful timing of those opportunities, and appropriate incentives to use them.
- Provision of regular opportunities for members of the corps to address as a group, the state of the service and their specific needs for additional learning and development.
- Planned mobility programmes both within the service and on an interchange basis with other sectors to broaden experience and increase external understanding of management issues in the civil services. These programs are important contributors to the prevention of insularity and to a more open public service culture.
- Retention of key members of the higher service during downsizing and related activities is very important. The reforms of the past twenty years have suggested that new skills and flexibilities are necessary in the future, but there are few clear national efforts to ensure that those currently in the service who possess the requisite abilities are identified properly and

retained in downsizing and buyouts. Retention and reward of “the best and brightest” should be a clear policy objective.

- Creation of apprentice and mentoring programmes to link new employees with the special knowledge and abilities of older members of the organisation.

Executive Workforce Planning

Executive workforce planning requires greater emphasis than most governments currently give it. The effective use of such planning will require that emergent tasks and configurations of government be considered, that critical executive capacities and needs be defined, and that demographic diversity be a part of the equation.

Potential Policy instruments

- Creation of Strategic Workforce Plans, including future recruitment strategies, retention strategies, and executive development strategies.
- Creation of clear Succession Planning Programmes.

Creating More Flexible and Effective Compensation and Reward Systems.

Base compensation that provides some degree of equity with the private sector is a significant problem in some nations. This is especially true where there is widespread private sector use of long-term incentives and means of capital accrual such as share/stock options. In other nations the policy issues focus on creating an effective system of incentives and performance rewards that can build on the compensation base. Forms of recognition that do not rely so heavily on financial incentives, but on career growth, mobility and development, as well as non-cash recognition, are policy tools that have not been widely enough utilised (even though they have been included in previous policies, such as the creation of the SES in the United States). A key element of this is building better understanding of what senior civil servants actually perceive as recognition and reward.

Potential Policy Instruments

- Linking of public service executive salaries to some level of comparison with comparable private sector executives as well as improving public understanding of the need for acceptable relativity..
- Flexible compensation systems based on skills, mobility, and critical purpose.
- Fuller provision of other incentives: recognition, development, and expanded challenge.
- Creation and/or refinement of comprehensive performance management systems, linking individual performance and reward to organisational performance.

- Creation of performance contracts for high level executives which focus on how work is delivered as well as what is delivered.
- Limited and strategic use of financial bonuses for exceptional achievement. This should be allied to testing of higher civil servants' views on rewards, to ensure consistency with their views of recognition and reward.

This preliminary research clearly demonstrated that the value and challenge of public service serves as an important motivation for many members of the higher service. As the reforms proceeded in many countries, interviewees considered that the contribution of members of the public service to effective government and sound policy often was not recognised. In each country, there are cases in which this could be achieved more effectively. **Recognition of contribution and service was the single most significant motivational issue for those members of the higher service interviewed in this research .**

Clarifying and Sending Clear Signals About New Accountability Systems

In each of the three countries, there was a clear awareness that reform had produced new expectations for performance and accountability. There was considerable confusion, however, about when, how and under what circumstances old and new accountability and performance systems are to work. In the United States, for example, several members of the SES compared the risk taking performance advocated by the rhetoric of Reinventing Government to the practice of strong hierarchical control still in place in every federal agency and noted that conflict between the two is inevitable. Performance contract accountability in Next Steps agencies, and its relationship to ministerial accountability, is also a clear issue in the U.K. While an immediate policy solution here is unlikely, this question deserves to be addressed by elected and appointed officials. Clear signals to members of the higher civil service and to those whom they serve will be necessary if reform is to take the next step of effective implementation.

To address the policy advice concerns in Canada and Britain, it is also necessary to identify and address accountability tensions. A much clearer conception of the emerging "broker" role -- the extent to which policy advisors are increasingly processing policy advice from many sources and levels of government, rather than serving as isolated experts -- is fundamental to clear expectations for new roles and responsibilities. Policy accountability in this setting is quite different from that of the past and requires additional skills.

Potential Policy Instruments

- Clear statements by political leaders on political goals and objectives and the role of the public service in meeting them.
- Creation of specific organisational structures and responsibilities for co-ordination across ministries and departments, including specific initiatives to combat "departmentalism".
- Creation of vertical co-ordinating structures for major shared policy areas where co-ordination is essential to effective performance.
- Clearer links between policy and operations, carefully defining the responsibilities of each.
- Creation of robust and widely accepted indicators of critical performance for both policy advice and operations.

- Performance management systems, linked to accountability, which provide clear and timely assessment procedures and which are owned by those who benefit from them. Creation of such systems for both policy/operations and at the individual and organisational level.

Focusing new IT systems and strategies more effectively to support such changes.

PUMA/HRM(99)1

Countries	Canada	United Kingdom	United States
Agencies and number of interview participants (total =25)	Industry 3 Transport 4 Environment 2 Treasury 3 PCO 3 Justice 1 Heritage 2 Agriculture 4 HP Dept. 2 Defense 1 (total = 25)	HM Treasury 3 Cabinet Office 1 Department. of Transport 2 DSS 2 Agencies 2 DEE 4 MAFF 4 N.Ireland Office 1 DTI 2 HM Customs and Excise 4 (total = 25)	Environmental protection Agency 3 Department of Commerce 4 Department of Defense 5 Department of Housing and Urban Development 2 Office of Personnel Management 3 US Department of Agriculture 3 Department of Veterans' Affairs 4 (total = 24)
Age			
Gender			
Education			
Time in service			

ATTACHMENT 2

Sample Interview Questionnaire

SENIOR CIVIL SERVICE INTERVIEW SCHEDULE

Administered by OECD

March 1997

Statement of Purpose:

Statement of Confidentiality:

Interview Date (mm/dd/yy). _____

Length of this Interview: _____

I. DEMOGRAPHIC INFORMATION

1. Your full name: _____

2. Experience prior to public service.

- i. private sector
- ii. non-profit organisations
- iii. other (please specify) _____

3. Time in the public service: _____ (years)

4. Time in the senior civil service: _____ (years)

5. Time in current Ministry/Department: _____ (years)

6. Specific title of position, including department or ministry:

- Nature of position:
- (i) Policy Advice
 - (ii) Operations/Service delivery: **If in Executive Agency, please specify** _____
 - (iii) Other: _____

7. Age Band: _____ (5-year age bands)

- Gender:
- (i) Male
 - (ii) Female

Highest Level of Education Attained:

- (i) Graduate (MA/Ph.D. or equivalent)
- (ii) University (B.A. or equivalent)
- (iii) Polytechnic
- (iv) Secondary School

II. PERCEIVED ROLE OF SENIOR CIVIL SERVICE

1. Please describe your perception of the current policy advice role of the senior civil service:

1.a) Does this differ from the policy advice activities when you entered the senior civil service?
If so, how?

2. Please describe your perception of the current management role of the senior civil service:
- 2.a) Does this differ from management functions and/or expectations when you entered the senior civil service? If so, how?
3. In relation to the above policy and management roles, have you seen a shift from one to the other?
- i. Yes, from _____ to _____
- ii. No shift
- 3.a) How would you describe the current balance between the two?
- i. primary emphasis on policy
- ii. primary emphasis on management skills and abilities
- iii. approximate balance between the two
- iv. current emphasis not clear (please elaborate)
- 3.b) Has changing balance of policy to management skills changed the relationship between members of the senior civil service?
- i. No, it hasn't
- ii. Yes, it has (please specify how)
- 3.c) Has changing the balance between policy and management changed the relationship between the members of the senior civil service and elected/appointed officials?
- i. No change
- ii. Yes (please specify how)
4. Public administration reforms have been extensive in many industrialised countries. In Britain, specifically in relation to the impact of reform on the role and necessary abilities of the senior civil service:
- 4.a) In your own terms, how have reforms changed the nature of your job and functions?
- 4.b) Is your performance evaluated by performance contract, and for what period of time?
- If your performance is evaluated by performance contract, what are the primary activities by which you are assessed?

If no performance contract, how is performance assessed and what are criteria?

Is use made of competencies in the context of performance evaluation?

4.c) In your position, are management skills or policy skills more important?

If management skills are emphasised:

- i. Do you feel that you have adequate skills in this area?
- ii. Has there been sufficient emphasis on this as part of the development process?
- iii. Do you feel that you have adequate authority and flexibility to manage, effectively?
- iv. Do you feel the person to whom you report has adequate skills in this area?

III. MOTIVATIONS AND INCENTIVES

1. What caused you to initially consider and accept a public service position?

2. Did you intend the public service to be a long-term or a short-term career?

- i. long-term
- ii. short-term

2.a) Has your perspective on the public service career changed?

- i. No
- ii. Yes (please specify how)

2.b) What caused this change?

3. How would you now describe your options for career development in the senior civil service?

4. Have your options been changed from an earlier point in your career?

- i. No
- ii. Yes (please specify what caused the change)

5. The following list contains motivations commonly associated with public service. Which **three** are most significant to you?

- i. opportunity to have impact on policy
- ii. financial rewards
- iii. job security
- iv. opportunity to perform public service
- v. prestige of higher service
- vi. opportunities for career growth and/or promotion
- vii. Intellectual challenge
- viii. quality of colleagues in workplace
- ix. any others (please specify)

6. How would you describe your current level of satisfaction with each of the three you listed as most important?

1st: _____

2nd: _____

3rd: _____

7. Have these three motivations/incentives been consistent throughout your career, or have they shifted with different levels of career development?

- i. Consistent
- ii. Not consistent (please elaborate on how the shift occurred)

8. An element of civil service reforms has been the use of financial incentives and pay for performance. Please describe your view of.

- i. the fit of pay for performance to the public sector
- ii. the role of pay for performance as incentive for the senior civil service
- iii. the role of pay for performance as recognition of contribution
- iv. the use of performance rating

8a) Please describe your view of the following aspects of pay for performance in your department/agency:

- i. the link between organisational objectives and the pay for performance system in your department/agency;
- ii. agreement on objectives between yourself and the person to whom you report;

- iii. the pay for performance process -- frequency of appraisal, clarity of communication, link between performance and reward, and fairness;
- iv. amount of financial incentive;
- v. use of 360 degree upward feedback to inform development needs.

9. What, in your view, would be the most appropriate means for assessing and rewarding your performance? How close does the current system come to this "model"?

Please provide specific examples.

10. How would you compare and contrast the benefits of contracting for performance with the more traditional accountability mechanisms of the senior civil service, such as:
- i. objectivity
 - ii. public service commitment
 - iii. public service ethics
 - iv. constitutional moorings
 - v. other

IV. ACCOUNTABILITY AND PUBLIC SERVICE VALUES

1. In many western nations, accountability and responsiveness of the senior civil service to elected officials has been an issue in the reform discussions. In your view, has it been important in Britain?
- i. No, it hasn't
 - ii. Yes (please elaborate on how, and by whom, the issue has been raised)
2. Assuming there is a changing role for the senior civil service in terms of public accountability, what, in your view, are the implications? For example, the division of accountability between ministers and members of the senior civil service?
3. One potential issue which is often raised is the impact of increased managerial autonomy and flexibility. If a reduction in detailed rules and regulations for management functions occurs, in our view, is it likely to lead to problems for members of the senior civil service?
- i. No, it's not likely
 - ii. Yes, it's likely (please specify (1) what kind of problems, and (2) under what circumstances)

4. Does the increased flexibility described above lead to:
 - i. more targeted management of resources to programme needs?
 - ii. a better focus on efficiency and effectiveness?
 - iii. improved links between policy and implementation?
 - iv. a different service-wide perspective?
 - v. decreased attention to collective public interest?
 - vi. different public service values? (Please provide specific examples)

5. Increased flexibility could encourage increased risk taking on the part of members of the senior civil service. Has this occurred? Please give specific examples.

6. Administrative reforms have been accompanied in some countries by downsizing and budget cuts. If this has occurred,
 - i. what has been the impact on the role of the senior civil service?
 - ii. What, if any, is the relationship between these changes and the relationship of elected officials?

7. In your view, how is the senior civil service now viewed as a source of neutral policy expertise? Is this still a public service value? Has this changed during your time in service?

V. THE FUTURE

1. What, in your view, are the most important changes in the public service of Britain likely to be in the next decade?

2. Please list and describe the three most significant issues confronting the senior civil service in the next decade.

3. What skills and abilities are necessary for the senior civil service to be able to meet these demands?

4. Are the skills and abilities you identify in #3 above likely to be available to you?

5. Are development opportunities to build skills available as part of top management development programmes, or can you create some opportunities yourself?

6. Is there anything about the issues that we have not addressed that you would like to elaborate on?

Thank you very much for your time