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Public Public Governance as an International Trend towards Excellence – The Danish Contribution

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Introduction: I bring greetings from the other members of the International Research Team. We are impressed with what you are doing. I will offer observations and make suggestions, but I should emphasize that the suggestions are simply meant to challenge you to live up to the high aspirations you have set for yourselves and that you are in the process of achieving.

As we observed in our final report, throughout our interviews and meetings, 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. But the goal is not to maintain or preserve. There is a commitment to change—to renewal from within.

This presentation combines observations about the process and assessment of the work that has been done by the Forum to this point. In order to examine the Danish contribution to public governance, we must both understand the concept of governance as well as review what the Forum has proposed. Therefore, my remarks start with an examination of public governance and conclude with a presentation of the four major contributions that the work of the Forum of Top Executive Management is making to the international efforts to strengthen governance.

Public Governance and the Work of the Forum

The concept “governance” has several meanings. I explore them not as an academic exercise, but rather to clarify the framework that governance provides for the work of the Forum and the nature of the Danish contribution to it. Traditionally, governance has meant the action of governing. In the public sector, this entailed conducting the affairs of government. In the private sector, governing is regulating the proceedings of a corporation. This was the focus of the Nørby Committee. Whereas that Committee focused on the board of directors in corporations, the Forum has been concerned with the interplay between the political leadership and top executives and how each can contribute to the other in governance. A major objective of the Forum of Top Executive Management starting in 2003 has been to clarify and improve Public Governance—good top executive management—in Denmark.

This approach is similar to administrative focus in OECD. The principal elements of good governance are accountability, transparency, efficiency and effectiveness, responsiveness, forward vision, and rule

of law. The OECD Directorate for Public Governance asserts that “good governance is critical to long-term economic, social and environmental development.” Thus, public governance has instrumental value.

The Forum for Top Executive Management applies the concept of public governance in a more focused sense than the OECD, because of the emphasis on improvements in the leadership of public organizations and executive public management in Denmark. As we shall see, however, the scope of the Forum’s recommendations is broader than the principal elements identified by the OECD.

There is a second and broader definition which moves the emphasis beyond the organization and has important implications for the roles and contributions of top executives. In the broadest sense,

Governance is the process whereby societies. . .make important decisions, determine whom they involve and how they render account. (Institute of Governance, Canada)

Christopher Pollitt, one of the international team members, provides a similar approach when he defines governance as “nothing less than the steering of society.” He notes that steering and guidance “are preferred terms across much of continental Europe” for understanding governance.¹ As long as this steering was handled largely by governments, the larger and more complex societal process was easily ignored, but this situation is changing.

An important advantage of using the term “governance” in this second, broader way is that it focuses attention on the wide range of actors and societal forces that impact how a country makes and carries out decisions that shape its future. It recognizes that the way a society—at the national level, in regions, or in local communities—identifies problems, establishes goals to address those problems, mobilizes resources, and undertakes actions may include governments, businesses, nongovernmental organizations, and citizens. Even when government is the central actor in the process as in Denmark, the concept of “governance” focuses attention on government’s role in leveraging a broad collection of actors, in the public and private and nonprofit sectors, toward governmentally defined goals. Current discussions of governance also stress that the process extends across standard boundaries. For example, at the local level in the United States, it was once fairly accurate to say that governance was largely the work of a single government operating within its own boundaries. Now one recognizes that governance is the work of many types of organizations and operates across the boundaries of many cities and counties. Thus, the way that governance is accomplished is changing in fundamental ways.

Donald Kettl—another member of the international team—observes that the two major forces of globalization and devolution are changing the way societies govern themselves. Globalization has sparked an emerging system of governance without government, management, or control. It has created powerful new forces of competition. As the new government of Prime Minister Anders Fogh Rasmussen has emphasized, Denmark must recognize the importance of globalization and embrace internationalization. It is not enough to be good within its boundaries, Denmark must be

- a leading country in the knowledge society
- a leading country in economic development
- a country with world-class education
- the most competitive society in the world

¹ With Bouckaert, p. 11

Furthermore, devolution—pushing programs down from the national level to the provincial and local level and pushing the work of government out into nongovernmental and private sector organizations—has fundamentally transformed community governance.

The emphasis on “governance” signifies that the old ways of addressing societal needs—governance by government and by public administrators within jurisdictional boundaries—is no longer a sufficient description. Governments and public administrators still are absolutely central to the process in many countries, including Denmark. The major issue is a government’s autonomy in setting its own course and its scope of responsibility for delivering results. Because of both globalization and devolution, there is less autonomy and more sharing of power and responsibility.

The changing conditions of new governance have created the context for the work of the Forum. It has explored the consequences of the broadening scope of governance and the irresistible spread of international influences on the work of top managers in the Danish public sector.

The Forum has recognized that the top executive “has the responsibility of ensuring coherency within the organisation, as well as across organisational borders”—the key boundary-spanning aspect of new governance. The Forum does not limit its attention to management. It uses public governance “to capture what lies above,”—and, I would add, outside—“and binds together, the management tools and philosophies.” Finally, the Forum’s definition of public governance includes the “interplay of the most senior public sector executives with the political leadership, the organisation and the relevant surroundings.” It refers explicitly to shaping the goals, results and behaviour, handling the requirements and expectations of the surrounding environment, and influencing developments.

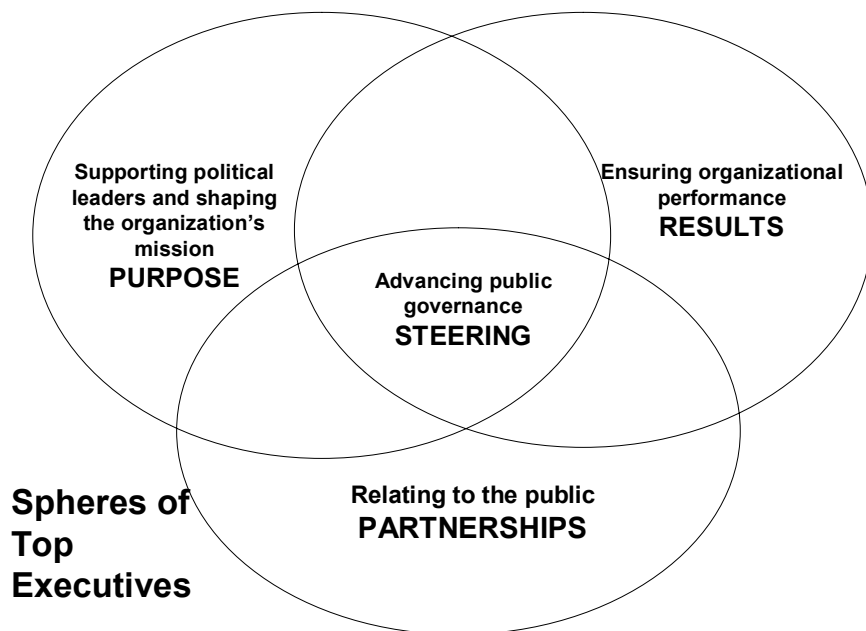
Thus, as the term has been used in the work of the Forum, Public Governance includes the commitment to administrative excellence found in the OECD definition. It also encompasses the broad task of “steering” and influencing the formation of strategic direction as well as developing new ways of linking to organizations outside government and beyond Denmark in the conduct of public governance. It is unusual to see a group of public executives considering their role in governance in this broad and inclusive way,² and it reflects distinctive social and political traditions in Denmark. In the view of an outside observer, the Forum is addressing these fundamental questions:

- How in the broadest sense do top executives contribute to steering Danish society?
- How do they make their organizations perform more effectively in an era of shared accountability and blurred boundaries?
- What are the democratic responsibilities, ethical standards, and professional competencies that should accompany their governance role?
- Finally, how do top executives with their unique background and experience help others understand the complexities of governance?

Defining governance broadly has major implications for top executives in the three areas in which they work. To make the greatest contribution to public governance, top executives must strengthen the linkage with political leadership, diversify the way they direct the organization and relate to other organizations, both nationally and internationally, and expand their interactions with the “public” —

² A challenge to the Forum is to balance the focus on its own members and the top executive’s position, on the one hand, with the broader and less formally prescribed responsibilities of public governance, on the other.

citizens, nongovernmental organizations, and businesses. The international research team visualized these three spheres and their interconnection in this way. The relationships with other players are central to the shared governance notions.



In supporting political leaders, top executives play various roles.

- Sparring partner/political-policy adviser
- Guardian of law, fiscal control, and ethics
- Independent professional adviser
- Synthesizer/integrator of policy goals– the key link to organizational leadership

In directing the organization and relating to the public, top executives must be skillful at combining co-operation and management. The Forum has identified different forms of management. These are forms are hierarchical or “norm-based,” market-based, profession-based, and network-oriented. The top executive must be adept at balancing these forms and using them appropriately.

The broad definition of governance and recognition of the need to fill multiple roles and pursue multiple forms of management provide the foundation for the Forum’s recommendations.

Recommendations of the Forum

In line with the distinctive broad view of the Forum, the recommendations for top executives go beyond management.

The recommendations can be divided into four categories:

I. Role of top administrator in governance:

- **Clarify management space with political manager [#1]**
- **Take personal responsibility for compliance with political goals [#2]**
- Exercise right—and obligation—to lead the organization. [#7]

II. Linkages to promote governance

- **Create a responsive organization which is responsive and affects [and, one might add, incorporates] the surrounding world [3#]**
- Create an organisation that acts as a part of an integrated public sector. [#4]

III. Management to foster governance

- **Use vision and work strategically to develop solutions [#6]**
- **Require the organization to focus on results [#5]**

IV. Values/Standards to insure sound governance

- **Display professional and personal integrity [#8]**
- **Safeguard democratic values [#9]**

There has been great interest on the part of the international team in reviewing the recommendations developed by the Forum. Amidst many points of similarity and agreement there are a couple areas where the emphasis of the international team may be slightly different from that eventually made by the Forum. First, as Christopher Pollitt said in his summary of the Rotterdam meeting, there is a case for saying something more explicit in the recommendations about communications. Second, we were looking for more attention to addressing the challenges of new governance both domestically and internationally. Third, we stressed the importance of fully integrating new information and communication technology in the work of organizations and interactions with the public. Finally, the Forum has focused heavily on the individual top executive, whereas the international team said more about how the top executive works with other executives in teams. The balance to be sought here was a topic of intense discussion among top executives and experts at the two workshops in Raleigh and Rotterdam and subsequent reflection on our part. When we reach the detailed guidelines for the self-assessment process, we shall see whether these issues have received more attention than might be apparent from the recommendations alone.

Significance of the Forum’s work

The work of the Forum reflected in these recommendations is consistent with international themes in the discussion of governance. Still, they go beyond the standard discussion in ways that reflect distinctive Danish norms and tradition and represent a distinct contribution.

As we have already noted, the Forum has used a broad definition of public governance which includes both the steering and goal setting and boundary-crossing. This broad approach is the first significant contribution. Support for the assessment of breadth can be seen by comparing the recommendations of the Forum with the governance elements of OECD.

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| Forum of Top Executive Management Recommendations | OECD Elements of Governance |
|--|-----------------------------|

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|---|------------------------------|
| Clarify management space with political manager [#1] | |
| Take personal responsibility for compliance with political goals [#2] | Accountability |
| Exercise right—and obligation—to lead the organization. [#7] | |
| See #3 and #9 | Transparency |
| Require organization to focus on results [#5] | Efficiency and effectiveness |
| Create a responsive organization which is responsive and affects the surrounding world [3#] | Responsiveness |
| Create an organisation that acts as a part of an integrated public sector. [4#] | |
| Use vision and work strategically to develop solutions [#6] | Forward vision |
| Display professional and personal integrity [#8] | |
| Safeguard democratic values [#9] | Rule of law |

The gray areas reflect themes in the Forum recommendations not included in the OECD elements. The light red areas are, I believe, are broader in scope than the corresponding OECD element. It may be argued that the Danish discussion is different in two ways. Broad discussions of governance as steering have not given much attention to the contribution of public administrators. “Steering” is the domain of elected officials, and administrators do the “rowing.” Administratively-focused approaches to public governance, such as that of OECD, have ignored the issue of setting goals and direction. The Forum incorporates both steering and management, and it appropriately that these elements should be linked. Thus, the Forum offers a distinctively broad approach to governance and identifies a wider range of responsibilities than is typically found in discussions of public governance. I hope that public administrators in other countries will be inspired to approach the topic of public governance from the same perspective.

A second area of significance of the Forum’s work is that it represents a process of renewal from within directed by top executives. There are other examples of management reform arising from the top levels of public service officials.³ What is unique in Denmark is reform by top executives but not as top executives. It has been done as a voluntary association of top officials rather than as a governmental task force of top executives acting in their official role. This approach—which is by the way consistent with new governance principles—offers an usually high degree of flexibility. It permits top executives to step outside their individual role and focus on their shared responsibilities. It is important to remember, however, that the Forum is a group of top executives only. The Forum needs to consider how its members can work effectively with others inside and outside the organization to accomplish its far-reaching goals.

A third unique feature is that officials from all levels of government have worked together. In many countries, “reform” at the state level is achieved by increasing the controls over officials at the local level. Once again, a principle of new governance—boundary-spanning—is evident in the Forum proc-

³ See Pollitt and Bouckaert, 183

ess itself. The international research team members do not know of any other examples of this kind of renewal process driven by top executives from all levels of government.

A final distinctive contribution is the assessment process.

Competencies and the process of self-assessment

An important aspect of the Forum process has been an examination of top executives through surveys. The results demonstrate that the level of competency of top executives is high but it is not uniform. Two examples from the e-surveys can be offered to show that top executives are not equally proficient at everything they do. This is the power of assessment—you can achieve self-awareness that might not occur otherwise.

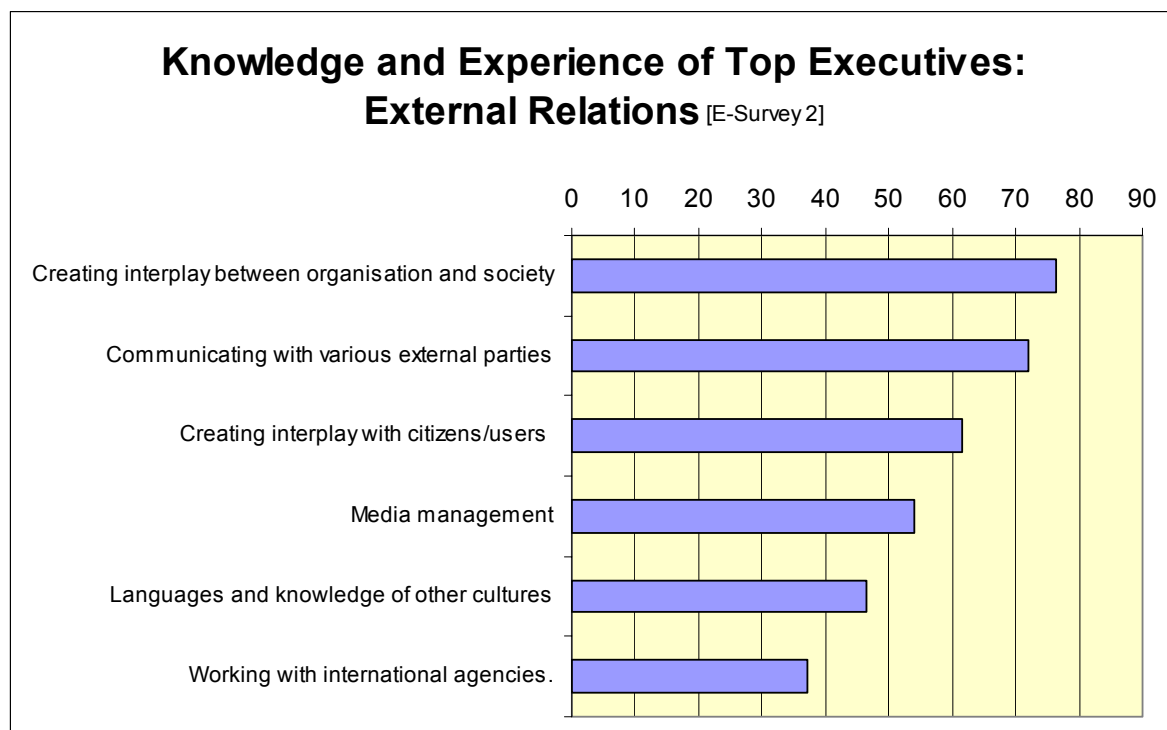
What competencies are needed to accomplish the recommendations of the Forum? Let me examine two areas:

A. Expanded organizational management capabilities⁴: In this figure, the four competencies at the top reflect traditional approaches to public management. The remaining competencies are more strongly related to new approaches.



⁴ In these figures, the level of knowledge and experience, as reflected by the self-assessment of top executives, is presented in a 100-point scale. Zero indicates very low level of knowledge/experience and 100 indicates very high level of knowledge/experience. The figures present the average level.

B. Expanded capabilities in handling external relations: New governance requires high levels of capability in handling external relations. Once again, the level of competency varies.



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sed on results such as these and extensive discussion among its members, the Forum has created a series of questions that examine the competencies linked to each recommendation. In addition, the Forum has proposed a process of continuing self-assessment.

Assessment process

It appropriate that the Forum has proposed a voluntary and flexible process. Assessment that is mandated by an external source turns into an exercise in how to appear to meet expectations. The assessment can be self-protective rather than self-critical. Still, the Forum may choose to make it more explicit that members are committed to a process of assessment for themselves and to helping their peers by being available to provide feedback.

There are two principles of effective assessment:

- Assessment must include feedback from others
- Interpretation of results can not be done by the top executive alone

The approach recommends three phases of assessment, and this seems useful. It is helpful to start with a broad overview of major characteristics. The second phase focuses on the individual recommendations and provides a guide to examining in depth how one is performing. In the suggested questions,

reactions, and reflections, many of the issues in the code are spelled out with greater specificity. The devil is in the details, and in the assessment process, one meets the devil. Let me offer four examples from the rich and complex phase two of the assessment guide. These match the four areas in which the International Team had questions about the approach taken by the Forum: communications, working with outside organizations, ICT, and use of teams.

In the assessment of how well you create an organisation that is responsive and that affects the surrounding world (Recommendation 3), the need for communication is addressed.

- A. How do you create an interrelationship between the organisation's communications, its daily practices and the political goals?
- B. What do you do to create constructive interaction between the organisation and the media?

In the assessment of how well the top executive acts as part of an integrated public sector (Recommendation 4), there is an implicit analysis of the partnerships in new governance.

- A. Who are the other relevant working partners for your organization?
- B. How do you create contextual continuity and quality in the services for the citizens?
- C. How do you make your organisation one of a number of building blocks in an overall public chain of value in the overall performance of the public sector's assigned tasks?
- D. How do you contribute to the on-going debate over creating logical continuity in performance of the tasks assigned to the public sector?

I should note that the Forum could foster research that would clarify how to answer these questions.

In the assessment of vision and strategic management (Recommendation 6), these issues are examined:

- A. How do you keep informed about what takes place outside your own organisation – both locally and globally?
- B. How do you improve the capacity of the organisation to act in international contexts?
- C. How do you balance ongoing operation, innovation, and a willingness to take risks?
- D. How well do you transform innovative ideas and new knowledge into practice?
- E. How do you effectively combine hierarchy, market and network?

Regarding ICT, I should note that there is no explicit assessment. It clearly is related to a number of recommendations, but it has not been included in the assessment questions. I should also acknowledge that the participants in Raleigh demonstrated that they are making extensive and creative use of ICT in their organizations, although they recognize that more should be done. It appears that the question asked in the e-survey was too narrow. Although top executives are only moderately knowledgeable and experienced in developing ICT projects, they demonstrate extensive capability in developing ICT strategies. Thus, the absence of assessment does not mean that a weak area of performance is being avoided, but neither is there a clear examination of how well it is being performed.

Finally, in the section on leading the organization, the “team” issue is addressed with this question: How do you insure that your management team when viewed as a whole has the requisite personal and professional competencies? It is useful to recognize the importance of “teams” differs in the United States and Denmark. American managers who tend to be individualistic

often need to be more inclusive and think about how to use teams. Danish managers who tend to be inclusive and operate in a culture in which there are low power differences may view group process to be well established, perhaps even too strong at times. To them, more assertive behaviour from the top executive may be necessary to provide clearer standards and direction in a highly consensual workplace (just as clearer integration for professional groups is stressed in recommendation number 2.) The Forum recommendation to “exercise the right—and obligation—to lead the organization” may reflect a perceived need occasionally to step aside from the participative and inclusive processes and set clear direction for the organization.⁵

The assessment indicators reflect this orientation but also recognize the value of team leadership. Top executives are the overall personnel policy manager for the organization. Starting at the top, they must insure that the right people will be present to provide information, critical analysis, and experience in handling the wide range of questions that top executives face in their three spheres. This will not necessarily be the same “team” all the time and the active utilization of the talents of others can not be allowed to diminish the ultimate responsibility of the top executive for his or her advice to superiors, organization direction, and external partnerships. Perhaps there is convergence in our thinking, but I suspect that our discussion of teams will continue for some time.

Phase 3 of the self-assessment deals with developing the top executive role in the future.

Based on the careful reflections in phase two, the top executive considers these questions:

- What goals for improving your management style and conduct will you set in the next year?
- What factors can help ensure or could prevent you from achieving your goals?

The Forum recommends that each top executive make a “contract with myself” covering these points:

- How will you retain your reflections?
- Who will you seek feedback from?
- When will you return the questions in this self evaluation?

Based on experience with city managers in the United States, I would recommend that the Forum make an active contribution to the professional development of its members in two ways. First, the Forum can make connections and draw in diverse perspectives and information from a variety of sources including contributions from the business sector and nongovernmental organizations. This session is an example. The Forum can also continue to sponsor research and analysis targeted to meet its goals and the needs of its members.

It is important that you not allow a feature that is a strength of the Forum to become a weakness. The Forum includes all top executives in Denmark, but it must establish linkages beyond its own circle of

⁵ In questions regarding personal integrity (#8), there is implicit recognition that the top executive may seek to preserve his or her prominent and exclusive role as advisor to the top politician to the detriment of management including possibly leading a management team. “What do you do in order to counteract your role as an advice-giver to the political leadership and the highlighting of your own profile occurring at the expense of your focus on managing the organisation?”

members. It should not be only concerned with top executives. The Forum could broaden its scope to include the needs of subordinates from whom the next generation of top executives will be drawn.

Second, the Forum can facilitate and support the self-assessment process. It could provide a group that will be the “keeper of the contract.” The contract will still be personal and voluntary, but it will be shared in confidence with a group of peers and the activities undertaken to meet the contract will be reported back to this same group. The board can help the individual top executive determine priorities for action. It is not enough to answer all the assessment questions. One must also identify the critical areas for improvement that will promote the greatest results.

Beyond the constructive feedback that the board would provide to individual top executives, there are two additional benefits that come from this process. Based on its extensive view of the needs and goals of top executives, the “self-assessment board” could identify general themes and propose activities that would promote the professional development of members. In addition, it could determine whether top executives—as perceived by other top executives—are examining all aspects of their behavior or are ignoring certain parts of the self-assessment guidelines.

Compared with other countries, the process proposed by the Forum has the potential of being unique in its depth, rigor, comprehensiveness, and strategic focus if the Forum—individually and collectively—will commit to see happen.

In conclusion, the Danish contributions to the international dialogue on public governance are the following:

1. Offering a broad definition of governance that links top executives to steering, building partnerships, and reforming management
2. The commitment of top executives to a voluntary process of renewal from within
3. The active participation of top executives from all levels of government who have come together to explore their shared contribution to governance.
4. The commitment to continual self-assessment that is flexible, voluntary, comprehensive, rigorous, and strategic.

The Forum for Top Executive Management is an exemplary model that other countries should emulate.

Thank you for the opportunity to be part of this process and to share my thoughts with you today.