

THE DEPLOYMENT AND DEVELOPMENT OF SENIOR CIVIL SERVANTS

Summary: The Better Government Initiative recommends that five key steps should be taken to overcome serious deficiencies in the deployment and development of senior civil servants:

- first to ensure that the newly appointed CEO for the civil service, who reports directly to the Head of the Civil Service/Cabinet Secretary, is formally designated as the Head of Human Resources for the civil service;
- second to vest in him the explicit responsibility for operating a succession planning system for the senior civil service based on the fundamental principle that the interests of the government and the civil service as a whole outweigh those of individuals and departments;
- third to revisit the approach to filling senior appointments to reflect key lessons from best practice in the highest-performing private sector firms, both in the UK and elsewhere;
- fourth for the Prime Minister to explicitly seek the commitment of both individual secretaries of state and, crucially, of the lead non-executive directors in departments, to the successful implementation and operation of these arrangements, and for the Head of the Civil Service to hold departmental Permanent Secretaries to account accordingly;
- finally, and in parallel, to set out a clear expectation that senior individuals will remain in post long enough to see through key policies and programmes and will only in exceptional circumstances be moved, or allowed to move, before these are delivered.

A recurring theme of many external critiques of the senior civil service is its supposed lack of professional skills and competences compared with its private sector comparators. Senior civil servants continue to be portrayed as generalists still embodying the tradition of the gifted amateur as opposed to the highly experienced or discipline-specific experts, many of them professionally qualified, generally believed to be found in the private sector. Some attribute to this alleged deficiency much of the responsibility for failures in government, both generic and related to specific projects and programmes.

This is an enduring myth, but the reality is that the senior civil service has moved a very long way from this portrayal. Over the last 15-20 years under successive governments - but largely driven by reform from within the civil service rather than imposed by ministers - there has been a major change in the skills and competence of the senior civil service as a whole.

Far more of those already in the civil service have been encouraged and supported in acquiring subject- and discipline-specific qualifications as well as operational delivery experience. At the same time many more senior executives and programme and project managers together with subject- and discipline-specific experts have been recruited into the civil service at senior level from outside. This is not all gain – the newcomers are generally less experienced in dealing with the processes of government and lack the advantage of “corporate memory” in the areas in which their departments operate - but on balance there are clear benefits in introducing the expertise available outside government including into areas such as HR, IT and estate management.

Many of those at senior level are now professionally qualified in a range of disciplines including finance, procurement, project management and HR. It is, for example, inconceivable now that a Finance Director or senior finance specialist in a government department or agency will not be financially qualified.

There has also been change in respect of policy development. It has always been the case that many senior civil servants dealing with policy, so far from being amateurs, have a deep knowledge of their specialist areas and highly developed skills in the processes of government that have not been widely recognised or understood, not least because unlike in the private sector professions and other areas of the public sector there is no process of accreditation. But even here developments in recent years such as the creation of a Head of Profession for policy and more emphasis on the importance of evidence-based policy making have had a beneficial impact.

There are nevertheless still two linked respects in which the senior civil service compares unfavourably with the best-performing parts of the private sector and on which this short paper concentrates. The first is the speed at which senior civil servants move between posts (as part of a much wider problem of excessive speed of movement across the “Whitehall” civil service). The second is the limited amount of top management attention given to civil service-wide career management and succession planning arrangements in comparison with the focus on talent management in the best-performing major multinational companies. Both constitute respects in which the civil service and government more widely would, in the view of the Better Government Initiative, benefit from more radical change.

In terms of frequency of movement between posts, much attention has been focussed on the pace of movement at ministerial level where, particularly under the previous administration, it had become the norm rather than the exception for ministers to move on extremely frequently, often in under a year, from one post to the next. During the earlier years of the present Government this rate of churn markedly slowed but churn amongst senior civil servants continued at a high level, particularly in policy areas, with the result that ministers were more often complaining of the speed at which their civil servants moved on rather than the other way round.

There is, of course, no single rule of thumb for when the necessary refreshing and broadening of experience of any senior management group becomes unnecessary and undesirable churn. But few in the private sector would believe that it is healthy for top executives to spend less than two to three years in key posts and many would argue for considerably longer. Moreover, it is much rarer in the private sector for senior executives to move between disciplines. Operational leaders tend to remain in operations for much of their career, finance specialists in finance and so on. By contrast although this is also becoming more common at senior level in the civil service it is still by no means the norm.

There is the further issue of how far senior appointments should reflect sector experience and expertise as well as generic leadership and management skills. Similar issues arise in the private sector but our impression is that for most firms significantly greater weight is given to sector expertise. In the civil service case, particularly in the policy areas of departments, very frequent movement between subject areas is increasingly common and in many appointments at the top level most of the weight would now appear to be placed on generic skills. (The Home Office since around 1990 is the most striking case; interestingly the exceptions are the Treasury and the Foreign Office whose Permanent Secretaries are nearly always drawn from those with previous significant departmental experience). Based on the experience of its members, the BGI believes that the long term interests of better government would be served by significantly less churn at senior levels in the civil service and by a greater emphasis on recruiting and retaining people of high calibre and experience into disciplines and broad areas of public policy in which the expectation would be that many would remain for the greater part of their career.

That applies at least as much to policy as it does to other disciplines. In the past departments would seek to ensure that high-flying policy specialists gained relevant experience through spells in a minister’s private office and in one of the central departments, and, more recently have added encouraging experience in an operational role. To operate at the highest levels

the skills to do with the running of government including internal and external consultation, developing policies, advising ministers, understanding Parliament and so on, need to be refined by building up expertise in a variety of related policy areas and staying in each for a substantial period, perhaps retaining responsibility for a policy from design to implementation, so that the top policy specialists in a department are true experts. Such an approach to structured career development is however fundamentally incompatible with the current policy of competition for every post. There must be space for a mix of managed postings and competition if staff are to be effectively developed in the interest of providing effective advice and support to Ministers.

The issue of, in effect, a single senior civil service is more complex. To some degree this already exists in that the top four levels of the civil service - from deputy director to permanent secretary - are remunerated and appraised on a standard service-wide basis, have shared opportunities for development, and have access to civil service-wide networks for particular professions. Career management rests, however, with departments with only loose oversight from the centre, particularly at the less senior of the four levels. Moreover, movement between departments is more usually self-managed through individuals' applying for advertised posts in other departments than centrally promoted or determined. While succession planning arrangements do exist, particularly at director general and permanent secretary level, in practice they have gained limited purchase despite the good intentions of successive Heads of the Civil Service, not least because of the policy of promoting open, and often external, competition. The result is that how senior civil servants are deployed and developed remains too often ad hoc and fortuitous rather than planned and managed. Indeed at Board level it is not uncommon for those leading a department to have little or no direct experience of their own department's business. The loser is undoubtedly the overall quality of government administration.

The contrast between this and the equivalent position in the best run national and multi-national companies is stark. While practice will vary from company to company there are generally strong centrally directed arrangements, frequently led by the CEO personally, to career manage and deploy the most senior executives in the organisation with the avowed aim of ensuring that the most talented people are developed and placed where they will be of the greatest value to the company as a whole. Even in widely diversified companies with strong devolution of operational control from the centre and considerable autonomy amongst the different operating businesses, this tends to be one of the few areas (along with corporate reputation and financial control) which remain controlled from the corporate centre. The result is that the most senior executives will generally expect to be moved several times in their career to different roles, businesses and, in the case of multi-nationals, countries.

The explanation for this divergence in practice lies in part in the fact that central government as a whole in a country like the United Kingdom inevitably has a scale, breadth and complexity which goes beyond that of even multinational firms. But a part of the explanation lies also in the very different control structures between companies and the government. In the private sector it is ultimately the Board and CEO who determine key corporate policies and are responsible for overseeing their implementation company-wide. In a system of collective government by contrast power is shared between the central departments and individual departments. While in theory Departmental Permanent Secretaries account to both their departmental Minister and the Head of the Civil Service, in practice most see their primary responsibility as being the successful delivery of their own Ministers' policies and programmes rather than those of the government as a whole. They will in general be reluctant to agree the move of a senior member of staff to another department if they think their own department will be left significantly worse off as a result. At the same time it is questionable whether Heads of the Civil Service have always given this aspect of their role the consistent attention and priority it needs, given the many calls on their time.

Short of fundamentally restructuring the whole of the government machine, there is no prospect of turning this position entirely on its head. But that does not mean that there is nothing that can be done. In the view of the BGI the Government's recent decision to recombine the roles of Cabinet Secretary and Head of the Civil Service, and to appoint a senior Chief Executive Officer to support him, offers an opportunity to do five things:

- first to ensure that the newly appointed CEO for the civil service, who reports directly to the Head of the Civil Service/Cabinet Secretary, is formally designated as the Head of Human Resources for the civil service;
- second to vest in him the explicit responsibility for operating a succession planning system for the senior civil service based on the fundamental principle that the interests of the government and the civil service as a whole outweigh those of individuals and departments;
- third to revisit the approach to filling senior appointments to reflect key lessons from best practice in the highest-performing private sector firms, both in the UK and elsewhere;
- fourth for the Prime Minister to explicitly seek the commitment of both individual secretaries of state and, crucially, of the lead non-executive directors in departments, to the successful implementation and operation of these arrangements, and for the Head of the Civil Service to hold departmental Permanent Secretaries to account accordingly;
- finally, and in parallel, to set out a clear expectation that senior individuals will remain in post long enough to see through key policies and programmes and will only in exceptional circumstances be moved, or allowed to move, before these are delivered.

Doing all of this will not result in overnight change. Established behaviours and perceived incentives will take a substantial time to alter. But the BGI believes that the time has come to seek to make a more fundamental shift in the way in which the most talented people at the top, and approaching the top, of the civil service are deployed and developed in the interests of better government as a whole.

Better Government Initiative
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