DEVELOPING PUBLIC SECTOR LEADERSHIP FOR THE 21ST CENTURY

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INTRODUCTION

1. This paper proposes a way of thinking about public sector leadership, it describes various leadership development strategies adopted in OECD Member countries, it draws some strategic lessons learned from the country cases and finally it outlines areas which need future work. It is mainly based on the OECD Member countries’ practical experience that were presented to the OECD Human Resources Management (HRM) Working Party Meeting held in July 2000. It also refers to the results of PUMA’s survey conducted in June 2000 on recent HRM developments in OECD Member countries.

Leadership as a Concept

2. Leadership means a variety of things. Sometimes it refers to the possession of personal properties like courage, stamina, or charisma. At other times, it means a property of a position which dispenses power, authority, and responsibility. A review of the leadership literature suggests as many definitions of leadership as there are scholars who have attempted to define it. Perhaps the closest to a consensus definition of leadership is that of social influence process, although the same may be said for most experiences that involve more than one person.

3. The Public Management Service (PUMA) has been asked by Member countries to work on leadership. We take the position that the core of leadership is how individuals influence others, particularly in respect of accessing their inner motivation. Leaders appeal because those who follow them believe that their values and deeper interests are served by so doing. It is not a clear-cut distinction but leadership differs from management in so far as the latter tends to be about more tangible incentives on behaviour.

4. But of course leaders can be good or bad, and the attributes of leadership can be used for purposes in support of or contrary to the public interest. We have assumed our Member countries’ governments are not interested in a treatise on leadership in this amoral sense.

What is the Problem?

5. So we have instead asked what is the problem that Member countries are facing to which they hope leadership may be the answer? In general Member countries are finding there is a gap between how their public sectors are now, and how the interests of the nation needs them to be now or in the future. In all countries structural and management reform in the public sector has been used to try to better align public services with the needs of contemporary society. But both in trying to make these reforms and in how things are after such reforms, Member countries are finding something missing between existing public service cultures and the public interest. What is it? A common complaint is lack of dedication to the underlying values of public service and the interests of the citizens served. How to fix it? A common conclusion seems to be by promoting a certain kind of leadership.
Our Definition

6. We therefore define the public sector leadership problem in a normative way.

How to develop more public officials who can draw others into a strong spirit of public service geared to the needs of contemporary society, and thereby make their services to government and to citizens more effective?

7. In addressing this problem we are not assuming that leadership comes only from those in positions of formal authority. Our study pays special attention to this senior group, but it also recognises that officials at all levels exert influence on others. For this reason this study is about the development of leadership, including, but not confined to, development of leaders.

Leadership and Governance

8. 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” in the sense we have defined, is the flesh on the bones of the Constitution. It is at the heart of good governance.

WHY LEADERSHIP NOW?

9. The concept of leadership is neither new nor unique to the public sector. It has been frequently discussed in the public management, as well as business management, literature. It seems, however, that interest in public sector leadership development has had a resurgence in recent years. A OECD Survey shows that many OECD Member country governments, including Germany, Iceland, New Zealand, Norway, UK, and the US, have given high priority to this issue during the last couple of years.

10. There are various reasons for leadership development becoming a more important issue in OECD Member countries. Part of it seems to be the effort to drive reform. The British Government cites stronger leadership as one of the six key themes for civil service reform. With the growing interest in public service accountability and co-operation, the New Zealand Government stresses the importance of leadership to foster these ideals. In general, there seem to be at least four reasons for the growing attention to leadership.

Changing environment requires a new type of leadership…

11. Globalisation, decentralisation, and more intensive use of IT are some key elements for government in the new century. Globalisation of economic and social policies creates a need for new capacities to exploit new opportunities to deal with international implications of policy issues. At the same time, greater decentralisation of national policy is increasing fragmentation of policy responsibilities, posing major challenges of policy co-ordination, accountability, and coherence. Rapid development of information and technology gives the potential for governments to cope with new problems in a swift, transparent and flexible manner. In order to effectively cope with a variety of dynamic demands such as aggressive competition, employee needs, market demands, IT advances, and global economic shifts, new approaches to leadership are required, which are better fitted for the tasks of redesigning, renovating or reinventing existing organisations, as well as securing coherence, accountability, and co-ordination among policies and various interests.
12. Within this changing environment, OECD Member countries are placing more emphasis on leadership because:

- The growing need for people to “think and act global and local” requires leaders to pay more attention to policy coherence. In particular the shift of power between citizens and government has increased the importance of leadership in the public service and has made the task of managers more demanding;
- In many OECD Member countries the attractions of work in the private sector and other parts of society seem to be increasing at the expense of the public service, and there is an increasing need for many countries to take a new look at how to ensure they have leaders and managers of the right quality;
- In a knowledge-intensive economy, government needs to increase the knowledge basis of their activities and keep track and integrate knowledge as it is increasingly produced. This calls for a new type of leadership that inspires others to create and share knowledge.
- Finally, our external environment is changing fast and there is a continuing need for public sector organisations to make very serious adaptations if they are to continue to be useful. In practical terms this situation puts greater demands on leadership – not just amongst senior managers, but amongst all public officials, elected and appointed.

Leadership focus is changing…

13. Truly effective leaders in any age have always been more subtle, but the traditional paradigm of leadership is strongly that of command and control in which there is a clear distinction of roles of leaders and followers. Under this model, the relationship between leaders and followers is based firmly on the leaders’ authority, and the subservience of the followers to that authority.

14. However, in a decentralised, knowledge-intensive, and “webbed” society, this classical leadership model is losing ground. Relationships between leaders and followers have been changing.

15. Authority is no longer as complete as it used to be, hierarchies have in many organisations been lowered, and because of a range of social changes, including more mobility and job opportunity, today’s public sector leaders need to get commitment from the followers, not just their compliance. As a result, today’s leaders have to find ways beyond their authority to influence their followers effectively.

Leadership differs from management…

16. “Leadership” and “Management” are often used interchangeably. In practice the two concepts overlap heavily. They share many common features in that both are based on institutional structures and systems, and both are oriented towards better performance of the organisation. But they do represent a
difference in emphasis. According to Jo Brosnahan\footnote{Jo Brosnahan, 1999, “Public Sector Reform Requires Leadership”, A paper presented to the OECD/PUMA Symposium on Government of the Future.}, leadership means paying more attention to the development of attributes that focus on integrity, vision, the ability to inspire others, awareness of self, courage to innovate, and judgement. While management puts more emphasis on formal systems, processes and incentives, leadership is more about informal influence – how to mobilise people through values and visions.

17. As hierarchies are being reduced and information and technology is developing, the public sector environment requires some competencies different from the conventional management ones. Governments are finding that managerial skills and qualities that had been given importance during the last two decades or so are not sufficient to cope with future challenges. Hence the effort to re-identify skills and qualities required for public sector leaders. From the country cases, these components of public sector leadership needing more emphasis are:

- focusing on delivery of results;
- challenging assumptions;
- being open to learning from outside;
- understanding the environment and its impact;
- thinking and acting strategically;
- building new patterns and ways of working;
- developing and communicating a personal vision of change.

\textit{New leadership involves all levels…}

18. In the traditional leadership hierarchy, leaders were considered to be those very few people in higher positions within the hierarchy. But in the new leadership model, leadership involves all levels though their roles are different from each other. The US Government identifies three different types of leadership in the hierarchy; \textit{strategic leadership, team leadership, and technical leadership}.

- \textit{Strategic leadership} is required at the higher levels for such components as strategic thinking, political savvy, vision, external awareness, influencing or negotiating, and cultural awareness.
- In the middle level, \textit{team leadership} is more important than others, with team building and interpersonal skills as crucial competencies.
- The lower level employees need \textit{technical leadership}, emphasizing professional and technical skills.

19. The idea of leadership being required at all levels is revolutionary in its potential impact, and is an important driver of the move to redefine public sector leadership.
THE ROLE OF LEADERSHIP

Change/Reform Agents

20. Throughout time, the most important role of public sector leaders has been to solve the problems and challenges faced in a specific environment. What then is the problem that we need the present leadership to solve? Heifetz\(^2\) argues that it is the problem of adaptation. By adaptation, however, he does not mean just coping. He is talking about the capacity to promote adaptations which will further restore and promote the fundamental interests and values of the society or organisation in question in circumstances when there is a big gap between how things are and how they should be. To put it in public sector terms, the problem is how can nations, governments and public agencies adapt to changing circumstances when the changes required are beyond the scope of existing ways of doing things?

21. Heifetz takes the view that when people come under severe stress because of a gap between how things are and how they would like them to be, they have two equally dysfunctional tendencies.

- One is to look for some person or organisation to blame for the stress – to create a “scapegoat”. It simplifies the problem and allows an outlet for the stress – is the IMF, for instance, really responsible for the huge changes being wrought by globalisation?
- The other is to look to some individual as their saviour – to place undue faith in the capacity of a particular individual to “lead” them out of the difficulties. Dictators almost always come to power in a period of national stress when people desperately want someone to solve their problems for them.

22. Following this analysis, 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.

23. In particular, leadership plays an important role in the implementation of public sector reform because it involves two of the most important aspects of reform: change and people. Leadership is manifested in relations between people. Good leaders inspire people. Changing organisations is really about changing people’s behaviour; so organisations undergoing reform need leadership. Leaders, spread throughout an organisation, can help to diffuse and maintain the new values that are necessary for successful public sector reform. Instead of being all-powerful authority figures, leaders in the future will need to be able to persuade people and to focus their efforts on a common cause.

Enhancing Organisational Capacity/Performance

24. Leadership is an important and crucial variable that leads to enhanced management capacity as well as organizational performance. Figure 1 maps out the hypothetical relationships between leadership and organizational performance. Within a given organizational culture, how leadership is exercised largely determines the level of management capacity, by mobilising the use of available resources such as manpower, money, and information, etc., and by affecting various management systems like HR management, budgeting systems, institutional arrangement, and IT, etc. Enhanced management capacity, however, does not necessarily lead to higher organisational performance. Management capacity should be

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used for achieving organisational performance. To do this, the steering role of leaders is very important in achieving the performance target. Organisational culture affects this process directly or indirectly, sometimes as an accelerator or sometimes as an obstacle.

Figure 1. Leadership and Management Capacity/Performance

![Diagram showing Leadership and Management Capacity/Performance]

In this light, leadership plays a significant role in achieving both enhanced management capacity and organizational performance. But there has been no particular empirical study that explores the relationships so far. It would be one of the key areas to be investigated in future leadership studies.

In measuring organisational performance, focus has recently shifted in a couple of countries from outputs to outcomes. This goes along with a necessary change in civil service culture. Not the outputs but the impact on society is what really matters, which opens up the horizon to more complex and cross-cutting issues. Leadership is essential to support the cultural change thereof, communicate the new society-wide focus, motivate the staff for this task and to facilitate co-operation across departmental boundaries. This outcome-oriented framework usually gives organisations a high degree of freedom and flexibility to contribute to the outcomes. Leaders must be able to use this flexibility, motivate their staff and provide them with appropriate incentives to fulfill the mission. Eventually, the leaders (or sometimes managers) will be held accountable for the outputs of their agencies.

**Integrating Other HRM Activities**

Leadership constitutes an important component of human resources management. It also plays an integrating role among various HRM components. The first and most crucial stage in the development of leadership is the selection of leaders, because when wrong persons are selected, there is little use of developing them. It is essential to define the skills and competencies that future leaders should have, on the basis of which the selection procedure should ensure applicants with the best competencies as well as a strong desire to work with people to be appointed. In this regard, leadership competencies need to be tested thoroughly. As can be seen in Figure 2, leadership development is closely connected with each of the HRM activities in the personnel management cycle.
28. There is a particularly close relationship between public sector leadership and public service ethics. Normatively, the public sector leaders should demonstrate high ethical standards of transparency and accountability. In addition, their role as promoters of high standards of public service in general is getting more important because public service ethics are a prerequisite to, and underpin, public trust, and are a keystone of good governance.

**Leadership Role Differs in Different Context**

29. The degree of importance given to developing public sector leadership differs considerably from country to country. In the OECD Symposium on Government of the Future in 1999, delegates indicated that the importance of leadership largely depends on the make-up of the society, the structure of the organisation and the type of reform.3

- Developing leaders is more important in a diversified society than in a homogenous society, because leaders are required to transmit new values, mediate differences, and create coalitions in support of reform.
- Leadership is more important in a decentralised and “webbed” government than in a hierarchical and rule-based government.
- Countries that have chosen a path of incremental reform will be less likely to mobilise many leaders at once. However, where reform is greater and more widespread, there is a higher premium placed on leadership.

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LEADERSHIP DEVELOPMENT STRATEGIES IN OECD MEMBER COUNTRIES

General Trends in OECD Member Countries

30. Historically and culturally, OECD Member countries are spread across a wide spectrum in their strategies for developing their public sector leaders. At one end of the spectrum 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. The most salient case can be found in ENA of France. This school has played an overwhelming role in creating the French administrative elite. The top 20% of graduates, ranked according to performance, are automatically guaranteed jobs in the five elite grand corps of the French civil service, including the Inspection des Finances and the Cours des Comptes, or auditors office. East Asian countries like Japan and Korea have similar strategy. They select potential leaders through special exams, and nurture them from an early stage.

31. In contrast, at the other end of the spectrum there is a growing group of countries which adopt “market-type” approaches to developing and securing leaders. In the purest form of this (of which New Zealand is perhaps a good example), there is a very light co-ordinating role at the centre, all senior posts are widely advertised and can in theory be awarded to anyone who meets the skill and knowledge required.

32. 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. Some countries are introducing more market into centralised elite systems because elites can over time become unresponsive to social change. On the other extreme, some countries are finding that highly market driven systems create difficulties in forming an adequate pool from which they can recruit for key public sector positions, and may undermine the development of a set of collective values to bind the public sector together.

33. In most OECD Member countries, control of leadership is held at central government level but there is considerable flexibility within departments and agencies to adapt leadership strategies according to their particular needs. General trends of leadership development in OECD Member countries can be summarised as follows.

Developing comprehensive strategies

34. According to the survey results, there are only a few countries that 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

35. In some countries, like Sweden and the United States, 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

36. Meanwhile, many countries tend to expand 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. In the Netherlands, the Senior Public Service was expanded to include all senior management to cope with the increasing need for a larger number of executive leaders.

Country Cases

United Kingdom

37. In the United Kingdom, the Civil Service has been undergoing major reform since 1999, which is expected to take from three to five years. The Cabinet Office is in the process of defining the leadership skills required for the twenty-first century, in order to establish programmes to ensure that these skills are obtained, and maintained. To this end, two projects have been instituted with the aim of defining leadership: (1) to identify a set of core competencies; and (2) the Senior Civil Service Leadership Project. Leadership seminars and workshops attended by most senior civil servants have been conducted in order to canvass opinion and establish the parameters of these projects. The 21st century Senior Civil Servant needs to acquire new skills; he or she must have the insight and the skills to communicate the broader vision, be receptive and responsive to staff, and open to change and learning.

The United States

38. Leadership development in the United States has been supervised by the Office of Personnel Management (OPM), established over 20 years ago. One of their first strategies was to draw up a list of Executive Core Qualifications (ECQs) which are continually monitored and adjusted to suit current requirements. Training schemes are based on these ECQs, which are designed to foster creative thinking, the ability to negotiate, relate with staff, handle increasingly complex information technology, improve business acumen, and aid in recognising particular talents amongst staff, etc. The OPM established the Office of Executive and Management Development (OEMD) to organise assessment programmes, training seminars and continuous learning opportunities. The OEMD also engages in partnerships with agencies and departments within the Federal Administration to examine and improve leadership skills according to their specific requirements. Another division, the Office of Resource Management, also offers leadership symposiums and seminars for networking and exchanging ideas.

Germany

39. In the aim of providing a more efficient and citizen-oriented civil service, almost all ministries and departments in the German Federal Administration have formulated their own strategies to develop and improve leadership. Newcomers to the civil service take part in compulsory introduction and induction programmes organised by the Federal Academy for Public Administration. This academy was established in 1968 for the precise purpose of training staff in the higher civil service. It also offers ongoing training during the first three years of appointment. The German public administration of today also favours generalists, and increasingly needs leaders with international skills and competence in European matters. Control of leadership is by performance dialogues at least once a year, established evaluation criteria for appointment and advancement, and a new technique introduced recently: evaluation of performance by one’s own staff. The latter technique was recommended by a working group set up by the Federal Government to manage the development and implementation of leadership programmes for the future.
Sweden

40. In Sweden most of the recruitment decisions and management training are handled by agency managers. This provides greater flexibility to the individual departments in their staff policies, but central government maintains its control by appointing those who manage the agencies. It also maintains control in its formal recruitment policy, adopted in the mid-1990s, which identified six key aspects:

- **Professional recruitment**: each position requires a written schedule, and candidates are sought from the business sector, and from municipalities and county councils as well as from government.
- **More women in managerial positions**: it recommends the inclusion of a female candidate in shortlists.
- **Good induction programmes**: considerable attention is given to induction programmes in the Swedish public administration, organised both individually for new appointments as well as in groups.
- **Continuous development of managers’ skills**: leadership training is provided both for new and experienced managers. Group sessions allow managers to share and resolve issues with colleagues.
- **Performance dialogues**: these are held annually between the agency head and the ministry responsible for his appointment.
- **Mobility between appointments**: this is regarded as an advantage and is encouraged by appointments for limited periods. The manager with wider experience brings additional skills to his department.

41. In 1999, the Swedish Government set up the National Council for Quality and Development, a body responsible for overall control of management in agencies and public administration, which offers a range of management training programmes. Amongst these is a programme for female managers and a mentor programme which has proved particularly popular.

Norway

42. The Directorate of Public Management, which is a subordinate agency of the Ministry of Labour and Government Administration, holds the main responsibility for leadership development in Norway and has recently prepared a detailed strategy for managers and management. This also acknowledges the greater skills and demands required of the leader in this technologically advanced and more diverse society. Ongoing training of managers is recognised as being as important as initial training, and the manager of today is supported by seminars and workshops to aid in relating to staff, and to acquire skills in encouraging teamwork, vision and incentive. Increasing representation of women in management is also regarded as a priority. The strategy covers the period 1998-2002 and will see the implementation of improved leadership training schemes.

Mexico

43. Recent and major reform in the Mexican Civil Service recognises the importance of training leaders suitable for a more efficient and people-oriented administration. This will institute recruitment policies which were previously non-existent as well as professional development programmes and performance appraisals. A compulsory training scheme for civil servants was introduced in July 2000. The Civil Service Unit(USC) within the Ministry of Finance has set up a Directive Committee on Quality, and an Executive Committee on Quality, both designed to improve the performance of leaders of the USC and to ensure that the wider society receives the services it requires.
COMMON STEPS TAKEN FOR DEVELOPING FUTURE LEADERS

44. The survey shows that OECD Member countries have taken a variety of approaches for developing their public sector leaders. But 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 Member countries, some general and common trends in developing future leaders can be drawn from the country experiences, although they are not exhaustive.

To define a competence profile for future leaders

45. In the UK and 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.

46. For this purpose, the UK Civil Service has produced the new Senior Civil Service (SCS) core competence framework which aims to better reflect the more diverse, creative, strategic and people-centred organisation. The framework structure is shown in Table 1. The developed draft of this competence framework has been validated through extensive survey, workshops and benchmarking against good practices. The competence framework will be launched in April 2001 as part of a new SCS performance management system which focuses on training and development needs and career planning as well as encouraging good performance.

<table>
<thead>
<tr>
<th>GETTING THE BEST FROM PEOPLE</th>
<th>MAKING A PERSONAL IMPACT</th>
<th>WORKING COLLABORATIVELY</th>
<th>TAKING A WIDE PERSPECTIVE</th>
<th>FOCUSING ON OUTCOMES</th>
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<tbody>
<tr>
<td>Inspiring people to give of their best</td>
<td>Showing The way Forward</td>
<td>Working with others to achieve the best overall outcome</td>
<td>Looking ahead, assessing options and deciding on outcomes</td>
<td>Organising delivery through people</td>
</tr>
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Table 1. Core Competence Framework Structure

47. The US Government has also developed and defined a set of key characteristics and leadership competencies, called Executive Core Qualifications (ECQs). The US ECQs and their 27 components are listed in Table 2. These ECQs are used to: 1) identify developmental needs of individuals; 2) select and certify candidates for the Senior Executive Service (SES), which is the most senior level in the US; and 3) measure performance in the first year of service of these newly appointed leaders.
### Table 2. ECQs and 27 Components

<table>
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<th>ECQs</th>
<th>Components</th>
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<td>Leading Change</td>
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<tr>
<td>• Continual Learning</td>
<td>• Resilience</td>
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<tr>
<td>• Creativity and Innovation</td>
<td>• Service Motivation</td>
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<tr>
<td>• External Awareness</td>
<td>• Strategic Thinking</td>
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<tr>
<td>• Flexibility</td>
<td>• Vision</td>
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<tr>
<td>Leading People</td>
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<tr>
<td>• Conflict Management</td>
<td>• Integrity/Honesty</td>
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<tr>
<td>• Cultural Awareness</td>
<td>• Team Building</td>
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<td>Results Driven</td>
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<td>• Accountability</td>
<td>• Entrepreneurship</td>
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<tr>
<td>• Customer Service</td>
<td>• Problem Solving</td>
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<td>• Decisiveness</td>
<td>• Technical Credibility</td>
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<tr>
<td>Business Acumen</td>
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<tr>
<td>• Financial Management</td>
<td>• Technology Management</td>
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<tr>
<td>• Human Resources Management</td>
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<tr>
<td>Building Coalitions/Communication</td>
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<tr>
<td>• Influencing/Negotiating</td>
<td>• Partnering</td>
</tr>
<tr>
<td>• Interpersonal Skills</td>
<td>• Political Savvy</td>
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<tr>
<td>• Oral Communication</td>
<td>• Written Communication</td>
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48. The Finnish Government also revised its selection criteria for top government officials in 1997. The goal of the revised criteria is to transform the role of top officials to cope with globalisation and changes in government, especially those that have increased the authority and responsibility of governmental departments and agencies. The new selection criteria seek to improve the competence of top managers through statutory qualifications and general qualifications. The statutory or job specific qualifications include higher academic degrees, relevant policy expertise and proven management ability and, at the highest level of government top management experience. General qualifications, or those rules that apply to all top civil servants, include ethics, wide ranging government experience and knowledge, the ability to work in a team, developmental potential and proven interpersonal, communication and language skills.

**To identify and select potential leaders**

49. 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. In many OECD Member countries, the government faces difficulties in recruiting the most talented people to the public sector due to the worsening image of the government, tighter labour market, relatively low wage, and lack of entrepreneurship. For these countries, identifying and selecting future leaders has become more important than ever.

50. When looking at the OECD country cases, there appear two broad trends in identifying and selecting leaders, though countries have not used the term of ‘leadership’ explicitly. One group of countries like the UK, France, Japan, and Korea has a centralised system of selecting future managers and/or leaders. For example, the UK Government’s fast stream process aims to select a pool of future leaders at an early stage. The ENA in France nurtures future élites of the whole society. In Japan and Korea, there has been a special exam to recruit future managers and/or leaders. In contrast, countries like Sweden, Germany and the Netherlands, where personnel authorities were already largely devolved to the line ministries, do not have a formal government-wide system for selecting future managers/leaders. Rather, in these countries each ministry looks for the best-qualified person who fits its organisational needs.
Another way to identify leaders within the organisation is *succession planning*, which also plays an important role in heightening the morale of current employees. For those who are likely to be able to take leadership roles in the future, the organisation should provide a range of experiences in different functions, in various sectors, in inter-departmental task forces, and even in the private sector. Various experiences and involvement will help in developing future leaders in the organisation.

**To encourage mentoring and training**

Once potential leaders are identified and selected, the next step is to continuously train them. As mentioned elsewhere, for this purpose, some countries set up a specialised institution for leadership development. For instance, the US Government established the Federal Executive Institutes and Management Development Centres, where public service leaders have a developmental pathway to leadership, known as the “Leadership Journey”. In Sweden, the government set up the National Council for Quality and Development in 1999. One of the key tasks of this new institution is to recruit and train managers in public administration. For this purpose, it has conducted the “Strategic Management Programme”, where the task of leadership, future trends, and activity development are covered.

Others, for instance Austria, Belgium, Finland, Japan, Korea, the Netherlands, Poland and Portugal, add greater emphasis on leadership in existing curricula and establish new training courses for the top executives or senior managers. For instance, Germany developed a four-phase system of leadership training in the Federal Academy of Public Administration as follows:

- Phase 1. Competence training for future managers;
- Phase 2. Qualification for leadership tasks;
- Phase 3. Development of advanced leadership skills;
- Phase 4. Special Knowledge and exchange of experience.

The Netherlands has adopted, and Iceland plans to adopt, the “coaching and counselling” methods for present or potential leaders, in co-operation with private sector professionals. Under this method, for a certain period of time, a leader will discuss his/her weak points with the coach, and get advice from the coach for developing leadership competencies for the future. Iceland has taken an interesting approach to leadership development, whereby the government helps leaders to organise and maintain networks among themselves. This approach has been very useful for sharing common values among leaders as well as for learning from each other.

**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, some practical suggestions were raised at the OECD Symposium.

- Developing a comprehensive programme from the whole-of-government perspective is essential for developing future leaders. If possible, the government should set up some kind of institute specialised in leadership development.
- Allocating more of managers’ time on developing leaders is crucial to the success of leadership development programmes. Research has revealed that one of the best practices in the most successful private businesses is for senior executives to spend up to 25% of their time developing leaders.
Linking incentives with performance for better leadership encourages employees to sharpen their competencies and achieve their full potential. It also contributes to the organisation’s sustained efforts to develop leaders.

Another way for the sustainable leadership development would be to create a Senior Civil Service Group, whatever it is called. The US government has had the scheme called Senior Executive Service (SES), while UK has called it Senior Civil Service (SCS). The Netherlands introduced the Senior Public Service (SPS) system in 1995, and plans to enlarge the SPS gradually to all management positions in the national public service. The major advantage of this system is to form a loose collection of civil servants to a team of senior leaders sharing common values and visions for the future government. It helps not only to enhance the integrity of the civil service, but also to accelerate the mobility and flexibility among top leaders in the public sector.

**FURTHER ISSUES**

*Women Leaders in the Public Sector*

As the concern about gender equality grows in OECD Member countries, the issue of women leaders in the civil service seems to be one of the most unexplored, but an important area in leadership development. According to the survey, very few countries mentioned the issue of women leaders in the civil service. Norway addressed this issue by setting up a four-year plan to increase the number of women in top and middle managers from 22% in 1997 to 30% in 2001.

In general, over the last decade, it appears that there has been a significant increase in the numbers of women in the civil service. In particular, women are more heavily represented in the public sector than in the economy as a whole in many OECD Member countries. Despite the increasing proportion of women in the civil service, it appears that the number of women in managerial and senior level posts is still relatively low. In most countries represented in Figure 3, the proportion of women in their respective top occupational group post is shown to be about 20% or less, with the exception of France.

However, during the recent decade, the number of women managers increased drastically in some countries and moderately in other countries. As can be seen in Figure 3, during the 1990s the UK has seen about a 125% increase in the number of woman managers. It can be explained in part by the fact that steps have been taken to promote equal employment opportunities between men and women in some countries. It is also expected that the proportion of women leaders in the civil service will increase in the future thanks to the equal employment policies which are widespread in OECD Member countries.

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Securing Balances

60. Developing an elite leadership cadre has many advantages. It promotes common values and vision among public sector leaders. Also it helps to enhance policy coherence among departments. Furthermore, it contributes to widening perspectives of leaders, by providing opportunities for different knowledge and experience. 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 its national interest, the country may suffer. Such a group may become closed and insufficiently responsive to wide changes in society. So new problems 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.

61. An interesting question is how to manage an elite system in circumstances where public management requires more leadership at all levels. Clearly the danger to avoid is that of empowering a minority at the expense of the motivation of the majority.

Different Problems need Different Solutions

62. 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 in reference to 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 like to be ineffective. If a public service is excessively clannish, for instance, the leadership development strategy might more at diversity and innovation- while a public service with problems of atomisation might be looking to strengthen collective values. A rule bound public service might look for more citizen focus, while a poorly compliant public service might aim for leaders able to apply stronger behavioural controls.
Leadership development Policy Implications

63. From experience and analysis to date certain lessons about how to approach the task of leadership development suggest themselves:

- A public sector leadership course would have an agenda somewhat different from a normal leadership development course. Any intervention focused on public sector leadership should be dealing less with systems and skills but have at its heart the actual public sector challenges confronting the group in question and the public sector values and personal values that those challenges threaten.

- The best way to become a leader is by doing it or by working closely with people who do it. If we find we cannot look at leadership as a set of individual competencies separate from one’s own willingness to face tough issues, then leadership is learnt by facing tough issues and by working with people who make you face tough issues.

- Leadership development should not be confined to those who hold positions of high authority. Emergent senior managers surely warrant special attention, but a leadership development strategy confined to that group is ignoring the fact that influence is more informal than formal and that successful adaptation requires personal responsibility at all levels.

- Successful leadership requires not only focusing on the issues but a deep understanding of the people involved and how they react to stress. It also requires a clear sense of what problems are most important and how many can be dealt with at one time, and a capacity to dampen down conflict and create an environment in which people have the security and confidence to face up to issues rather than avoiding them or being overwhelmed by them.

- Finally it requires too a robust sense of what people might do, and in what sequence, to begin changing their circumstances.

64. Government efforts to stimulate leadership in the sense of the knowledge, skills and moral courage necessary for effective, adaptive public sector action, should be less a technical or knowledge transfer than a whole-hearted effort at facing hard issues, promoting values and stimulating robust action. Deeply involved in any such process should be those who are already demonstrating effective leadership.

Areas for Future Attention

65. 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 time 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. There is scope for research and exchanges on comparative leadership-differing national expectations, cadre models, diversity goals and tools, feeder strategies, gender emphasis, nature and duration of acculturalisation strategies, degrees of central direction and control, and how to assess the relative impact of nurturing, training and buying strategies and the mixtures thereof.