

**TOWARDS A DANISH CONCEPT
OF PUBLIC GOVERNANCE:
AN INTERNATIONAL PERSPECTIVE**

**Report to the Danish Forum
for Top Executive Management**

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Contents

EXECUTIVE SUMMARY	3
Code for Top Executives	6
INTRODUCTION: THE AIMS AND STRUCTURE OF THIS REPORT	9
INTRODUCTION.....	10
The scale of change and the depth of challenge: a paradox.....	11
An outsider's first view of the Danish public sector	11
The size of the public sector	13
The pattern of politico-administrative institutions.....	17
The culture of the public sector	19
The character of the political/administrative interface	20
The external/international dimension	22
Challenges.....	24
PROFILE OF DANISH TOP EXECUTIVES	29
Responsibilities and emphases of top executives	30
Levels of attainment in qualifications and skills.....	33
Assessments of top executives by senior managers.....	36
Factors affecting performance	38
Characteristics of top executives and senior managers.....	40
Summing up: the profile of Danish top executives.....	43
CODE FOR EFFECTIVE PUBLIC MANAGEMENT	43
The role of top executives.....	45
Public and private sector governance	47
Fundamentals of public sector governance.....	48
1. Supporting political leaders and shaping the organization's mission.....	49
2. Ensuring organizational performance	52
3. Relating to the public	57
4. Advancing public governance.....	60
The Code for effective public management.....	64
Competencies for top executives	66
Assessing top executives' competencies	68
CONCLUSION	73

APPENDIX: OTHER PUBLIC SECTOR CODES OF GOVERNANCE 75

ACKNOWLEDGEMENTS 77

NOTES 78

Towards a Danish Concept of Public Governance: An International Perspective

Executive Summary

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An important paradox lies at the core of Danish public governance. On the one hand, many people have told us that Danish senior executives face major new challenges. On the other, the vast majority of our respondents want to preserve most or all of the key elements in the current roles of top executives. Throughout our intensive review of Danish governance and the role of top executives, we have found that Danish government officials seem to want to address a rapidly changing world by maintaining and improving the current system of top executive management—not by replacing it with something else. The mood is overwhelmingly for reform rather than revolution in the way government officials steer and lead the business of the state.

This tension between innovation and preservation—vigorously addressing the new while simultaneously holding firmly to the most tried-and-tested features of the *status quo*—is a theme that recurs throughout our report. It means that care must be taken that new practices will not destabilize existing strengths. It also means that the inertia of the present system should not be underestimated: a few technical changes would be unlikely to have the momentum to shift such a strong and well-embedded set of attitudes and practices as we can see in Denmark today. Getting the balance right is crucial.

At the core of our report are seven challenges that Danish top executives must face:

1. An increasing demand for better co-ordination between different public authorities.
2. Simultaneous pressure for ever-higher efficiency and productivity in public services.
3. Dealing with a world in which more and more issues are addressed internationally—including formerly “domestic” issues such as taxation or employment protection.
4. Dealing with a world where the pace of social and technological change has accelerated, so that certain features of the situation which could formerly be regarded as relatively stable are now in flux.
5. Effectively serving political leaders who themselves face a changed environment.
6. Acting in the face of—and in possible partly to remedy—declining levels of public trust in both Danish state institutions and the EU.
7. Steering change while minimizing the loss of the positive characteristics of the status quo.

Danish top executives must grapple with these challenges in the context of several distinctively Danish features of the nation’s public service. Compared with many other states, Denmark has a single level of political office holders. There is habit of deep involvement of top executives in policy and political advice. And there is the potential of

high levels of mutual trust and knowledge because of the relatively small size of the administrative elite—fewer than 500 top executives across the whole of the public sector.

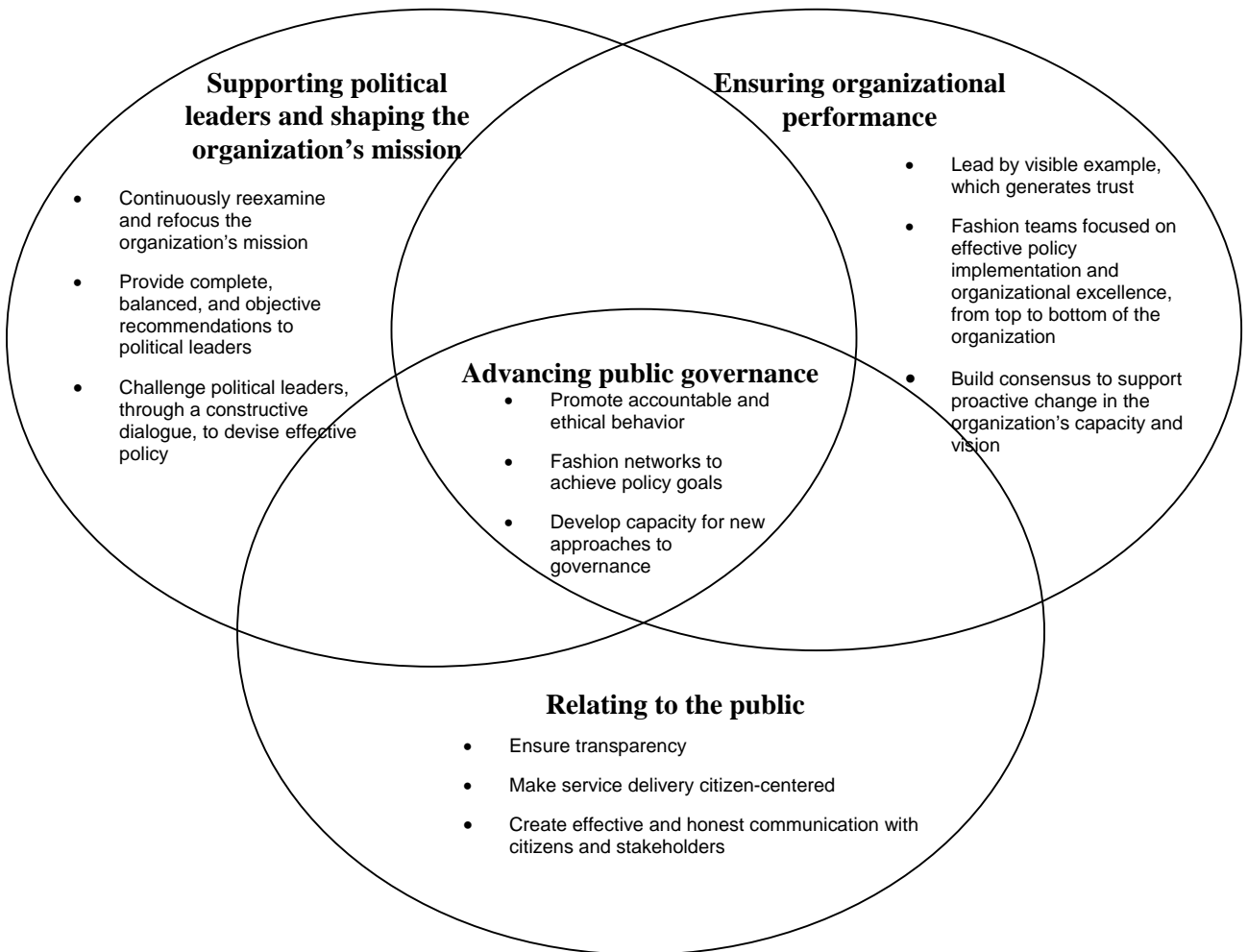
Moreover, the very nature of Danish top executives powerfully shapes the way they deal with these challenges. Our surveys found that top executives are extensively involved in formulating ideas and visions. They are innovators, and they are highly involved in influencing the decision-making processes to secure sensible and efficient solutions. They are a highly skilled group, but they recognize limited attainment of skills in managing information technology, policy analysis, and international affairs. Most of all, Danish top executives tend to focus their attention on offering advice, maintaining the boundary between politicians and administrators, and achieving the orderly functioning of their organizations. Danish top executives tend to have long years of experience in their current position, with service for different political leaders in different political parties. That focuses the attention of top executives on their twin challenges of both serving both the government of the day and the broad public interest.

How can Danish top executives best meet these challenges? This report outlines a Code for top executives, which is captured in the figure which follows. It emphasizes the four key pillars of effective public sector governance:

- *Supporting political leaders and shaping the organization's mission:* to bring the entire organization to energetic, focused life, and continuously to rethink the organization's mission and how best to accomplish it.
- *Ensuring organizational performance:* to balance the important role of policy and political advice, on the one hand, with the critical function of ensuring high-performing government, on the other.

- *Relating to the public*: to build effective and honest communication with citizens as well as the organized stakeholders in the government’s policy and administrative systems.
- *Advancing public governance*: to devise strategies to stay ahead of the rapid changes in governance and to produce performance that reflects the highest standards of accountable and ethical behavior.

Code for Top Executives



This Code leads to a set of competencies for top executives. The competencies, outlined in the report, form a challenging list. Indeed, it would be unreasonable to expect that any individual top executive could embody all the elements. But it is essential that the *governmental system* in fact does embody *all* the elements, for that is what will be necessary to ensure a high-performing government in the 21st century. We conclude that these competencies should be built through an energetic process of skill development, supported by a system of self-assessment and 360-degree feedback, a full circle around the top executive's principal range of interactions.

Denmark's debate about a code for the public service not only provides a unique opportunity for anticipating and resolving governance issues before they become major problems. It also provides a truly unusual opportunity to seize international leadership on the issues that very many nations are facing in an increasingly internationalized, interconnected world.

- **A tool for self-assessment**

- **Define a set of competencies, through the code.**
- **Have top executives conduct self-assessments of their competencies.**
- **Create a 360-degree feedback process, from others with whom the top executive works, to assess the executive's competencies.**
- **Identify peer coaches within the Forum for Top Executive Management, who can help top executives strengthen their competencies.**
- **Arrange for professional coaches, outside the Forum, who can help top executives who feel they need additional assistance to develop their competencies and strengthen their performance.**

Introduction: The aims and structure of this report

Since the beginning of 2004, a three-member team of international scholars has carefully examined the environment of Danish public servants, especially of its top executives, and the challenges they face in the 21st century. This report examines those challenges and suggests a Code for Effective Public Management. The report will be structured as follows.

First, we will take a very brief look at how the Danish public sector compares with those in selected other countries. Some of this material is likely to be familiar, at least to some readers, but it is necessary background to the subsequent and main parts of the report. This opening section will conclude with a first listing of the main challenges that Danish senior public sector executives face.

Second, we will examine more closely what current top executives think and do. What are their backgrounds? What competencies do they have, and which do they believe could be added or improved? What worries them most? What do they see as the key shifts in the contemporary environment? This section builds on a foundation of data gathered from special surveys and interviews, from extensive discussions with these executives, and from the relevant professional and academic literatures.

Third, on the basis of the first two sections, we will articulate a *Code for Effective Management by Top Executives*. The Code outlines 12 principles of best practice, each of which is explained and discussed.

Finally, we offer a set of tools by which top executives can assess themselves against the Code. We specify simple, workable procedures by which top executives may

evaluate themselves (sometimes with the help of others) against the principles of best practice.

Introduction

This is a report from three outsiders. While we may command extensive knowledge of other national systems and international developments, we remain outsiders nonetheless. There are both advantages and disadvantages to this position, and our aim has been to maximize the former while minimizing the latter. The generous assistance and advice of the officers and members of the Danish Forum for Top Executive Management has helped enormously in promoting our understanding of the particularities of the Danish context (see Acknowledgements). This has greatly strengthened our quest to identify the challenges facing Danish senior executives as they are confronted by rapid change in Denmark, Europe and the World. Nevertheless, we are still “looking in”—comparing what we have learned about Denmark with what we know about other jurisdictions.

Such a comparative perspective can be useful in a number of ways. It can identify what is strange, unusual or unique about a country, but it can also point to perhaps unnoticed or understated similarities. Used analytically, it can assist in highlighting the relationships between different components in the system. These could be where there are contradictions or tensions, or where old stabilities are gradually crumbling. Alternatively, it could be where certain relationships—perhaps traditional and too much taken-for-granted by the inhabitants—quietly help the whole ensemble to hold together but need additional support to ensure they weather changes elsewhere.

The scale of change and the depth of challenge: a paradox

From the outset of our work we have been struck by one particular paradox. On the one hand, many people have told us that Danish senior executives face major new challenges. On the other, the vast majority of our respondents want to preserve most or all of the key elements in the current roles of top executives. With only a few exceptions, our interviews and survey respondents seem to want to address a rapidly changing world by maintaining and improving the current system of top executive management—not by replacing it with something else. The mood is overwhelmingly for reform rather than revolution in the way government officials steer and lead the business of the state.

This tension between innovation and preservation—vigorously addressing the new while simultaneously holding firmly to the most tried-and-tested features of the *status quo*—is a theme which we will re-visit a number of times as we move through this report. It means that care must be taken that new practices will not destabilize existing strengths. It also means that the inertia of the present system should not be underestimated: a few technical changes would be unlikely to have the momentum to shift such a strong and well-embedded set of attitudes and practices as we can see in Denmark today. Getting the balance right will be crucial.

An outsider's first view of the Danish public sector

What seems normal at home often appears strange to outsiders visiting for the first time. Indeed, in the case of the Danish public sector, visitors from many other parts of the world might find it hard to see why anyone in Denmark should have any worries. After all, Denmark is a relatively rich country, with a mature, stable and tolerant system of democratic politics, a highly skilled public service, and an embedded tradition of

consensual negotiation. It is very near the top of the world league in eliminating corruption from its public sector, and Danish state institutions seem to be regarded more favorably by the general public than is the case even in many other wealthy western democracies.

Table 1
Trust in Political Institutions 2002

Country	Average Trust (percentage), 2002
Denmark	54
Finland	43
France	30
Germany	35
Italy	29
UK	34
EU average	36

Table 1 Average trust of 4 institutions in each country – the civil service, the national parliament, the national government and the political parties. Source: Eurobarometer (2002) *Standard Eurobarometer 57*, pp. 6-7. Note: Two years later, in 2004, Eurobarometer noted that in only 3 EU countries did a majority of citizens trust their national governments—Denmark, Luxembourg and Finland (Eurobarometer, 2004).

There is an extensive welfare state, most of which public organizations still directly provide, and which commands widespread political support. To visitors from the

state sectors of Tanzania, or Brazil, or even from some of the eastern European accession states, this must seem to be almost a paradise. However, a comparative perspective can also help us see below the apparently smooth surface.

There are many ways to conduct such a comparison. Our approach here will be pragmatic. We will look at how Denmark stands in relation to certain key features that many comparative public policy and public administration scholars have found significant, namely:

1. the size of the public sector
2. the range of functions performed by the public sector
3. the pattern of politico-administrative institutions
4. the culture of the public sector
5. the character of the political/administrative interface
6. the external/international dimension

This should give a comparative picture, but it will still be a static picture. To put some movement into it, therefore, we will subsequently examine current pressures on the system, and recent government reform strategies. Again, this more dynamic part of the analysis will be set within a broad comparative perspective.

The size of the public sector

Along with the other Nordic states, and its Dutch neighbor to the west, Denmark has a large public sector, especially as compared with the United States of America, Japan, or the United Kingdom. OECD figures show Denmark, (usually together with Sweden, which is not shown in these tables) as having the largest public sector among

member states, in terms of aggregate expenditure, numbers of persons employed by the state, and total compensation paid to state sector staff (see tables 2, 3 and 4).

Table 2
Total Government Outlays and Total Final Consumption Expenditure
for Selected OECD Countries

Country	Total Outlay	Final consumption		
		1997	1990	1997
	1990	1997	1990	1997
Denmark	-	40.9	25.3	22.9
Finland	44.5	51.8	21.1	19.3
Germany	43.8	48.1	18.3	19.1
NZ	48.8	38.9	-	14.7
UK	41.8	40.9	20.6	19.5
USA	33.6	31.4	17.6	13.8

Table 2 Source: PUMA/OECD databank. Note: final consumption expenditure is that expenditure which involves the direct purchase of goods and services, i.e. it excludes transfer payments

Table 3
Total Public Employment as a Percentage of Total Population in
Selected OECD Countries

Country	1998
Denmark	13.0
Finland	10.5
Germany	7.0
NZ	5.5
UK	6.5
USA	7.0

Table 3 Source: PUMA/OECD databank 2000. Note: the percentages have been rounded to the nearest half percent.

Table 4
Total Public Sector Compensation as a Percentage of GDP

Country	1990	1998
Denmark	18	16
Finland	15	14
Germany	8	8
NZ	11	10
UK	12	8

Table 4 Source: PUMA/OECD 2001

One might add that, while final consumption spending by Danish public authorities is, comparatively speaking, high, it is *transfer* spending which has proved most difficult to control over the past two decades. The problem with the growth of transfer payments is not particularly unusual—it can be found in France, Germany, the Netherlands, the UK, and the USA. In another respect, however, Denmark does exhibit a degree of difference. Compared with many other states, a very large percentage of public expenditure (including many transfers) is in the hands of sub-national governments, (roughly 35 percent of GDP, compared with 10 percent in France and less than 20 percent in Finland and the Netherlands). That portion of public spending—outlays by regions and municipalities—has grown quickly and has proven particularly prone to exceeding agreed-upon levels.¹ One consequence is that the outlook for central government spending is especially tight.

Despite a great deal of debate over the past 10-15 years, Danish public services are still in the main provided by public organizations. Contracting out, franchising and outright privatization has taken place, but, despite much debate, it has not gone nearly as far in Denmark as in Australia, New Zealand, the UK or the USA.ⁱⁱ Table 2 indicates that Danish state final consumption expenditure as a share of GDP (22.9 percent) was highest among the six selected countries. Within the OECD only Sweden's (25.8 percent) appears to be higher. Most of this goes on publicly provided services, and local governments (rather than central government) deliver the largest share.

The pattern of politico-administrative institutions

Politically, Denmark belongs to the family of systems usually known as multi-party consensualist.ⁱⁱⁱ Its Nordic neighbors, Sweden and Finland, are also members of this family. There are significant differences in electoral systems, government formation and political behavior between this group and the more majoritarian and adversarial systems of, say, Australia, France, New Zealand and the UK. These differences may have quite strong implications for the roles of senior civil servants because they mean that policies frequently have to be negotiated between several political parties before they can be launched—unlike, say, the majoritarian system in the UK. In the Danish case this is even more pronounced because, in recent years at least, the coalition governments have been minority coalitions. Because of this, policies require a kind of double negotiation—first with the parties in the coalition and second with the other parties, since they constitute the majority in parliament.^{iv} In local government one-party majorities do sometimes develop, but a similar tradition of intensive inter-party negotiations and consultations exists.

A second pattern feature is that Denmark sits with Germany and Sweden in having a fairly decentralized public sector, whereas the UK and France are noticeably more top heavy and centralized.^v In both France and the UK, roughly half of all public employment is at the central level, whereas the proportion is much smaller in Denmark. Neither can one imagine the Danish Prime Minister doing away with the governing body of Copenhagen in the way that Mrs. Thatcher abolished the Greater London Council. The Danish structure is also one in which a good deal of autonomy has been given to a range of public authorities—not only local authorities but also contract agencies, corporatized public enterprises and trusts. One consequence of this decentralized (some would say fragmented) structure is that an increasing need has been felt for improved co-ordination and “joining-up”—especially to tackle certain deep-seated social or economic problems that can only be effectively addressed by the coordinated actions of many different public agencies at several different levels. This is one issue that was highlighted by the work of the recent Danish Structural Commission.^{vi} Such multi-level, multi-authority co-ordination and networking demand particular skills from top executives.^{vii}

A third aspect of the institutional pattern is the presence of strong public service unions, well-entrenched in processes for determining pay, work conditions, and organizational change. In this respect Denmark sits most obviously in the same camp as its similarly “corporatist” Nordic partners, Norway, Sweden, and Finland. Public service unions are weaker in the “core NPM” countries such as Australia, NZ and the UK.^{viii} This is not to say that having strong unions is automatically either a good or a bad thing. It simply notes that Denmark currently has rather strong unions in this sector, and that is a fact of which politicians and top executives alike—both centrally and locally—must take

account. Furthermore, the human resource management system for central government is, by comparative standards, heavily centralized.^{ix}

The culture of the public sector

National cultures are easy to stereotype but hard to measure. They consist of values, norms, and beliefs. They manifest themselves in notions of normal or “acceptable” behavior, and in stories, jokes and symbols and rituals of many kinds. The Danish public sector culture is usually characterized as consensual, pragmatic, and non-confrontational. It shares the more general cultural tendencies of the Nordic cultures towards strong low power-distance and a style of relationships that could be described (superficially, at least) as informal and egalitarian.^x This same body of cultural analysis usually shows the Danes as having an unusually high tolerance for uncertainty.

More recent comparative work focusing specifically on local government elites confirms Denmark as having what are in international terms strikingly low uncertainty avoidance and power distance scores.^{xi} Furthermore, the administrative elite is quite small, as in Finland and Norway, but not in France, Germany or the UK. Therefore, almost everyone can know almost everyone else. This, combined with a merit-based career service and high security of tenure, tends to produce a strong culture, not easily disturbed or, indeed, re-shaped. Thus, for example, the Forum’s first e-survey in 2003 indicated high long term career stability, with few moving outside their chosen sector.^{xii} Indeed, the Forum itself, with its explicit approach to bridge public, private, and nonprofit boundaries, is a relatively recent and novel institution.

What is not so clear, however, is how far the high Danish informality and tolerance for uncertainty depend upon the prior existence of this relatively stable,

homogenous, and mutually trusting elite. In other words, these “typically Danish” attitudes may diminish or disappear when Danish administrators have to deal with others who are not “of their own kind”—as they have to do, for example, in the EU and international organizations of other types.

The character of the political/administrative interface

This is one aspect in which Denmark is relatively unusual. One way of expressing this distinctiveness would be to say that there is hardly any “buffer” or “filter” on the interface. Top public executives talk directly to ministers and regional and local politicians, with remarkably few interlocutors or other “political advisers” to filter the message (or send alternative signals). For example, it is not unusual for permanent secretaries, when given a clear mandate, to negotiate on behalf of their ministers with the leaders of other political parties.^{xiii} Senior executives “must make it possible for relevant players to become involved in the decision-making process” wrote one of the Forum’s theme panels. A leading local politician spoke to us of his chief executive in the following terms: “he is the best man I have for sparring and he is the best man for looking out how to handle the specific political situations.” Thus in local government, too, Denmark stands out in comparative perspective, with chief executives laying great emphasis on the giving of policy advice and support to politicians. Compared with many other countries, they give rather less emphasis to their administrative role.^{xiv}

This direct and uncluttered interface between non-partisan career officials and politicians is not found in many other countries. In the USA, for example, the Washington “spoils system” produces several layers of political appointees between top politicians and the main group of career federal servants.^{xv} In the UK, where as recently

as the early 1960s the civil service had a *de facto* monopoly of policy advice to ministers, it now has to share with a considerable and sometimes very powerful community of political advisors and press and public relations experts. In Denmark, Ministerial Private Offices have also developed a more complex structure, with specialist media advisers/press officers, but not on anything approaching the same scale as in Whitehall under the New Labour government of Mr. Blair. Even this modest change has stimulated fierce debate between the parties. A recent enquiry into this topic came to the conclusion that only small adjustments were needed, and that larger fears of “spin” and politicization of the civil service were mainly unfounded.^{xvi} Nevertheless this remains a sensitive subject.

One can therefore distinguish several distinctively Danish features:

- First, in central government, there is the phenomenon of a *single level of political office-holders*—no junior ministers and few political aides. Political aides are also largely absent from local government.
- Second, there is the habit of *deep involvement in policy and political advice by top executives*, both centrally and locally.
- Third, there is the possibility of *high levels of mutual trust and knowledge* because of the smallness of the elite (fewer than 500 top executives across the whole of the public sector).

Thus, in addition to their executive management responsibilities, top Danish executives also find themselves called upon to give both expert policy advice and, on occasions, advice that will help politicians with their specifically political objectives.

This has clearly been a sensitive frontier, closely policed—at the national level—by the legislature.^{xvii} Furthermore, our surveys and interviews indicate that these aspects of their work are seen as the most important and highly valued by the top executives themselves. Over half (58 percent) of the top executives who interact directly with political leaders report that they prefer to spend at least as much time giving policy advice as providing executive management, and two-thirds of these officials often provide tactical advice to elected officials.^{xviii} Whatever view one takes of the appropriate positioning of the politics/administration frontier, this extensive involvement of top Danish executives in policy and political advice raises another key issue. How and how far, in addition to these demanding responsibilities, can top executives also be expected to discharge the full responsibilities for the “general management” and administration of their departments, agencies, and authorities? And, if chief executives are spending much of their time and energies on policy and political advice, what are the arrangements for taking care of internal agency management? Who is “minding the shop”?

The external/international dimension

In one sense the Danish public sector is obviously highly “international” in its orientation. As a small, open economy, this is inescapable. And as a member state of the EU since 1973, Denmark cannot avoid the manifold ways in which EU decision processes interlock with domestic political and administrative agendas. “Globalization is *the* issue,” said one top executive, “it requires greater centralization of some issues and greater decentralization of others.” “Internationalization affects society in every respect” said a minister. One of the Forum’s theme panels commented that “Everything is

becoming to an increasing extent weighed and measured according to international norms and standards.”

More “locally,” there is a longer tradition of Nordic co-operation, still surviving, if perhaps slightly less prominent nowadays. Furthermore Danish public sector staff have been active participants in the growing international trade in management ideas and techniques. In 2002, for example, Denmark hosted the 2nd Quality Conference for EU Public Administrations, at which more than a thousand delegates discussed the finer points of EFQM (a Europe-based framework for quality management), and CAF (the Common Assessment Framework), Total Quality Management, citizen surveys and a host of similar service quality issues. Finally, Danes are one of the most linguistically gifted peoples—their education system ensures that almost everyone who reaches the top of the public services can operate effectively in other major languages as well as their own.

Yet in another way it is not entirely clear that Danish top executives are fully keeping up with the pace of Europeanization and globalization. An e-survey conducted for this project indicated that top executives themselves identified “working with international agencies” as the dimension on which they felt themselves to be least experienced (more than 40 percent marked the “insufficient” box).^{xix} Furthermore, one might say that the very success and stability of the evolving Danish system has tended to encourage a certain mild introversion. Impressionistically, to visitors with comparative international experience (including the authors of this report), one of the features which quickly strikes home is the sheer self-confidence of Danish top executives in their roles. They seem to work within a *very* stable, familiar system, to a degree which their counterparts in, say New Zealand, the UK, or the USA might find a little enviable.

Challenges

Having outlined some of the distinctive features of the Danish public sector in comparative perspective, we turn to the challenges. Many of these are international in nature, or at least are widely shared in other countries. However, the distinctive features of the Danish public sector terrain may mean that these broad waves break upon Danish institutions with rather different effects from those experienced elsewhere. Global challenges may require local solutions – one model for top management does not fit all countries.^{xx}

Set out below is a first broad list of the key challenges for Danish senior executives, as they arise from this preliminary international comparison. In later sections of the report we will refine and deepen the analysis of each issue. We will also extend the list somewhat, as we review the research the Forum has carried out into the beliefs, attitudes and competences of current top executives. The analysis so far shows that there is:

1. *An increasing demand for better co-ordination between different public authorities.* This is essential if high quality services are to be delivered to an ever-more demanding citizenry in convenient, “joined-up” ways. It links to the earlier points about the decentralized, even fragmented structure of Danish public administration. However, it is not simply a matter of structural change. It may also involve, for example, greater mobility and the fostering of skills in networking and joint working.

2. *Simultaneous pressure for ever-higher efficiency and productivity in public services.* The *Budget Review 2004* leaves little doubt of the scale of fiscal pressures for

“getting more with less” and *Denmark 2010* provides a tough framework within which the room for maneuver will in all probability be small.

3. *Dealing with a world in which more and more issues are addressed internationally—including formerly “domestic” issues such as taxation or employment protection.* Defense, immigration, crime, competition, agriculture, energy, transport, telecommunications, and regional development are just some of the policy sectors where negotiations through EU institutions and networks are nowadays unavoidable. One Permanent Secretary suggested to us that in future no-one should be appointed to a top position at central level unless they had experience of at least one posting abroad or dealing with international organizations.

4. *Dealing with a world where the pace of social and technological change has accelerated, so that certain features of the situation which could formerly be regarded as relatively stable are now in flux.* The explosion of new information and communications technologies (ICTs) is one obvious example. Emerging political debates over immigration, ethnicity and belief systems is another. As issues develop fast, and are quickly dramatized by novelty-seeking mass media, the time and space needed for the building of a traditional Danish consensus become harder to find.

5. *Effectively serving political leaders who themselves face a changed environment.* In particular, top executives must respond to the increased speed, complexity, and public exposure of the contemporary political process. Ministers and regional and local political leaders face a less trusting public, a more volatile party system, a more aggressive media and, more generally, a far more rapidly communicating and complex political environment.^{xxi} “There has been a massive increase in the

importance of the media” said one minister. At the same time, at a local level “the trend in recent years has been towards local problems in restricted areas being exposed to the press, after which they rapidly affected the national policy agenda.”^{xxii} Unsurprisingly, therefore, politicians want greater speed and responsiveness from their top executives—we heard this from a number of ministers and ex-ministers and local political leaders. Obviously, this connects with the international dimension mentioned above.

6. *Acting in the face of—and if possible partly to remedy—declining levels of public trust in both Danish state institutions and the EU.*^{xxiii} Danish trust levels in both national institutions and the EU have usually been much higher than the European average (see table 1). Now it appears that they are falling, particularly with respect to EU institutions, where they are approaching no more than the European average.^{xxiv} And it is precisely at this moment that the Danish government is seeking to increase the role and choice of citizens within the public system.^{xxv} Furthermore, the trust issue raises itself *inside* the machinery of government, as well as between government and citizens. As many commentators have noted, crucial aspects of the Danish system only work because different elements in the apparatus of government trust each other. For example, “The [budgeting] system is predicated on a high degree of trust between the Ministry of Finance and spending ministries and, in turn, between spending ministries and their respective agencies.”^{xxvi} Senior executives have an absolutely crucial role in maintaining that trust in the face of the more volatile environment described earlier.

This list contains a mixture of challenges. The first two could be said to be mainly (though not exclusively) executive/managerial/administrative in nature. The third, fourth and fifth concern policy advice and political support. The final challenge engages top

executives as representatives or ambassadors for the public sector—the ways in which they can, “walk the walk” and connect with citizens to demonstrate the value and integrity of the institutions which they serve. *All six challenges demand that top executives show not just foresight, knowledge, and flexibility, but also qualities of pro-active leadership.*

7. Last but by no means least, there is the complex challenge of *steering change while minimizing the loss of the positive characteristics of the status quo*. This is the issue of balance referred to earlier. Meeting challenges with planned change commonly incurs costs as well as benefits. In comparative perspective the Danish public sector has much to lose. If not a paradise, it is at least well-run, well-staffed and (relatively speaking) quite well liked by its citizens. These are precious assets which the process of change should be consciously designed to preserve and enhance. On the other hand, if the gains of the past are to be preserved, a pro-active stance towards the challenges indicated above is arguably essential. Anticipation and reasoned analysis, conducted with a sense of urgency, would appear to be a far more promising recipe than waiting for challenges to become crises, and then being forced into panic reactions. The need for real leadership is once more apparent.

All in all, this adds up to a formidable agenda for present and future top executives. New or at least amplified demands come from all sides. Some flavor of these multiple challenges can be had from the following extracts from interviews conducted by the international research team:

- “15 years ago I expected the chief executive that he had solutions in all intern questions, and that he didn’t have anything to do when it was external—

nothing...But now I know that it is, I think, good governance from my point of view that in some matters...he answers the press” (mayor)

- “I think it is getting more and more important for the permanent secretary to know the minister—also on a more—not private, but personal level. To figure out how *we* can respond to this political agenda and still—of course—be loyal to the legal framework, the budget, and the things we have to do” (minister X)
- “The Danish civil service system is, in many ways a unique system making large demands on the ability of top executive managers to balance between political and tactical advice. There are demands on the top executive’s ability to make the administrative system deliver proposals and recommendations necessary for a well-documented decision making proposal...This also requires unconditional loyalty to the government of the day, regardless of party political affiliations. The top executive management furthermore has a large administrative responsibility for the day to day running of the ministerial field of responsibility as well as the organization...” (minister Y)

Can Danish top executives rise to all these simultaneous challenges? As will become clear, we believe they can. But that does *not* mean that each individual top executive can hope to undertake all the tasks implied by the above list of challenges him or herself. Indeed, as one Permanent Secretary said to us: “No single person can even perform all the executive management tasks, let alone give policy advice.”

Each individual will have his or her own particular strengths—and will also have other areas where they lack either experience, or time, or both. Therefore top executives will frequently be in the position of having to delegate and steer—to make sure that some other individual or team takes care of certain responsibilities, reporting back as necessary. The subsequent sections of this report take this into account. They develop the idea that leadership by top executives consists of developing skills, responsibilities and motivations in others as well as achieving excellence in their own direct performance. We have the impression that in the past this aspect of the top executive's role has not received as much explicit consideration and discussion as it now deserves.

Profile of Danish top executives

Many of our findings come from an in-depth examination of Danish top executives: who they are, what experience they have, and what issues they view as most important. The members of the Forum for Top Executive Management have generously provided extensive information about themselves and the organizations through two electronic surveys. In addition, they facilitated interviews with the senior managers in their organizations who serve as deputy and assistant managers. This section provides a profile of the top executives as they see themselves and as those who work most closely with them view them and their work. The analysis examines their activities, levels of attainment, assessment by senior managers, rating of the factors that have a substantial impact on their ability to perform their jobs, and personal characteristics. Other results from the surveys appear elsewhere in this report.

Responsibilities and emphases of top executives

We have already noted the dual responsibilities of top executives. They are both important advisers to elected officials and the directors of their organizations. The ministries, central government agencies, and regions in which the top executives serve are large and complex organizations, but this is also true of the municipalities in which chief executive officers work. Even municipalities with modest populations have large staffs and budgets because of the extensive decentralization in Danish public sector service delivery. On a per capita basis, there are more employees in Danish municipalities than in any other western European country except Sweden.^{xxvii}

The top executives at all levels of government were asked how they divide their time and effort between offering policy and political advice and the executive management of their organizations. Overall, substantial emphasis is given to the advice role, but there is also a variation by level of government. As indicated in Figure 1, large minorities of permanent secretaries and CEOs in regions devote more time to advice. The directors general of agencies in the central government, on the other hand, typically focus on the management dimension. Only one municipal CEO in ten gives more attention to advice; they either balance the two dimensions or focus more on executive management. In a separate question about the frequency of advice giving, most of the regional CEOs (87 percent), approximately two-thirds of the permanent secretaries and municipal CEOs, but only one quarter of the directors general report that they often provide tactical advice. They typically do so on their own initiative rather than in response to queries from the political leadership.

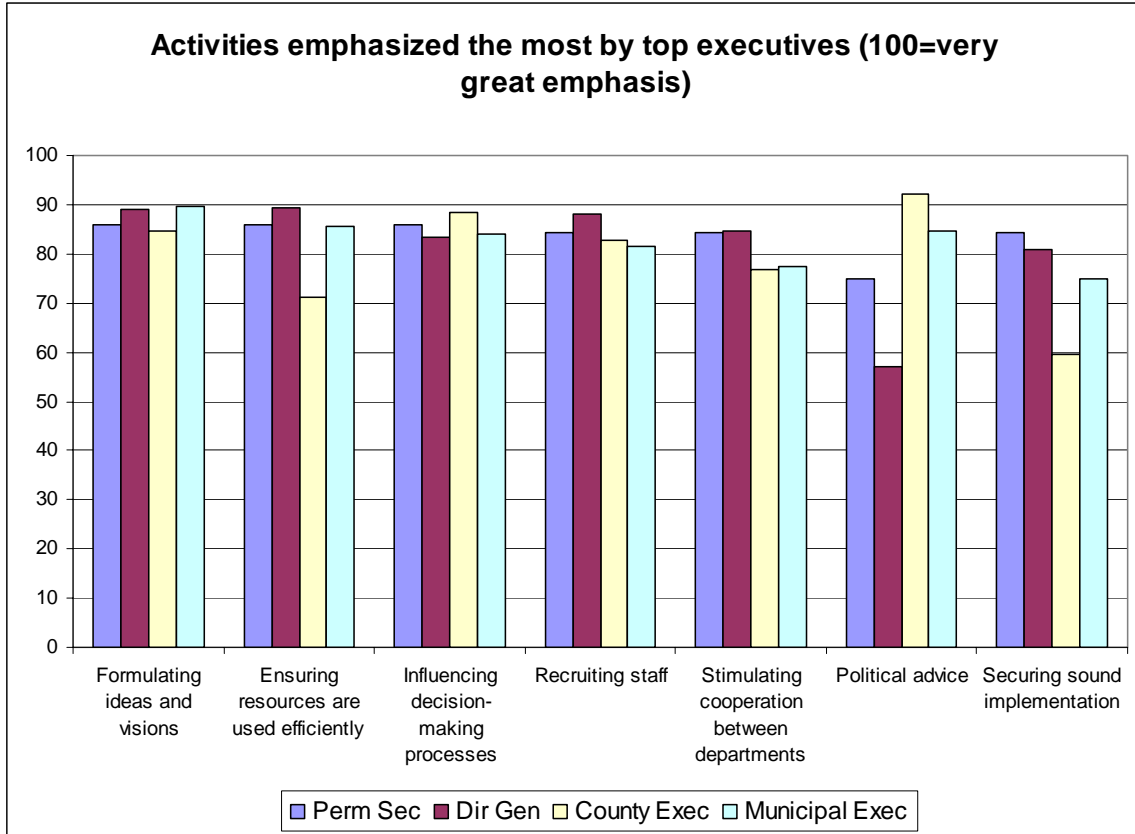
Figure 1



Taking a broader view of activities, top executives emphasize a number of tasks that reflect their diverse contributions as policy innovators, advisers, and organizational leaders. When the level of emphasis is measured on a 100-point scale for 22 activities,^{xxviii} seven areas stand out as the most important; all of these have an overall rating of 75 or higher. (They are presented in Figure 2.) For most of these areas, there is little difference between levels of government. All top executives are very extensively involved in formulating ideas and visions. Top executives are innovators and their new ideas presumably may involve policy and/or organizational processes. They also are highly involved in influencing the decision-making processes to secure sensible and efficient solutions. As in formulating new ideas, this is an activity that could focus on the policy or the organizational level. Four of the activity areas clearly focus on organizational matters: promoting efficiency, recruiting staff, stimulating cooperation

between departments, and securing sound implementation of policies. For two of these, the regional CEOs are somewhat less involved than the other top executives.

Figure 2



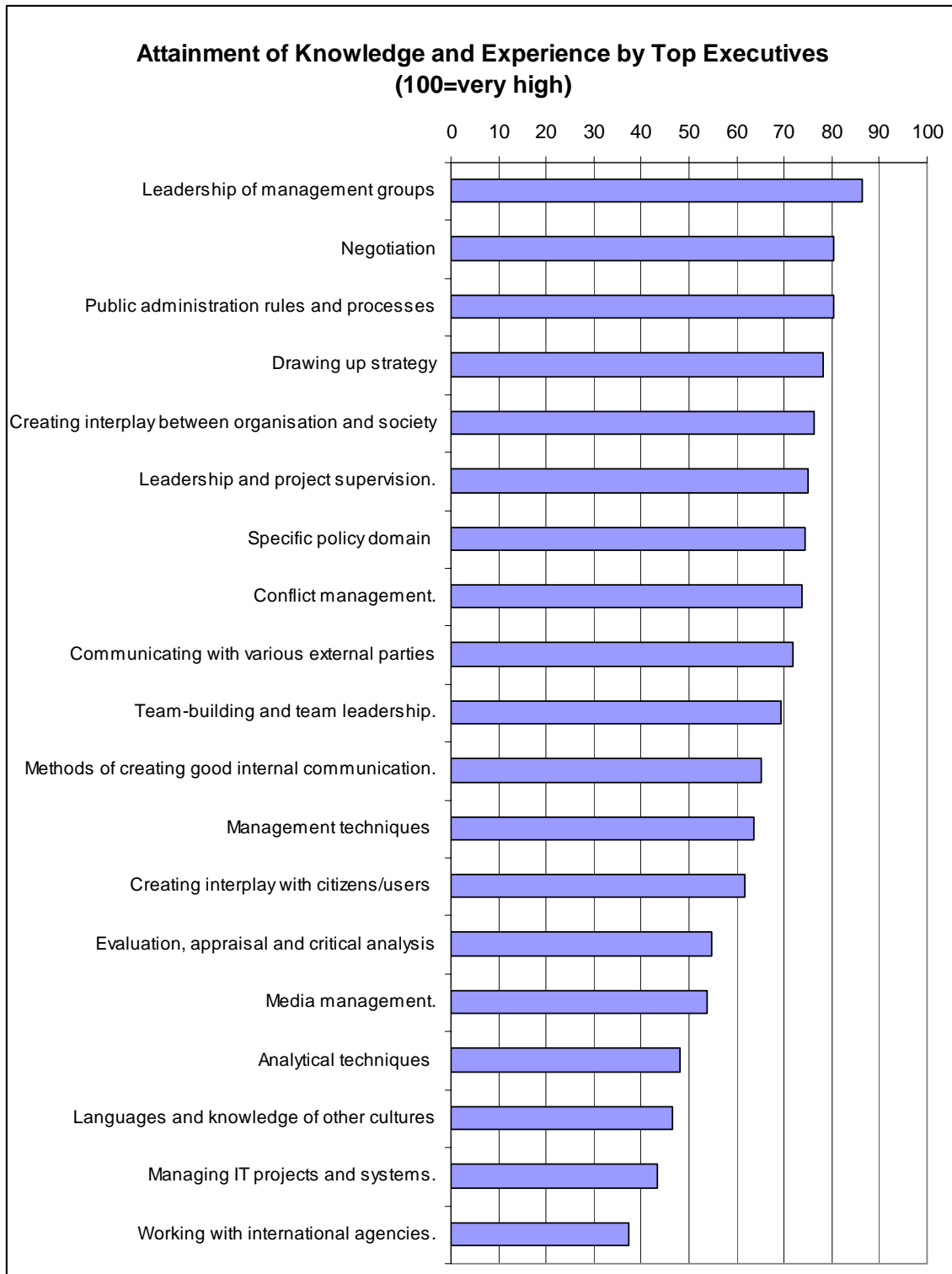
Finally, one area directly involves the interaction of top executives with politicians: giving political advice. As noted above, the directors general are not as actively engaged in offering political advice as the top executives in the other governments. For all top executives, this is only one of many activities given great emphasis.

In setting priorities among various aspects of the position, top executives give as much emphasis to innovation and sound decision-making and to a number of dimensions of organizational administration and management as they do to giving political and policy advice to politicians.

Levels of attainment in qualifications and skills

The demanding position of a top executive requires a broad range of knowledge and experience. The well-established tradition in Denmark is to promote persons to top positions on the basis of merit, measured by performance and competence. The top executives were asked to assess their portfolio capabilities assembled through education, professional training, and the positions they have held. Their collective strengths and the areas in which they have less background offer insights into the kinds of qualities that have been acquired and rewarded throughout their careers in public service. Once again, a 100-point scale is used,^{xxix} and the self-assessments by top executives are presented in Figure 3. The highest levels of attainment with ratings over 75 are for leadership of management groups, negotiation, public administration rules and processes, drawing up strategy, creating interplay between the organization and the surrounding society, and leadership and project supervision.

Figure 3



Moderately high levels of attainments—ratings of 60-74—are found in the specific policy domain in which the top executive operates; conflict management; communicating with external parties; team-building and team leadership; internal communication; management techniques (such as project planning, balanced scorecard, and contract management); and creating interplay with citizens and users of services. Most of these tasks and activities generally reflect two themes. One is newer approaches to management (such as internal communication, team leadership, and new management techniques) as opposed to more traditional public administration procedures. The second is current challenges that government has not faced as commonly in the past, such as strengthening interchange with citizens and other external parties and managing conflict.

The areas in which there is lowest attainment are evaluation; appraisal and critical analysis of organizational performance; media management; analytical techniques (statistical techniques and econometric analysis); managing IT projects and systems; languages and knowledge of other cultures; and working with international agencies. Here again, top executives claim only modest attainment in new approaches to assessing and guiding organizational management and interacting with the public through the media. As noted in section one, the knowledge and experience in dealing with people who are not Danish and with international agencies is on average below the level of satisfactory attainment and the same is true of managing information technology. There is a different pattern of responses, however, for these areas of lowest attainment. Knowledge and experience pertaining to international affairs is moderate among top executives in ministries and agencies but it is low to very low among regional and

municipal CEOs. Capability to utilize information technology is generally low, with permanent secretaries claiming the lowest level of knowledge.

In other areas, the ratings tend to be similar across levels of government. In eight areas generally involving aspects of organizational management, the directors general have the high self-assessment ratings. The second rank in these areas is usually claimed by municipal CEOs. Permanent secretaries have the highest rating in public administrative processes, but generally rank lowest in new management techniques and interactions with the public and the media. Regional CEOs are also relatively weak in the management areas but stronger than the permanent secretaries in public relations.

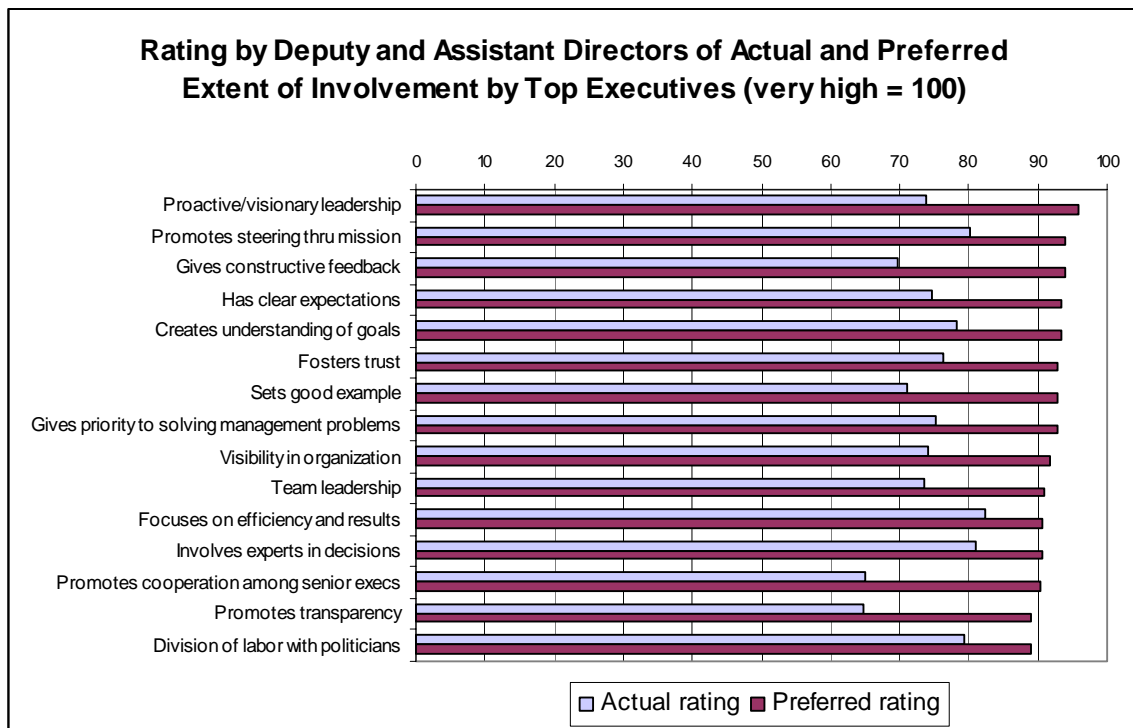
It is important to note that the areas in which the level of attainment is considered to be lowest by top executives are also the ones that are viewed as least important for their current position. In the assessment of managing IT, analytical techniques, and familiarity with international affairs, only 7-13 percent viewed these skills as having very great importance in their position. Although there is probably a natural human tendency to assign importance to the tasks that one can perform well, the low importance ratings for these areas of emerging importance may indicate that few top executives will be inclined to seek training to increase their level of ability.

Assessments of top executives by senior managers

The e-survey of persons who work for the top executives as deputy and assistant directors^{xxx} provided the opportunity to validate the ratings of attainment that top executives gave to themselves. Generally, the ratings were very consistent. These results are discussed further in section three of the report. In addition, the e-survey included a rating of the *importance* of thirty qualities that top executives may demonstrate and

activities in which they may be engaged within public organizations. On a 100-point scale with 100 signifying very great importance, the top fifteen of the thirty activities received ratings of 89-96. Ratings at this level indicate that most of the persons interviewed believe that the top executive should be extensively involved in demonstrating these qualities or engaging in these activities. The deputy and assistant directors were also asked to assess *how well* their top executive is handling or how extensively he or she is involved in each of the activities using the same scale. Figure 4 presents both the measures of how top executives “should” behave and how they “actually” behave as perceived by those who work closely with them. The highest ratings for the preferred level of involvement offer a profile of leaders at their best, and the list of activities in which they should be extensively involved is long and diverse.

Figure 4



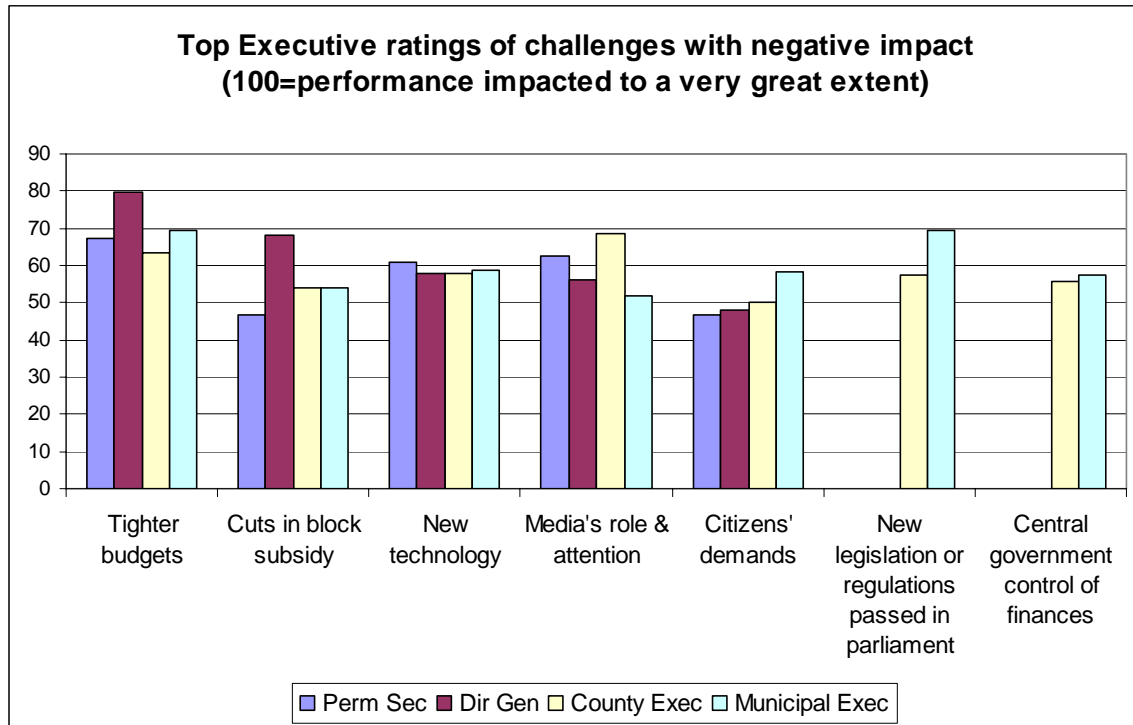
In the opinion of their subordinates, the top executives do not meet the ideal level for any of the activities, but they come closest in three areas: focusing on efficiency, involving experts in decisions, and maintaining a sound division of labor with top politicians. These are the three areas in which Danish top executives focus their attention: offering advice, maintaining the boundary between politicians and administrators, and achieving orderly organizational functioning. In the other activities, the top executives do well but are not performing at the level that their subordinates feel that they should be. The gap is particularly great in providing proactive and visionary leadership, giving constructive feedback to assistants, setting a good example, promoting cooperation among senior managers, and promoting transparency. The top executives could also do more to communicate expectations, clarify goals, foster trust, solve problems, be visible, and use teams. As assessed by their senior managers, the top executives are not failing in these areas, but they need to do more or do better in order to meet the standards of the ideal leader. As we observed in the self-assessment of knowledge and experience, top executives are stronger at filling the prominent aspects of the position and using traditional methods and approaches than they are at handling the less visible aspects of the job, utilizing new approaches, and handling dynamic aspects of organizational and public leadership.

Factors affecting performance

The relative tranquility of the Danish political process has been disturbed to some extent by political, social, and economic changes. Still, top executives identify only five factors that have had much of an impact on their ability to perform the job in recent years, as well as two additional factors that affect only local governments. The impact scores

measured with a 100-point scale^{xxxi} are presented in Figure 5. The greatest impact—and the only one that on average represents a *great extent* of impact—is the budget squeeze that officials at all levels of government have experienced. In addition, cuts in the block subsidy have had a moderate impact. Regional and local officials identify new legislation or regulations passed in parliament and central government control of their finances as important factors. The external sources of pressure on top executives are the transformation in technology that is occurring, the expanded attention of the media to government, and citizens’ demands on government.

Figure 5



Whereas all these factors included in Figure 5 had an average impact rating of 50 or higher, it is interesting to note the relatively low ratings given to some other factors. The absence of clear policy goals, unclear division of labor between politicians and administrators, and party conflict—all of which have substantial impact on administrators

in other countries—are of relatively little importance in Denmark.^{xxxii} There is little evidence of political interference through pressure to support political goals or to alter management decisions. In addition, changes in management practices to make greater use of outsourcing service delivery have not had much impact. External pressures from interest groups are modest and personal attacks on officials are fairly rare. Finally, new EU regulations have not had much impact to this point. Danish public affairs have a different style and intensity than is found in many other countries. This may be good news in the short run, but it may also suggest that more changes may be likely in the future and their cumulative impact may be greater.

Characteristics of top executives and senior managers

One final part is needed to give this profile a forward-looking orientation. In Table 5, there is a comparison of the top executives and the senior managers who have responded to the e-surveys. The senior managers represent the likely source from which the “next generation” of top executives will be recruited. There is a substantially higher proportion of women among the senior managers, although women are still underrepresented. The senior managers are slightly less likely to have a master’s degree (five-year degree), a specialized master’s degree, or a PhD than are the top executives. Still, the differences are slight at the central government level, and in the regions, the senior managers have a higher level of education than do the top executives. The average age of senior managers is modestly lower than the top executives, although the differences in the size of lowest and highest age categories is more dramatic. Overall, 13 percent of the top executives are under age 45 compared to 26 percent of the senior managers. At the other end of the age spectrum, 15 percent of the top executives are 60

years or older compared with 9 percent of the senior managers. Among the permanent secretaries, 36 percent are 60 years or older. Turnover and replacement of key leaders is a challenge that all organizations face. The departments at the national level have the greatest need to prepare for leadership succession but all should give attention to this matter.

**Table 5
Differences between Top Executives and Senior Managers by Level of Government**

		Dep't	Agency	County	Municipality
Percent Female	Top executive	6.7	15.9	6.3	10.1
	Senior manager	20.4	31.3	26.1	21.9
Percent Masters degree or higher	Top executive	100.0	93.8	59.3	75.1
	Senior manager	95.9	81.1	73.9	51.5
Average age	Top executive	53.1	54.7	55.2	52.1
	Senior manager	47.5	48.5	45.9	47.4
Percent under 45	Top executive	28.6	4.8	0.0	14.7
	Senior manager	38.3	27.6	25.0	22.3
Percent over 60	Top executive	35.7	19.0	14.3	11.0
	Senior manager	17.0	10.3	5.0	6.6

Table 5 Source: Forum for Top Executive Management, E-survey 2 and E-survey 3.

Top executives draw upon extensive experience in their current positions. With their length of service, top executives bring broad perspective and familiarity with a wide range of government programs and operations. As noted in section one, the experience is almost exclusively in the public sector and rarely does it include work at more than one level of government. (See Table 6 for the average number of years that preceded

appointment to the first executive position and the average number of years in the current position as top executive.)

Table 6
Average Years of Executive Service

	Years before executive position	Years in current position
Department	15.4	5.9
Agency	15.9	4.4
Region	11.6	10.3
Municipality	14.5	8.0
Total	14.7	7.1

An implication of the long years of service in the current position is that many top executives have worked for different political leaders, and many have experienced changes in the ruling party majority. The fact that top executives often have provided extended experience across governments is a testament to the respect for the contributions of civil servants in Denmark and to the commitment of top civil servants to serve both the government of the day and the broad public interest. Although turnover is increasing at the national level,^{xxxiii} among the current permanent secretaries who responded to the e-survey, five have been appointed to their current position in the past three years, three were appointed in the previous three years, and eight have served for over six years and through two national elections.

Summing up: the profile of Danish top executives

One implication of the long years of service is the challenge of continuous professional development. It is natural for leaders to rely on the knowledge and abilities that enabled them to succeed in the past. The impression that emerges from this profile of top executives is that their skill set is impressive but it no longer fully matches the environment, political context, and organizational setting in which they work. The Forum for Top Executive Management has been committed to making an assessment of the strengths and shortcomings of top executives and to developing a vision of the future roles and responsibilities of top executives and the competencies needed to achieve them. The willingness of public officials to undertake the demanding self-assessment through e-surveys briefly summarized demonstrates a commitment to meeting these goals.

Code for effective public management

Top executives play a crucial role in the Danish governmental system. They stand at the critical intersection of policy and performance. Indeed, they personify the central reality of government's work. There can be no good administration without good policy. Yet any policy, no matter how carefully crafted, is ineffective unless it is well administered. Moreover, in a democracy, shrewd policy and effective administration is not enough. Government—its policies and their implementation—must be accountable to elected officials and, ultimately, to its citizens. Top executives work at the hub at which all of these issues come together. Indeed, they serve as the system's "shock absorbers," between ambitious policy designs and complicated administrative systems, between Danish society and the challenges posed by the rapid internationalization of so many

policy issues, between the aspirations of Denmark's citizens and the ability of government to fulfill them.

Indeed, in governments around the world, the pace of change has accelerated. Citizens have not lost their taste for government services, but their enthusiasm for services usually exceeds their support for paying taxes. Governments in many countries have launched repeated rounds of reform. A growing and ever-more internationalized media industry has increased its scrutiny of what governments do, and more of its reporting focuses on uncovering conflict. Perhaps most important, most issues that matter have taken on a broad international—sometimes global—flavor.^{xxxiv}

And in governments around the world, top executives bear much of the responsibility for negotiating these challenges. However, in Denmark, the burden of top executives is even greater, because they stand closer to the intersection of policy advice, policy making, and policy execution. In most Danish central government ministries, there is only a single layer of political appointees. In regional and local governments, top executives have uncommon responsibility. As a result, Danish top executives must shoulder much of the burden of managing relationships with government's external stakeholders that, in other nations, would be handled by political officials. They must also ensure that the organization accomplishes its mission: that it delivers, effectively and efficiently, the services assigned to it by elected policymakers. And they must create transparent and accountable governmental action.

Thus, Danish top executives must meet some of the biggest challenges faced by top executives anywhere in the world. The Forum for Top Executive Management has concluded that these challenges have created the need for a Code for Effective Public

Management, which will describe good practice in the interplay of top executive management with political leaders, and which will help strengthen capacity to promote the goals, strategies, and results of public organization in an increasingly complex world.

The code is intended as a normative “checklist” to emphasize appropriate norms, values, and practices in public sector administration. It aims to meet several purposes:

- *Vision*: To provide those interested in Danish government with a way of thinking about the role of top executives and their relationship with the rest of the governmental system, including voters, elected officials, and career executives.
- *Debate*: To stimulate a broad discussion about the role of government and the role of top executives within it.
- *Improvement*: To provide top executives with a method of self-assessment for strengthening their daily practice and enhancing their overall performance.
- *The future*: To help the next generation of top executives strengthen their own capacity and improve the public sector’s capacity to meet the challenges of 21st century governance.

The role of top executives

In December 2001, a committee headed by Lars Nørby Johansen produced a widely read report on Corporate Governance in Denmark.^{xxxv} That report was important not only for its seven broad standards but also for the widespread public debate it generated. Indeed, such public discussion is far more important to improving governance than any checklist can accomplish by itself. However, the standards focused more on

overall corporate strategy than on the roles of top corporate officers, so it did not provide a model for a code of public governance or for the role of top public executives.

Other nations have drafted codes of conduct for their top executives (see the Appendix). In Canada, for example, *Guidance for Deputy Ministers* outlines an extensive guide for accountability and leadership.^{xxxvi} While the Danish and Canadian systems are different, the Canadian report emphasizes the substantial challenges facing top executives. The top executives must embody the values and norms that shape the ministry. Moreover, the top executive “puts in place the essential conditions—internal coherence, corporate discipline and alignment to strategic outcomes—for effective strategic direction and the delivery of results in support of the government's agenda.” Other nations have taken different approaches to the issue, but the search for fundamental principles to guide the leadership of top officials has become essential for governments around the world.

It would be easy to assume that, given the remarkably broad support by Danish citizens for their government and their high satisfaction about the quality of services they receive, there is little that needs to be changed. But the challenges facing the government of Denmark—indeed, of governments around the world—are quite unlike those of previous times, and it would be dangerous to conclude that what worked well in the past will prove a good match for the rapidly evolving mission of government in the future. Moreover, the future not only offers big challenges. It is creating great opportunities for those nations lithe and flexible enough to take advantage of them. Leadership by top executives will be essential for maintaining what Danes value most in their government, and in helping the nation lead the way in the 21st century.

We therefore submit these recommendations for a code for Danish top executives in the hope of stimulating a broad and sweeping debate about how best to pursue the ambitious goals of democracy in turbulent, changing times.

Public and private sector governance

Debate about the leadership of top public executives often begins with a reference to private management. But public sector leadership is very different from that in the private sector. As American political scientist Wallace Sayre once argued, “Business and public administration are alike only in all unimportant respects.”^{xxxvii} That makes it difficult to compare lessons from the business and public sectors—and dangerous to import prescriptions from one to the other. Consider the following.

- *Process.* Public and private administration share basic processes, like personnel and budgeting. But private managers can determine their own processes, within the general restrictions of the law; public managers must work by standards set outside the organization by elected policy makers. The role of politicians cannot be equated with either that of private shareholders or boards of directors.
- *Structure.* Public and private managers need to create the form of their organizations. But private managers can determine how they do what they do; in the public sector, elected policy makers impose the form and structure of the organization.
- *Goals and product lines.* Public and private managers must pursue the goals of the organization. But private managers can determine their own product lines and, should they choose, they can eliminate products from their lines; in the public

sector, policy makers define the products that public agencies must produce, and public managers cannot choose not to produce them.

- *Accountability.* Both public and private organizations must serve the “bottom line.” But in the private sector, managers have clear and transparent profit/loss standards. Public managers have shifting goals and shifting measures of performance, which are judged by outside constituencies (citizens) and policy makers. In addition to external controls, top public executive managers also have accountability to professional values and public service ethics.

Fundamentals of public sector governance

Thus, compared with their private sector colleagues, top executives face a distinctive mixture of challenges, which require distinctive competencies. A governance code must, therefore, also be distinctive. Such a code must begin by recognizing the four fundamental challenges of top executives:

- 1. Supporting political leaders and shaping the organization’s mission.**
- 2. Ensuring organizational performance.**
- 3. Relating to the public.**
- 4. Advancing public governance.**

1. Supporting political leaders and shaping the organization's mission

The challenge, in brief, is this. With few political executives who have specialized knowledge and extensive experience, the government of the day by necessity must rely on top executives for advice about:

- *Policy*: which strategies are most likely to solve pressing public problems, and which are most likely to do so best;
- *Politics*: which alternatives are likely to trigger which conflicting reactions, and how those difficult shoals might be navigated; and
- *Administration*: how best to move policy decisions from concept to results.

But these multiple roles can also raise conflicts, especially for the central mission of career civil servants: serving the government with neutral competence and creating a high-performing governmental system.

There is the continuing pressure to deal with new policy initiatives, but much of the work of government revolves around the hard work of making ongoing programs effective and responsive. Top executives owe the government their best judgment about the issues the government faces. However, the advisory process risks pushing the top executive into the realm of politics. How can they provide such advice in the short run without compromising, in the long run, their ability to serve with neutral competence and to promote the broad public interest?

Neutral competence is important, both in the advice that Danish top executives give and in the way that this advice appears to the public. Top executives need to ensure that their own political views do not affect their advice. They need to be careful of

appearances to safeguard their own credibility and to ensure that they can serve future governments of another party.^{xxxviii}

Of course, all top executives face this dilemma. Given the unique structure of Danish government, however, this dilemma is as sharp as anywhere in the world. In wrestling with this profound and difficult dilemma, Danish top executives serve in four roles:

1. *Guardian*. Top executives inform political leaders when a program and its elements are fiscally unsound, inconsistent with known facts, or outside the bounds of the law. As the government's permanent repository of knowledge, they are in a special and unparalleled position to detect subtle issues that could pose long-term problems.
2. *Professional adviser*. Top executives inform political leaders about the substantive and technical details of policy design and implementation. The road from abstract policy ideas to pragmatic policy results is usually a bumpy one, and the expertise and experience of top executives is critical in helping political leaders best achieve the results they seek.
3. *Sparring partner*. Top executives provide political leaders an important and privileged forum in which they can engage in a free exchange of ideas about their ideas and proposals. Few good ideas spring fully matured from any official's brain; sound policy requires substantial give-and-take, and top executives can spar in private with political officials to help them hone their thoughts before giving them a public airing.

4. *Synthesizer/integrator*. Top executives work with political leaders to pull together the whole apparatus of government policy: to digest and focus the priorities and goals of the political official; to communicate them clearly, both within and outside the organization—and sometimes in international forums; and to translate them into action. This role is perhaps most central, for it combines all the other functions and focuses them on how best to achieve results, effectively and responsively, in a democratic system. This role has become increasingly important with changes in popular expectations, information technology, and coverage by the media. If a governmental organization does not produce clear evidence of high performance, the effect is not only a negative image but potentially a substantial loss of long-run effectiveness.

It is difficult to overestimate either the importance or the subtlety of these roles. As one permanent secretary explained the expectations of top politicians, “When the minister has a new tune, the permanent secretary should develop it into a melody and eventually into a symphony.” A former minister said that the permanent secretary should understand the minister’s values and goals and ensure that the minister’s priorities run “in the veins of the ministry.” At the local level, we were told, a new mayor wanted the local chief executive officer to help achieve the mayor’s vision for the city and transform the performance and culture of the organization.

The challenge for supporting political leaders and shaping the organization's mission is to devise a strategy not only for giving advice, guarding the treasury, ensuring adherence to the law, and providing a safe place in which political officials can spar over new ideas. The challenge is also bringing the entire organization to energetic, focused life—continuously to rethink the organization's mission and how best to accomplish it. That is the key to translating ambitious policy to sound, efficient, and accountable results.

2. Ensuring organizational performance

Top executives carry substantial responsibility for helping their organizations—and the political executives for whom they work—pursue the mission and relate to the public. Ultimately, however, little of this matters if their organizations do not perform: if they fail to produce the results at the core of their organizational mission and to which the government of the day is committed.

The government's implementation of public programs depends critically on top executives, for a variety of reasons. Political executives naturally focus on the broad issues of policy. Top executives typically have far more experience in issues of implementation and in the operation of their agencies. They have long and established relationships with key officials throughout their agencies. If the government's policy is to become reality, it depends on the top executives' performance.

But that sharply frames the biggest and most important issue facing Danish top executives: Who actually manages the big, important, and powerful Danish government apparatus—and who is responsible for ensuring high-performing public organizations?

What political executives most want is policy and political advice. They also expect effective follow-through when decisions are made. Too often, however, the interchange with top executives focuses on policy formation. Advice is one of a number of activities that top executives emphasize, and most either give more or equal attention to it along with executive management, as our surveys of top executives show. Advice is the role that top executives are uniquely capable of filling whereas they may feel that management tasks can be delegated to others. The importance of the advice function was also a major finding of the recent government report on *Civil Service Advice and Assistance*. That political executives look to top executives for such advice is scarcely surprising, since they have little institutional support except from these officials. That top executives see this as a high priority is also scarcely surprising, since the work is challenging and since supporting their political officials is their fundamental responsibility.

There is strong and substantial evidence that political and policy advice frames the most important elements of this most important relationship. There is little evidence that ensuring organizational performance is the top priority of anyone at the top. This does not mean that top executives are not interested in implementation and improving the efficiency of their organization. These traditional tasks of public administrators receive strong attention. Still, without a strong, focused responsibility for improving results and performance, the risk is that implementation receives insufficient attention; that it

proceeds slowly and, sometimes, haltingly; that problems develop along the implementation chain and that there is no clear responsibility for identifying and correcting these problems; and that, as a result, the performance of government programs suffers.

The “transmission belt” transferring policy to outcomes is slack. Responsibility for tightening it is diffuse, in part because to do so would mean challenging the deeply embedded culture of negotiation and consensual agreement *within* state agencies. As a result, policies that at the top were carefully negotiated and delicately balanced are not firmly implemented. There is limited procedural capacity within government agencies for detecting and analyzing such problems, little organizational capacity to solve them, and sometimes inadequate organizational leadership to tackle the broader issues. This is because top executives are strongly focused on the advice-giving functions and oriented to maintaining administrative processes. There is less capacity for and attention to using new management approaches to assess and improve results.

“I think it is the system,” a former cabinet minister explained. “We like the idea of change, but the fact of it is—not really, because it is trouble and you have to do things differently.” As for focusing on implementation, “it is in nobody’s true interests and they don’t work together.” Unless there is a scandal, there is little interest in changing administration, and “In Denmark, there are no political benefits in making sure that problems do not arise.”

The difficulty of getting top-level attention to issues of implementation is widespread. Top officials in the United States focus largely on issues of policy making—and on responding to problems focused by the media which demand an immediate

response. This has also been a frequent bias among (for example) British permanent secretaries, and directors general in the European commission. Attention to policy making and policy advice quite naturally tends to compete with attention to policy implementation. These activities are often more lively and more intellectually engaging than the vastly complex process of turning ideas into results.

In Denmark it seems there are significant differences between different roles. Permanent secretaries who interact extensively with ministers devote much more attention to the policy dimension than do directors general who have limited direct contact with ministers. Municipal CEOs whose organizations have great service delivery responsibilities are also more likely to devote more attention to organizational management. At all levels of government, there is the possibility that when attention is given to the organization, the focus will be operational rather than strategic.^{xxxix}

If senior public executives do not focus on improving implementation, others are not likely to either. The Canadian government has explored this issue quite carefully, and its 2003 report, *Guidance for Deputy Ministers*, puts implementation at the center of the top executive's responsibilities:

As Canada has evolved, so too have its government and its forms of public management. The ability of the public service to meet new challenges depends not only on the diligence with which Deputy Ministers discharge their responsibilities, but also on their *leadership in creating a public service culture of management excellence and results* for Canadians. . . . The Deputy Minister *engenders trust within the department and promotes an organizational environment focused on results*. The Deputy Minister puts in place the essential

conditions—internal coherence, corporate direction and the delivery of results in support of the government’s agenda.^{x1}

The Canadian debate on the issue frames what is, in many ways, the central challenge for Danish senior public executives. Ministers and other political officials want and expect that their senior public executives will provide sound policy and political advice. But they also expect that this advice will produce good policy—and that this policy will be implemented effectively. Yet with the powerful demands and incentives facing senior public executives for their advisory function, there is little time and fewer incentives to focus a high level of attention on implementation. They thus risk crafting policies whose implementation can prove halting or less than fully successful.

For top executives, the job of ensuring organizational performance lies in making management a top priority. Top executives must personally embody the spirit and culture they wish the organization to follow. They must build teams, from top to bottom of the organization, which focus on implementing policy effectively. And they need to build a broad consensus behind a proactive approach to reshaping and refining the organization’s capacity and vision.

The challenge for ensuring organizational performance is to devise a strategy for balancing the roles of the senior public executives: between the important role of policy and political advice; and the critical function of ensuring high-performing government programs. They have irresistible demands and incentives for the former. If they do not attend to the latter, the

performance of government will, in all likelihood, fail to reflect the quality of the advice they give.

3. Relating to the public

Denmark ranks among the world's most mature and established democracies. The nation's very social and political nature focuses on first building and then acting on consensus. It is a nation that takes government's responsibility—and responsiveness—to citizens with unusual seriousness. Indeed, the raucous dissensus that so often characterizes other democracies, like that in the United States, would be an abrasion on the Danish national character. Although the discussion in section two indicated that external forces are as yet having only a modest impact on perceived performance in the public sector, even these forces can alter the perspectives of officials because conditions have changed in a negative direction relative to the past.

Moreover, Denmark's top executives are struggling to pursue these democratic traditions within the fabric of an increasingly tumultuous world. Every nation finds its own enduring norms challenged by the new cross-pressures—political, social, and economic—of internationalization. Nowhere have citizens lost their taste for public services, but citizens everywhere have loudly proclaimed that there are limits on their willingness to pay for these services. At the same time they are increasingly able to make comparisons (not always well founded) with taxes, services and the quality of government in other countries. As one of the participants in our focus groups asked poignantly, in an era full of such cross-pressures, “What does democracy mean?”

The debate sparked by the “new public management” sharpens this question. Danish society, by long tradition, has provided generous public services to its citizens. But the cross-pressures of growing public expectations for these services and shrinking willingness to pay for them have led public officials to seek strategies for greater efficiency in government action. That, in turn, has increased Danish attention to elements of the “new public management” movement, with a growing emphasis on market-like strategies to improve the efficiency of government programs: more results-based management, increasing decentralization, and a growing focus on citizens as customers. This has had many salutary effects, including gains in the responsiveness of government programs. However, it has also introduced a challenge for Danish top executives: how to balance the newer role of citizens-as-consumers (which focuses in a particularistic way on the demand for services and how citizens can satisfy their individual interests) with the more traditional role of citizens-as-citizens (which focuses society-wide on what services government should supply—and on how citizens preserve their freedoms, interrogate government, seek redress for grievances, and hold it to account). Our focus groups worried a great deal on the difficulty of balancing “citizenship versus consumption,” as one participant put it—and on the central role that top executives will have to play in the future in both defining the nation’s choices and in devising a strategy to resolve the dilemmas.

Denmark will have to work through these puzzles, which many nations are facing, within the nation’s long tradition of transparency, which stands above that of much of the world. Citizens expect it. Public officials are committed to it. Defining what it now means amid the cross-pressures of citizenship and consumption is difficult. Furthermore

this job is compounded by the increasingly sharp role of the media in investigating the actions of government officials and the growing national debate over the role of “spin doctors” with Danish ministries.^{xli} Some nations, like the USA and the UK, have even more contested relationships between the media and the government. Some nations, like Sweden and the Netherlands, have expectations of transparency that are just as high as those in Denmark. But few nations are facing the searching, difficult debate underway in Denmark about how best the government can pursue its responsibilities to communicate with the nation’s citizens and how the media can fulfill its role in pursuit of responsible journalism.

That conflict finds its sharpest crystallization in the job of top executives. As one focus group participant explained, “communication with the public, in recent years, has been a much more urgent part of my job.” Top political executives naturally want to avoid searing negative publicity. In a world in which citizens face increasing noise from all directions, political executives need the media to communicate government’s goals and policies to citizens—and citizens need to receive and digest these messages to fulfill their responsibilities as citizens. Yet the new aggressiveness and the sheer growth of the Danish media, so familiar in other countries, has introduced new challenges for political executives and, especially, for the top executives trying to help them chart a course. One focus group member frankly said, “We are strangled because we always have to take into consideration” how the media will play a story.

Danish governments have always had a particularly strong relationship with their citizens. However, as citizens’ expectations have created new cross-pressures and as the media have become more aggressive, Danish public officials face sharp, new challenges

in redefining their relationship with the public. For top executives, the challenge is especially sharp, since they carry the ongoing responsibility—and, for better or worse, reap the ongoing consequences of these new and challenging interactions.

The challenge for relating to the public is to enhance Denmark's rich tradition of transparent government, amid the new cross-pressures that make it more difficult. It is to build effective and honest communication with citizens as well as the organized stakeholders in the government's policy and administrative systems. And it is to use these rich communications to fashion a service delivery system that has, as its driving force, an effective and responsive focus on citizens' needs.

4. Advancing public governance

Denmark's top public executives sit at the intersection of multiple, sometimes conflicting cross-pressures. The government relies on them to ensure quality implementation. The citizenry expects results, as well as transparency in operations. Within the strong traditions of Danish democracy, everyone expects a system that is responsive and accountable. As the 2003 report of the Canadian Privy Council noted, citizens "deserve to feel confidence in their public service, and promoting a shared set of values of ethics is of particular importance in supporting the public service's stewardship of public resources."^{xlii} Indeed, as the Canadian government's 1996 report of the Deputy

Minister Task Force on Public Service Values and Ethics found, these issues are “the root bed underlying everything else: almost every other issue we examined led back, through some direct or indirect route, to the principles of democratic life in a parliamentary system.”^{xliii} This group, best known as the Tait Task Force, after its chair, identified four sets of values. They clearly outline the challenges facing Danish top executives as well:

- *Democratic values*: Helping ministers, under the law, to serve the public interest.
- *Professional values*: Serving citizens with competence, efficiency, impartiality, and non-partisanship.
- *Ethical values*: Acting at all times in such a way as to hold the public trust.
- *People values*: Demonstrating respect, fairness, and courtesy in their dealings with both citizens and fellow employees.

Denmark faces precisely the same issues. And it must solve them amid the challenges posed by the growing internationalization of society, business, and government—and Denmark’s deep tradition of decentralization.

Internationalization is inescapable. Policy recommendations, legal requirements, professional standards and management tools and techniques are flowing into Denmark from other countries, the European Union, the OECD, the World Bank, and other international bodies. There are pressures to increase uniformity in the regulation of business to promote economic growth. Many of these pressures are towards standardization and centralization. On the other hand, as one focus group member

captured well, “Denmark has very unique conditions for local democracy.” In fact, “It probably would be right to say that it is the most decentralized country in the world in terms of decision making. Nowhere in the world would such a large amount of spending be decided by local councils.” Thus, Denmark faces the challenge of operating effectively in an increasingly international world, through governmental institutions that are highly decentralized—and which, at the same time, are increasingly interconnected at all levels with an increasingly internationalized private sector. As one focus group member pointedly asked, “How can we at one time globalize and decentralize?”

The increasingly complex cross-pressures of internationalization demand that governments respond quickly to challenges. Successful governments will need to be lithe and responsive, flexible yet cohesive. However, as one participant in our focus groups pointed out,

We undervalue the importance of globalization. We tend to be very inward looking. . . . We tend to close out the outside world. One of our main challenges in the coming years is to knock down walls and see what’s happening in Sweden, Germany, and even in America.

Moreover, these external challenges are mirrored in the new strategies that public institutions at all levels are pursuing. One focus group participant wondered about “how to make private and public business go together in new forms.”

The challenges of internationalization and globalization are especially difficult for a nation with such an embedded commitment to decentralization. But they also present an

unusual opportunity for Danish society, with its low power distance, high tolerance for ambiguity, and its commitment to open discussion in advance of crises.

These cross-pressures, in turn, define the multiple accountabilities of Denmark's top executives. Appointed by the government, they must serve the government's policy needs. The political executives for whom they work have personal needs, including political and policy advice. Thus, the top executive must serve both the personal and the collective needs of the political executive. Top executives also have their specialized responsibilities. They have an obligation to the standards of their profession and to the enduring norms of good government practice. These standards extend beyond their personal conduct to the behavior of the staff who work within their organizations. Ultimately, top executives owe the people of Denmark excellence in the delivery and responsiveness of public services.

Moreover, like top government officials around the world, Danish top executives face the challenge of adapting their organizations to new strategies of governance. The breadth of new governance strategies is remarkable, including: greater emphasis on performance measurement; more decentralization of policy implementation; new efforts to integrate service delivery, including joined-up government strategies; widespread development of electronic government; and more reliance on non-governmental partners in service provision. These new governance strategies offer the potential for more responsive and more efficient services. But they pose great challenges to top executives: in understanding the problems they can solve—and the ones they cannot; to match the right strategies to the right policy problems; to keep ahead of the rapid advance of public management reform; to build new governmental capacity for managing these strategies,

since existing management approaches often prove a poor match for the new techniques; and for integrating new approaches to governance into the rich traditions of Danish civic life. The rapid advance of problems and management strategies makes it dangerous for any government to allow the new governance to pass them by. But determining how best to integrate new governance approaches is a deceptively complex challenge, and it is one that only the government's top executives can meet.

Balancing these often conflicting cross-pressures—deeply rooted traditions, strong public organizations and new strategies—is the core challenge of the top executive's professional life. How well top executives deal with the challenge will powerfully shape the character and performance of Danish government, today and long into the future.

The challenge for advancing public governance is, under changing circumstances, to continue to produce high performance that also reflects the highest standards of accountable and ethical behavior. Top executives must fashion networks that achieve their organization's policy goals. And they must develop the organization's capacity for new approaches to governance.

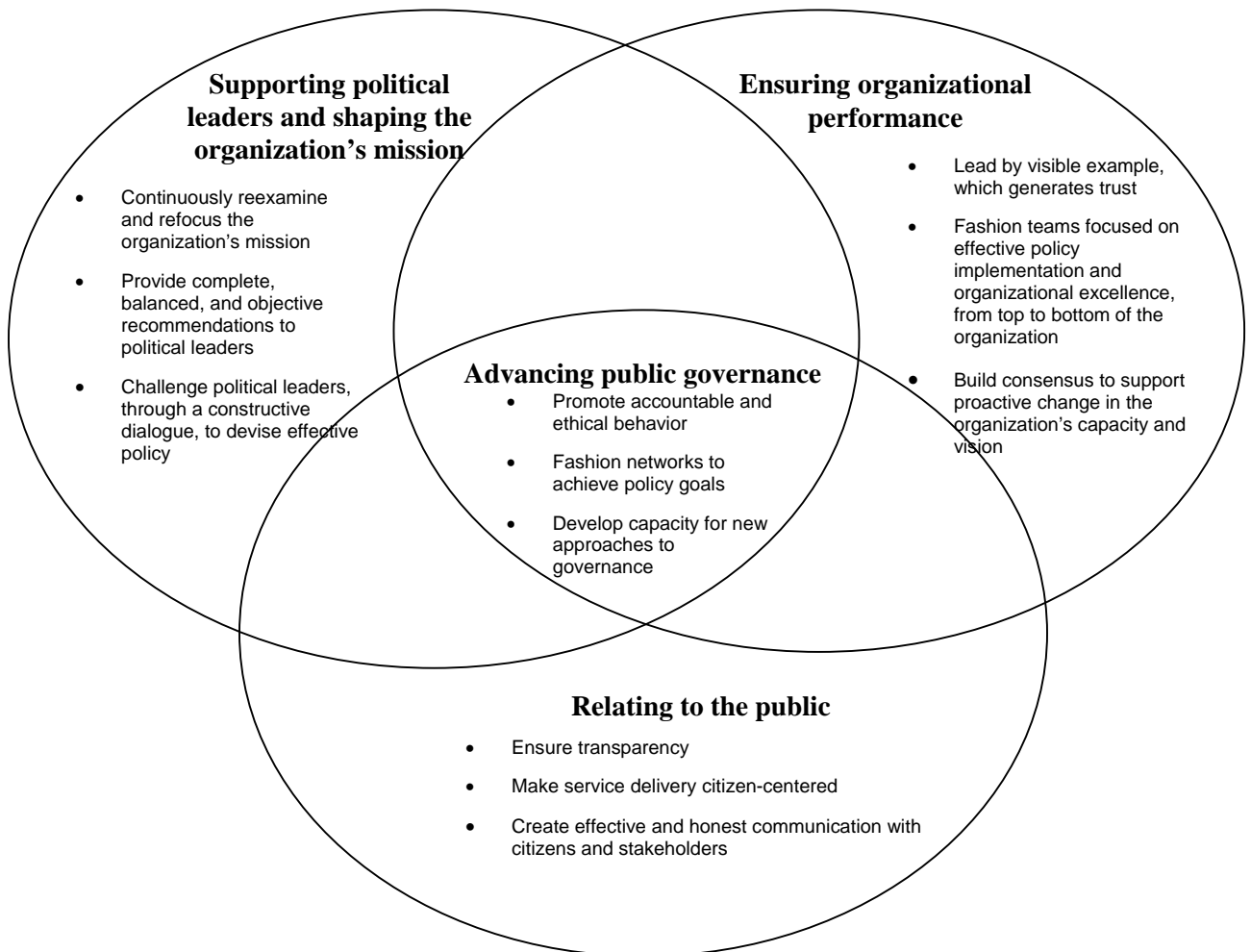
The Code for effective public management

These challenges—especially the central challenge of serving the advisory function while strengthening policy implementation—outline the issues that the Code for

Effective Public Management for Danish top executives must address. Moreover, these challenges are not distinct. They are interrelated: support for political leaders, for example, requires, in part, devising strategies to relate effectively to the public and ensuring that the organization performs well. And it is impossible to create high-performing government agencies without integrating internal agency management with the political strategies of top political officials, working through international networks, and maintaining responsiveness towards Danish citizens. Ultimately, government's top executives need to ensure that its organizations are accountable and responsive to the public in an increasingly internationalized world. That frames the four major challenges facing Danish top executives: supporting political leaders and shaping the organization's mission ensuring organizational performance; relating to the public; and advancing public governance.

How can—and should—Danish top executives rise to these challenges? Figure 6 outlines a Code for Effective Public Management, which links the challenges and the competencies that high-performing top executives need. We recognize that no single human being can fully embody all of the items in the code to their fullest degree. However, for the Danish government to meet the aspirations of its citizens, top executives must aim to master these items. They should seek excellence on each point. To the degree that they cannot personally embody excellence on any point, they must recognize the need to build the needed competence into their management team. Indeed, more broadly, they should not only build the code into their own competence but use the code to focus and transform the cultures of their organizations.

Code for Top Executives



Competencies for top executives

How does the Code for Effective Public Management translate into competencies? What skills do top executives need to translate the code from written standards into the vibrant heart of Danish government? In Table 7, we outline the competencies associated with each item in the Code.

Table 7
Code for Effective Public Management
and the Competencies
for Danish Senior Public Executives

Code	Competencies
<i>Supporting political leaders and shaping the organization’s mission</i>	
Advance the organization’s mission while continuously reexamining and refocusing it.	Ability to detect changes in the environment, devise new organizational strategies, and lead the organization in achieving them.
Provide complete, balanced, and objective recommendations to political leaders	Ability to distill multiple and conflicting points of view into professional balanced and politically neutral counsel.
Challenge political leaders, though a constructive dialogue, to devise effective policy	Ability to serve as “sparring partners” to challenge ideas and the policy-making process without creating personal conflict.
<i>Ensuring organizational performance</i>	
Lead by visible example, which generates trust	Ability to develop a leadership style that models the behavior and culture the top executive wishes to create in the organization.
Fashion teams focused on effective policy implementation and organizational excellence, from top to bottom of the organization	Ability to build groups with balanced competencies, to focus groups on superior performance, and to instill that culture throughout the organization.
Build consensus to support proactive change in the organization’s capacity and vision	Ability to move past passive, reactive approaches to management to energetic, proactive approaches to long-term improvement.

<i>Relating to the public</i>	
Ensure transparency	Ability to devise organizational strategies to open government operations to public view, especially through electronic government and relations with the media.
Make service delivery citizen-centered	Ability to devise service delivery systems that focus seamlessly on the needs of citizens, not the imperatives of government organizations.
Create effective and honest communication with citizens and stakeholders	Ability to fashion clear, concise descriptions of governmental policy and to devise effective communication strategies, especially through electronic government and the media.
<i>Advancing public governance</i>	
Promote accountable and ethical behavior	Ability to translate enduring values of Danish democracy and universal standards of responsible government into effective governmental action.
Fashion networks to achieve policy goals	Ability to build teams of governmental and non-governmental persons to deliver effective services guided by an understanding of the purpose of public policy.
Develop capacity for new approaches to governance	Ability to integrate innovative approaches to government reform and international perspectives with Danish political institutions and civic life.

Assessing top executives' competencies

The Code for Effective Public Management leads to a broad range of competencies required for successful management in the 21st century. It is a challenging list. Indeed, it would be unreasonable to expect that any top executive could embody all

its elements. But it is essential that the *governmental system* in fact does embody *all* the elements, for that is what will be necessary to ensure a high-performing government in the 21st century.

How can the Danish government's top executives build such a high-performing government? First, they can—and should—recognize that these competencies will help them tackle the tough challenges that they will face. They should maximize their own skills for each of the items in the code. Skilled top executives will advance their own abilities by honing their proficiency, as outlined by the code.

Second, because it is indeed a daunting list, they should recognize that they need not—and indeed cannot—personally embody all of the competencies to the maximum degree. But because their organizations do indeed require these competencies, top executives must build teams of senior officials who can personify the items in the code. It is not only important that the *top executives* be highly skilled but that the *organizations* have the utmost competence. Skilled top executives will advance their ability to perform by building highly skilled teams, as outlined by the code.

How should these competencies be built—and how can top executives know if they have succeeded? At the broadest level, of course, public organizations measure their results. Success can be measured by the organization's demonstrated ability to perform.

But this is not enough. Many factors influence an organization's performance, and many of those factors lie beyond the ability of the top executive to control. Furthermore some key results may not be visible until some considerable time in the future, so they cannot serve as the only guide to the present health of the organization. Top executives are ultimately responsible for results, but they are responsible first for ensuring their own

high level of competence and performance. They owe the government, their organizations, and the nation's citizens the very best of what they are capable of providing. How can top executives assess whether they are working at the utmost of their capacity?

One strong way to address this issue—to gauge the competencies of top executives and to promote the development of executives' competencies—is through *self-assessment*. Objective tests make little sense for executives at this level, for the nature of the skills is complex, each executive's environment is different, and an executive's own attributes highly personal. Instead, the process ought to rely on a *360-degree feedback process*, a system of multi-rater feedback in which executives evaluate their own competencies and performance; higher-level officials (including political executives) supply an assessment; and so do peers and subordinates.^{xliv} In short, the assessment comes from 360 degrees—a full circle around the top executive's range of interactions.

The data collected for this project offer an illustration of the insights that can come from the ratings of multiple sources. The feedback from political executives is reflected in the discussion of the roles and expectations of top executives: politicians want sound advice, realistic assessment of implications, ability to clearly communicate the government's purpose, and integrating all the elements of government to assure effective policy implementation. The persons who work with top executives in the positions of deputy and assistant directors also provide a valuable perspective. In some of the areas of attainment by top executives discussed earlier, top executives were more critical of themselves than their deputies and assistants were. These were analytical techniques, evaluation, managing the media, and knowledge of other languages and

cultures, and working with international agencies. Top executives should not give up their own careful and critical self-assessment when seeking feedback from others. In most areas, ratings of competence are very similar, and these results validate that the self-assessments by top executives are mainly on target. However, in the areas of conflict management, leading teams, and leading management groups the deputies and assistants offered lower ratings. The top executives may need to examine whether they are handling these activities as well as they think they are - at the same time that they maintain a self-critical stance about some skills that subordinates may not be able to offer.

Beyond measures of knowledge and ability, feedback from subordinates offers insights about the priorities that top executives set and how well they accomplish them. In these assessments, subordinates may identify greater discrepancies. As indicated earlier in Figure 4, deputy and assistant directors, though generally positive about the leadership style and behavior of top executives, identified many areas in which the top executive should be doing more and/or be more effective than is currently the case.

This feedback process is not just a matter of gauging competencies against the code. It is part of a broader process of encouraging executives to strengthen their ability to meet the challenges of 21st century governance. For example, in some areas—such as providing visionary leadership, giving constructive feedback, and promoting cooperation—some top executives might fall short. It will be useful for top managers to assess what their level of competency is, what additional actions can be taken to enhance managerial competency, and why perceptions of observers may differ from what the top executive is intending to accomplish. Indeed, the core of the process is *improvement*. For the process to be positive and productive, it must proceed in an atmosphere of trust and

support. Members of the Forum should commit themselves both to assessing their competencies and to assisting each other with improvement.

It is also important for top executives carefully to consider the results of the assessment process with knowledgeable and neutral outsiders. If the persons reviewed are the only ones examining the results from the feedback process, there is a high probability that they may pick out the favorable parts and ignore signals of the need to change. The executive being assessed would choose the assessors; the assessors would agree to participate. Although a top executive could involve anyone in this process, there would be great advantages in drawing the assessors from the ranks of fellow top executives. The focus groups make it clear it is hard for outsiders to understand the world of the top executive and its distinctive conditions. Both the executive and the assessors would be pledged to confidentiality, although individuals could reveal that they have undergone a self-assessment. The assessment process ought to include the following steps:

- **A tool for self-assessment**

- **Define a set of competencies, through the code.**
- **Have top executives conduct self-assessments of their competencies.**
- **Create a 360-degree feedback process, from others with whom the top executive works, to assess the executive's competencies.**
- **Identify peer coaches within the Forum, who can help top executives strengthen their competencies.**
- **Arrange for professional coaches, outside the Forum, who can help top executives who feel they need additional assistance to develop their competencies and strengthen their performance.**

Conclusion

Most major public sector reforms around the world have arisen in response to stark crisis. New Zealand's effort, for example, came in response to a serious economic emergency. Britain's reforms came as the Thatcher government struggled to restrain the growth of state spending and to reduce the size of government. Countries without major crises, like the United States, have sometimes launched reform efforts only to see they bear little fruit.

Denmark's commitment to craft a code for top executives is a major departure from this trend. It is unusually reflective in nature and broad in scope. It goes right to the heart of the public service and the challenges it faces in the 21st century. It seeks to anticipate and resolve challenges before they become full-blown crises. To be sure, given the strong impetus toward consensus in Danish society, the current debate over government's size and function might well strike many Danes as just as deep and profound as those crises that drove reforms in other nations. In such an environment, tensions that might seem to those in other nations like small ripples could appear as threatening waves. Yet, in the international perspective, the great virtue of the current debate is its potential to address these issues while they are still relatively small and manageable—and to avoid the profound battles that engulfed the public service in some other nations.

The implication: Denmark's debate about a code for the public service not only provides a unique opportunity for anticipating and resolving governance issues before they become major problems. It also provides a truly unusual opportunity to seize international leadership on the issues that very many nations are facing in an increasingly internationalized, interconnected world.

Appendix: Other Public Sector Codes of Governance

■ Australia

- Western Australia Public Sector, “Sustainability Code of Practice for Government Agencies” (January 2004), at <http://www.sustainability.dpc.wa.gov.au/docs/submissions/DraftCodeofPractice.pdf>

■ Canada

- Auditor General of Canada, “Values and Ethics in the Federal Public Sector” (2000), at <http://www.oag-bvg.gc.ca/domino/reports.nsf/html/0012ce.html>
- Office of Public Service Values and Ethics, Canada, *Values and Ethics Code for the Public Service* (2003), at http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TB_851/vec-cve_e.asp
- Privy Council Office, “Guidance for Deputy Ministers,” (2003), at http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=gdm-gsm/gdm-gsm_doc_e.htm

■ New Zealand

- “New Zealand Public Service Code of Conduct,” (2002) at <http://www.ssc.govt.nz/display/document.asp?docid=3423>

■ United Kingdom

- *Public Administration—Seventh Report*, which includes a code (2002), at <http://www.parliament.the-stationery-office.co.uk/pa/cm200102/cmselect/cmpubadm/263/26302.htm>

■ United States

- American Society for Public Administration Code of Ethics, at <http://www.aspanet.org/ethics/coe.html>
- International City Management Association Code of Ethics, at <http://www.mncma.org/ICMAEthicsCode2003.pdf>

■ Summaries of codes of ethics and responsibility

- EthicsWeb.ca, at <http://www.ethicsweb.ca/resources/government/>
- Organization for Economic Cooperation and Development, at http://www.oecd.org/document/4/0,2340,en_2649_34135_2672772_1_1_1_1.00.html

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Notes

ⁱ Danish Ministry of Finance, *Budget Review 2004* (2004), at <http://www.fm.dk/1024/visPublikationesForside.asp?artikelID=6454&mode=heleH>; and Organization for Economic Cooperation and Development, (2004) *Budgeting in Denmark*, GOV/PGC/SBO (2004), 9, paper for the Working Party of Senior Budget Officials, 9-10 June, 2004.

ⁱⁱ P.M. Christiansen, “A Prescription Rejected: Market Solutions to Problems of Public Sector Governance,” *Governance*, 11:3 (1998), 273-295. Compare M. Peterson, “The Fate of ‘Big Government’ in the United States: Not Over, but Undermined,” *Governance*, 13:2 (2000), 251-264.

ⁱⁱⁱ Arend Lijphart, *Democracies: Patterns of Majoritarian and Consensus Government in Twenty One Countries* (New Haven: Yale University Press, 1984); and Arend Lijphart, *Patterns of Democracy: Governance Forms and Performance in 36 Countries* (New Haven: Yale University Press, 1999).

^{iv} J. G. Christensen, “Ministers and Mandarins in a Parliamentary System,” *International Journal of Public Administration*, (forthcoming 2005); and OECD, *Budgeting in Denmark*.

^v C. Pollitt and G. Bouckaert, *Public Management Reform: A Comparative Analysis*, 2nd ed. (Oxford: Oxford University Press, 2004).

^{vi} Commission on Administrative Structure, *Summary* (January 2004), at http://www.im.dk/publikationer/struktur_uk/SummaryGB.pdf

^{vii} L. Jensen, A. Norgaard, and E. Sorensen, “The Future of Public Administration in Denmark: Projections, Prospects and High Hopes,” *Public Administration*, 82:1 (2004), 130-31.

^{viii} Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*.

^{ix} OECD, *Budgeting in Denmark*.

^x Geert Hofstede, *Culture’s Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations* (Thousand Oaks, CA: Sage, 2001).

^{xi} Poul Erik Mouritzen and James Svara, *Leadership at the Apex: Politicians and Administrators in Western Local Governments* (Pittsburgh: University of Pittsburgh Press, 2002).

^{xii} Forum for Public Sector Senior Management, *E-survey* (Copenhagen: Forum for Public Sector Senior Management, 2003).

^{xiii} Ministry of Finance, *Civil Service Advice and Assistance*, Report 1443 (English summary), (Albertslund: Schultz Information, 2004), at [Hwww.fm.dk](http://www.fm.dk)H

^{xiv} Mouritzen and Svara, *Leadership at the Apex: Politicians and Administrators in Western Local Governments*; and Forum for Executive Public Management, *E-Survey*.

^{xv} Paul C. Light, “Fact Sheet on the Continuing Thickening of Government” (Washington: Brookings Institution, July 23, 2004), at [Hhttp://www.brookings.edu/views/papers/light/20040723.htm](http://www.brookings.edu/views/papers/light/20040723.htm)H

^{xvi} Ministry of Finance, *Civil Service Advice and Assistance*.

^{xvii} Christiansen, “Ministers and Mandarins in a Parliamentary System.”

^{xviii} The percentages are for permanent secretaries, regional executives, and municipal executives. Among directors general who report to permanent secretaries

rather than directly to elected officials, only 23% and 25%, respectively, prefer to spend equal or more time on political advice or often do offer such advice.

^{xix} Forum for Executive Public Management, *E-Survey*.

^{xx} Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*.

^{xxi} Ministry of Finance, *Civil Service Advice and Assistance*.

^{xxii} Discussion, Forum Theme Panel 3.

^{xxiii} Eurobarometer, *Standard Eurobarometer* (2004), 60

^{xxiv} Ibid.

^{xxv} Modernising Danish Government, *Citizens at the Wheel* (Copenhagen: Ministry of Finance, 2002).

^{xxvi} OECD, *Budgeting in Denmark*, 27.

^{xxvii} Swedish and Danish CEOs direct a workforce with 690 and 580 persons respectively in a municipality with 10,000 inhabitants. In comparison, there are 100 employees in the typical U.S. city of this size. See Mouritzen and Svava, *Leadership at the Apex*, Table 3.3.

^{xxviii} The scale is created by assigning the options presented in the survey these values: 0=very little importance, 25=little importance, 50=some importance, 75=great importance, and 100=extremely great importance.

^{xxix} The scale is created by assigning the options presented in the survey these values: 0=insufficient; 50=satisfactory; and 100=very satisfactory. In the survey of deputy and assistant directors discussed in section three, the ratings of level of attainment were based on 0=very insufficient; 25=insufficient; 50=medium; 75=satisfactory; and 100=very satisfactory.

^{xxx} The titles included deputy director and secretary, head of division, deputy president, director, and other. For simplicity, the respondents are referred to as deputy and assistant directors.

^{xxxi} The scale is created by assigning the options presented in the survey these values: 0=not at all, 25=to a small extent, 50=to some extent, 75=to a great extent, and 100=to a very great extent.

^{xxxii} The average ratings for these other factors are as follows: no clear policy goals (42); conflict between parties (40); new EU regulations (38); unclear division of labor (38); interest group pressure (37); pressures to support political goals (37); conflicts within the organization (37); interference by politicians in management (34); unemployment and social problems (33); outsourcing (33); and personal attacks on officials (27).

^{xxxiii} Christensen, “Ministers and Mandarins in a Parliamentary System.”

^{xxxiv} See, for example, Christopher Pollitt and Geert Bouckaert, *Public Management Reform: A Comparative Analysis* (2nd edition, Oxford: Oxford University Press, 2004); and Donald F. Kettl, *The Global Public Management Revolution* (Washington: Brookings Institution Press, 2000).

^{xxxv} See [Hhttp://www.corporategovernance.dk/db/files/filebc21b1d566c.pdf](http://www.corporategovernance.dk/db/files/filebc21b1d566c.pdf)H. Indeed, many countries have produced codes of corporate sector governance. For one catalogue, see [Hhttp://www.iwep.org.cn/cccg/ziliaosuoyin.htm](http://www.iwep.org.cn/cccg/ziliaosuoyin.htm)H

^{xxxvi} Privy Council Office, *Guidance for Deputy Ministers* (2003), at [Hhttp://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=gdm-gsm/gdm-gsm_doc_e.htm#TOC1_3](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=gdm-gsm/gdm-gsm_doc_e.htm#TOC1_3)H

^{xxxvii} Wallace Sayre, “The Unhappy Bureaucrats: Views Ironic, Helpful, Indignant,” *Public Administration Review* 10 (Summer 1958): 245.

^{xxxviii} Report of the Expert Committee on Civil Service Advice and Assistance to the Government and Its Ministers, *Civil Service Advice and Assistance*, Report 1443 (Copenhagen: Ministry of Finance, June 2004), 16-17, at

[Hhttp://www.fm.dk/db/filarkiv/9354/English_2.pdf](http://www.fm.dk/db/filarkiv/9354/English_2.pdf)H

^{xxxix} The deputy and assistant directors indicated that the top executives should spend *less* time on “daily management” and spend much more time on the elements of strategic management.

^{xl} Privy Council Office [Canada], *Guidance for Deputy Ministers* (2003), at [Hhttp://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=gdm-gsm/gdm-gsm_doc_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=gdm-gsm/gdm-gsm_doc_e.htm)H . Emphasis added.

^{xli} Ibid.

^{xlii} Ibid.

^{xliii} Report of the Task Force on Public Service Values and Ethics (John C. Tait, Chair), *A Strong Foundation* (December 1996), at [Hhttp://www.myschool-monecole.gc.ca/Research/publications/html/tait_e.html#2](http://www.myschool-monecole.gc.ca/Research/publications/html/tait_e.html#2)H

^{xliv} For example, see U.S. Office of Personnel Management, *360-Degree Assessment: On Overview* (September 1997), at [Hhttp://www.opm.gov/perform/wppdf/360asess.pdf](http://www.opm.gov/perform/wppdf/360asess.pdf)H