

**III. Public Sector Reform: people in the public service**

Chairperson: Pan S. KIM (Korea)

Co-Project Directors: Mohamed CHARIH (Canada) & Dele Olowu (African Development Bank)

## On Ideal Type of Senior Civil Service Structure

Thomas Ching-peng Peng  
Inst. of European and American Studies  
Academia Sinica  
Taiwan, ROC

## **I . Background**

Since the US established the first unique senior civil service (SCS) system in the world, many countries have followed the lead to design their SCS systems. Among the OECD countries, seven nations that launched distinctive SCS systems are US (1979), Australia (1984), New Zealand (1988, abolished 2003), Netherlands (1995), UK (1996), Belgium (2000), and Korea (2006). Korea is the newcomer of this SCS trend and formally initiated its SCS system at the beginning of 2006. Canada does not have a formally claimed SCS system; nevertheless it has a distinctive civil service management system for high ranking officials. I argued elsewhere that there is a convergent phenomenon where modern countries tend to set up their distinctive SCS systems to better manage their civil service and to cope with the complex domestic and international governance environment (Peng, 2005a). In this paper, I will argue that there should be an ideal model of SCS system in which every country can take as an example or reference structure in designing their SCS systems or revising civil service systems.

Current literature, including the OECD reports, has shown that many factors contribute to the emphasis on civil service leadership building (OECD, 1997, 2001, 2003). Some of the most important factors are: information transparency and

expediency derived from internet technology, expedited and elevated expectancy from the general public, employment advantage of the private sector, governance challenges from local, national, and international environment, and competence required of the senior civil servants. These factors call for a competent SCS system to lead the whole civil service to meet the new challenges. The common environmental factors will be discussed to reveal why the SCS is becoming a trend among industrialized nations.

There is rich literature on SCS to describe and analyze the current types and models of senior civil service system in many countries, especially the OECD countries (OECD, 1997, 2003; EIPA, 1998; World Bank, 2005). Many countries studied carefully the SCS systems in the world, again especially among OECD countries, before and after they carried out reform measures on their respective systems. The most recent case is that Korean government held an international conference in 2004 in order to learn experiences of other countries including the US, UK, Canada, Australia, and Netherlands before the establishment of Korean SCS in 2006.

But is there an ideal model that countries can use when they want to establish their unique SCS system in the future? The existing literature has extensively

examined the different aspects of the newly established SCS systems in the world. The recruitment, selection, competency, performance, pay, promotion, and training are discussed carefully. Academic papers tend to discuss specific parts of the SCS systems of some (between two or among a few) countries to explain the central themes of the SCS (Hood, 1998; Putseys & Hondeghem, 2003). These undertakings are useful to show the important functioning mechanism of the SCS. However, current literature did not provide us the reasons that more countries are devising the unique SCS system and what organizational principles should be considered are, if any. Viewing from the varied pattern of civil service systems in the world, especially the distinction between presidential and parliamentary countries, an ideal model of SCS seems to be a remote possibility. However, since the creation of a unique SCS is nothing but an invention only after 1979, a new SCS system may have to follow similar organizational pattern in order to accommodate the ever increasing pressure from globalization, human resource management trend, and information technology development.

This paper thus tries to analyze different perspectives of SCS, senior civil servants, and politicians in order to reveal the inner mechanism of an ideal SCS model. It is argued that the concept of position-based system shall be the core building block of the SCS system. Other system elements, like pay, contract system, etc, could be

incorporated into the system based on the political, cultural situations of the countries.

## **II. The Need for A New Senior Civil Service**

The governance environment has changed tremendously since 1980's. If governance is correctly defined as the exercise of political, economic and administrative authority to manage a nation's affairs including complex sets of institutions, systems and processes which engage the state, civil society and the private sector in a democratic and transparent way (UNDP, 1997), the task any government needs to fulfill would be a daunting one. It is widely expected that, after the New Public Management movement of 1980's, a government should (Stiglitz, 1998):

- restrict interventions where market power can play a systematic role.
- promote competition in providing services.
- in favor of openness in government.
- encourage the private provision of public goals.
- advise a balance between expertise and democratic representativeness and accountability.

The complex and delicate situation of governance, compare to that of the twentieth century is elevated to an unprecedented level because of the following factors: globalization and information technology development.

Globalization creates a term of “global governance” which no one used before 1990 but is “now globally held to refer to the institutions for managing relations between states across a range of issues, from security to human rights and the environment (Halliday, 2003: 489).” Global governance covers the activities of states, inter-governmental organizations, non-governmental organizations, and transnational bodies, most notably multinational corporations.

Globalization also means that governments are under intense pressure to compete with each other. International public sector benchmarking has become annual rituals as some international watchdog institutions, like IMD (Institute for Management Development) and World Economic Forum, measure governmental competitiveness scores and publish widely monitored reports. It is even suggested that the governance challenge of a nation-state is in the long run “that of municipalities within states heretofore, to provide the infrastructure and public goods that business needs at the lowest possible cost (Hirst & Thompson, 1999: 162).” All the above mentioned challenges call for a highly competent civil service to deliver effective governance.

Information technology has been used in public administration by many industrialized countries for decades. But the fundamental impact the information technology and the ensuing concept of electronic government gained strong political support only after the US Vice President Al Gore advocating “Information Society” and improving the performance of the public sector with the help of information technology (Traunmüller & Lenk, 2002: 1). The rapidly changing information technology has broadened the concept of e-governance to the point of “online one-stop government” that customers may request any public service through a single point of access using communication channel of their choice (e. g., single governmental portal, call center, etc.) (Peng, 2005b). On the one hand, the e-governance will reach the level of non-stop government service delivery with easy access by citizens. On the other hand, in order to provide the year round efficient service to the public, the government needs to integrate the formulation, execution, and evaluation process of all the related policies in advance. In order to provide seamless, integrated service, any government should transform itself into a holistic government that cut across the organizational boundaries and eliminate service “fragmentation” that generated by departmentalization (Perri 6, 1997). OECD’s report (2001) warns that the inability of governments to manage large public information technology projects threatens to undermine efforts to implement e-government. The opportunities and challenges that

information technology poses on government evidently call for a strong leadership of SCS.

Other than the fundamental changes brought by globalization and information technology, a survey report of OECD member countries reveals that public leadership has become more important in the new century (OECD, 2001: 13).

1. The growing need for people to think and act global and local requires leaders to pay more attention to policy coherence.
2. The attentions of private work seem to be increasing at the expense of the public sector.
3. Governments have increase and integrate the knowledge basis of their activities and hence, create a new type of leadership.
4. To cope with the fast changing governance environment and make serious adaptations, new leadership is needed.

It is clear from the above discussion that there are many external challenges on the traditional civil service, which include: national competition caused by globalization and information technology, fast changing governance environment caused by extremely specialized governance institutions, and the highly demanding

knowledge management required of the civil service (Rhodes & Weller, 2001). The traditional civil service that based on the years of service is a slow system in responding to the challenges that modern states face. The fact that the newly established SCS systems are mostly Anglo-Saxon countries seems to reflect that their civil services are relatively flexible in responding the new governance environment. The current case that Korea, as a newly industrialized country and ambitious global contender, established its SCS system may be a significant sign that the time to launch a new SCS has come for countries that have not done so.

### **III. Different Perspectives on Senior Civil Service**

Many OECD countries established unique SCS to manage their senior management officials. For countries that do not have legally defined SCS system, they may have special arrangements for senior managers. With distinctive name or not, SCS should include the following features (selected features from the World Bank report, 2005).

1. Groups of officials that are appointed to top-level positions across government agencies.
2. Usually works in policy-making in national government, or leads major operating agencies.

3. Works closely with ministers and senior political leaders.
4. More generalist than specialized in a single government function.
5. Hurdles to entry that make it selective.

Following the above distinguishing features of senior civil service, we should ask what are the perceived needs from the stakeholders' perspectives of the SCS in order to build up an ideal model. The major stakeholders of the SCS system are primarily defined as: SCS, senior civil servants, and politicians.

### **1. Needs of SCS**

The SCS is a bridge between political mandate/policy making and implementation. The SCS is responsible for translating political platforms into concrete policy. The SCS should have the professional capability to plan the policy initiatives that politically desirable and administratively feasible. In order to achieve these goals, the SCS needs to be supported by: effective leadership of the civil service, position-performance linkage, and the competent members. However, even a well-run SCS may face the situation that high ranking officers stay on a position indefinitely, or for a very long time (10-15 years in Iceland, for example, see OECD, 1997: 28). Hence, the mechanism of eliminating permanence is necessary.

Although most civil service systems generally want the most competent people to serve in the SCS, they provide only less than adequate pay for top officials (Hood & Peters, 1994). A recent pay comparison report (Hay, 2005) shows that, among eight European countries, when the most senior civil servants jobs are evaluated and compared to national pay markets, remuneration levels are between 30% and 50% of the private levels. In Germany they are substantially lower (around 20%) and in Belgium higher (around 60%). Even in the well-known performance-related pay (PRP) countries, such as the UK, the percentage is only around 20-40% for cabinet secretary, permanent secretaries and director generals (Hay, 2005: 35). Since governments do not offer comparable pay (extrinsic rewards) to SCSers and still want to recruit and retain competent senior civil servants, they have to offer intrinsic reward and/or internal motivation scheme. These motivational measures may include: “corps” identity, performance appraisal system and/or performance pay (internal equity only), open competition to senior positions or “corps” identity. As the following argument will reveal, open competition to senior position with individualized modification in their systems can combiningly serve the needs of politicians and SCSers alike.

## **2. Needs of SCSers**

Needs of SCSers are basically conditioned by motivation theories. Locke and

Latham (1990a and 1990b) integrate theories of motivation to explain the causal relationships among goals, individual performance, rewards, job satisfaction, and organizational commitment. Motivation theories include goal setting theory, control theory, expectancy theory and reinforcement theory. In the traditional career-based system, SCSers are recruited in their early age; based on expectancy theory, progress on their career path to the senior positions. Their decisions to enter the civil service are based on the conviction that civil service, other than the permanent employment, are constructed on the system logic includes the following factors (Peng, 1998: 348):

1. recruitment channel is a special one.
2. recruitment is highly selective that only the best can pass the process.
3. systematic training arrangement.
4. fast and arranged promotion route.

However, the classic, closed system of SCS is gradually replaced by position-based system which has a more open recruitment process requiring vacant senior positions to be open to candidates from the wider civil service, public sector, and private sector. Under the career-based civil service system or the position-based system, SCSers look for the chances of accomplishment, recognition, and permanent

tenure. Recognizing the pay of SCSers could not be compatible with those of the private sector, equitable performance appraisal, and performance pay for SCSers are highly valued. The 2004 change to the pay range system, instead of the original pay steps scale, of the US Senior Executive Service is an obvious evidence.

Under traditional Westminster/Whitehall systems, SCSers can maintain political neutrality, permanent tenure, and avoidance of public blame for policy (Hood, 2000). However, as a result of managerialism and conscious politicization of the civil service, most of the Anglo-American systems have become more open to political appointment since the 1980's (Clifford & Wright, 1997). The neutrality of the civil service in Anglo-American countries is now under considerable pressure (Peters, 2003: 18). Peters warns that, once the civil service is politicized, subsequent governments are likely to think that it is necessary to introduce their own people in order to counteract the influence of the previous government (Peters, 2003: 18). In prevention, the UK SCS put strict limits on the involvement of ministries in the selection process to ensure that the permanent civil service remains non-political (Barker, 2004). To create a healthy cycle of the SCS functioning, an ideal SCS structure has to uphold the benefits of political neutrality among SCS appointments.

The needs of SCSers can be summarized as the following descriptions by a

seasoned UK civil servant (Duggett, 2005):

“A sense of holding a position for life, the bureaucrat selling his labour by the life rather than by the hour or the week, and of a kind of tenure, of a reasonable expectation of not being dismissed arbitrarily or unreasonably.”

SCSers should dedicate themselves to the job of policy commitment, policy detachment, and policy sensitivity. Duggett explains the policy detachment as “detachment from the politics and the people, and detachment that enables good advice to be given on the basis of the exigencies of facts rather than the wished-for state of affairs (Duggett, 2005).”

### **3. Needs of Politicians**

In the traditional Whitehall model countries, politicians feel confident that the civil service will offer non-partisan, political neutral service. The incentive to politicize civil service is low. However, the degree of politicization of the civil service is quite different among different constitutional systems. The UK, with the government has less than 100 political appointments other than ministerial posts in the ministries, shows least sign of politicization (Japan Personnel Office, 2004). Even during the Thatcher years in the UK it was argued that politicization was occurring less on the basis of the loyalty to the Conservative Party and more on the basis of

being “one of us,” i.e. being committed to a program of radical reform of the public sector (Clifford & Wright, 1998). At the other extreme, the US system has the highest level of political involvement in personnel matters. It is legally possible that American president can appoint more than 700 political appointees to the rank of the Senior Executive Service (SES). Likewise, the around 400 “political civil servants” in Germany are politically involved while maintaining their civil service status (Derlien, 1996; Japan Personnel Office, 2004: 76). If the ruling party loses power, the political civil servants will be pensioned off for early retirement in German case.

The reason that politicians tend to politicize the civil service appointment is that they “want to be able to control their government organizations do” (Peters, 2004: 7). They want government policy to be faithfully planned and executed as the politicians wish. In order to achieve their goals, politicians would like to have the power to hire and fire civil servants whenever they believe to be necessary. In the liberal democracies, ministers or political executives generally have very short tenure of two to three years. They want to have short-term performance to prepare for the next electoral campaign. The time pressure they perceive will push them to ask for the right to choose or change senior civil servants to suit their political agenda.

The “political civil servants” of Germany serves the interests of politician best

because the civil servants they hire are of the same party on party inclination. However, from the point of the whole civil service, the political civil servant system can only function well when the political stability is not an issue. If the ruling party changes hands quite often, the political civil servants have to be forced to early retirement and replaced accordingly. The wholesale rotation of senior positions will be similar to that of the US SES political appointees but possibly with higher frequency.

Theoretically speaking, there are three situations that politicians' needs can be met (see figure 1):

1. SCSers are competent (performed well) and politically sensitive (responsive). Politicians can count on the SCSers to provide faithful service.
2. SCSers can be transferred when politicians and SCSers are not getting along well.
3. SCSers can be fired when politicians considered them not suitable for the position.

Under this situation, although the will of politicians prevail, the job security of the SCSers is threatened. If the SCSers do not have civil servants status, they will be fired out of the SCS. For those SCSers that come from private sector and served on contract basis, their job security is highly vulnerable. Even if the SCSers have civil servant status and hence enjoy the protection of job permanence, they are still humiliated to

some extent.

On the other hand, under the position-based system, the SCSers can, based on tenure regulation or fixed-term contract, remain at their positions irrespective of politicians' resentment. Since the SCSers are competent by the nature of selection process, their performance can be assured. Their political skill, which generally is a required competence, will facilitate a smooth relationship with politicians.

		Politicians' Action		
		Hiring	Status Quo	Firing
SCSers	Good Chemistry (Base: Competent, Responsive)	Patronage (Political Civil Servant, Germany; SESers, US)	Harmony	
	Bad Chemistry		Stalemate/ Transfer	Conflict/ Fall-back Right

Figure1 : Relationship Between Politicians and SCSers

### Analysis of Different Perspectives

There are different models of SCS structure to accommodate different needs of the stakeholders. Other than the US system, most countries treat senior management

positions as internal post of the whole civil service before 1980's. The movement of New Public Management since 1980's calls for decentralization of human resources management and asks "managers to manage". For the smooth functioning of civil service, politicians as the top managers have to run the departments in a decentralized environment. Ministers should play the role of strategists and opinion-leaders. According to the NPM line of logic, "they will clarify and communicate visions and values, choose appropriate strategies, and identify, allocate, and commit resources at the macrolevel (Pollitt and Bouckaert, 2004: 150)." The implementation post will be carried out by the SCSers, whose performance will subsequently be appraised against performance criteria. But this kind of reasoning is only a myth and the rhetoric. Pollitt and Bouckaert warn that "most senior politicians, in most countries, have not been trained for such a role, and the pressures on them are not likely to adopt it (2004: 150)." Politicians are short-term calculation actors. Their time perspective is shorter than those of the SCSers because for most elected officials, elected office is not intended to be a career. Even when it is, managing politicians' career requires making short-term, noticeable achievement in a environment of conflicting values (Klingner, 2004: 4). Politicians like "to make announcements of new initiatives, to intervene dramatically when things appear to be going wrong, to follow popular opinion rather than educate it, to take up single issues (mirroring the media) rather than develop

integrated strategies (Pollitt and Bouckaert, 2004: 150).” In the globalized media age, politicians tend to constantly play the role of actor to please voters rather than to manage their subordinates. Within this management context, the ideal structure of SCS has to take into account the balance between the possible short-term relationship arisen from the interaction between politicians and the SCSers. If the SCSers are basically competent (defined as meeting the competence requirement standard set by SCS management) and responsive, the chance that the SCSers can get along well with politicians will be high. If, for any reason, a politician would like to get rid of his SCS subordinate, based on the democratic principle, the SCSer should be transferred or even fired. However, in view of the relative inexperienced of the politicians, the job security of the SCSers should be carefully guarded.

In order to create a robust SCS and to avoid the chance that the SCSers be resented by politicians, a political neutral SCS emerges as the only viable option (benefits of a politically neutral civil service, see Mountfield, 2005). A political neutral SCS does not mean that SCSers should play only a passive role in implementing policy. A political neutral SCS does mean that a competent “corps” will serve any regime that enjoys popular support with the best talents. In forming such a competent civil service, the interaction relationship between the SCSers and SCS has to be reviewed in depth to explore the core mechanism of an ideal SCS structure.

From a long term perspective, since the civil service is lacking in offering good extrinsic rewards (especially monetary), it is a good strategy to compensate the SCSers with permanent tenure, that is they should still have the right to fall back to the general civil servant status whenever it is necessary (see figure 2, long-term vs. long-term).

From a short term perspective, the attention of the SCS and the SCSers converges on the vacant position (see figure 2, short-term vs. short-term). When a senior position becomes available, it should be opened to public competition. Several reasons can be taken into account. First, the size of SCS position is small, about less than 1 percent of national civil service (OECD, 2003: 10). The importance of SCS position can not be overestimated, ranging from the intangible national security policy to the delivery of social services. Second, open competition can attract talents from different parts of the public sector and the private sector. It offers lateral entry of new blood to infuse the SCS with new ideas and special expertise. Third, open competition also encourages incumbent to work better to earn position renewal. Fourth, comparatively speaking, open competition on the SCS position, in contrast to the traditional career progression model and early elite selection, will provide a current, performance-oriented corps of elites that are competent in terms of the competencies they possess (Aucoin, 2003). To facilitate the function of open-competition system,

different types of contract and performance pay schemes should be designed and adopted to suit the needs of different countries. In summary, an ideal SCS should be a civil service system that based on long term value of political neutrality value and focus on the open-competition of the SCS positions (see figure 2).

		Senior Civil Service	
		Short-term	Long-term
SCSers	Short-term	Competition (Competency) Performance-in-position Contract PRP (Especially for New Blood)	Transferability Rotation Fixed Term Contract (Rolling Contract)
	Long-term		Promotion Permanent Tenure Right to Fall-back

Figure2: The Interaction Between SCS and SCSers

#### IV. Core Mechanism of an Ideal SCS—Position-based System

An ideal human resource system needs to be a well-designed incentive system. However, pay in the public sector was rarely considered as a motivational tool to increase performance. Nearly all civil servants in the OECD countries were paid according to service-incremental pay scales (OECD, 2004: 4). Senior promotions, as

another important extrinsic reward, were tightly controlled. The reasons to control promotion are to ensure the independence of the public service with regard to the political leaders and to well serve governments of different political persuasions. In order to establish a SCS that has an incentive system of multiple facets, performance pay system was built into the new institution since the US SES established. Two-thirds of OECD countries have implemented performance-related pay (PRP) in their civil service systems or are in the process of doing so (OECD, 2004: 5). OECD reports that variability of pay in almost all OECD countries at the managerial level tends to depend on the prior jobs (ex ante) evaluation than on the ex post evaluation (outputs/outcomes) necessary for a PRP program. The above mentioned pay comparison between public and private sector in eight countries shows that pay for senior civil servants like permanent secretaries are only 20 to 60 percent of the market level. Under the generally low-pay condition of the public sector, the pay system for SCS can not serve as an effective motivator to attract talents in the private sector. Also, the PRP system can serve only as a secondary incentive factor. Intrinsic rewards like recognition of the job and the opportunity of achievement then should be considered as the central concern in designing an ideal SCS.

Civil service systems have two classic types: the traditional “career based” system and the competitive “position-based” system. Basically, “career-based” civil

service systems recruit potential senior civil servant from university or early on in their career primarily through competitive examinations. France, Germany, and Japan are the most notable countries of the “career-based” system. Although the selected elites are generally competent civil servants and are systematically trained during their careers, they, as a whole, may not be able to cope with the ever-changing external governance environment. Although the SCS is staffed with elites groups that are trained to be senior managers of the civil service, it still needs new blood from the wider public sector and the private sector to broaden its expertise and diversity of the talent pool.

On the other hand, “position-based” civil service system has a more effective recruitment process that requires senior positions to be open to the candidates from the wide public sector and the private sector. The major aims of the open-competition position are to provide candidates with specialist skills, which promote competition, cultural renewal, and adaptability in the civil service (OECD, 2004: 5). The basic difference between the two systems in term of the intakes of its SCS members is that at the time to work on the SCS position, the recruitment choice was made back 15 to 20 years ago under the career-based system while the recruitment selection is made whenever position become vacant under the position-based system. The disadvantages of forming SCS membership based on the selection made around 20 years ago may

include premature selection, wrong decision and wasted training resource, and insufficient skill pool. On the other hand, the advantage of the position-centered recruitment is that the competitive process provides the most qualified candidate for the position. However, since the talents and experience required of the senior public managers may need long-term cultivation, the advantage of early selection of the potential candidates for the senior post should not overlooked. The end of the paper will discuss about its adequate role and function.

### **Contractualization of the SCS**

In many OECD countries, the SCS appointments are made for the fixed term. There is also a trend towards contractualization to manage the relationship between politicians and senior civil servants. The traditional hierarchical relationship between the principal (politician) and the agent (the civil servant) is gradually replaced by a contractual relationship. At the same time, there is a tendency that the traditional civil service status is increasingly replaced by a private labor contract, whether a short or indefinite term. After analyzing the contractualization experiences of New Zealand, Belgium, the Netherlands, the UK, Putseys and Hondegheem finds that, contractualization can serve as a performance management instrument, and to help building the connection of performance and compensation (Putseys& Hondegheem,

2003). It can also increase the democratic control of the SCSers. From the SCSers' point of view, the performance agreement can protect them from ministerial abuse since responsibilities and actions are clearly defined. From the political view point, performance contract reinforce the SCSers to respond more to political demands, especially when they want to renew the contracts.

However, there are three disadvantages derived from contractualization (Putseys& Hondeghem, 2003):

1. SCSers can escape the responsibility that is not listed on the performance contract.
2. The high cost of contractualization. The negotiations as well as the evaluations of the contracts take a lot of time and cost.
3. Decreased equality of the SCSers due to the systems of contract management and performance-related pay.

They also laid down the following conditions to take the advantages of contract management systems:

1. A good relationship of confidence and mutual respect between the SCSers and politicians;

2. A politically stable environment;
3. Political will to define strategic objectives and performance;
4. Both the SCSers and the politicians competent in performance management.

Contractualization of the SCSers thus requires a delicate balance between the world of politics and the world of public administration. OECD report (2003) shows that among the 12 surveyed countries, there are 6 countries that adopt performance contract system in administering their SCS system. A 1994 UK White Paper which announced the plan of the new SCS, stated that in most cases SCS employment would be an indefinite term with special periods of notice, while there would be use of fixed-term and rolling contracts, of a type common in business (Cabinet Office, 1994: 43-44). However, Hood proves that the time-consuming process of individualized contracting in appointing UK chief executive is not a common practice in the business world (Hood, 1998: 450). The private sector generally adopts fast-paced hiring and firing. Considering the pro and con sides of contractualization of the SCS, the utility of individualized contract should be considered as an option rather than a necessity.

### **Term of the SCS Position**

In most of the 12 surveyed countries of the OECD, SCS appointments are made

for fixed terms. Although the OECD report points out an increasing disparity between term assignments linked to the definition of performance objectives and lifelong employment within the public service, the reality seems to be that most SCSers, other than those from private sector, enjoy permanent status in the SCS, or at least with the right to fall back to the general civil service. Under the general protection of permanent tenure of the SCS and the civil service, the SCSers are subject to two types of position review: fixed term and performance review. The distinction is not always clear cut. Some countries specify fixed term: Belgium (6 years, renewable), Finland (some 5 years, some permanent), France (3 years, renewable one term), Italy (maximum 3 years), Netherlands (Top position: maximum 7 years, SCS: 3-7 years, renewable), UK (5 years renewable for certain senior appointments) (OECD, 2003: 13). The fixed term phenomenon reveals that industrialized countries would like to open all of their senior posts periodically to review the performance of the senior managers. The fixed term regulations are an institutionalized tool to initiate an automatic review process. Even with the possibility of renewal, the senior managers have to present a successful score card to hold on to the post. On the other hand, the SCSers and talents from the wider public sector and private sector can enjoy the window of opportunity to get into the SCS position through the fixed term mechanism. It is very interesting to find that, only through the fixed term regulation, the

Netherlands could change the structure of departmental secretary-general, where some secretary-generals had occupied their positions for more than ten years. The Dutch SCS system allows 7 years term for the two top classes. They are encouraged to find other new position after 5 years in a position. If they could not find new position after 7 years term, they may stay at reserved positions for 2 more years before they are finally fired (Bureau ABD, 2003).

Some countries, on the other hand, adopt performance review approach. For SCSers of Canada, US, and Korea (every 5years), they are recruited for life. But they need to pass performance review to keep the status. For Korean SCSers, dismissal is a possible result when their performances are not satisfactory. In the US case, any one removed from SES after annual appraisal is entitled to placement in a non-SES position at GS-15 or above (OPM, 2004: 32-33).

The advantages of fixed-term regulation are:

1. increasing the mobility opportunity of the SCSers within and across organizations.
2. increasing the performance pressure on SCSers.
3. increasing the recruitment channels into the SCS. Coupled with open-competition and/or contracting, the fixed-term requirement can recruit more diversified talents.

4. with the right to fall back to the general civil service, the SCSers still enjoy the sense of job security even under the fixed-term performance pressure.

However, the fixed-term regulation can be divided into two types: fixed-term contract, and fixed-term without contract (see Figure 3). The UK agency chief executives are on limited-term contracts, although they are put onto contracts which roll forward for a year at a time. The UK SCSers, other than agency chief executives, stay on indefinite contracts which clearly describe their traditional terms and conditions of service. However, in order to correct the short posting time of 2-2.3 years, UK is pushing for “four year norm (Barker, 2004).” On the other hand, the Dutch SCSers are under fixed-term regulation for the position but without the contract binding. All the regulations on the tenure of the SCSers, though so varied, show that the SCS positions are under more transparent reviewed condition and subject to open competition when situation call for it.

Contracting	Non-Fixed Term	Finland (5 years or permanent)	Belgium (6 years) UK (5 years) Italy (3 years)
		Fixed-Term	Netherlands (3-7 years) Korea (5 years) France (3 years)
Non-Contracting	Canada US		

Figure 3: Fixed-term Rule in Different Countries

Source: adapted from OECD, 2004.

### “Incubator” system

In order to create an ideal “political neutral” SCS, it is necessary to have constant inflow of talents that are competent enough to staff the SCS. In reality, at least at the initial stage, the SCS is comprised of the higher ranking officers that happened to be on the designated SCS positions. The UK transformation from the traditional senior civil service positions (open structure positions) to the new SCS positions were almost automatic, except that nearly one-fifth of the senior civil servants were fired in “delayering” programs in the middle 1990s shortly before the SCS establishment in 1996 (Hood, 1998: 457). Once the SCS is established and senior positions become available, a systematic system of recruiting new members becomes a necessity. For the traditional civil service systems, the elite group, such as the ENA (National School

of Administration) recruits in France, is almost the only source of member candidates.

The ensuing training process is tightly monitored and centrally controlled.

The new SCS system, although mostly decentralized in appointing SCSers, needs to cultivate its new blood in a centralized way. Only in a centralized, integrated way to recruit the new blood with talent, the SCS could take advantage of scale of economy to provide new recruits with ample resources in selection, placement, training and rapid promotion. Since the public sector does not offer comparable monetary reward to the best talents it could attract, the extrinsic reward of rapid promotion is the only viable choice to attract and retain new recruits. UK's Fast Stream program is quite successful in this respect. Although Fast Stream program does not guarantee its members any right to promotion over mainstream colleagues, it accelerates Fast Streamers' development. Depending on the specific situation of the departments, Fast Streamers' job will be changed every 12 to 18 months. In 3-5 years, they will occupy a significant position in the departments and cease to be a "Fast Streamer" (see Fast Stream Website, <http://www.faststream.gov.uk/>). After few years, the Fast Stream recruit will most probably become a SCSer. The long-term successful history of Fast Stream Program (include the previous Administration Trainee program), based on its highly selective examination system, has provided majority of the SCSers. In 2005, the Fast Stream program attracted 12,957 applicants and finally

recommended 504 persons for appointment, at a success rate of 3.9 %. Among the recommended list, 29.8 % comes from Oxford and Cambridge universities in 2005 (Fast Stream Annual Report, 2005). Although the experience of being a Fast Streamer does not guarantee to become a SCSers, the Fast Stream program move fast streamers more frequently and learn different jobs more quickly. The career path of a fast streamer could be described as an accelerated incubation that present itself as an efficient motivator to attract best talents. Without this centralized recruit program, the civil service in general and the SCS specifically may not be able to attract the elite college graduates and offer them variety of working experiences to prepare for the leadership challenges.

## **V. Conclusion**

The fast development of globalization, information technology, and governance environment calls for an integrated, stronger leadership in the civil service system. To create a strategic human resource pool that can cut across organizational boundaries and support government-wide leader “corp”, a new SCS becomes a necessity for the twenty-first century countries. This paper argues that an ideal SCS establishment should take the following ingredients into consideration:

1. Based on the different perspectives of politicians and the SCSers on their career

motivation, it is vital to create a politically neutral SCS system. Because of the integration between the executive and legislative branches in a parliamentary regime, the relationship between politicians and SCSers tends to be cooperative. The importance of competence and experience of the SCSers far exceeds that of partisan loyalty. If there is a change in government, the need to replace the SCSers is relatively low. On the other hand, if the SCS is not constructed along political neutral line, such as the structure of political civil servants in Germany, the SCS personnel would be subject to frequent reshuffle.

2. The core mechanism of an ideal SCS is the openness and flexibility of the SCS positions. It is explained that pay for SCSers is not and may not will be comparable to the pay of private sector. Then the position of an ideal SCS system has to be designed as a motivator that has both benefits of intrinsic and extrinsic reward. The SCS position should be opened to competition for the most competent and suitable candidates.

3. Accompanying systems, such as performance pay, fixed-term regulation and performance/term contract, should be designed as an integrated, reasonable package of the SCS and comparable to the cultural tradition of the country. The SCS system design since 1980's has developed different types of performance pay, performance

contract, fixed-term regulation and term-limit contract. But these subsystems are not by themselves the necessary building blocks of an ideal SCS. Rather, they are the building blocks that can be tailored to the needs of any specific country. For example, performance pay may motivate some SCSers but not to others. However, the performance pay system may be instrumental in generating management and organizational changes, which include: effective appraisal and goal setting processes, clarification of tasks, acquisition of skills, creation of improved employee-manager dialogue, more team work and increased flexibility in work performance (OECD, 2004: 7). Thus the subsystems of the SCS should be tailored to the environment of the respective countries.

#### 4. Separate and Centralized SCS Management

In order to manage the new SCS system, a separate, centralized SCS management system is a necessary institution. The SCS management system considers senior managers as a service-wide resource with a shared culture, broad experience, a government-wide perspective, and possessing generic managerial competencies (OECD, 1997: 14). Although many personnel functions can be decentralized to respective departments and agencies, it is vital to have standardized requirements in recruitment and selection so as to achieve high quality SCSers that

can be assigned to different posts in the SCS.

The centralized institution has to set the SCS objectives and accordingly formulates related personnel policy and coordinates its implementation in close cooperation with the departments. The SCS office can play an important role even in selecting the qualified candidates and recommend them to the recruiting organization (Hart & Wille, 2006: 129). The Dutch Senior Public Service keeps data bank of the promising candidates to improve its efficiency in screening the talents. It also does the headhunting job for the recruiting agencies (Peng, 2005a).

The centralized SCS institution can serve as a matchmaker among the SCSers, top managers and the departments. For policy-setting or daily personnel activities, a centralized SCS office can always offer integrated service to its “clients” with government-wide resource and forward planning. Because of the highly confidential nature involved in arranging the civil service leadership makeup, the SCS office has the duty and privilege to handle the delicate process with adequate infrastructure, such as the personnel expertise, training plan, and development strategies.

## Reference

6 Perri. (1997). *Holistic Government*. London: Demos.

A Hay Group Initiative. *A Pay Comparison for Senior Politicians and Civil Servants in Eight European Countries*. Retrieved July 1, 2005, from A Hay Group Initiative's Web site: [http://www.haygroup.co.uk/downloads/Pay\\_Comparison\\_for%20Senior\\_Politicians.pdf](http://www.haygroup.co.uk/downloads/Pay_Comparison_for%20Senior_Politicians.pdf)

Aucoin, Eugène. (2003). "The Competencies Required of Senior Managers in the Public Service: Recruiting and Retaining These Individuals." Paper presented at Conference of Public Administration: Challenges of Inequality and Exclusion, September 14-18, US: Miami.

Barrados, M. *The Senior Civil Service System in Canada*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>

Barker, John. *The Senior Civil Service in the United Kingdom*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>

Bohn, David. *The Australian Senior Executive Service: 1984-2004*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>

Bouckaert, Geert & Timsit, Gerard. (2000). *Administration and Globalization*. Brussels, Belgium: International Institute of Administrative Sciences (IIAS).

Bureau ABD. (2003). *The Dutch Experience*. The Hague: Office for the Senior Public Service.

Cabinet Office. (2005). *Civil Service Reform--Delivery and Values: One Year On*. London: Cabinet Office.

Cabinet Office. (2006). *Summary of 2005 Fast Stream Recruitment Report*. London: Cabinet Office.

Duggett, Michael. (2005). "Professionalism in Senior Executive Public Service: Its Components." Paper presented at XVIII International Congress on the

Training and Development of Senior Civil Servants, June 15-17, Ukraine: Kyiv.

EIPA (European Institute of Public Administration). (1998). *The Senior Civil Service: A Comparison of Personnel Development for Managers in Fourteen OECD Member Countries*. The Hague: EIPA.

Farazmand, A. (1997). "Professionalism, Bureaucracy, and Modern Governance: A Comparative Analysis." In A. Farazmand (Ed.), *Modern Systems of Government* (pp. 48-73). Thousand Oaks, CA: Sage Publications.

Halliday, Fred. (2003). "Global Governance: Prospects and Problems." In David Held & Anthony McGrew (Eds.), *The Global Transformations Reader* (2nd ed.) (pp. 489-499). Cambridge: Polity Press.

Halligan, John. (Ed.). (2003). *Civil Service Systems in Anglo-American Countries*. MA: Edward Elgar Publishing Inc.

Hart, Paul't & Wille, Anchrit. (2006). "Ministers and Top Officials in the Dutch Core Experience: Living Together, Growing Apart?" *Public Administration*, 81, 1: 121-146.

Hirst, Paul & Thompson, Grahame. (1999). *Globalization in Question: The International Economy and the Possibilities for Governance*. Cambridge: Polity Press.

Hood, Christopher. (1998). "Individualized Contracts for Top Public Servants: Copying Business, Path-Dependent Political Re-Engineering or Trobriand Cricket?" *Governance: An International Journal of Policy Administration*, 11, 4: 443-462.

Hood, Christopher. (2000). "Relationships between Ministers/Politicians and Public Servants: Public Service Bargains Old and New." In B. Guy Peters & Donald J. Savoie (Eds.), *Governance in the Twenty-first Century: Revitalizing the Public Service* (pp. 178-208). London: McGill-Queen's University Press.

Hood, Christopher & Peters, B. Guy. (Eds.). (1994). *Rewards at the Top: A Comparative Study of High Public Office*. London: SAGE Publications Ltd.

IIAS (International Institute of Administration Science). (2000). *Administration and*

*Globalisations*. Brussels: IIAS.

- Klingner, Donald E. *The Senior Civil Service: Context and Structure for Korea*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>
- Larsson, Torbjorn. *Bureaucratic Politicians or Political Bureaucrats? The Recruitment of Senior Civil Servants in Sweden*. Retrieved August 1, 2005, from Picardie University's Web site: <http://www.u-picardie.fr/colloque/doc/T-Larsson.htm>
- Light, Paul. *The Civil Service and National Security Personnel Improvement Act*. Retrieved August 1, 2005, from The Brookings Institution's Web site: <http://www.brookings.edu/views/testimony/light/20030505.htm>
- Locke, E. A. & Latham, G. P. (1990a). "Work Motivation." In Uwe Kleinbeck et al., (Eds.), *Work Motivation* (pp. 3-25). Hillsdale, NJ: L. Erlbaum.
- Locke, E. A. & Latham, G. P. (1990b). *A Theory of Goal Setting and Task Performance*. Englewood, Cliffs, NJ: Prentice-Hall.
- Mountifield, Robin. (2005). "Senior Civil Service Appointments: Impartiality and Political Neutrality in Democratic Transitions." Paper presented at XVIII International Congress on the Training and Development of Senior Civil Servants, June 15-17, Ukraine: Kyiv.
- National Personnel Authority of Japan. (2004). *White Paper on Civil Servants*. Tokyo: National Personnel Authority of Japan.
- OECD. (1998). *Managing the Senior Public Service: A Survey of OECD Countries*, OECD/GD (97)233. Paris: OECD.
- OECD. (2001). *Public Sector Leadership for the 21<sup>st</sup> Century*. Paris: OECD.
- OECD. (2003). *Managing Senior Management: Senior Civil Service Reform in OECD Member Countries*, GOV/PUMA (2003)17. Paris: OECD.
- OECD. (2004). *Performance-Related Pay Policies for Government Employees: Main Trends in OECD Member Countries*, GOV/PGC/HRM (2004)1. Paris: OECD.
- Peng, Thomas C. P. (1998). "Model of Senior Civil Service Recruitment, Selection

and Training.” *Political Science Review*, 9: 329-362.

Peng, Thomas C. P. (2005a). “Are the Senior Civil Service Systems Converging?” Paper presented at the Conference on Governance Theories and Practices in European and American Countries, October 21, 2005, Taipei: Institute of European and American Studies.

Peng, Thomas C. P. (2005b). “Strategies to Build Up Holistic Governance.” Paper presented at the Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG) Annual Conference 2005, December 5-7, 2005, Beijing: Asian Development Bank.

Peters, B. Guy. (2003). Administrative Traditions and the Anglo-American Democracies. In John Halligan (Ed.), *Civil Service Systems in Anglo-American Countries* (pp. 10-26). MA: Edward Elgar Publishing Inc.

Peters, B. Guy & Savoie, Donald J. (2000). *Governance in the Twenty-first Century: Revitalizing the Public Service*. London: McGill-Queen’s University Press.

Peters, B. Guy & Pierre, Jon. (Eds.). (2004). *Politicization of the Civil Service in Comparative Perspective*. NY: Routledge.

Pollitt, Christopher & Bouckaert, Geert. (2004). *Public Management Reform*. Oxford: Oxford University Press.

Putseys, Line & Hondeghe, Annie. (2003). “Contractualisation of Top Civil Servants: An International Comparative Research.” Paper presented at the Conference on Annual Meeting of the European Group of Public Administration (EGPA), September 3-6, Portugal: Oeiras.

Rhodes, R. A. W. & Weller, P. (Eds.). (2001). *The Changing World of Top Officials: Mandarins or Valets?* Buckingham: Open University Press.

Republic of Korea Civil Service Commission. *Senior Civil Service System in Korea*. Retrieved March 25, 2006, from Republic of Korea Civil Service Commission’s Web site: <http://www.csc.go.kr/eng/>

Selden, Sally C. & Brewer, Gene A. (2000). “Work Motivation in Senior Executive Services: Testing the High Performance Cycle Theory.” *Journal of Public Administration Research and Theory*. 10, 3: 531-550.

Stiglitz, Joseph. *Redefining the Role of the State: What Should It Do?* Retrieved August 1, 2005, from Joseph Stiglitz's Homepage: <http://www2.gsb.columbia.edu/faculty/jstiglitz/papers.cfm>

The Ministry of the Interior and Kingdom Relations Office for the Senior Public Service. (2005). *Senior Public Service Annual Report 2004*. The Hague: The Ministry of the Interior and Kingdom Relations Office for the Senior Public Service

Traunmüller, Roland & Lenk, Klaus. (Eds.). (2002). *Electronic Government*. Germany, Verlag Berlin Heidelberg: Springer.

Turner, H., Miller, H. & Kehr H. *The US Senior Executive Service*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>

UNDP. (1998). *Government for Sustainable Human Development*. New York: UNDP.

UK Cabinet Office. (1994). *The Civil Service: Continuity and Change*. London: Cabinet Office.

Vijlbrief, Kees. *The Dutch Senior Public Service: The Dutch Experience*. Retrieved June 10, 2005, from Republic of Korea Civil Service Commission's Web site: <http://www.csc.go.kr/eng/>

World Bank. (2005). *Senior Public Service: High Performance Managers of Government*. Washington, DC: World Bank.