

Public Governance – Code for Chief Executive Excellence

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Foreword

Almost two years ago, the chief executives in the Danish state, county and municipal administrations set themselves a common goal: under the title of Public Governance, they would develop a code for chief executive excellence which would apply across the entire Danish public sector.

The background for this project was widespread recognition of the fact that excellence in executive management is a prerequisite for meeting the current and future challenges faced by the public sector.

The level of ambition was high: we wished to develop a code that would apply to the most important tasks of chief executives, but which at the same time would be specific enough to inspire individual top executives to reflect on and develop their managerial behaviour in their daily work.

The Code which we now present is the result of a process that called for persistent commitment on the part of chief executives across the whole public sector, as well as a challenging and educational partnership between the research world and the chief executives themselves. At the same time, new networks and relations have been created across the boundaries of the public sector, and between the research world and the chief executives.

The work on the development of the Code has already helped to sharpen the focus of chief executives on their own management practice; however, the real effect will only become apparent in the long term. Accordingly, the launch of the Code should be regarded as the start of a new process, in which public sector chief executives will perform concrete work with the Code within their own organisations.

The Code sets the agenda for excellence in public sector executive management, and we hope it will contribute to further debate on executive management in the public sector, not only in Denmark, but also internationally. We would like to encourage all public sector chief executives to make use of the Code, both individually and in co-operation with others.

Forum Board,
Forum for Top Executive Management
May 2005

Code for Chief Executive Excellence

The nine recommendations for excellence in public sector executive management comprise the backbone of the Code. These recommendations are intended to function as a common set of norms defining the characteristics of a good public sector chief executive.

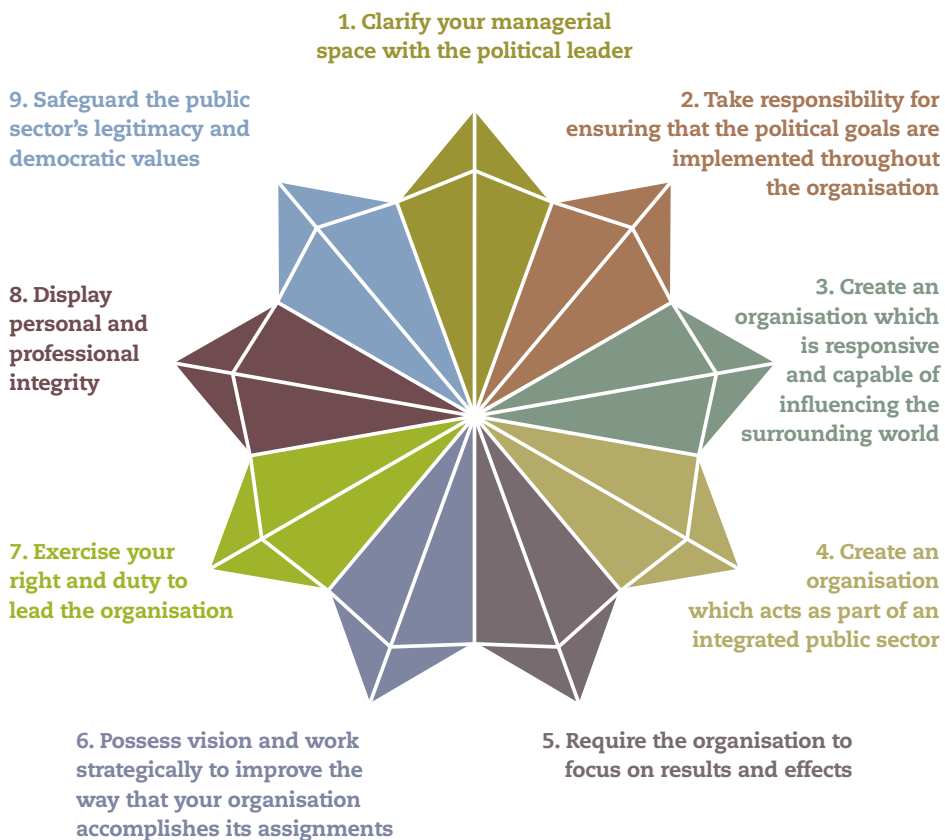
The ambition is that the nine recommendations will:

- Define the most significant tasks of a chief executive
- Comprise a shared frame of reference for chief executives across all levels of the public sector
- Sharpen the focus of individual chief executives on their own roles, management style and conduct
- Give individual chief executives an opportunity to periodically reflect on their own management practices in relation to the organisation's results
- Provide material for dialogue at the top of the individual public sector organisation

For the individual chief executives, a self-evaluation method has been developed which is intended to function as a "Code-mirror". The aim of this method is to give individual chief executives a chance to reflect on their own management practice in the light of the recommendations of the Code.

The self-evaluation method is available from:
www.publicgovernance.dk.

Nine recommendations



1. Clarify your managerial space with the political leader

- A. What do you do to ensure that you and your political leader have a shared understanding of the nature of your interplay in the management of the organisation?
- B. What do you do to encourage ongoing discussions between you and your political leader concerning your specific division of responsibilities with respect to the management of the organisation?
- C. What weight do you assign to your respective roles as advisor to the political leadership and leader of the organisation?
- D. What do you do to reconcile the political demands towards the organisation with the framework for the execution of its tasks?

“We have an administrative management space only if we are able to deliver proper political advice.” (Danish chief executive)

As a public sector chief executive, your space to exercise management is dependent on the preferences of your political leader. The political leader is the senior manager with responsibility for the organisation. In practice, however, the political leader will choose to share his or her managerial space with you by delegating responsibility for a number of the daily management tasks. In this manner, you are given the responsibility to both advise and serve the political leader as well as to manage the organisation. The fundamental principle of the Danish system is that these two tasks are integrated and mutually dependent.

“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 programmes. They have irresistible demands and incen-

tives 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.”¹

In the Danish system, the dual roles of the public sector chief executive are regarded as a strength, because they provide the chief executive with the opportunity to integrate the tasks of providing advice to the political leader and managing the organisation. This enables you, as a chief executive, to reconcile your management-related prioritisation of the tasks to be accomplished by the organisation with the political demands, and to discuss the consequences of the political demands and prioritisations with the political leader. However, this dual role can also present the executive management challenge of creating an appropriate balance in the amount of attention you devote to each of the two tasks. In some cases the division of responsibilities between you and your political leader will be clear and unambiguous, but in most cases, your space to manage the organisation will emerge in daily interaction with your political leader. This applies both to your relative prioritisation of the tasks of providing advice and exercising management, and to the division of responsibilities that you establish between you and the political leader concerning the management of the organisation. However, you have a special responsibility to ensure that you and your political leader attain a common understanding of the nature of your interplay and your respective roles in the management of the organisation. As a chief executive, your responsibility in this context is to advise the political leader so that you can arrive at a clear division of tasks and working practices which will satisfy your respective conditions for exercising management both jointly and separately. The clarification of your mandate and managerial space is not something that can occur once and for all, but must rather be discussed and clarified on an ongoing basis with the political leader. This can occur both in connection with specific situations and as an element in discussions of principles and general views.

Note 1. Donald F. Kettl, Christopher Pollitt, James H. Svara: "Towards a Danish Concept of Public Governance: An International Perspective", Forum, August 2004.

2. Take responsibility for ensuring that the political goals are implemented throughout the organisation

- A. What do you do to ensure that the political goals and intentions are clearly understood by the organisation's management and staff?
- B. How do you contribute to ensuring that policy and professionalism mutually support one another?
- C. How do you work to ensure that the various professional units regard themselves as a part of the organisation when performing tasks that require intra-organisational co-operation?
- D. How do you acquire the requisite knowledge to enter into a dialogue with the professional units concerning the execution of their tasks and their development?

"I can never run away from the fact that I am the one who is responsible for presenting the professional expertise to the politicians. And I am also the one who must ensure that the decisions of the politicians are implemented – regardless of what the individual employee might think of them." (Danish chief executive)

As a public sector chief executive, you are at the focal point of a very large organisation with a broad portfolio of tasks and encompassing many different professional groups. Regardless of whether the personnel groups concerned are at a town hall, in a state ministry or employees in an area such as health care, education, research or therapy, they are all characterised by special professional norms and values that are specific to the sector and organisation. The ethic of following professional norms is strong among public sector employees, but must not have the

effect of causing the professional environments to become isolated from the political goals and management framework. The sense of identity, dedication and strong commitment to professional values is a strength, but also presents pronounced executive management challenges. On the one hand, you must ensure that political wishes regarding the accomplishment of the assigned tasks are incorporated and implemented in all corners of the organisation, even when the political goals challenge the autonomy of professional methods, orientations and assumptions. On the other hand, you must obtain expert knowledge and input from your professional staff concerning the effect of the political goals, so that this can be utilised and incorporated into your on-going advice to the political leadership, as well as towards the enhancement of service, quality and efficiency. There is a constant challenge to your ability to communicate and justify, and to create balance and build bridges between various considerations, so as to ensure that policy, implementation and professional expertise go hand-in-hand. It is necessary for you to enter into dialogue with and challenge the organisation's professional groups, with respect for their particular challenges and dilemmas. It is your task to ensure that professional environments do not become isolated and pursue narrow professional or personnel policy goals and desires. All parts of the organisation must understand and respect the rules of the game that apply in a politically-led organisation, including the fact that the accommodation of the political goals, the use of resources and the achievement of results implies co-operation between different professions and the sharing of knowledge laterally within the organisation. It is your responsibility to ensure that the management and staff of the organisation are aware of and understand the political goals and intentions, and that they pursue these goals. You must require that the organisation's professional units assess their degree of goal fulfilment, including what works and what is inappropriate, and that this assessment is communicated to you.

3. Create an organisation which is responsive and capable of influencing the surrounding world

- A. What do you do to ensure that the organisation's assignments are tackled with a point of departure in the perspective of citizens and consumers?
- B. What do you do to keep the organisation open, interactive and accessible by the outside world?
- C. What do you do to safeguard and enhance the organisation's reputation?
- D. How do you work to create consistency between the organisation's communications, its daily practices and the political goals?
- E. What do you do to create a constructive interplay between the organisation and the media?

"I think very systematically about what the things we do will mean for citizens and users – how they will be affected, and how they will react." (Danish chief executive)

As a public sector chief executive, one of your primary tasks is to create an organisation in which your employees display respect for the citizen and the consumer, are open and responsive to changing trends and requirements, and are professionally competent in their fields. The legitimacy of the public sector depends to a large degree on the quality of the direct interaction between individual employees and the citizen. Citizens must encounter skilled employees who are both responsive to individual needs and act as guarantors of the legal rights of the citizen. The legitimacy and reputation of the public sector is, however, also affected by its ability to communicate externally. Thus, for you and your

organisation to be able to affect the surrounding world, you must ensure targeted and persistent communication of the goals and strategies that your political leadership has set, and thereby also successfully communicate what your organisation stands for. The reputation of the public sector is not created through marketing measures alone; it is created through the daily encounters of citizens, consumers and companies with the public sector, and will depend on whether they experience consistency between what the public sector says and its actions in practice. The media are central players. They can help to ensure that citizens gain insight into the public sector, and function to a large extent as the population's watchdog, monitoring the performance by the public sector of its assigned tasks. The media are also an important player when the public sector needs to communicate key messages about goals and directions. It is thus crucial that the organisation enjoys open and constructive interaction with the media, even in difficult cases. The responsibility for communication cannot be borne by you alone, or by delegating the task to professional communications experts. You have the important task of creating an organisation in which the management and staff, at all levels, are trained and willing to communicate with citizens and users, with the media, and with the surrounding world in general. A prerequisite for this is a clear communications strategy which creates a common understanding of what should be communicated, who should be communicated with, and when and how the communication should occur. This in turn presupposes a permanent focus on developing communications-related skills among the organisation's management and staff.

4. Create an organisation which acts as part of an integrated public sector

- A. What do you do to encourage the organisation's management and staff to plan and organise their assigned tasks in co-operation with other relevant working partners?
- B. What do you do to ensure that the assigned tasks are executed in a manner which improves the consistency and quality of services for citizens?
- C. What do you do to ensure that the organisation's management and staff perceive themselves, develop themselves and act as elements in an overall public chain of value, in which each element, in interaction with others, contributes to the wholeness, efficiency and coherence of the overall task performance by the public sector?
- D. What do you do to contribute to the on-going debate concerning which frameworks promote or hinder the coherent and co-ordinated performance of public sector assignments?

"We must not pursue our own interests when organising the execution of the tasks assigned to us. We need to think beyond our own organisations, so that citizens experience systematic consistency – irrespective of who is responsible for the task."

(Danish chief executive)

As a public sector chief executive you are first and foremost the leader of your own organisation, but you also have a responsibility to support the consistency and coherence of the entire public sector, where relevant. This duty to undertake co-operation and co-ordination is a management condition that is specific to the public sector, in contrast to the private sector, in which the expansion of market share and the formulation of

competitive and growth strategies are the primary motive forces. Public sector organisations have an obligation to co-operate in the execution of their tasks, so that citizens and users will experience coherence and quality in the performance of these tasks. It is not the obligation of the citizen to understand how the public sector functions; it is the responsibility of the public sector organisation to create co-ordinated solutions that are based on the needs of citizens. Those wishing to start a business, for example, should be able to obtain flexible and integrated advice from various authorities with regard to local development plans, planning permission, environmental approvals, employees, taxation, etc. Couples with handicapped children should obtain flexible and empathetic support for their needs, which will change over time, in connection with assistance and advice, care and training, follow-ups, resources, altered access to the labour market, etc. The changes that the public sector is undergoing in connection with the reform of its mission and structure emphasise the necessity of looking beyond your own organisation. New forms of organisation and co-operation in the execution of public sector tasks – in partnerships and networks, and in co-operation between public, private and volunteer-based players – are contributing to an ever more complex situation. The need for co-ordination, co-operation and coherence in the public sector will require an expansion in your management perspective. It is not sufficient for you to orient yourself upwards towards the political leadership and downwards to undertake the management of your organisation. You must increasingly orient yourself towards the outside world, and laterally across the public sector. It is your duty towards the organisation's management and staff to highlight and emphasise the value of co-operation across organisational and professional boundaries. Digital administration and transverse project units can provide an opening and a driving force in this respect. You must create the preconditions, i.e. the necessary processes, structures, technology, skills and culture, for your organisation to be able to plan and execute its assigned tasks in co-operation with relevant stakeholders both inside and outside your own organisation, with the aim of creating enhanced efficiency, quality and coherence in the services provided to citizens.

5. Require the organisation to focus on results and effects

- A. How do you create on-going focus throughout the organisation on the connection between aims and means?
- B. How do you create a link between the common goals and values of the whole organisation and the goals and values of the decentralised units?
- C. What do you do to ensure that efforts and results are measured, made visible, discussed and followed up?
- D. What do you do to ensure that the knowledge obtained through evaluations brings about improvements?
- E. How do you react when you become aware of errors and inefficiencies in the execution of your organisation's assignments?

"We are certainly better at formulating our goals than at following up on whether we reach them. It ought to be a matter of course that we systematically measure whether the results compare favourably with our efforts, and that we actually use the knowledge we gain when we follow up and act on it."

(Danish chief executive)

As a public sector chief executive, it is an important part of your work to ensure that all managers and employees are focused on results and effects. It is not enough to define goals and formulate plans of action – it is also necessary to have a strong chief executive focus on the creation of results in all parts of the organisation. In step with the development of new forms of governance and organisation, the day-to-day manage-

ment responsibility for this task has to a large extent been delegated to the managers of the individual units. While decentralisation has shown itself to be a strength, it poses challenges for you as the senior manager of the overall organisation. You have a special responsibility to create a result-oriented management culture among the organisation's managers; a culture characterised by curiosity and a constant striving to perform the assigned tasks even better than before. It is your task to ensure that the focus of the individual units on results and effects does not occur at the expense of wholeness and consistency. Similarly, it is your responsibility to ensure that the organisation's fulfilment of its goals is assessed and rendered visible in order to create on-going improvements. There can be many different explanations when the results fail to live up to the goals you have set; accordingly, it is a special challenge to ensure that results follow-ups are applied in a forward-looking manner, to implement actions that create improvements. You must create a framework and incentives that promote systematic follow-ups of the core tasks, and encourage individual units to enhance their performance on the basis of knowledge of the relationship between resources, skills, activities and results. This requires the creation of a culture in which it is natural that the efforts of individual employees are measured and evaluated, and in which managers have the courage and the latitude to act firmly in their personnel management. Ensuring an interrelationship between aims and means is a continuing challenge in the public sector. Setting overall priorities will always be a political task, but as chief executive you have a special responsibility to ensure that the interrelationship is visible and discussed, and that the priorities are put into effect. This requires, on the one hand, openness and responsiveness to inputs from all parts of the organisation, and, on the other hand, the ability to act when you have evidence that parts of the organisation are not functioning efficiently.

6. Possess vision and work strategically to improve the way your organisation accomplishes its assignments

- A. What do you do to make your organisation aware of and inspired by what takes place outside the organisation – both locally and globally?
- B. What do you do to create an organisation that can act in an international setting?
- C. How can you create a balance between reliable operations, innovation and a willingness to take risks?
- D. How do you help to ensure that you and your political leader are in continual possession of the knowledge and broad perspective required to develop new ways of executing the organisation's core tasks?
- E. How good are you at promoting and leading innovative processes that can convert ideas and new knowledge into practice?
- F. How do you form a general view of strengths and weaknesses by combining hierarchical, market-based and network forms of management?
- G. How do you promote internal and external knowledge sharing?

"We are very introverted and prone to shut out the outside world. One of the greatest challenges of the coming years will be to break down the walls and see what is going on outside the organisation and around us." (Danish chief executive)

As a public sector chief executive, it is your responsibility to continually develop your organisation's structures, processes, technologies and skills,

so that it satisfies the political goals and expectations in terms of quality and efficiency, and achieves excellence. The operational frameworks of public sector organisations are subject to continual change, and there is always pressure to deliver more for the same or fewer resources. This requires you to be vigilant and visionary in relation to the environment in which your organisation operates – global or local, public or private. All public sector organisations are affected by globalisation, and as a chief executive, you must lead the way in developing your organisation's globalisation strategy. You must be prepared to learn from and be inspired by a broad spectrum of environments and sources in Denmark and abroad. You must be aware of and allow yourself to be challenged by trends that are relevant to you, your organisation or the services it provides. You must lead the way in efforts to develop the organisation, and display an open attitude towards innovation, without this being allowed to exert a deleterious effect on daily operations. You will be constantly challenged to allocate resources appropriately and maintain a balance between, on the one hand, the need for dynamism, experimentation, daring and creative conflict, and on the other, the need of the organisation and society for security, stability and zero errors. It is your responsibility to ensure that the choices made and initiatives pursued in connection with organisational development and change are robust and make a genuine and constructive contribution to the organisation's efficiency and the execution of its tasks. The hierarchy is still a predominating, but no longer the only form of governance in the public sector. The market (such as in contract management, outsourcing and competition) has made inroads, and the establishment of networks in which tasks are executed with the broad involvement of professional groups and service users is an emerging governance concept for public sector organisations. These governance reforms are built upon varying and sometimes competing incentive structures and considerations. As a chief executive, it is your responsibility to ensure that the selection and combination of different forms of governance are informed choices, and that the management-related challenges and consequences of these choices are dealt with.

7. Exercise your right and duty to lead the organisation

- A. How do you handle your role as the personnel policy manager for the entire organisation?
- B. How do you fulfil your responsibility to ensure that the organisation can recruit staff with professional and personal skills?
- C. What do you do to ensure that your management team, viewed as a whole, possesses the requisite professional and personal skills?
- D. How do you contribute to the ongoing evaluation of the latitude to exercise leadership at all levels?
- E. How do you fulfil your responsibility to take difficult decisions (e.g. firings or demotions) and carry them out in an appropriate manner?
- F. How do you ensure that management decisions are explained, communicated, and acted upon?
- G. How do you ensure that you are accessible for members of your organisation?

”I have had many different leaders over the years. The one I remember best gave me leeway, but you were never in doubt about what he wanted, and you could always count on actions following the words.” (Danish chief executive)

As chief executive you have not only the right, but also the duty to lead your organisation in such a way that it thrives and develops. Demographic trends in the composition of the population are placing the public sector under pressure, and the competition for qualified employees

is becoming more intense. Accordingly, you must preserve and promote the organisation as an attractive workplace. As a chief executive you are responsible for ensuring that the organisation performs the tasks assigned to it, but you cannot do everything yourself; much is outside your direct control, and you must solve your management tasks by managing through others. You must be aware of your own strengths and weaknesses, and organise the work of your inner management team so that it provides you with overview and insight without becoming a bottleneck in the organisation. You must seek to ensure that your inner management team, as a whole, is in possession of personal and professional skills that reflect the challenges faced by the organisation. You must organise and orchestrate management work in the organisation from top to bottom, and create the necessary conditions for the exercise of clear and visible leadership at all levels of the organisation. The recruitment and training of managers must have your particular attention, partly in order to ensure dialogue and the anchoring of your leadership values and objectives. You must establish systems that will make it possible for you to follow up on whether the organisation's behaviour and execution of its assigned tasks is occurring in accordance with your wishes. You must yourself be visible and available for the organisation, and you must be continually aware of the interrelationship between responsibility, skills, knowledge and resources, so that institution and department managers can carry out their assigned management tasks. You must be able to justify your choices and create the understanding that the balance between decentralised management space and central control can be dynamic. Finally, you must assume responsibility for difficult decisions such as firings or demotions and carry them out in a humane and professionally correct manner.

*"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."*²

Note 2. Donald F. Kettl, Christopher Pollitt, James H. Svara: "Towards a Danish Concept of Public Governance: An International Perspective", Forum, August 2004.

8. Display personal and professional integrity

- A. What do you do to ensure that the advice you provide is always based upon principles of impartiality, objectivity and loyalty?
- B. How do you handle acting as a role model for the organisation, with all eyes upon you?
- C. What do you do to ensure that advising the political leadership and highlighting your own profile do not occur at the expense of managing the organisation?
- D. How good are you at creating consistency between what you demand of others and what you do yourself?
- E. How do you contribute – through your behaviour and management style – to ensuring that ideas and criticism are aired in the organisation?
- F. How good are you at giving and receiving feedback?
- G. How do you acquire knowledge of the concerns within your organisation?

”A chief executive must be both pleasant and tough.”

(Danish chief executive)

As a public sector chief executive, you must be aware that through your words, actions and management style, you have a powerful influence on the culture and behavioural norms of your organisation. The tasks of a chief executive impose high standards of professional and personal integrity. You must possess moral courage and be personally and professionally assertive, so that you are equipped to handle situations in

which you need to be particularly attentive to your impartiality, objectivity and loyalty. You must be able to act in situations and "ethical moments" in which your choices and decisions cannot be justified with reference to a formal set of rules, but only by reference to ethical and moral norms. As a chief executive, you are a role model for the organisation's managers and employees, and everything that you do or fail to do will be the subject of great attention. You thus have a particular responsibility to promote those values and norms that you believe should characterise the organisation. You can do this in many ways: by showing a sincere interest in your organisation, by your actions when the organisation experiences success or commits errors, through your ability to give and receive feedback, through your ability to be responsive and allow yourself to be challenged, in your manner of taking firm decisions and justifying your choices, through your compliance with deadlines and procedures, in your communications, and via your participation in the organisation's social life. As a chief executive, you must play an active role in establishing the overall management values and, especially, in living up to them on a daily basis. You must allocate a high priority to your management task, so that it is not sidelined in favour of your role as an advisor to the political leadership or in order to enhance your own profile. The organisation must, in other words, be in no doubt about *"who is minding the shop."*³ You must work to establish your legitimacy, credibility and integrity by ensuring that there is consistency between what you demand of others and how you yourself act.

Note 3. Donald F. Kettl, Christopher Pollitt, James H. Svara: "Towards a Danish Concept of Public Governance: An International Perspective", Forum, August 2004.

9. Safeguard the public sector's legitimacy and democratic values

- A. How do you help citizens and users to remain confident that the execution of your organisation's tasks is grounded in objectivity, equality and impartiality, and that every decision can be justified?
- B. What do you do to ensure that your organisation is open and responsive to special needs and wishes, while at the same time considering the needs of the whole?
- C. What do you do to ensure your organisation continuously develops the requisite methods and skills to be open, communicative and engaging?
- D. How do you help to maintain the public sector's fundamental values of impartiality, equality and objectivity?
- E. How do you create clarity concerning when the decision-making process is open and when it is closed?

"A good public sector chief executive is capable of acting in an open space where everything you do can be explained and justified."

(Danish chief executive)

As a public sector chief executive, you have a special responsibility to safeguard the public sector's legitimacy and democratic values. All public sector organisations operate on the basis of a set of fundamental values concerning the public interest, openness, the rule of law, equality, impartiality, objectivity, involvement and representative democracy. These values express the most pronounced difference between the public and private sector; they comprise the backbone of the public sector and express its legitimacy and its special soci-

etal responsibility. As a public sector chief executive, you must find a balance, both in your advisory and managerial tasks, between the need to involve stakeholders and the need to safeguard the public interest and representative democracy. It is your responsibility to ensure that citizens, users and employees understand precisely when and how they can gain influence in a given decision-making process. It must be clear who has the responsibility for taking the final decision, and how and when it will be taken. As a chief executive, you must ensure that the public sector's basic values are fundamental to and provide the underlying justification for your advice to the political leadership, as well as in your daily management of the organisation, and whenever the organisation is challenged or sets a new course. However, it is one thing to ensure that you yourself understand and act in accordance with these values; it is another thing to create an organisation in which they form the governing principles for action on a daily basis. It is your responsibility to see that the organisation's managers and employees safeguard the interests and wishes of the political leader/leadership while at the same time remaining loyal to the fundamental values of the public sector. All decisions and actions must be justifiable, since they could potentially become the object of political interest and public scrutiny. As a chief executive, you must constantly ensure, through your advice, support and following-up, that your organisation's managers and employees live up to the confidence of the public that the organisation will handle the execution of its assignments in an appropriate manner, even when their wishes are not accommodated.

Conditions and challenges for public sector chief executives in Denmark

The Forum's Code takes as its starting-point an analysis of the fundamental traits and emerging challenges for chief executives in a politically-led organisation. This analysis focuses on the common characteristics of executive management in the public sector, and describes four images of the challenges faced by public sector chief executives.

Executive management is tandem management

The tasks of a chief executive in the public sector in Denmark are characterised by the chief executive's dual role as an advisor to the political leadership and as the appointed leader of the organisation. In the politically-led organisation, the minister/mayor is the top-level leader. The management and management space at the top of the public sector organisations can be described as "tandem management", with the first choice always falling to the political leader, while the managerial role, space and responsibility of the appointed chief executive are shaped in an on-going interplay with the political leader.

The public sector plays a special societal role, and public sector executive management is markedly different from executive management in the private sector. The public sector organisation operates, for example, with a complex bottom line and with different considerations and success criteria, which must be continually weighed against one another. In his or her advisory role to the political leader, as well as in the management of the organisation, the public sector chief executive must maintain awareness of the need to create an integrated whole and safeguard the democratic rules of the game.

The question is, how can chief executives, in their interplay with the political leader, clarify and substantiate their management space (legitimacy, mandate and authority) on an on-going basis in order to be able to fulfil their obligations to this dual role? How can chief executives organise and exercise their tasks so as to achieve a

balance between the provision of advice to the political leader and the management of the organisation? And how can the chief executive ensure continuity between policy and professionalism, and between policy and implementation? In brief, how can the chief executive ensure that the organisation retains an adequate focus on both the implementation and impact of policy decisions and on the advice provided to the political leadership?

An expanded management universe

The conditions for exercising chief executive management in the public sector have changed. The consequence of decentralisation, centralisation, internationalisation and public-private co-operation is the differentiation and fragmentation of the public sector's decision-making structure. For the public sector chief executive, the challenge is to simultaneously handle this fragmentation while creating wholeness and coherence in the organisation's execution of its assignments and in the provision of advice to the political leadership. Consequently, it is not enough for public sector chief executives to orient themselves vertically "upwards" towards the political leadership and "downwards" in the management of their organisations. The chief executive and the public sector organisation must increasingly orient themselves both laterally and "externally", across the country's borders. The fragmentation and increased complexity have thus expanded the chief executive's management universe and created new conditions under which to seek to create an integrated whole and safeguard the democratic rules of the game.

The challenges facing the public sector organisation could be summarised as the need to create openness and transparency in relation to citizens/stakeholders, and the need for efficient interaction, co-operation and co-ordination across the public sector. The question is precisely what requirements does this impose on chief executives, who, through their interaction with and advice to the political leadership, and in the management of their organisations, must clear the way for these developments?

An interactive public sector

The challenge for the public sector organisations is to be able to grasp the new possibilities and conditions provided by information technology, digital administration and the media. These include increasing demands made on consumers/citizens, faster speeds and greater openness, communication and involvement on the part of the citizen-oriented public sector.

A new approach is demanded of the public sector chief executive in order to manage and utilise the open processes and possibilities provided by information technology and digitalisation, involving not only technology and organisation, but also procedures and norms. Information technology and digitalisation have opened the door to many possible developments in the public sector, ranging from openness and transparency to new methods of communication, dialogue and negotiation. On all levels, public sector managers, case officers and service staff must be equipped to enter into dialogue with the consumer concerning the right solution for the consumer's tangible needs, problems and expectations. As an extra aspect of this change, the public sector organisations also face the significant challenge of having to focus on the continual development of attractive workplaces and the recruitment of skilled employees.

The question is, how can the chief executive support the integration into the organisation's overall activities of a focus on results and effects, as well as greater communication and involvement? What is the role of the chief executive here, and how can the chief executive ensure an appropriate balance between innovation, a willingness to take risks and reliable operation?

The media represent a number of channels through which the public organisation's messages may be communicated to the public, and interaction with the media has become a necessary premise for public sector executive management. The question is how the chief executive can and must relate to this development in interaction with the political leadership, and in relation to the norms within the organisation, such as

those governing media contact? How can the chief executive integrate the norms, strategies and skills required for the marketing, branding and influencing of opinion that public sector organisations undertake through the use of information technology, digital administration and media relations?

Multiple competing management principles

The existence of differing forms of management within the public sector is not in itself new. What is new is the change in their relative weight and the appearance of different combinatory models, in which elements from the various forms are combined in new ways. The presence of and competition between different forms of management in the public sector arena illustrates how the public sector organisation enters into a multidimensional stakeholder perspective which makes it necessary for the organisation to orient itself towards and enter into interaction with a large number of different players (values and interests) at different levels, both within and outside the organisation.

The challenge for the public sector chief executive consists of mastering and being aware of the strengths and weaknesses, competing values and partially contradictory forms of logic that characterise the hierarchical, market, profession-based and network-based forms of management, respectively. The question is, how can public sector chief executives equip themselves to understand, communicate and act within the entire spectrum of forms of management and their associated forms of logic? The interplay and combinations between the various forms of management can give rise to a number of independent challenges for chief executives, who in their advice to the political leadership and their management of the organisation must choose the right context in which to place a given issue. The underlying legitimacy and value basis for a given matter can be ambiguous and may vary, depending upon the precise form of management on which the individual case, process, decision or initiative is based. From the perspective of the chief executive, such a situation creates an "ethical moment" in work and decision-making. These are situations in which laws and

rules fail to provide clear answers and guidelines, and in which a public sector chief executive must take decisions which are based to a great extent upon the conscience, experience and current knowledge of the individual.

The question is, how can the chief executive in the individual public sector organisation create the preconditions to ensure that the organisation's conscious selection and use of particular management forms is in harmony with the politically determined goals and the needs of the surrounding world, as well as those of the organisation?

A special challenge is associated with the tasks of management in public sector organisations dominated by specialised professional groups of personnel, particularly in the light of the increased complexity associated with accomplishing the assigned tasks, as well as the continual expansion in size of the organisational units, the requirement to focus on results, and the need for cross-cutting co-ordination, prioritisation and co-operation. The question is how chief executives in their choice of management forms can combine, communicate and challenge the various competing and at times conflicting values that characterise the public sector organisation. How can the chief executive act as a bridge-builder between the political decisions and values and professional values and implementation?

History of the Forum

The largest chief executive workshop in Danish history

Together with Danish and international researchers, chief executives in the Danish state and local authorities have provided the ingredients for Denmark's first code for chief executive excellence. The completed Code is the fruit of an ambitious and coherent process of intense debate and strong commitment among the chief executive community.

With the publication of "Public Governance – Code for Chief Executive Excellence in Denmark", this ambitious and successful development

process has reached its preliminary conclusion. For almost two years, a large proportion of the approximately 450 chief executives in the Danish state and local authorities have actively participated in a debate on the most important conditions, strategies and skills for chief executives in the modern public sector.

The participants have succeeded in guiding the learning process safely from the need to focus on excellence in executive management, to analyses of the key challenges, and finally to the first Danish code in the area.

The driving force behind the entire process has been the chief executives themselves. The common perspective on excellence in executive management builds upon hundreds of hours of dialogue in workshops, conferences and theme panels, in addition to the debates that chief executives have conducted with politicians and managers in their own organisations.

The process has thus been chief executive-controlled, but far from top-down managed. The result is a document that has been produced by the chief executives themselves, and which consequently has every chance of being transformed into excellence in public sector executive management, as well as contributing to important debates on this subject in the future.

In their work, the chief executives have been aided by the inspiration provided by three teams of researchers, who have added an extra analytical perspective to the discussions. This encounter between theoretical and practical approaches to executive management produced some of the project's most challenging results.

In the following pages, we recount in brief how the Forum for Top Executive Management organised this process; a process which turned out to be Denmark's largest ever group project for chief executives, and which has resulted, as planned, in the production of the first comprehensive Danish Code for chief executive excellence.

From idea to Code

The project was favoured from the beginning by fortuitous, if coincidental, timing. The first ideas for the establishment of a chief executive forum arose as long ago as the spring of 2002 – six months before the establishment of the Commission on Administrative Structure. Since then, the two processes have run along parallel tracks.

Although the Commission on Administrative Structure had no direct bearing on the agenda of the Forum for Top Executive Management, it nonetheless had an influence on many of the debates. All of the participants were aware that large parts of the public sector faced significant changes, including a comprehensive reorganisation of the managerial structure. Right from the start, this fact added extra intensity and relevance to the debate on excellence in public sector executive management.

The process from the time the project was first mooted to the finished Code can be divided into three principal phases:

- The idea and start-up phase began at the end of 2002, when a board was formed for the Forum for Top Executive Management. In March 2003, the Forum Board invited a score of chief executives from the state and local authorities to discuss, together with researchers, the most important current issues in the area and the need for a common code. Six months later a major opening conference was held, at which the Board presented the project and set the debate in motion.
- The phase of knowledge gathering and debate lasted for exactly one year after the opening conference. This phase encompassed many parallel activities which seriously addressed the principal issues in public sector executive management. A workshop conference was held in February 2004 on the challenges for chief executive management. At the same time, three theme panels were established to illuminate various aspects of executive management, which was fol-

lowed by the appointment of three research groups to propose solutions to a number of central questions. Three e-surveys were also undertaken among managers. The results of all these activities were ready in time for the Midpoint conference in August 2004, which marked the transition to.

- The conclusion and publication phase, which lasted from September 2004 until the formal conclusion of the project at a conference on 10 May 2005. This phase involved the difficult process of refining and sorting the many recommendations and proposals made by the researchers and chief executives. This was done in two different tempos: first of all, the chief executives' recommendations were qualified and prioritised at two Code seminars held in October and November. The Forum Board and eight selected chief executives then conducted a thorough discussion of the Code in all its details at two intensive work seminars.

The project's phases and milestones are illustrated below. The central elements in the process will be briefly explained in the following section.



Commitment of the chief executives

“This will not be traditional committee-type work. The future Code is to be the result of a debate in our own ranks, between chief executives from all parts of the public sector. This debate is important in itself, because it creates shared reflections and contributes to developing a common language and norms for good public sector executive management.”

This was the message from the Forum Board to the more than 200 public sector chief executives who gathered for the opening conference on 1 September 2003. It turned out to be an accurate prophesy. Almost without exception, the project’s many activities were characterised by high attendance and great commitment; something which was most certainly not due to a lack of other demands on the time of the chief executives during the same period.

From the beginning, it was clear that something special would be required to ensure the active involvement of such a busy target group in a long process. A success criterion for the project at all times was that chief executives should attend in large numbers and should make an active contribution to all its phases. They had to be involved in constructing the Code from the ground up – not merely provide comments on almost finalised proposals.

This clearly stated joint responsibility was probably one the reasons for the high degree of support for the project. Another reason for this support may be the reiterated principle that the individual chief executives did not represent their organisations, sectors, boards, theme panels, or anything other than themselves. All participated on an equal footing in their personal capacities as top executives – whether as permanent secretaries or local authority chief executives. All of the Forum’s activities were consistently organised to ensure a thorough mix of participants from all parts of the public sector.

This open process provided a double dividend: not only did it result in a completed Code, it also greatly enhanced the level of internal, cross-

cutting dialogue, exchanges of experience and network formation among the chief executives. In this way, the process also contributed to the development of new ways of speaking about public sector executive management, and has amongst other things revealed that similar conditions, strategies and skills apply to chief executives in both the state and the local authorities.

Three key themes dealt with in depth

At an early stage of the analysis and debate phase, the Forum established three so-called theme panels, each with around ten members, of whom two or three were researchers. The tasks of the theme panels were:

- to stimulate debate among the target group
- to generate new knowledge in the area
- to prepare written contributions for use in the continuing work.

The aim was in other words to give an in-depth professional treatment to three important sub-themes, and thereby create a firm foundation for the final recommendations within each of these areas. The theme panels were given a free hand to compose their own agenda and select the necessary methods. They thus worked in parallel, taking an independent and often quite different approach to each of their particular issues. Typically, the panels met once a month during the period from November 2003 to November 2004.

The three themes were:

1. *The interplay between the political leader and the chief executive concerning goals and strategies*

Amongst many other things, this panel focused on developments in the double role of the chief executive as an advisor to the political leadership and as manager of the organisation, including ways in which a number of general developmental tendencies are making their presence felt at organisation level in the various sectors.

2. *When professionalism, politics and management must go hand in hand*
This panel focused especially on the special challenges and possibilities for executive management in relation to the powerful occupational professional environments, which in some cases exercise a monopoly over the relevant professional knowledge.
3. *Executive management and communication in the knowledge society*
This panel sought to identify the new challenges and conditions presented to the public sector and its chief executives by the transition to the knowledge society – including new demands for strategic communication.

In June 2004, all three theme panels submitted written reports to the three research teams on the results of their work.

Researchers from near and far

One of the project's most important strategies was to involve the best Danish and foreign researchers in the field, partly in order to acquire new specific knowledge and secure a sound theoretical foundation, and partly in order to strengthen the research environments' knowledge of and interest in conducting research into public sector executive management.

At an early stage, three research teams were invited to provide contributions to the Code. In other contexts, too, the Forum encouraged the researchers and the chief executives to challenge each other. It was also important to obtain an international team of researchers, as these could supply other perspectives, new inspiration and concrete knowledge of international best practice in the area.

The two Danish teams were appointed after an open process in which all relevant research environments were given the opportunity to participate. The international team, on the other hand, was directly selected and invited by the Forum Board, following a thorough screening of the international research world.

All three teams were requested to supply contributions to a code for chief executive excellence which would be of practical relevance to public sector chief executives, and developed in dialogue with them. They were also requested to provide suggestions for the skills that would be required by chief executives in order to be able to handle the most important challenges of the future. As an additional task, the international team was also asked to propose a (self-)evaluation method for excellence in executive management.

The three research teams worked in parallel, but independently of each other, and made use of various kinds of interplay with the Forum's other forums and activities. The results were three interesting and contrasting answers to the common questions. The teams described many of the same developmental tendencies, but stressed different aspects of the conditions applying to chief executives.

All three research teams based their analyses on data collected from chief executives, either in advance of or in connection with the Forum for Top Executive Management.

As an extra contribution to the portrait of Danish chief executives, the Forum carried out three electronic questionnaire surveys during the period from August 2003 to August 2004. These surveys focused on public sector chief executives:

- profile, career, tasks and managerial challenges
- view of advice-giving, management and skills
- prioritisation of tasks, management style and skills
 - on the basis of responses from managers at the level immediately beneath the chief executives.

Behind the scenes

Throughout the process, the Forum for Top Executive Management has been led by a board composed of representatives from the state, county and municipal administrations, and chaired by Karsten Dybvad, Permanent Secretary for the Ministry of Finance.

On average, the Forum Board met once a month during the lifetime of the project, and determined the project's strategy, principal content and framework, as well as discussing and adjusting the course and pace of the project's progress on an ongoing basis. During the concluding phase, the members of the Board were also instrumental in the formulation of the final Code.

The project's virtual secretariat consisted of staff from the three participating groups. The secretariat was responsible for the planning, co-ordination, execution and summing-up of all activities in connection with the Forum project.

In the process, the project has regularly produced new knowledge. At the website www.publicgovernance.dk, the community of chief executives and other interested parties have been able to monitor all the project's activities and publications on an ongoing basis. The website includes links to all the publications of the theme panels, the reports of the research teams, the results of the three e-surveys, and the winning entry in the project's open competition. It also provides access to a number of brief articles and papers that the Forum Board and the secretariat have written or contributed to along the way.

The website also includes a number of video sequences in which political leaders, top executives from the private sector, media representatives, etc., assess the requirements for a good public sector chief executive. These videos were shown at the project's Midpoint conference.

Following the conference of 10 May 2005, the Forum for Top Executive Management entered a new phase. The aim now is to transform the Code and the debate into practice – in the ministries, in the country's town halls, and among the senior management of the new Regions. There is every chance that this ambition will be realised, as many of the chief executives who will use the Code in their daily routine have themselves devoted time and energy to its preparation.