Managing Change

The Evolving Role of Top Public Servants

Managing the Public Service
Strategies for Improvement Series: No. 7

Peter E. Larson
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Commonwealth Secretariat

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Published by: Commonwealth Secretariat,
Marlborough House,
Pall Mall,
London SW1Y 5HX.

May be purchased from:
Commonwealth Association for Public Administration
(CAPAM)
1075 Bay Street, Suite 402
Toronto
Ontario
CANADA M5S 2B1

Telephone: 1 (416) 920 3337
Facsimile: 1 (416) 920 6577

or from the Commonwealth Secretariat's distributors:
Vale Packaging Ltd
420 Vale Road
Tonbridge
Kent TN9 1TD
Britain

Telephone: +44 (0) 1732 359387
Facsimile: +44 (0) 1732 770620

ISBN: 0 85092 584 3

Printed by the University of Toronto Press Inc.

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Strategies for Improvement Series: No. 7

Commonwealth Secretariat
1999

FOREWORD

A strong and achieving public service is a necessary condition for a competitively successful nation. The Management and Training Services Division of the Commonwealth Secretariat assists member governments to improve the performance of the public service through action-oriented advisory services, policy analysis and training. This assistance is supported by funds from the Commonwealth Fund for Technical Co-operation (CFTC).

Commonwealth co-operation in public administration is facilitated immeasurably by the strong similarities that exist between all Commonwealth countries in relation to the institutional landscape and the underlying principles and values of a neutral public service. In mapping current and emerging best practices in public service management, the Management and Training Services Division has been able to draw on the most determined, experienced and successful practitioners, managers and policy-makers across the Commonwealth. Their experiences are pointing the way to practical strategies for improvement.

The publication series, *Managing the Public Service: Strategies for Improvement*, provides the reader with access to the experiences and the successes of elected and appointed officials from across the Commonwealth.

Recent wide-ranging reforms have placed tremendous demands on the men and women at the top levels of the public service – in particular the deputy ministers, or permanent secretaries as they are called in most Commonwealth countries, whose responsibility it is to manage unparalleled change while continuing to deliver service to the public.

This publication looks at how permanent secretaries see their jobs, how they require more support, training and feedback from the centre of government, and whether the job of permanent secretary can continue to expand indefinitely, or whether the position should be re-designed.

The series complements other MTSD publications, particularly the *Public Service Country Profile* series which provides a country-by-country analysis of current good practices and developments in public service management. Our aim is to provide practical guidance and to encourage critical evaluation. The *Public Service Country Profile* series sets out the where and the what in public service management. With this new Strategies for Improvement series, I believe we are providing the how.

Mohan Kaul
Director
Management and Training Services Division

ACKNOWLEDGEMENTS

The Commonwealth Secretariat would like to thank Dr. Peter Larson, Executive Vice-President of the Public Policy Forum and Ms Amanda Coe, Research/Programme Assistant at the Public Policy Forum, for their invaluable expertise in the preparation of this publication. We should also like to express our gratitude to the many other contributors for generously giving their time and advice in the course of the research study (see page 43).

The Commonwealth Secretariat would like to thank Roy Chalmers and Greg Covington for their assistance in the production of this series.

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INTRODUCTION

Over the last two decades, governments in every corner of the Commonwealth have introduced widespread reforms in public administration. As a general rule, these reforms have been motivated by two overriding objectives: containing public spending; and improving levels of service.

Despite the similarity of objectives, however, the range of approaches has been very broad. A recent study carried out for the Commonwealth Secretariat categorised seven different kinds of reform, ranging from initiatives aimed at improving policy procedures to the development of commercialisation and partnerships. In many countries, more than one initiative is being undertaken at a time.[1]

The initial results are very encouraging. Countries such as Canada and New Zealand have been strikingly successful in trimming public expenditures. Britain seems to have had some success in improving public satisfaction with service levels. At the same time, however, these changes have introduced new stresses, the effects of which are not yet completely known or understood.

One consequence has been a rapid increase in the demands put on the men and women who hold the post of permanent secretary, one of the most critical in the system of public administration.[2] Permanent secretaries sit at the apex of the public service and at the crossroads between political power and public administration. They act as critical links between the political will of ministers and the long-term public interest as understood by the public service.

It is estimated that today there are about 1,400 permanent secretaries in the 54 countries of the Commonwealth. In their collective hands lies the effectiveness of the government of almost 1.5 billion (1,500 million) people – about a quarter of humanity.

The new demands on the men and women who hold that challenging position are the subject of this inquiry. Recent public service reforms have raised the bar for permanent

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[1] Mohan Kaul "From Problem to Solution." *Commonwealth Strategies for Reform: Managing the Public Service*. Strategies for Improvement Series, No. 1 (Commonwealth Secretariat, 1996).

[2] The traditional term "permanent secretary" is not used in every Commonwealth country. Other terms used to designate the same position include "principal secretary," "head of department," or "chief executive." Canada even uses the confusing term "deputy minister." For the purposes of this study, by "permanent secretary" we mean the most senior career public servant responsible for a government department or agency.

secretaries, who often face diminished resources, increased workloads, reduced staff morale, a critical public, and overlapping accountabilities. They also find themselves increasingly dependent on the collaboration of a range of other bodies, public-private partnerships, arms-length agencies, and even the private sector to accomplish the objectives set for them. In short, the tasks demanded of permanent secretaries have expanded immensely.

This publication examines changes in management responsibilities and accountabilities. It also examines the changing skill requirements of permanent secretaries and their evolving relationships with ministers, central agencies, and staff.

We recognise that degrees of development differ enormously among Commonwealth countries, ranging from the tiny Pacific island-nation of Niue, with a population of 3000, to India, with a population of 1 billion. But our objective is to provide an outline of some of the broad trends in government reform and the impact of such trends on the roles of current and future permanent secretaries. We attempt to describe common problems and issues, and to make recommendations that we believe will help permanent secretaries to perform better.

THE ROLE OF THE PERMANENT SECRETARY

While governments and ministers come and go, the permanent secretary remains the permanent custodian of permanent problems.
– Former senior Canadian permanent secretary

In the Westminster model of government, the permanent secretary is the administrative head of a department or ministry. They are "permanent" in the sense that they are normally career civil servants who have tenure beyond the life of any particular government. This system, in which the permanent public service extends to the topmost levels of public administration, is one of the defining characteristics of the Westminster model. It answers the need to balance administrative continuity, without which governing is unpredictable and difficult, against political sensitivity, which is the basis of democracy.

Commonwealth countries are not unique in making this sharp distinction between ebb and flow at the political level and continuity at the administrative level. It is also a characteristic of the French system, for example. But it does stand in sharp contrast to the practice of many other countries – the U.S.A. and Mexico, to take two examples – in which every change in elected government leads to sweeping changes in personnel at many levels of public administration.

THE PERMANENT SECRETARY AND THE MINISTER

The most significant characteristic of the permanent secretary's role is without doubt his or her position at the juncture of the political level of government and the public service. Different observers use different terms: interpreter, translator, buffer, interface, funnel. However, they all describe the same situation: the permanent secretary is inescapably caught between the partisan political world of the minister and the rational, impartial and scientific world of the public servant.

Above, the permanent secretary lives with the minister and his world of elections, party politics, caucuses, question period – the hurly-burly of politics, the press, and public perception. Few ministers understand, or are even interested in, the public service or how it works. Their view seldom extends more than a few years. They ask, "What do we need to do to get the government re-elected?"

Below, the permanent secretary toils with his fellow public servants – including many friends and colleagues. This is the milieu from which the permanent secretary has

usually come. It is a world of public consultation, cost-benefit analysis, higher education, due process, equal treatment, scientific data, and probity.

Caught in the clash of these two cultures, the permanent secretary is continually pressed from both sides. The minister is rarely satisfied with the secretary's advice. It is always too slow, too cumbersome, or too rigid. On the other hand, his or her public service colleagues feel the secretary fails to stand up to the minister's proclivity to make political hay at the expense of important public policy issues. As a result, the permanent secretary is caught in a terrible vise: required by law to serve the minister and the minister's needs, yet harshly judged by peers on his or her ability to bring a rational approach to departmental decisions and thus maintain moral authority.

There is an additional set of contradictory pressures on the permanent secretary. He or she may work for a particular minister but has usually been appointed by the head of government, who has the right to withdraw the appointment at any time. Only in rather unusual circumstances would the minister be consulted about the appointment of his or her permanent secretary.

This matrixed relationship seems cumbersome. It is hard to believe that such unclear and overlapping responsibilities would be tolerated in the private sector, for example. But the approach has proven itself very effective in creating a supple but strong bridge between the political and the administrative levels of government. It ensures that the permanent secretary is both *responsive* to and *independent* of the minister. It gives him or her the ability to "speak truth to power" when advice or counsel is called for. It also ensures that, in the final analysis, the democratic will of elected officials will carry the day.

This delicate balance is made all the more remarkable because it generally relies on practice rather than clear rules and defined law. In most countries, permanent secretaries are employed "at the pleasure" of the government.[3] This appears to be a contradiction in terms. How can someone be permanent if they are appointed "at pleasure"? The answer is that while heads of governments jealously retain the right to nominate, promote, move, and even fire permanent secretaries as they see fit, as a general rule they exercise this right judiciously, with an eye to maintaining the integrity of the system as a whole. They know that certain actions that do not respect accepted norms (for example, dismissing a permanent secretary on political grounds) could be

[3] The term "at pleasure" means the contract can be terminated at any time. In recent years, some countries, particularly in the South Pacific and Africa, have moved to employ permanent secretaries on a fixed-term basis. New Zealand now employs "chief executives" on five-year contracts. The objective is to enhance the autonomy of the permanent secretary in the exercise of his or her functions, while retaining ultimate accountability for results. There is no unanimity on the effectiveness of this approach.

politically costly and could prejudice the integrity of the system as a whole. This means that, in practice, the permanent secretary has permanent – well, almost permanent – status.

For the permanent secretary, the importance of building a good working relationship with the minister cannot be overstated. Without the trust of the minister, it becomes extremely difficult for the permanent secretary to exercise departmental control and manage effectively. The reverse is also true. The success of the minister depends to a large degree on the ability and goodwill of a permanent secretary who often has a very different personal or professional background and whom the minister did not appoint. Ministers who too readily trust permanent secretaries lose the ability to act independently. But ministers who ignore the advice of their permanent secretaries run the risk of making serious errors.

"Experienced permanent secretaries recognize that tacit acceptance of their competence and good intentions constitutes a leap of faith for ministers,"[4] notes a former Canadian cabinet secretary, Gordon Osbaldeston. "They try very hard to demonstrate that they are both willing and able to support the Minister." When a good working relationship exists between the two, the accountability system functions very well. However, when the minister and permanent secretary are not able to work well together, both face difficulties carrying out their responsibilities. Central to a good working relationship is a clear understanding on each side of the appropriate role of each individual.

THE BASIC ROLES OF THE PERMANENT SECRETARY

In the Westminster model of government, ministers are both individually responsible for the affairs of one department or ministry, and collectively responsible for the conduct of the government as a whole. The power and authority to make decisions with respect to particular departments are provided through statute to individual ministers. *The principle of individual ministerial responsibility* refers to the responsibility of the minister, as the political head of a department, to answer to the legislature and, through the legislature, to the public, both for his or her personal acts and for the acts of departmental subordinates. *The principle of collective responsibility,* on the other hand,

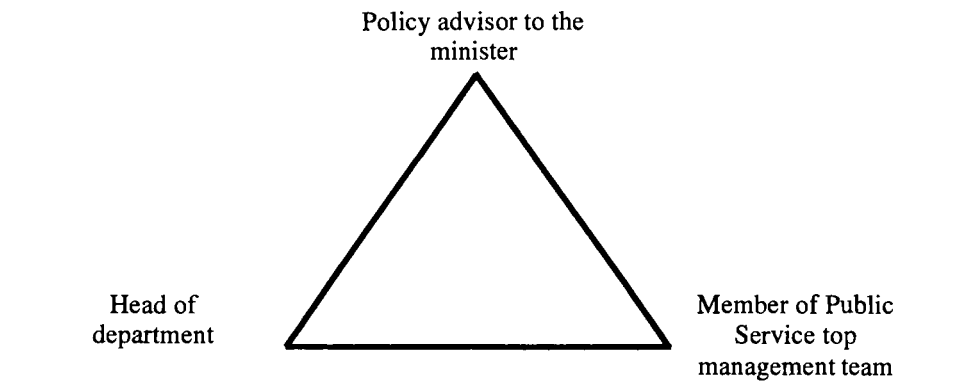
[4] Gordon Osbaldeston, *Keeping Deputy Ministers Accountable.* (Scarborough ON: McGraw-Hill Ryerson Limited, 1989).

refers to the concept that ministers are responsible as a group – as members of the Cabinet – for the policies and management of the government as a whole.[5]

As the under-secretary to the minister, the permanent secretary has three basic roles: providing policy advice to the minister, leading the department of which he or she is the administrative head, and participating in the collective management of the public service as a whole.

These three basic roles can be represented as a triangle of competing responsibilities (Figure 1), each pulling on the permanent secretary for time and attention. Each is somehow related to the others; yet each competes with the other two.

Figure 1. Three basic roles of the permanent secretary



As *policy adviser to the minister*, the permanent secretary is expected to provide objective advice on policy issues, on the government's options in dealing with them, and on the implications of each option. Policy advice is always based on a combination of hard evidence and intuitive assessment. It often requires a complete understanding of complex technical, managerial, legal, and/or financial issues. By definition, it almost always has important political implications for both the minister and the government as a whole.

[5] For more on the role of ministers, see Kenneth Kernaghan and David Siegel, *Public Administration in Canada*. (Scarborough, ON: Nelson Canada, 1995).

The minister, of course, has other policy advisers. They may include people from his or her political staff and political party, as well as outside experts engaged *ad hoc*. Traditionally, however, the permanent secretary has played the central role in developing policy options and in recommending courses of action to the minister. He or she is responsible for gathering and analysing the evidence to support a course of action (or inaction) proposed to a minister.

As *head of a department,* the permanent secretary must direct and manage, on the minister's behalf and within the law, a department of government. In part, this means ensuring that the work of the department (controlling immigration, maintaining a transportation system, or collecting taxes, to take three examples) is carried out effectively and efficiently. The permanent secretary has to ensure that the department responds to ministerial priorities and that the administration of the department is carried out in a way that reflects the minister's direction and interests. From time to time, this may require implementing policies which the permanent secretary has reservations about, or may even have advised against (Box 1). Nonetheless, as a loyal public servant, the permanent secretary has the duty to respect the authority of the democratically elected political level, and to carry out its policies to the fullest extent possible.

Like the manager of any other large organisation, the permanent secretary must ensure that the key tasks of planning, organising, execution, control, and evaluation are carried out. However, most permanent secretaries have many more constraints on their management decisions than do their private sector counterparts. These include: limits on their latitude to hire, fire, promote, and compensate employees; constraints on procurement; and inhibitions imposed by the highly public nature of their decisions.

As *a member of the public service top management team,* the permanent secretary shares a collective responsibility for the management of the public service as a whole. Permanent secretaries are members of the larger collectivity of government and are expected to play a *corporate role* on behalf of the government. Part of this entails making sure that departmental initiatives are consistent with overall governmental objectives. New Zealand's State Services Commissioner spelled out this collective responsibility in a letter to all chief executives (that is, permanent secretaries):

> You have a key role in ensuring that the collective interest of government is not lost sight of, and indeed is enhanced by your department's actions. While departments properly and necessarily specialise in certain areas, it is important that they always consider the relationship of their own policy advice and programmes to the wider context of the Government's strategy. I would therefore, expect you to work with central agencies and other chief executives, both in the public service and in the wider state sector, to ensure

that the work of your department complements that of other State agencies (...) and that consultation takes place at all levels.[6] (Box 2)

Box 1

The rogue minister

Every experienced permanent secretary has been faced, at least once in his or her career, by the problem of the "rogue" minister. A rogue minister is one whose personal agenda is in conflict in some substantial way with that of the government of which he is a part.

The rogue minister is the permanent secretary's worst nightmare because it forces him or her to choose between two competing loyalties – to the minister and to the prime minister and the government he leads.

There are many reasons why a minister might not be synchronised with the prime minister. Ethnic or regional loyalties or personal ambition are often the causes. Political rivalries within the governing party can also be contributing factors.

But it falls to the permanent secretary to ensure that the initiatives of his or her minister are within the boundaries set out by the prime minister.

How should a permanent secretary deal with a rogue minister? In the first instance he or she must make sure that the minister understands where or how the ministers initiatives are inconsistent with government policies or priorities. Where he cannot come to agreement with his minister, however, the prudent permanent secretary will normally seek the advice of the head of civil service or the cabinet secretary.

Participation in the collective management of the public service may also include serving on special task forces investigating policy questions or perhaps matters of government organisation, heading corporate projects, or joining committees.

Finally, permanent secretaries must observe and support government-wide management standards and regulations that have been set by ministers collectively. They are delegated certain responsibilities over finances and personnel by central agencies. Box 3 provides an illustration of the extensive range of tasks demanded of the permanent secretary on a given day, and is by no means complete.

[6] New Zealand State Services Commission, Key Documents. *Responsibility and Accountability: Standards Expected of Public Service Chief Executives* (June 1997).

Box 2

The permanent secretary and "the contract"

"Hire permanent secretaries as you would CEOs," some people argue. "Put them on contract to deliver specific outputs, pay them competitive salaries (with performance bonuses), give them the freedom to manage – and fire them if they don't deliver."

Advocates of the business approach to government often point to New Zealand, which sold off many of its state-owned enterprises and re-organised the remaining government departments into about 30 agencies. Agencies are headed by chief executives recruited through open competition and paid competitive salaries for fixed-term contracts with specific deliverables. They are given wide latitude in managing their agencies, free of central controls.

On the whole, the assessment of the New Zealand experience is positive. Government is now smaller and more focused, without obvious reductions in the volume or quality of public services. But some warning flags have been raised about applying a business model to government. Some of the dangers include:

An excessive focus on the contract. Several incidents have revealed a worrying tendency for chief executives to focus excessively on what is in the contract, to the detriment of broader government objectives. After a tragic accident in a national park, for example, the chief executive of the parks agency refused to resign, claiming that while "reducing expenditures" was in his contract, "building safe viewing platforms" was not.

Focus on the short-term. Rewarding public sector chief executives for meeting financial targets builds incentives to improve results by putting off much-needed equipment maintenance, for example, or cutting back on employee training.

Reduced emphasis on the collective. The business approach tends to evaluate chief executives primarily as heads of agencies, and only secondarily as leaders of the public service as a whole. This tends to undermine the development of teamwork among government departments.

Reduced deployment flexibility. The system does not provide any soft landings for a head of department who performs well but does not get along with the minister. This makes it more difficult to handle the inevitable conflicts between minister and deputy, exposing the government, and the agency, to potentially serious problems.

New Zealand has already moved to deal with some of these problems. In June 1997, the State Services Commissioner, (the effective boss of the public service), sent a letter to each chief executive to clarify what is expected of a senior-level New Zealand public servant. It states that chief executives must be sensitive to the needs of the government as a whole, demonstrate a high level of personal ethics, and manage their departments with long-term stewardship in mind.

Box 3

What does the permanent secretary do all day?

The range of tasks demanded of the permanent secretary is extensive. Here is a short list culled from interviews with permanent secretaries around the Commonwealth.

- Consult with and advise the minister and staff
- Oversee the formulation of policy advice
- Write speeches for the minister
- Deliver speeches for the department or the minister
- Write memoranda to cabinet
- Prepare the minister for Question Period
- Ensure that ministerial initiatives are consistent with government priorities
- Represent the ministry to parliament, including the Parliamentary Accounts committee
- Chair or participate in inter-ministerial committees
- Chair ministerial committees
- Network with other permanent secretaries
- Represent the ministry to client groups
- Maintain relations with donor agencies
- Participate in and support community activities
- Deal with the media
- Recruit, train and promote key staff
- Motivate, educate, and discipline staff
- Visit frontline departmental units
- Exercise control over departmental expenditures
- Oversee strategic and business planning for the ministry
- Act as steward for public resources entrusted to the ministry

Management environment

Permanent secretaries operate within a complex environment of demands, constraints and competing interests. They must manage the demands and the often competing interests of ministers, interest groups, client groups, staff, other government departments, and other levels of government – to name but a few. They must also operate within a climate of often ambiguous and competing accountabilities. As one academic text commented:

> [Permanent secretaries] are entangled in the net of bureaucratic politics within their departments, and between their departments and other administrative units. In short, [permanent secretaries] are challenged to perform the difficult feat of keeping their nose to the grindstone, their ear to the ground, and their back to the wall. Moreover, in the executive-bureaucratic sphere, [permanent

secretaries] are required to look in three directions to find the audience for their performance. They must look upward to their political superiors, laterally to their administrative peers, and downward to their departmental subordinates.[7]

The following list of the most important stakeholders in the management environment of the permanent secretary demonstrates its richness.

- The *prime minister (or president)* normally has the power to appoint and release the permanent secretary. In some cases, the permanent secretary will receive a 'mandate' letter indicating the prime minister's priorities. The permanent secretary may have little contact with the prime minister, or a lot, depending on the size of the country and its political culture. But the prime minister must always loom large in the mind of the permanent secretary.

- The *head of the civil service (HCS)*, sometimes called the cabinet secretary or the clerk of the cabinet, is the chief administrative officer of the government. Usually a former permanent secretary, he or she has a large say in the careers of permanent secretaries. In many cases, the HCS will convene regular meetings with the permanent secretary group to discuss overall government direction.

- The *minister* has political responsibility for the department and is a member of cabinet. In many ways, the minister is the permanent secretary's boss, and it is the obligation of the permanent secretary to make the minister look good. But the permanent secretary also has a broader obligation – to the minister and to the government – to make sure that the minister keeps to the government's agenda.

- *Junior ministers* with specialised areas of responsibility are created by some governments that like to expand the number of ministers. These junior ministers have various titles: some are called "Deputy Minister"; in Canada they are called "Secretary of State." Junior ministers often want to cut their own figures, and keeping junior ministers on-side with the minister and the department can be an important task for the permanent secretary.

- *Parliamentary committees* are bodies through which parliaments exercise their power over permanent secretaries in a number of ways. A parliament may have a specialised committee to look at certain issues such as transportation and telecommunications. There is often a public accounts committee to examine the priorities and management of each department. Maintaining good relations with

[7] Kenneth Kernaghan and David Siegel. *Public Administration in Canada.* (Scarborough, ON: Nelson Canada, 1995).

parliamentary committees is an important responsibility of the permanent secretary.

- Individual *members of parliament* are very sensitive to the impact of departmental decisions on their ridings, and are usually quite prepared to defend the interests of constituents. While most ministers will want to retain direct contact with members of parliament, it often falls to the permanent secretary to ensure that these relations are as smooth as possible.

- The *Public Service Commission* (or a similar body) is found in most Commonwealth governments. Its responsibility is to ensure the non-political nature of the public service. This limits what a permanent secretary can do – in hiring, transferring, and firing staff, for example.

- The *Treasury Board (or Management Board)* allocates funds for each department through the budget process and sets rules governing expenditures.

- The *Auditor General* (or a similar independent body) may be created by parliament to verify that the funds it votes are in fact devoted to the ends agreed to. This involves a series of controls, investigations, and – occasionally – public reporting of mismanagement.

- *Specialised oversight agencies* are created by parliaments in many countries to make sure that broad policy objectives are carried out. One agency already mentioned is that of the Auditor General, who generally reports directly to parliament. Others might include commissions whose job it is to protect gender or racial equality, linguistic rights, the environment, privacy, and so on. All of these agencies look over the shoulder of the permanent secretary, and make reports to parliament.

- *Crown corporations or state enterprises* – arm's-length agencies created by many governments – may operate in the general policy area of the permanent secretary. The permanent secretary of the Department of Transport, for example, may find that he or she has several port authorities to deal with. Though the permanent secretary may or may not sit on the board of such authorities, their actions may have an important impact on the portfolio.

- *Other government departments* are often involved because, increasingly, issues present themselves as cross-cutting or 'horizontal' matters for which no one department has exclusive responsibility. The control of AIDS may primarily be a Health issue, for example. But any AIDS strategy must also involve other departments such as Education, Prisons, Police, and the Judiciary – to name a

few. It is the responsibility of the permanent secretary to ensure that initiatives are carried out in co-operation with other departments of government.

- *Other levels of government* are factors in Commonwealth countries such as Canada, South Africa, and Australia, which are federations. The interests of states or provinces may diverge from those of the federal government and each other, and regional governments have the legal and economic power to pursue their own interests. Even in unitary states, many municipal and local governments are significant political players. The successful permanent secretary must pay careful attention to other levels of government.

- *Departmental staff* are a primary concern of the manager of a large department, which sometimes includes thousands of unionised employees, "exempt staff," and a senior executive team. The permanent secretary has to pay attention to them and their representatives, and may have to deal with unions when he or she wants to make changes in the way work is done, for example. However, because wages are usually negotiated centrally (there are now some exceptions, for instance in the UK and New Zealand), the permanent secretary has very little control over one of the most important Human Resource tools – compensation policy.

- *Media* (the press, radio, and television) now demand greater access to government documents, research, and decisions. More than ever, the permanent secretary works in a "glass house" environment. His or her ability to deal with the press is crucial to the credibility of the department and the government as a whole.

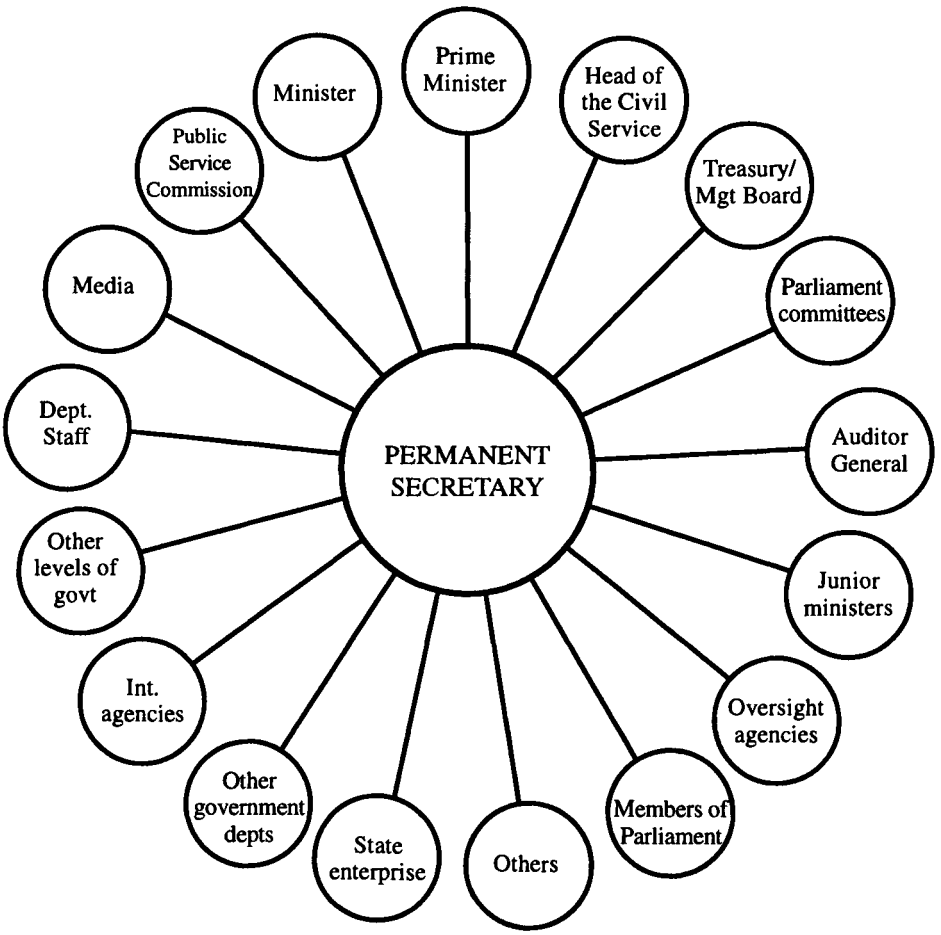
- *International agencies* play an increasingly important role in the operations of permanent secretaries, who often find themselves involved with regional and international agreements, conventions, and organisations. This is most clear in areas such as environmental protection and immigration, where the subject matter is not inherently defined by national boundaries. Today, almost every government department is a signatory to, or participant in, regional or international conventions or agencies, and the range of decisions that can be made without co-ordinating with them is diminishing.

- *Others* include clients, professional associations, citizen groups, farmers' unions, ethnic communities, and so on. No list is ever complete.

This bewildering list of stakeholders can be represented, in somewhat simplified form, by a bubble diagram that arrays the stakeholders around the permanent secretary. Of course, the elements of the diagram will vary from country to country and ministry to ministry, but the overall dynamics are remarkably similar around the world.

Figure 2 is a representation of the basic management environment of a permanent secretary in Canada.

Figure 2. Management environment of a permanent secretary



Adapted from Gordon F. Osbaldeston, *Keeping Deputy Ministers Accountable* (Toronto: McGraw-Hill Ryerson, 1989) p.16.

Accountability system

We often hear it said, for example, that a permanent secretary is 'accountable' to the client groups of his or her department, or to individual members of parliament, or even to the public at large. But accountability relationships, while embedded within the management environment of the permanent secretary, constitute a more precise set of relations based on conferred power. In the discussion that follows we will use the definition of accountability offered by a former Clerk of the Privy Council of Canada.

> Accountability is the obligation to answer to a person or group for the exercise of responsibilities conferred on him or her by that person or group. [8]

Permanent secretaries are accountable only to those individuals or groups with whom they have a direct authority relationship based on legislation or convention. In this sense, therefore, we would not say that a permanent secretary is accountable to the public. This is not to say that they have no obligation to the public for they clearly do. However, the public has no direct authority relationship with the permanent secretary. Permanent secretaries are accountable only to their political superiors, to the courts, and to any internal governmental authorities given oversight authority by the law or common practice. From this point of view, in most Commonwealth countries permanent secretaries have six essential and somewhat overlapping accountabilities. In approximate order of importance, these accountabilities are to:

- the Prime Minister or President, who in most Commonwealth countries appoints permanent secretaries and confers specific powers on them;
- the minister of the department, for whom the permanent secretary provides advice and manages the department;
- the head of the civil service, who on behalf of the government, confers collective responsibilities on permanent secretaries;
- a management or treasury board, usually consisting of a small number of key ministers supported by a powerful secretariat, which provides funds to carry out activities under agreed conditions;

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[8] Gordon F. Osbaldeston. *Keeping Deputy Ministers Accountable*. (Scarborough ON: McGraw-Hill Ryerson Limited, 1989), p 5.

- a public service commission, responsible for the independence of the public service, which delegates certain staffing, financial, and personnel management functions to the permanent secretary under specified conditions;

- parliament, through one or more parliamentary committees, including the public accounts committee – the body that holds permanent secretaries accountable for the expenditure of public funds.[9]

While the permanent secretary has accountabilities to all six of these entities, there is rarely any doubt about where his or her principal accountability lies. In almost all Commonwealth countries, the power to appoint (and remove) permanent secretaries lies with the head of government.[10] In practice, this power may be delegated to an administrator, such as the head of the civil service, who may exercise considerable influence – but always on behalf of the head of government.

In Canada, for example, permanent secretaries (confusingly called "deputy ministers") are appointed by the Prime Minister on the recommendation of the head of the public service (or clerk of the privy council). In making recommendations to the Prime Minister, the Clerk takes advice from, but is not bound by, a committee of senior officials. The selection and deployment of permanent secretaries is a powerful tool for ensuring consistency across departments and continuity in departmental administration despite changes in ministers. It also emphasises the collective interest of ministers, and the special interest of the Prime Minister in the effective management in the public service.

The specific accountabilities of the permanent secretary vary from country to country, but at the most basic level the six illustrated seem to be most common. Another layer of complexity comes from the fact that many of the six also have accountabilities to each other. For example, the head of the civil service is normally accountable to the Prime Minister. The Public Service Commission is usually accountable to parliament.

Figure 3 provides a simple illustration of the basic accountability system of the permanent secretary.

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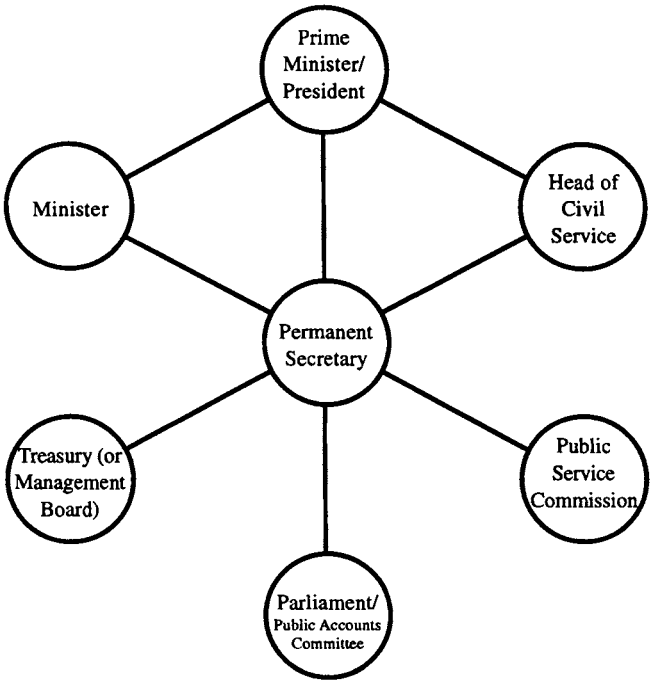
[9] The "accountability" of the permanent secretary to the parliament through the public accounts committee varies from country to country. In the UK, the permanent secretary is the "accounting officer" and has a duty to account to parliament. In other countries, including Canada, the permanent secretary only reports to parliament on behalf of the minister. He or she is not legally "accountable" to the public accounts committee.

[10] In New Zealand and a few other countries, permanent secretaries (called chief executives) are appointed by the State Services Commissioner on the recommendation of an independent selection board.

Figure 3. Basic accountability system of permanent secretary



While these six basic accountabilities seem to exist in all governments in all Commonwealth countries, their relative importance varies from country to country and from time to time. Some countries have highly centralised systems in which the dominant lines of responsibility lead to the centre. Others have decentralised systems in which the dominant accountabilities are to individual ministers. Some systems have a very large political component in which the prime minister or president has a key role; others are more administrative, with less involvement of the political level.

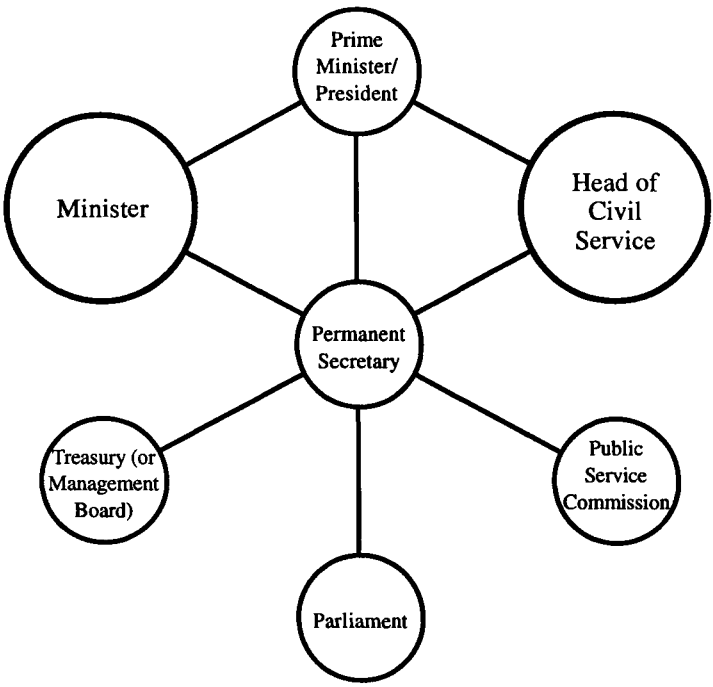
In the Canadian model, for example, the cabinet secretary, who is also the head of the civil service, plays a central and powerful role. The prime minister normally relies on the cabinet clerk's advice in making any appointments at the permanent secretary level. This variant might be called a "corporate-administrative" approach.

In the New Zealand model, however, the cabinet secretary plays a rather small role in the appointment of chief executives, who are recruited in open competition by an independent board under the public service commission (called the State Services Commission). The minister, on the other hand, plays a large role in determining the outputs stipulated in the contracts governing the chief executives. This approach can be called an "executive-decentralised" one.

Other variants are also possible. For example, in many African countries the president (or prime minister) plays a very large role in the nomination of permanent secretaries. In many cases, the approach is so centralised that permanent secretaries themselves are not clear on either selection criteria nor the basis for eventual dismissal. This approach could be called "political centralised." Figure 4 provides an illustration of some of the variations outlined above.

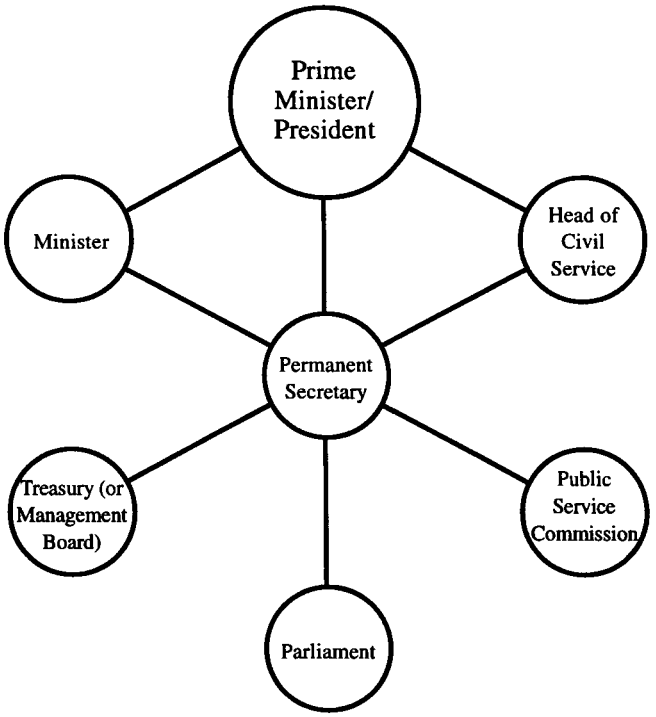
Figure 4. Variations of basic accountability system of permanent secretary

Variant A: Corporate administrative



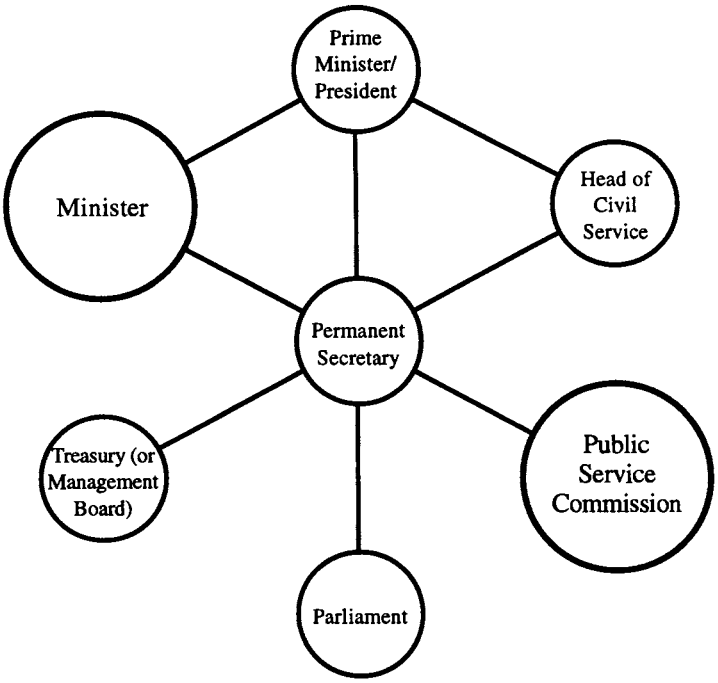
In Canada, the minster and the head of civil service play key roles in the accountability of the permanent secretary.

Variant B: Political centralised



In some Commonwealth countries, decision-making is very centralised.

Variant C: Executive decentralised



In New Zealand, the key accountabilites of a permanent secretary are to the Public Service Commission (called the State Services Commission) and to his or her minister.

The richness of the Westminster system can be seen in the variety of its applications. There is no right way to organise and distribute power. Each country has evolved a political structure from its own history, social composition, and level of political and economic development.

The need for feedback

Any accountability system needs adequate feedback. Surprisingly, permanent secretaries report that they get very little. Most say their relations with their ministers focus on specific dossiers and offer little opportunity to reflect on the overall quality of the relations between them. They also state that they are more often than not left guessing as to how their effectiveness is viewed at the centre. In fact, over 65% of those who responded to our questionnaire say they receive no regular evaluation of their work. Not surprisingly, they find this a source of considerable frustration.

Over and over again, permanent secretaries lamented the lack of feedback – either from the minister or from the head of the public service. "Regular evaluation encourages permanent secretaries to be better qualified for their jobs. It gives confidence and more job satisfaction," noted a permanent secretary from a Caribbean nation. "Once this standard of qualification and accomplishment has been set, other permanent secretaries will aspire to this goal, and would seek to improve their self-worth and not just wait for promotion through age or years of service." She also felt that regular evaluation of senior officials would increase the confidence of junior staff in the calibre of the top management. "As it is," she added, "junior staff are evaluated, but the most important civil servants are never given any direct feedback."

Routine performance evaluation encourages clearly expressed expectations and establishes specific goals and objectives for which the permanent secretary is then held accountable.

THE STATE IN A CHANGING WORLD

The role assigned to government in the planning and management of national economic and social activities has undergone fundamental reassessment in both developed and developing economies within the Commonwealth.[11]

Public sector reform is not new. It has rolled over governments in successive waves for over a century. One only has to think of Britain in the mid-19th century, when efforts to professionalise the public service culminated in the Northcote-Trelevyn reforms of 1856. A second wave of reformation swept the Commonwealth in the early-1900s when many governments created independent public service commissions to ensure the development of a "merit-based" public service. In more recent times, the Keynesian revolution, which laid the economic and social foundations for the welfare state, again transformed the state apparatus in all developed countries.

But the wave of public service reform now sweeping the globe is unprecedented in its scope. Since the mid-1970s, almost all Commonwealth governments have struggled to reshape their public service establishments to achieve greater efficiency and produce more responsive and flexible services. It encompasses not only the developed world, but the developing world and the former socialist bloc as well. There appear to be four main drivers to this reform movement:

- financial pressures on governments (in some cases, near-bankruptcy);
- the erosion of public confidence in governments and state institutions;
- technological change, in particular the development of means to process and share data electronically;
- global economics.

The latter inevitably places every country on the globe in a kind of uncomfortable competition for resources, investment, and jobs. In this new environment, the ability of the state to provide education, health, transportation, and other services in an efficient and reliable manner becomes crucial to development.

In the space of less than a generation, governments of fundamentally different persuasions around the world have been forced to similar conclusions: they have no

[11] Mohan Kaul. "From Problem to Solution." *Commonwealth Strategies for Reform: Managing the Public Service*. Strategies for Improvement Series, No. 1 (Commonwealth Secretariat, 1996).

choice but to attempt to restrain the growth of public spending and improve the level of services.[12] For example, many newly independent countries facing a debt crisis of major proportions were forced to dramatically reduce their expenditures and improve their efficiency. Under pressure from the IMF and donor countries, they were pushed into downsizing and privatisations that were very difficult to execute. At the same time, even the developed countries began to face the fact that growth in expenditures for health, education, and debt could not be sustained indefinitely. At first, deficit reduction was the preoccupation of a few "conservative" governments. But within a few years, the notion that governments needed to live within their means had become accepted by a broad spectrum of political parties. And finally, the centrally planned governments of the Soviet Bloc collapsed, unable to produce the economic goods necessary to sustain the standard of living of the population.

According to a World Bank report produced in 1997, public expenditure as a percentage of gross domestic product has levelled off in the developed world since 1980, and has actually declined among developing countries.[13] The severity of the cuts to operating budgets is actually much greater than the World Bank figures indicate because the latter include all state expenditures, including debt repayment. In Canada, for example, the total budget of the Federal government has continued to rise since 1990. At the same time, operating budgets have been slashed savagely. The difference has gone toward the retirement of Canada's very significant national debt.

The response to these pressures has not been simply smaller government, but different government. Based on our surveys of permanent secretaries around the Commonwealth, the cumulative effect has been to change government in six main ways:

- *There is an increased focus on results.* For the last 50 years, the public sector has been seen as an alternative to the market economy and a way of compensating for its weaknesses. However, over the last decade and a half, a growing body of knowledge has demonstrated that the market quickly adapts to such compensatory mechanisms, often nullifying the effect of the intervention. As a result, the state can spend large amounts of money without having any results to show for it.

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[12] In many countries the debate over the future direction has been conducted over several years. However, the combined pressures of international competition and pressures from the international financial community have moved the agenda forward. Another stimulus has been the rapidity with which information and ideas now circulate around the globe, thanks to the Internet and cheap air transportation. Some of New Zealand's leading architects of public service reform now travel the globe offering advice and counsel to countries as varied as Mongolia and Chile.

[13] "The State in a Changing World", *World Development Report 1997*. (New York: Oxford University Press, 1997).

Today, the principal objective of almost all states (whatever their political persuasion) is to find ways to "encourage" the market to attain socially desirable outcomes.[14] This does not mean that the state has shed its regulatory or control function. It still sets standards for such matters as education and food quality. But there is little doubt that the pressure is on to make better use of markets to achieve specific outcomes.

- *Power is dispersed.* A broad trend has developed toward the separation of delivery from policy through the increased use of arms-length agencies, public/private partnerships, and contracting out. Many more things – from delivering mail to operating marketing co-operatives – are now being done by agencies not controlled by national governments.

  As a result, power is dispersed in every direction: to private enterprises, other levels of government and to international agencies. According to the 1997 World Development Report, developing countries tend to have more centralised state structures than their industrialised counterparts. However, over the past 30 years there has been a shift in public spending in developing countries from the national level to lower levels. In Commonwealth developing countries, many governments are decentralising responsibilities to regional levels. South Africa's new constitution is highly decentralised. Zimbabwe is devolving responsibility in areas of health, education, and social service welfare to local governments.

  Decentralisation often leads to improvements the quality of government and the representation of the interests of local businesses and citizens. Experience has shown that competition among provinces, cities, and localities can spur the development of more effective policies. But there are many examples of overlapping responsibilities that lead to useless frictions.

- *Issues are more interrelated.* Few political issues fit neatly within the mandated authority of a single government department or agency. There may be a department called "Environment" for example, but no single department can encompass the environment as its exclusive portfolio. In fact, in many countries, the actions and policies of other departments – Defence, Transport, Natural Resources, for example – will affect the environment more than the Environment Department itself.

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[14] Peter Larson. "Public and private values at odds: can private sector values be transplanted into public sector institutions?" *Public Administration and Development*, Vol. 17, 131–139 (1997).

In simpler times, most fields of governmental intervention could be considered as reasonably separate domains, or "silos." Today, however, issues are increasingly interrelated, and solutions require co-ordinated intervention by two or more departments. Government departments must find new and more horizontal ways of studying problems and finding solutions.

In today's dynamic world, it is also no longer possible for governments to understand immensely complex problems or devise sufficiently interdependent solutions without bringing together groups of people who spend much of their time understanding the evolving environment.

- *Decision-making has become globalised.* As the world economy becomes globalised, nation states find their national sovereignty increasingly circumscribed. This poses both political and practical problems for ministers and permanent secretaries in every country in the Commonwealth – from the developed U.K. to developing Mauritius. When the World Trade Organization decreed, for example, that the United Kingdom could not give preferential treatment to bananas from its former colonies in the Caribbean, the decision had an immediate and disastrous effect on many Caribbean nations. In creating a rules-based economy, multilateral organisations have limited the independence of every nation on the globe.

  International rule-making organisations such as the WTO, the IMF, and the World Bank; regional trading blocs such as APEC or NAFTA; and transnational partnerships are slowly limiting the range of independent options for every country. Taxes, investment rules, and economic policies must be ever more responsive to a globalised economy. And their increasing reliance on international financial institutions has made it very difficult for the developing economies to resist economic and political pressures approved by their key donors. The geographical context within which governments operate has shifted from the national to the global level.

- *Government is under increased public scrutiny (and criticism).* The environment within which governments operate is becoming increasingly public, with no end in sight. Intense media scrutiny has played a role in increasing public cynicism and has led to more and more intense calls for transparency and public consultation.[15]

  The escalating demand by the public for information, combined with the growth in information technology (in particular, the Internet), has subjected governments to

[15] Howard Wilson. "The Role of the Ethics Councellor," Presentation made to the Second Annual Commonwealth Seminar on The Changing Role of the Permanent Secretary, Ottawa ON, June 1998.

more intense examination than ever before. "Governments used to operate on the principle that everything was secret, save for that which it wanted to make public," notes a former Prime Minister of New Zealand. "Today it is the opposite. Everything is public unless there is a specific reason for confidentiality." Domestically, citizens have come to insist on transparency in the conduct of government, and on other changes to strengthen the ability of the state to meet its assigned objectives.

But it is not just confidentiality that is eroding – it is the very notion that governments have the right to make decisions unilaterally that is challenged. Citizens increasingly demand to participate in the development of policy, in the design of programmes, and even in the design of service delivery. As a result, government can no longer impose decisions without a fuller consent by the governed. Instead, governments are becoming "arbitrators," "referees," or even "catalysts" rather than independent agents.

- *There is an increased focus on economic development.* The era in which the state was seen as the principal lever of economic development has yielded to one in which the role of the state is to create the conditions for economic development. With fewer resources at its disposal, the state has had to focus more on "steering" the economy as opposed to "rowing." As a result, large state-owned or state-operated economic initiatives have almost disappeared, and in most countries the state is attempting to shed any activity that can be operated commercially. While some of these activities had proved enormously successful, too many state enterprises around the Commonwealth were characterised by waste and inefficiency. A new consensus has emerged that the role of the state is to provide the "economic and political climate" for successful enterprise. Over 81% of respondents to our questionnaire identified a "greater focus on economic development" as the most important single change in the role of government over the last decade.

Overall, the pressures for reform have been so enormous that governments across the Commonwealth have been forced to question the fundamental roles and responsibilities of the nation-state. Many Commonwealth governments have adopted a variety of strategies, including redefining the relationship between policy-making and administration and introducing greater accountability, task definition, and performance measurement. Many have increasingly delegated the control of resources. Governments have become more aware of the need to work collaboratively with all stakeholders, and have accepted that they must improve levels and quality of service.

IMPLICATIONS FOR THE PERMANENT SECRETARY

> *The pace of change in the public service... has been so vast and profound that very few people outside the public sector yet realise the depth of these changes.*[16]

Earlier, we argued that the permanent secretary has three primary roles: policy adviser to the minister; head of an administrative organisation; and member of the corporate management team of the public service. Most permanent secretaries interviewed for this publication hold that these basic functions have not been fundamentally altered by the changing role of government. However, the main changes identified – the focus on economic development, the focus on outputs, power dispersal, issue interrelation, globalisation, and increased public scrutiny have all had significant impacts on the nature and complexity of each of these roles.

- ***The role of policy advisor is becoming more complicated***

As policy advisor to the minister, the permanent secretary is profoundly affected by all the changes discussed. For example, the changing focus of the government on the economic climate demands that the permanent secretary take a broad "systems" view. Providing policy advice has always required hard work, political sensitivity, and a quick mind. Until relatively recently, however, it was possible to develop policy options within a relatively closed circle of advisers and influential power-brokers, without major public involvement. Today, permanent secretaries find that they are increasingly obliged to consult widely – and openly – with the public before making major policy changes. There are many overlapping reasons for this change – falling confidence in "élites" of any sort, increasing technological means of consultation, and the increasing complexity of systems. As a result, the permanent secretary must increasingly consult a wide range of groups, assess all the implications of changes, and anticipate likely reactions.

As the focus of government switches away from effective project administration to creating the conditions for economic development, the permanent secretary must become more concerned with the broad economic effects of policies. It is no longer enough to ensure that projects are well managed: initiatives – in the areas of housing or transportation or fisheries, for example – must be consistent with, and make a

[16] Marcel Massé. "Public Service Reform and the Changing Role of the Permanent Secretary" (paper presented to the Second Annual Commonwealth Seminar on the Changing Role of the Permanent Secretary, Ottawa ON, June 1998).

contribution to, the government's broader objectives for economic development. Raising duties on tobacco might well reduce the incidence of lung cancer, for example, but the permanent secretary of health has to be concerned about possible implications for unemployment. Permanent secretaries must adopt a "systems" view of the government – even the country – as a whole.

The increasing intrusion of international events and institutions into national decision-making has also complicated the role of the permanent secretary as policy adviser. "The traditional role of government has been deeply shaken by the invasion of external forces, which have taken on international dimensions, such as the inter-penetration of markets, the free flow of capital, the globalized problems of environment, immigration, international terrorism and epidemics", noted one minister.[17]

The growing interdependence of nations is encouraging governments to work as partners through various international forums. Given that most policy issues are complex, cut across departmental mandates, and have international, national, and local dimensions, a permanent secretary must have a better understanding of the international community in order to advise the minister on policy. Responding to a questionnaire, over 76% of permanent secretaries felt they needed to be more aware of international events that increasingly affect the roles and operations of their governments, in order to advise their ministers.

Consequently, senior officials increasingly participate in international forums that provide them with opportunities to share knowledge and learn from one another. The enthusiastic response to the Public Policy Forum's recent seminar, *The Changing Role of the Permanent Secretary*, is evidence of the thirst for international understanding and exposure. Permanent secretaries will require broader exposure to the international community through visits, exchanges, and conferences. Many permanent secretaries feel under-prepared to deal with agencies such as donors and international financial institutions, either public and private. In order to work effectively with such bodies, permanent secretaries must understand their working norms and environments. They can also benefit significantly from the experience of other countries when they undertake public sector reform at home.

[17] Marcel Massé. "Partners in the Management of Canada: The Changing Roles of Government and the Public Service." Publication of the 1993 John L. Manion Lecture, 1993/04. Canadian Centre for Management Development).

- ***The role of head of a department is becoming more complex***

The stakes have also risen for permanent secretaries in their role as departmental managers. As resources diminish, the need to demonstrate results becomes greater.

> The traditional model for the public service has been criticised for its remarkable resistance to productive change. In focusing on process rather than product, it remains aloof from the disappointments of both its funders and its consumers.[18]

It is no longer enough to be a "good administrator" – that is to honestly steward public resources. Today, permanent secretaries are expected to be inspirational leaders as well.

Increasingly, permanent secretaries are being asked to focus on 'outputs' and 'outcomes'. Across the Commonwealth, governments are turning to performance management systems to assess achievements against organisational goals. In Zambia, for example, performance targets are being introduced at all levels of the public service. There is growing pressure from donors and the general public for governments to show measurable results. Citizen demands for efficient and effective government increasingly mean setting objectives and measuring results. Performance improvements in the public sector, as elsewhere, are driven by managerial expectations. In the Singapore public service, the performance management system has both public and managerial components. Departments are expected to show year-over-year gains in efficiency.

Complaints are more comprehensively detailed as public expectations rise. Client surveys have been used in several countries, including India, to encourage improvements in performance. Britain and Jamaica have introduced "citizen's charters" that set out public expectations for basic levels of service and provide a powerful stimulus to improvement.

The emphasis on demonstrable results increases pressure on permanent secretaries. They must spend more time keeping abreast of operations, consulting stakeholders, and working with other departments to ensure coherent service delivery without duplication.

In Malta, all permanent secretaries are appointed via performance agreements lasting from one to three years. Other countries, including Botswana, are considering similar

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[18] Mohan Kaul. "From Problem to Solution." *Commonwealth Strategies for Reform: Managing the Public Service*. Strategies for Improvement Series, No. 1. (Commonwealth Secretariat, 1996).

methods. The country that has gone furthest in this regard is likely to be New Zealand, whose reforms are well known.

Box 4

The permanent secretary and conflicting values

As a senior officer of the public service, the permanent secretary has an important obligation to define – and demonstrate – the values that underlie public administration itself. When these fundamental values are in evolution, as they are today in many countries, the task is even more difficult. A recent senior-level task force report in Canada put its finger on tension between two conflicting value systems: what it calls "public administration" and "new public management".

"The *traditional public administration* perspective views government, *grosso modo*, from the top down. It begins from the viewpoint of democratic and political processes, and is interested in how these work themselves out or find expression in the administrative arm of government. It pays particular attention to decision-making processes; institutions; the senior public service and its interaction with ministers and Parliament; laws and regulation; accountability; government organisation; public policy; and so on.

"The *public management* perspective approaches government, *grosso modo,* from the bottom up. [It] focuses much more on ... organization, and seeks to understand or improve features of organizational life such as leadership, strategic management, organizational climate, service quality, innovation, measurement of outputs, performance, client satisfaction, and so on.

"The public administration perspective reproaches [new] public management for paying too little attention to the ... parliamentary, political and public context, for treating public goods as if they were private, for ignoring the complexities and tradeoffs that are characteristic of the public sphere, and for downplaying the importance of due process, vertical accountability and ... the public interest or common good.

"The public management perspective reproaches public administration for neglecting the real life of organizations, for paying excess attention to due process while ignoring outputs, for giving short shrift to ... users of public services and the quality of their interactions with government, for having little or nothing to say about the concrete tasks required to transform public organizations, and so on.

"We do not think it is helpful to minimize or smooth over the tension between these two perspectives. First, because it is more constructive to acknowledge confusion where it exists. Second, because it is in the very nature of values to conflict, and this conflict is something we need to understand and manage in a mature fashion."

(Canada, Privy Council Office, 1996)

Box 5

Public Sector Reform in New Zealand

New Zealand's State Sector Act, passed in 1988, significantly changed the accountabilities of the permanent secretary, now renamed the "chief executive" (See Commonwealth Secretariat, 1996). The Act had several fundamental effects:

- It changed the relationship between ministers and permanent heads. Chief executives are now appointed on contracts of up to five years.
- The performance of chief executives is now subject to formal, systematic appraisal by Treasury and the State Services Commission (SSC).
- The chief executive of each department is the employer of all staff within the department. The former centralised system in which all public servants were employed by the SSC was eliminated.

The industrial-relations regime in the public sector was closely aligned to that of the private sector.

Some countries are trying to link the pay of permanent secretaries to demonstrated results. In Canada, a new compensation system being phased in introduces a small but significant level of pay based on performance, which is measured against agreed targets and business plans. The new system will attempt to tie together various government approaches to performance management, such as comptrollership, accounting for results, and citizen-centred service delivery.

In most countries, the public sector finds that it can no longer "make things happen" on its own and it has become increasingly important that it find ways to get things done through others. This requires a huge investment in consultation, explanation, negotiation, persuasion, and partnerships. Top government officials are learning to readjust their thinking. They must become not so much implementers of programmes as brokers who identify and clarify problems with the help of knowledge-based advisers. Permanent secretaries now find themselves leading consultations with stakeholders and the public in order to develop policy options for ministers. Not only are citizens demanding this, but the (permanent secretary) needs input from these groups simply to provide the ministers with good policy and assessment of the impact of decisions.

Today, neither politicians nor public servants can hope to possess all the knowledge needed to deal with constantly changing domestic and external environments. Permanent secretaries, who were once largely invisible to the public, are becoming

much more prominent figures and must have strong skills in consultation, negotiation, and communications. It is hardly surprising, therefore, that 81% of respondents to the questionnaire felt that they required a greater understanding of, and ability to work with, the private sector.

As ministers' portfolios expand to include new partnerships with the private sector and experiments with various types of arm's-length agencies, permanent secretaries are often expected to advise on the policy area covered by all the organisations in the minister's portfolio. This need to assure policy coherence across the entire portfolio demands much broader knowledge and skills. With the introduction of a range of public/private partnerships and arm's-length agencies, permanent secretaries find they are responsible for the outcomes of partnerships over which they do not have effective control. In most cases, each agency remains accountable to the permanent secretary and the minister; however, permanent secretaries must assign the full range of authority for running an agency to its head.

Many of the new arrangements mean the introduction of stakeholders or 'clients' to the direction/management mix, which raises the issue of autonomy versus accountability. Permanent secretaries must learn to manage in such ambiguous environments, in which decision-making may no longer be within their purview. They must learn to establish parameters and define accountabilities for these new bodies.

There is also a greater premium on the need for leadership skills. The permanent secretaries interviewed and surveyed overwhelmingly felt that leadership is a core competency that needs most developing among the senior management of their public services. To support the massive changes taking place within government, the new management culture must be supported by leadership: permanent secretaries must be leaders, and not just managers.

> They must personally demonstrate, by their behaviour, a commitment to the core values of the Public Service. They must communicate a sense of direction and inspire their employees to achieve it. They must value and support their people. They must be the servants of their followers and position themselves at the base, not at the apex, of the pyramid. They must liberate and develop the talents of their people. And they must communicate effectively.[19]

[19] Marcel Masse. "Public Service Reform and the Changing Role of the Permanent Secretary" (paper presented to the Second Annual Commonwealth Seminar on the Changing Role of the Permanent Secretary, Ottawa ON, June 1998).

A key function of leadership among permanent secretaries is the capacity to enable and facilitate the other players in the organisation while establishing the parameters of risk that accompany such delegation and empowerment. This implies a higher level of involvement and power-sharing in the management process, and the need for permanent secretaries, as leaders, to motivate and develop their staff. According to the feedback received from permanent secretaries, one of the most significant challenges they face is inadequately trained staff. As leaders, permanent secretaries will have to make a concerted effort to improve staff quality through training before delegation and empowerment can be accomplished. The development of staff will ensure better functioning of the department. Opportunities for development and personal training in leadership, consultation, negotiation, and communication will become ever more important as these skills become the basic requirements for the job. Leadership and the ability to delegate were seen by many as among the keys to success.

Because of the proliferating number and complexity of issues, permanent secretaries in their role as policy advisers also become policy 'managers' by delegating some of their responsibility for policy review.[20] They must also ensure that senior colleagues are well briefed on the priorities of the government and the views of other ministers. Sound training, hiring, and promotional practices will be needed to ensure that competent policy officers are developed within the department.

- ***The role of corporate manager is becoming more onerous***

A majority of permanent secretaries report that the corporate management of the public service as a whole is becoming an increasingly onerous part of their responsibilities.

> Strengthening horizontal links between departments for policy discussions and program implementation will become an increasingly important part of public management reform in the near future.[21]

As manager of a department, the permanent secretary historically sat at the apex of the organisational pyramid. The department was strongly hierarchical in culture, and permanent secretaries were relatively autonomous from one another. Departments were largely vertical "silos," and each was considered a reasonably separate domain. Today, few problems can be contained within one department or ministry. As a result, permanent secretaries find their roles changing from administration of a vertical department to the creation of the linkages across departments needed to solve

[20] Timothy Plumptre. "New Perspectives on the Role of the Deputy Minister." *Canadian Public Administration* 30 (Fall 1987): 376–98.

[21] Massé, 1993.

problems. Permanent secretaries are now expected to find more horizontal ways of studying problems and finding solutions. The permanent secretary's duty to support the government's overall agenda increasingly means becoming a member of a *corporate management team* of the public service.

They are expected to spend a significant portion of their time as leaders of task forces, as champions for specific projects, and as members of corporate policy and management committees. In Canada, this work is assessed in performance reviews linked to remuneration in the same way as their role in delivering on the objectives of their own departments.

Our survey of permanent secretaries overwhelmingly showed a desire for increased teamwork, both among colleagues and within individual department staff. One permanent secretary of health and social welfare strongly expressed her desire for an increased effort to develop government policy as a "corporate team." One country that has apparently moved in this direction is Jamaica, which has developed a corporate-planning process that allows for collective development of targets and budgetary priorities by which performance of ministries can be measured.

The following table provides a summary of the impact of the changing role of government on the nature and complexity of each of the roles of a permanent secretary.

	Policy adviser to the minister	Head of a department	Member of Public Service top management group
Increased focus on results	• increased need to demonstrate 'value for money' • increased ambiguity: 'output' v 'outcome'	• increased need for performance management systems (e.g. contracts, performance pay) • better data and information systems	• re-orient staff recruitment and training policy
Power dispersion	• increased need to understand positions and strengths of other players – including private sector and other political actors • make better use of external research and policy sources	• develop "consultative" and "partnership" skills • reposition as "broker" or "facilitator"	• develop national policies in light of reduced power
Issue interrelation	• greater need for policy coherence across government • greater need to consult • greater need to understand other ministers political agendas	• position department as part of government 'team' – not as 'sole owner' of issue • devote more attention to corporate work culture change – • break down inter-organisational barriers/hostilities	• develop horizontal mechanisms
Globalisation	• political choices restricted • enhanced need to understand international community, including donors and IFI's • need to align political expectations with new realities	• devote more resources to understanding international implications	• need for people with international exposure

Increased public scrutiny	• more stakeholders • need to consult widely • higher risk for ministers • reduced latitude for 'elite accommodation'	• permanent secretary more visible • access to information considerations • public reporting can be onerous	• policy on openness
Increased focus on economic development	• need for broader economic impact analysis • need for systems view need to understand other player's objectives and incentive structure	• need to develop "external" or "customer" focus • need for better information systems	

CONCLUSION

WHAT HAS NOT CHANGED?

At its most fundamental level, the role of the permanent secretary has not changed. The permanent secretary remains the key link between the democratic process (the political level) and the public service. The three primary functions involved – policy adviser to the minister, head of a government department, and member of the overall corporate team for the public service – remain the core responsibilities of the permanent secretary. In particular, the obligation to offer advice to the minister in a professional and non-partisan manner remains as important as ever.

Happily, permanent secretaries say that they still like their jobs and find the work challenging and satisfying. They enjoy the opportunity to make a difference. Most permanent secretaries said they did not feel they could find a job in the private sector that would give them the same sense of making a contribution to the country.

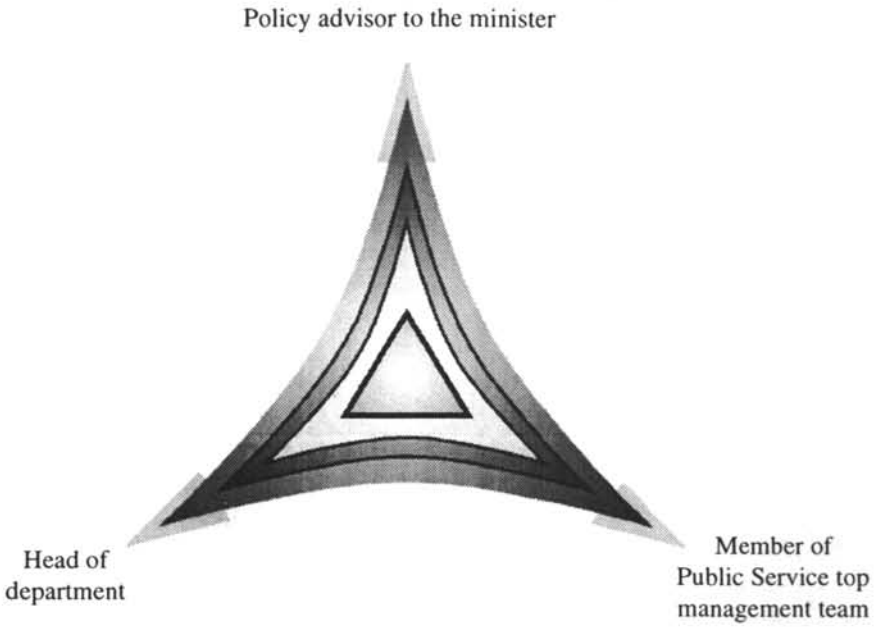
WHAT HAS CHANGED?

While basic roles have not changed, the last ten years have seen an explosive growth in the demands of the job. The role of *policy adviser* has become complicated by the overriding needs of economic development, by the increasing inter-relationship of issues, and by the growing mesh of international treaties and obligations that diminish national sovereignty. The role of *head of department* grows more complicated as resources diminish, while the need to demonstrate leadership and show results increases. The role of *member of public service top management team* is made more demanding as issues increasingly appear not within departmental silos but as matters that cross governmental boundaries. Permanent secretaries need to work horizontally with other departments and department heads to a much greater extent than in the past. Normal communication channels can often impede projects that involve other ministries. Experience has shown that co-ordination at the level of the permanent secretaries concerned helps resolve bottlenecks and speed implementation.

As citizens demand greater public consultation and participation in policy development, permanent secretaries find themselves leading more stakeholder consultations. They must, therefore, begin to take on the role of broker, or problem-solver.

The permanent secretary is being stretched in all directions at the same time. More complicated policy questions, more complex management issues, more demands for involvement in the management of government as a whole (Figure 5). This situation is potentially dangerous, especially as the resources available are being severely limited.

Figure 5. Permanent secretary "stretched"



It is important that all Commonwealth countries closely examine the obligations they are imposing on their permanent secretaries and take appropriate steps to ensure that these obligations can be handled appropriately. Box 6 provides an example of how one Canadian government department has responded to the growing complexity of the work of the permanent secretary.

Box 6

The "Office of the Permanent Secretary"

One of Canada's largest government departments has responded to the growing complexities of the role of the permanent secretary by creating the "Office of the Permanent Secretary".

The "Office of the Permanent Secretary" includes the permanent secretary (head civil servant who is ultimately accountable to the Minister), associate permanent secretary, and senior assistant permanent secretary for service delivery. Under the leadership of the permanent secretary, his team guides strategic change within the organisation, determines corporate priorities and accountabilities, heads key decision-making committees, and provides policy advice to the minister.

The "Office of the Permanent Secretary" spearheads responses to emerging policy issues and bring forward the department's best policy, programme and service delivery advice. They also provide leadership throughout the department, articulating their vision for the future, the values, principles, and ethics of the department.

Together, these three individuals work closely as a team and share responsibility for the roles of a permanent secretary – policy adviser, organisational leader, and corporate manager.

The roles are often divided along the following lines:

- the permanent secretary and his associate permanent secretary share responsibility for the role of policy adviser and work closely together on policy issues;
- organisational leadership, on the other hand, is provided by all three individuals, however, a large part of the administrative role (departmental manager) is carried out by the senior assistant permanent secretary; and
- the corporate role is largely carried out by the permanent secretary. The permanent secretary sits on a number of committees and attends weekly governmental briefing meetings for permanent secretaries on behalf of the department.

RECOMMENDATIONS

It is a testament to the high quality of the public service in Commonwealth countries that most permanent secretaries have risen eagerly to the challenge. In order to adapt successfully to their new environments and to perform their jobs better, permanent secretaries will require greater support, better feedback mechanisms, and adequate compensation. They will also require more opportunities for development and personal training in areas such as leadership, consultation, negotiation, and communication, and will need to further develop a relationship of trust with their ministers.

1. ***Clarify the roles and responsibilities of key ministers and secretaries***

   The relationship between the permanent secretary and the minister is a delicate and crucial one. Each country's head of civil service should ensure that both ministers and permanent secretaries understand their roles – a task that must be renewed as often as the people in those positions change. The Commonwealth Secretariat can assist the process by arranging meetings and providing documents intended to provoke dialogue and increase mutual understanding.

2. ***Re-examine the structure of the permanent secretary's job***

   The new demands placed on the permanent secretary put into question the viability of the traditional structure. Is it reasonable to expect that a single person can be a trusted personal adviser, a knowledgeable policy expert, and a leader of people?

   In some jurisdictions, the role of the permanent secretary is not carried out by one person alone, but by the "office of the permanent secretary," which might be composed of four or five people including the permanent secretary and one or more assistant secretaries, each with a specific function or functions.

3. ***Provide regular feedback to permanent secretaries.***

   Permanent secretaries are given a great deal of autonomy. However, in a period of rapid transition, when they are being asked to work in new ways and use new skills, it is particularly important that they be given advice, guidance, and feedback. As noted above, nearly two-thirds of permanent secretaries who responded to our questionnaire say they receive no regular work evaluation, and that they find this very frustrating. The Commonwealth Secretariat could

provide a useful service by reporting on the best practices used around the Commonwealth to provide feedback to permanent secretaries.

4. ***Ensure adequate opportunities for training and development of permanent secretaries***

As we have outlined in this publication, the job of permanent secretary is in evolution, and every opportunity should be sought to help incumbents expand their horizons and deepen their abilities. Particular attention should be paid to:

- *Leadership development* Permanent secretaries are, by definition, leaders of organisations. Yet most feel that their changing roles demand ever higher levels of leadership skills. Their assessment is that leadership development is the most important training they – and their colleagues – need.

- *Understanding the global economy* Taken as a group, permanent secretaries belong to the best-educated segment of the population in almost every Commonwealth country. Nonetheless, they are increasingly constrained by a network of international conventions, treaties, and reciprocal agreements. They say they are frustrated because they lack the depth of understanding of the global economy they need to be able to protect the best interests of their countries. Each country should ensure that it provides its permanent secretaries with sufficient opportunity to learn about the international dynamics that affect their departments and the government as a whole. The Management Training Division of the Commonwealth Secretariat, through its Commonwealth-wide meetings and seminars, can play an important role in this regard.

- *Understanding the private sector* As the role of government moves from direct provision of services to the creation of a framework for economic and social development, government departments become more reliant on external organisations – including the private sector. Few of the permanent secretaries consulted had had direct or extensive experience with private-sector organisations. All felt that their ability to function as permanent secretaries depended on an enhanced understanding of the private sector. Commonwealth governments should ensure that the development of future permanent secretaries includes exposure to, and even experience in, private-sector organisations. This might take the form of courses, conferences, or exchange programmes.

The following is a list of people whom the Public Policy Forum would like to thank for their generous contributions to this publication.

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India

Dr. Sam Agere
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Commonwealth Secretariat
United Kingdom

Anton Alfred
Permanent Secretary
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The Hon. Warren Allmand
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Canada

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ISBN: 0 85092 584 3

ISBN 978-1-84859-673-3