

PUBLIC SECTOR LEADERSHIP FOR THE 21ST CENTURY: EXECUTIVE SUMMARY

Leadership development is neither new nor unique to the public sector. Why then has it become a hot issue? In general, OECD Member countries are finding that there is a gap between how their public sectors are, and how the interests of the nation need them to be now or in the future. Member countries are finding something missing between existing public service cultures and the public interest. A common complaint is lack of dedication to the underlying values of public service and the interests of the citizens served. A common response seems to be the attempt to promote a certain kind of leadership.

Leadership is a critical component of *good public governance*, which is a major theme for current OECD work. Governance can be briefly described as the way in which the underlying values of a nation (usually articulated in some way in its Constitution) are “institutionalised”. This has formal aspects such as separated powers, checks and balances, means of transferring power, transparency, and accountability. However, for these values to be actualised, they must guide the actions of public officials throughout the system. They must be imbedded in culture. In this regard “leadership” is the flesh on the bones of the Constitution. It is at the heart of good governance.

The most important role of public sector leaders has been to solve the problems and challenges faced in a specific environment. When we say we want more leadership in the public sector, what we are really looking for is *people who will promote institutional adaptations in the public interest*. Leadership in this sense is not value neutral. It is a positive espousal of the need to promote certain fundamental values that can be called *public spiritedness*.

Leadership is an important and crucial variable that leads to enhanced management capacity, as well as organisational performance. A leadership focus also plays an integrating role among various Human Resource Management components including recruitment and selection, training and development, performance management, public service ethics, and succession planning.

The leadership development strategies of OECD Member countries, historically and culturally are spread across a wide spectrum. At one end is a high level of central intervention in which future leaders are identified and nurtured from the early stage through a centralised selection, training and career management process. In contrast there is a growing group of countries which adopt “market-type” approaches to developing and securing leaders. Between these poles, there are different mixes of the two approaches. Many countries now have designated “Senior Executive Services” membership – with varying degrees of central intervention.

General trends of leadership development in OECD Member countries are:

- *Developing comprehensive strategies*: A few countries have set up systematic strategies for leadership development. For instance, the UK Government has recently started to work on a leadership development model. The Norwegian Government has renewed its strategic plan for leadership in the civil service, in order to reflect increased concern for public sector change.

- *Setting up new institutions for leadership development:* In some countries, like Sweden and the US, governments have set up new institutions for identifying and developing future leaders in the public sector. In Sweden, the National Council for Quality and Development was created recently with the main task of identifying potential leaders.
- *Linking the existing management training to leadership development:* Many countries are expanding their existing management development programmes to encompass leadership development. One leadership development programme in Finland includes the creation of a new management development programme following re-evaluation of their previous one.

There is no single best model for developing future leaders, because each country has its unique public sector values to be emphasised and the management systems are different from country to country. Despite the diversity of strategies and approaches adopted by OECD Member countries, some general and common trends in developing future leaders can be drawn from the country experiences.

- *To define a competence profile for future leaders:* In the UK and the US, the first step taken to develop future leaders was to define the competence profile for future leaders. The idea underlying this is that competencies required for future leaders could be different from those required for present leaders in terms of their responsibility, capability, and role. For this reason, it is essential to predict what forms the future public sector will take, and what challenges will be faced in order to identify and develop leaders suitable for the future environment.
- *To identify and select potential leaders:* Given the competence framework for future leaders, the next step is often to identify and select potential future leaders. This issue involves the choice of whether to select future leaders from outside or to nurture them within the public sector. If a country puts more emphasis on the former method rather than the latter, it should also address the question of how to recruit “the best and the brightest” candidates in competing with other sectors.
- *To encourage mentoring and training:* Once potential leaders are identified and selected, the next step is to train them continuously. For this purpose, some countries set up a specialised institution for leadership development. Others put greater emphasis on leadership in existing curricula and establish new training courses for the top executives or senior managers.
- *To keep leadership development sustainable:* As developing future leaders takes a long time, it is very important to keep the leadership development sustainable. To do so, developing a comprehensive programme from the whole-of-government perspective is essential for developing future leaders. Allocating more of managers’ time to developing leaders, and linking incentives with performance for better leadership are crucial to the success of leadership development programmes.

From the country experiences, we have noticed some pitfalls of the leadership development strategies, to which special attention should be paid. First of all, developing an elite leadership cadre has many advantages. However, there are some possible dangers in developing leadership in this way. If a group of leaders begins to pursue their own interests rather than the national interest, the country may suffer. Such a group may become closed and insufficiently responsive to wider changes in society. So, new issues on the agenda are how to build a leadership cadre that is more responsive or representative, and also, how to re-orient and refresh existing cadres if they have begun to get out of step with the society they represent.

Secondly, many Member countries are looking to the strengthening of leadership as the solution to national public challenges. How they approach leadership however needs to be viewed in the context of the kinds of problems being faced. It seems important for leadership strategies to be based on a clear diagnosis of the national challenges being faced, and the current characteristics of the public sector culture - pursuing “leadership” development without that diagnosis and strategy is likely to be ineffective.

Thirdly, any successful leadership strategy involves culture change. We know both that culture change is very difficult, and that where it does take place it is over a long period and in response to a variety of powerful pressures. In strengthening OECD efforts in this area it is clear that we need better quality information on the degree to which past public sector leadership promotion strategies have actually changed behaviour. On this basis, countries will be better placed to diagnose the current problem and formulate strategies which are likely to be effective.