

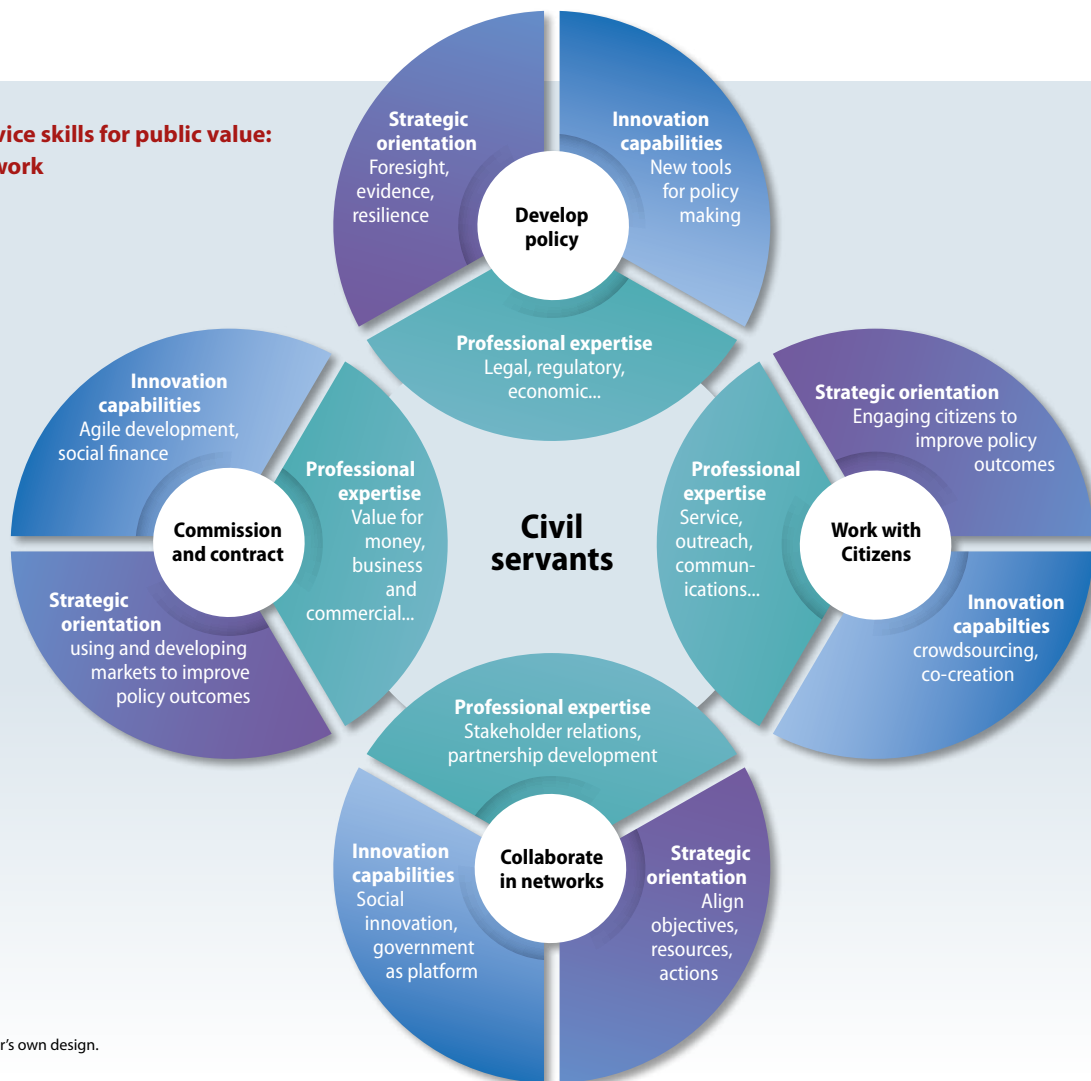


Public sector skills in the search for public value

To assess changes in the skills needed in today's civil services, the OECD has developed a framework which identifies four areas, each representing specific tasks and skills required in the relationship between the civil service and the society it serves.

- Policy advice and analysis:** Civil servants work with elected officials to inform policy development. However, new technologies, a growing body of policy-relevant research, and a diversity of citizen perspectives, demand new skills for effective and timely policy advice.
- Commissioning and contracting:** Not all public services are delivered directly by public servants. Governments throughout the OECD are increasingly engaging third parties for the delivery of services. This requires skills in designing, overseeing and managing contractual arrangements with other organisations.
- Service delivery and citizen engagement:** Civil servants work directly with citizens and users of government services. New skills are required for civil servants to effectively engage citizens, crowdsource ideas and co-create better services.
- Managing networks:** Civil servants and governments are required to work across organisational boundaries to address complex challenges. This demands skills to convene, collaborate and develop shared understanding through communication, trust and mutual commitment.

Civil service skills for public value: a framework



Source: Author's own design.

Professional civil services are as important as ever to respond to complex challenges and to deliver public value. However, in addition to professional expertise, civil services must also be strategic and innovative. The framework evaluates the four skills areas mentioned above in light of these three qualities:

- Civil servants in a **professional** civil service are qualified, impartial, values-driven and ethical. These are foundational and suggest the need to ensure civil servants are certified professionals in their area of expertise.
- A civil service composed of qualified professionals will not automatically address today's challenges. Professional civil servants will also need to be future-oriented and evidence-based. This requires the acquisition of **strategic** skills, particularly at management levels, to encourage collaboration between areas of expertise and across the four parts of the framework discussed. This includes skills related to risk management, foresight and resilience.
- Sometimes professional and strategic skills reach their limits due to legacy structures and systems of public sector organisations. In these cases, civil servants need to be **innovative** to redesign the tools of governance and develop novel solutions to persistent and emergent policy challenges. The OECD's Observatory for Public Sector Innovation has defined six skills areas needed in public sector organisations to drive more, and better, public sector innovation.



SKILLS FOR DEVELOPING POLICY

Providing evidence-based, “frank and fearless” policy advice is a long-standing civil service function in most OECD countries, and the traditional principles of evidence-based, balanced and objective advice to policy makers remain fundamental. However, expectations for open and innovative government, technological transformations and other societal forces are significantly changing the traditional policy skills to define problems, design solutions, and build the political support to move it forward.

Defining Policy Problems

Detecting and understanding the root causes of complex policy problems requires analytical skills that can synthesise multiple disciplines and/or perspectives into a single narrative. Pluralistic societies interpret policy situations differently and demand that problem definition no longer take place in a closed environment by experts. Opening up policy making means that problems are often raised to the attention of civil servants by citizens and politicians. However, initial problem statements often require refocusing and reframing through, for example, an exploration of data, consultations and discussions with multiple stakeholders, horizon scanning, scenario development and other tools.

One of the most important steps in all cases is to identify the right stakeholders and the right experts. This requires civil servants who are networked into broader policy communities beyond their own civil services.

The digital transformation provides opportunities to understand the complex interactions of the policy sphere as never before through, for example, bigger and more interlinked data sets and opportunities to engage the public and crowdsource insights. This suggests skill sets related to data science, network analysis, social networking and social media, crowdsourcing and foresight techniques, in addition to more traditional methods of analysis, forecasting, and community outreach and consultation.

Designing Solutions

Civil servants involved in policy design need an understanding and awareness of a wide range of policy solutions. They need skills to design solutions informed by advances in behavioural economics, social finance, sociology and ethnography. They need foresight skills to understand potential future scenarios to find solutions that are resilient to future uncertainties and sustainable over time. Civil servants also need systems and design

thinking to understand and influence the interactions among the various actors (third party service delivery organisations, other levels of government etc.) involved in service delivery.

Today's policy advisers need an understanding of what has worked well in the recent past and how these successes can be adapted and scaled to current problems, while responding to local context. This includes an understanding of the range of online methods available for delivery solutions, and the skills needed to measure success and adjust along the way. They also need to move from being sector experts to being able to confront and blend different sector expertise.

Influencing the Policy Agenda

Policy advice is inherently political and although civil servants in most countries espouse political neutrality as a core value, they cannot be tone deaf to the tune of politics. Policy windows open at moments in political cycles, or as the result of shifts in public opinion and perception. This requires skills related to timing, and designing policy proposals in a way that responds to the needs of the moment. Balancing the often short-term and urgent needs of politicians for policy solutions with the democratic and evidence-based values and capacity of the civil service is a long-standing challenge that is becoming more difficult given the speed at which politics progresses.

Civil servants need skills to understand the timing of how to deliver analysis in a quick and agile way that responds to the needs of the moment. It also means recognising and managing risk and uncertainty. Similarly, the tools for communicating policy ideas to elected officials have significantly advanced to enable more compelling visual presentations and storytelling.

Policy skills

Professional

Traditional building blocks of policy making and advice include professionals with expertise in law and regulation, economics, political science, public administration, statistics, etc.

Strategic skills

Designing new policies and refreshing old ones by bringing multiple perspectives to a problem, using foresight techniques to test different scenarios, and building resilience into policy design from potential shocks and unforeseen events.

Innovation skills

Rethinking the tools of policy making, through, for example, experimental policy design, (big) data-driven policy development, open policy making (including the use of ICT for crowdsourcing), design/systems thinking, and behavioural insights.

SKILLS FOR CITIZEN ENGAGEMENT AND SERVICE DELIVERY

Governments engage with citizens in one form or another at various stages of policy and service development. Input from citizens can help to design better and more cost-effective policies, as well as build the community ownership for policy and service solutions required to ensure sustainable impact over a long term. While service delivery, communication, consultation and engagement have long been part of the government toolkit, three trends are changing the skills required: increasingly complex service delivery landscapes; technological change which results in new channels and tools for engagement; and the expectation to incorporate more meaningful input and participation at a greater number of stages of the policy/service design process.

Complex service delivery

The complexity of public service delivery has grown in most countries as the channels for service delivery increase and services are increasingly delivered by networks of agents who may or may not be directly employed by the government. In many ways, client-facing employees are required not only to provide services, but also to help citizens to find their way through these complex service systems to get the help and service they need. This means that client-facing public employees need to be more than transactional, and also need to act as guides or pathfinders to help citizens navigate complex webs of services, entitlements, benefits and eligibility requirements. This requires a detailed knowledge and awareness of the community and the government, and a need for high-level communication skills, empathy and reflection, as well as a level of discretion and empowerment to resolve issues.

Digital transformation

The digital transformation in governments is resulting in an ever increasing number of ways in which civil servants can interact with citizens to identify problems and design better policy and service solutions. Social media can allow governments to crowdsource ideas from citizens and can provide platforms for policy discussions and debates to overcome geographical and time-related barriers. Managing social media is a particular skill set that is not usually combined with policy expertise, and that requires a new and constantly updated skill set to maximise potential. However, most OECD countries have not developed strategies or plans to develop social media skills.

Innovation through co-creation

User centricity is also a recognised ingredient of public sector innovation. Human-centred design principles emphasise how people interact with systems and processes, while behavioural science can help to analyse the way people think and respond to different situations. To develop effective user-centred services and policies, officials must adopt participative approaches that involve users throughout the life of the project. Specific skills in this regard involve facilitation and design skills, ethnographic research skills, and online consultation and engagement skills.

Skills for citizen engagement and service delivery

| | |
|---------------------|--|
| Professional | Traditional building blocks of service and engagement skills include professionals with expertise in public relations, communications, marketing, consultation, facilitation, service delivery, conflict resolution, community development, outreach etc. |
| Strategic | Using engagement skills to achieve specific outcomes to inform, for example, better targeted interventions, or nudging public behaviour towards desirable outcomes, such as healthier eating habits or smoking reduction. |
| Innovative | Innovation skills applied to engagement to expand and redesign the tools themselves through, for example, co-creation, prototyping, social media, crowdsourcing, challenge prizes, ethnography, opinion research and data, branding, behavioural insights/nudging, digital service environments and user data analytics. |





SKILLS FOR COMMISSIONING AND CONTRACTING SERVICES

Increasingly, civil services establish contractual relationships with third party service providers to deliver services to citizens on their behalf. This can take many forms, from service contracts, grants to non-profits, social impact bonds, and PPPs. Expectations are that civil servants will be able to conduct complex impact assessments, cost benefit analysis, risk management, forecasting and foresight, and assess value for money.

This implies a range of commercial, legal and regulatory skills that go far beyond most countries' expectations of traditional procurement agents. They include knowledge of markets and the ways that firms operate, how to design and manage contractual relationships in a way that provides value to all parties (and especially the public) and how to regulate markets. This implies not only commercial skills to set up and manage contracts, but also the ability to set market-based policy frameworks and design systems for providing feedback on how the various actors (regulators, commissioners, providers)

are achieving policy objectives. Additionally, public employees setting up and managing contracts need to have skills related to integrity and managing conflicts of interest.

The significant increases in commissioning amounts and complexity, the high levels of public funds implied, and the potential for high profile failure push the skill set for commissioning into the spotlight. Furthermore, the shift towards increased transparency and accountability for government spending has led many to question how the government is able to account for the impact of such spending. This means a need not only to design a contract and oversee its management, but also to conceive of performance indicators that are able to track value for money, and investment instruments that are flexible enough to adjust when indicators suggest a need for change. Technological change provides new opportunities for contracting, but also increases the complexity of the project and technical risks involved. There is a sense that in many cases an information (and skill) asymmetry challenges government to be a smart buyer and manage the associated risks.

Skills for commissioning and contracting services

| | |
|---------------------|--|
| Professional | Building blocks of commissioning skills include professionals with expertise in contract design and management, procurement, business management, commercial law and economics, finance and investment, audit and control, project and risk management etc. |
| Strategic | Using commissioning skills and techniques to increase value for money; working with the market to develop innovations; using commissioning to achieve secondary policy objectives, such as building a greener economy; and supporting small and medium-sized enterprises (SMEs) and social enterprises, etc. |
| Innovative | Rethinking the processes of commissioning through approaches and financial tools that support innovation in and outside government such as agile development, data-driven key performance indicators (KPIs), early market engagement and partnerships, instrument selection, social finance, impact investing, social impact bonds, vouchers, etc. |



SKILLS FOR MANAGING IN AND THROUGH NETWORKS

Somewhere between working directly with citizens and working through contractual relationships there exists a modality that is receiving increased attention: collaboration and adaptive management through networks. There are many examples of collaborative partnerships and networks that combine multiple government agencies and various private and not-for-profit organisations to collectively address common problems. Some suggest that this is the primary governance model of the future as collaborative networks can tap into a wider body of knowledge, perspective and technology than any one organisation, and can help to generate consensus around problems, definitions, potential solutions and collective implementation.

Managing networks requires a mix of information and relational skills, and ultimately depends on trust within the network participants. Key skills in the literature on networked governance include trust building, systems thinking, high-level interpersonal skills (coaching,

mediation, negotiation, facilitation, diplomacy), building consensus and joint problem solving, brokerage and political entrepreneurship, risk analysis, project management, flexibility and adaptability, bridge-building, feedback loops, communication skills, and creative problem solving. This is the realm of boundary spanners and implies a very different approach to leadership and solutions development.

While this has implications for skills throughout the civil service, leadership is particularly implicated. Collaborative leadership is a growing field and provides a counterbalance to the top-down transactional and transformational leadership styles. Collaborative leadership emphasises leadership as a trait that is projected horizontally. Leaders catalyse and facilitate collective action, and leadership roles are generally dispersed among different levels of an organisation and multiple stakeholders. Nevertheless, leaders at the top remain of key importance as they establish the culture of trust and frameworks for delegation and accountability.

Table 4: Skills for managing networks

| | |
|---------------------|--|
| Professional | Building blocks of network management skills include professionals with expertise in stakeholder relations, partnership development, knowledge management and sharing, project management and co-ordination. |
| Strategic | Using partnerships and networks to establish common objectives, align responsibility and resources, and effect positive change. |
| Innovative | Rethinking the processes of government through approaches and tools that support innovation in and outside government, incubating social innovation, leveraging government as a platform, building partnerships around open government data, systems thinking and analysis, framing issues around results, identifying and engaging new actors, change narrative, alternative regulation (e.g. behavioural insights), etc. |



Towards a highly skilled civil service

Identifying the skills needed is a first step towards developing a fit-for-purpose civil service for the twenty-first century. Building this civil service requires a new look at the way people are managed; one that recognises that public employees are neither homogenous nor mutually interchangeable.

This suggests the need to develop employment policies and frameworks that are not only driven by quantitative factors (numbers and cost), but that are ultimately driven by individual qualities (skills and expertise). The second part of this report looks at trends and innovations in public employment that address these requirements.

The second part of the report is organised around four themes. The first step is to determine what tools and methods are available to understand and identify skills gaps in the civil service. Once gaps are identified, they can be filled through either bringing people with these skills into the organisation (recruitment) or developing these skills within the existing workforce. A highly skilled public sector workforce will only produce results if people with the required skill sets find a home in organisations ready to put those skills to use.

DETERMINING SKILLS NEEDS AND GAPS: COMPETENCY MANAGEMENT AND WORKFORCE PLANNING

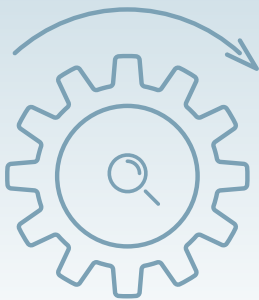
Determining the skills needed to meet current and future priorities, and assessing the gaps in the current workforce, are fundamental steps for strategic workforce planning. However, there are many challenges. A good analysis of current workforce capability is necessary to identify strengths and weaknesses, and while most OECD countries have defined a common skills and competency profile for their civil servants, it remains a challenge to map these skills and identify gaps.

Bringing a future-oriented view of skills into workforce planning raises a second set of challenges. As the public sector undergoes significant transformations, skill sets need to follow. However failing to account for this in strategic

Managing civil service skills

1. Determine

What are the needed skill sets and where are the gaps? How can they be defined?



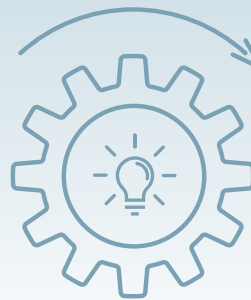
2. Attract and Select

How can the right people with sought-after skill sets be attracted to jobs in the public sector?



3. Develop and nurture

How can public organisations create a culture of learning for a dynamic and fast-changing world?



4. Use

What kind of public organisation is required to allocate skills and put them to their best use?



workforce planning means that organisations replicate the skills they needed in the past without preparing for the future.

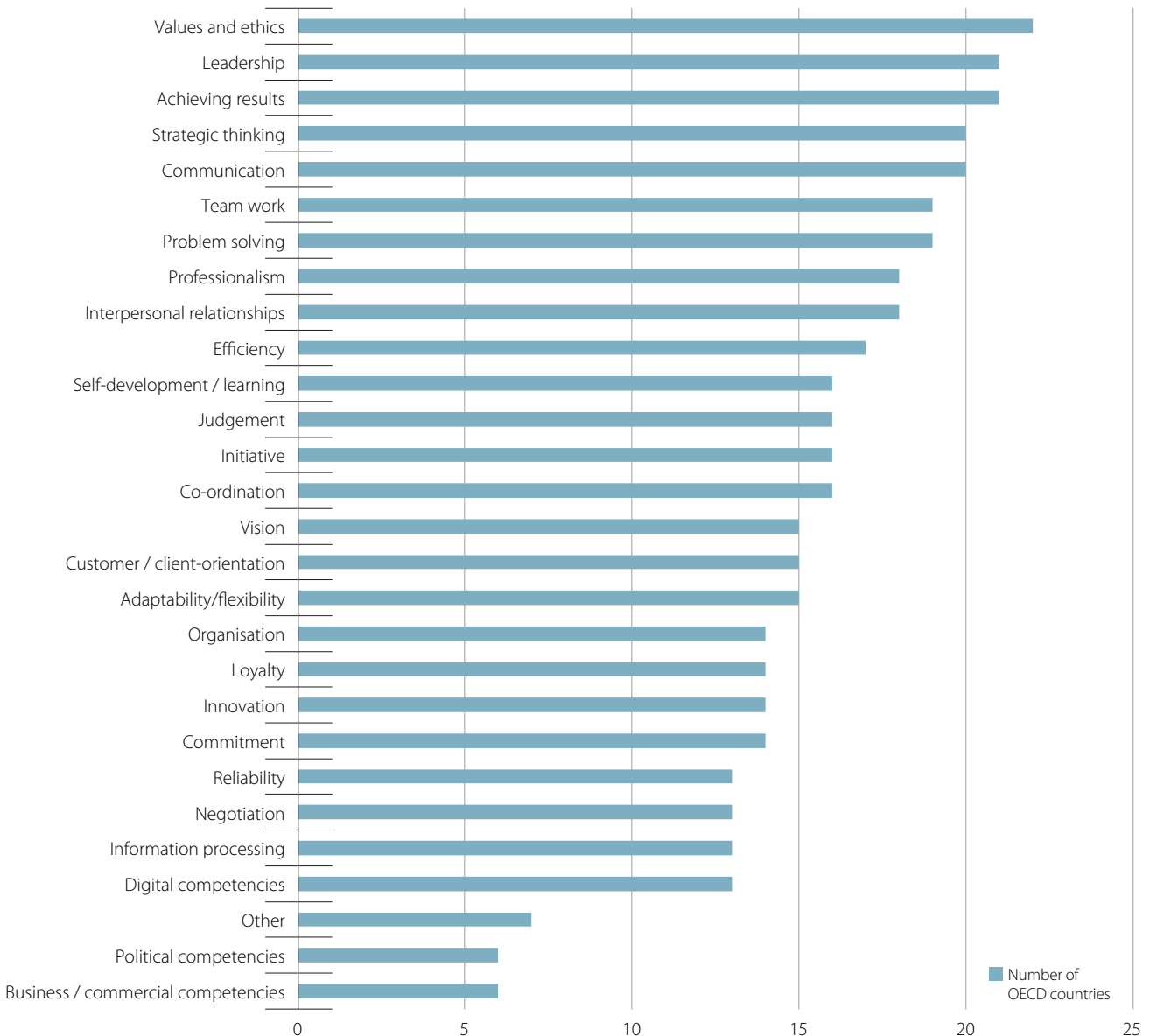
Survey and case study analysis on these themes reveal the following findings:

- Most OECD countries have articulated a strategic and forward-looking vision for their public sectors that recognises the need for highly skilled civil servants to drive public sector performance.
- The use of competency frameworks is a clear trend in OECD countries, with a primary focus on leadership, behavioural and cognitive competencies. These are

important cross-cutting competencies that should be complemented by professional expertise in specific subject matter areas.

- Bringing these themes together in future-oriented workforce planning remains a core challenge for public sector HRM. Workforce planning driven by skills and competencies, instead of numbers and costs, is essential to ensure that both capacity and capability considerations are factored into HR decision making. This suggests the need to develop better data on workforce skills, which are rarely available in civil services of OECD countries, as well as foresight capacity in order to ensure that the workforce keeps pace with the fast pace of technological and social change.

Competencies highlighted in competency profiles (OECD 35, 2016)



Source: OECD (2016a), Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries, OECD, Paris.

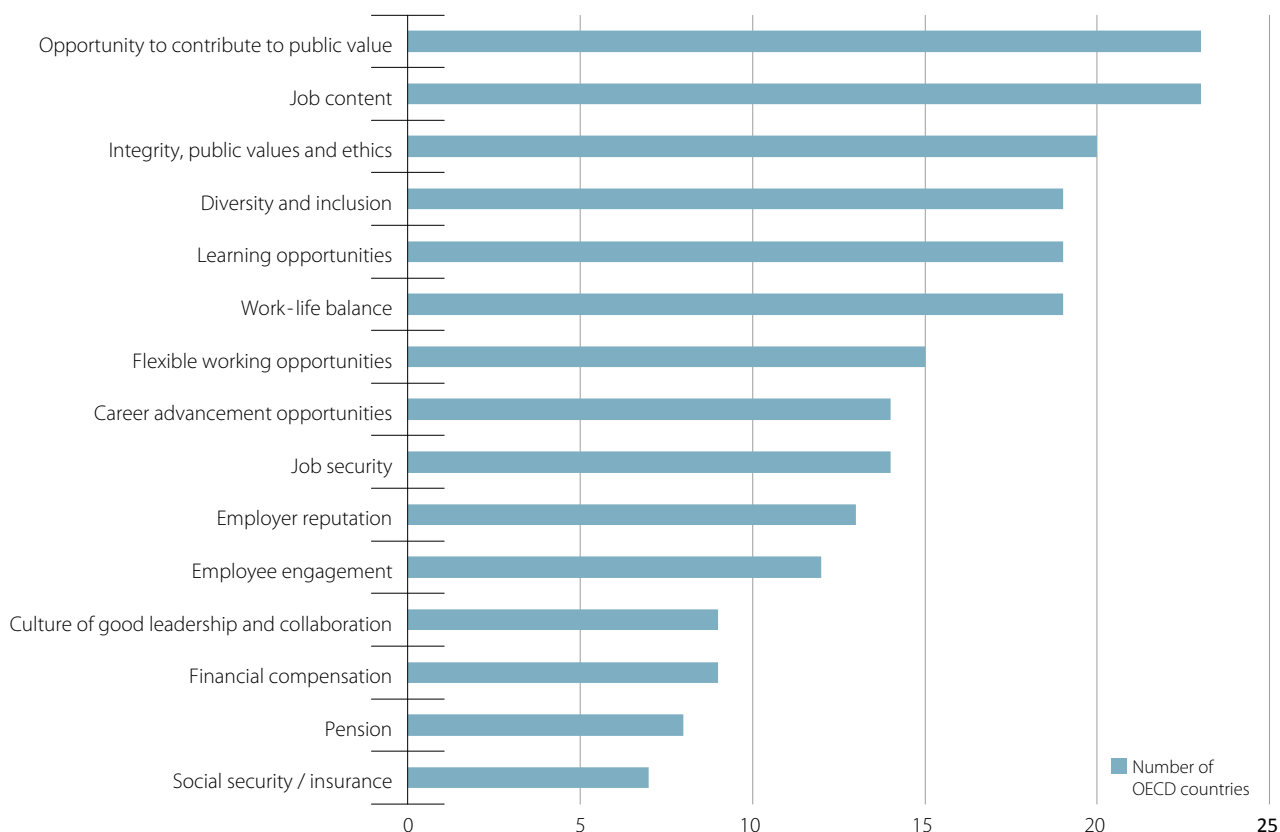
ATTRACTING AND SELECTING SKILLS: EMPLOYER BRANDING AND TARGETED RECRUITMENT

Workforce planning can help to identify needed skills and assess gaps, and can result in a plan to fill these gaps, usually through workforce development or the acquisition of new employees. Until recently, most OECD countries had implemented hiring freezes in the wake of the 2008 crisis. As OECD economies recover and face high levels of retirement, many budgetary constraints remain. It is likely that central government workforces will remain leaner than in the past. This suggests an urgent need to ensure that hiring is undertaken with a careful assessment of the right skill sets needed to boost public sector capacity and productivity, and that civil services and public administrations are able to attract people with these skill sets to their workplace.

Survey and case study analysis on these themes reveal the following findings:

- Although most OECD civil services indicate that they remain relatively attractive employers in the current job market, they also face difficulty competing for specific skill sets with the private sector. Understanding what attracts people to careers in the civil service can help to brand the civil service as an employer of choice.
- Merit-based recruitment processes have been a bedrock of professional civil services in most OECD countries for many years. However, some civil services may need to update their processes to open up possibilities for recruitment at all levels, quicken the speed of the process, and ensure that selection is well attuned to future-oriented skills and diversity requirements. Fast track programmes are one way to reach out to specific skill sets which may be lacking. Some governments are moving towards competency-based selection processes instead of relying on educational qualifications as the primary indicator of merit.
- Another fundamental aspect of attraction and recruitment relates to the terms and conditions of employment. Many civil services use common employment frameworks across various categories of employment. While this reinforces internal equity, there may be benefits in bringing an evidence-based and principled approach to the design of specific employment terms and conditions for specific positions or professions. This can be done to align aspects of the employment value proposition, such as pay and job security, with the requirements of the job and the conditions of the broader labour market.

Elements highlighted in civil service recruitment material (OECD 35, 2016)



Source: OECD (2016a), Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries, OECD, Paris.



DEVELOPING SKILLS: TRAINING SYSTEMS AND LEARNING CULTURES

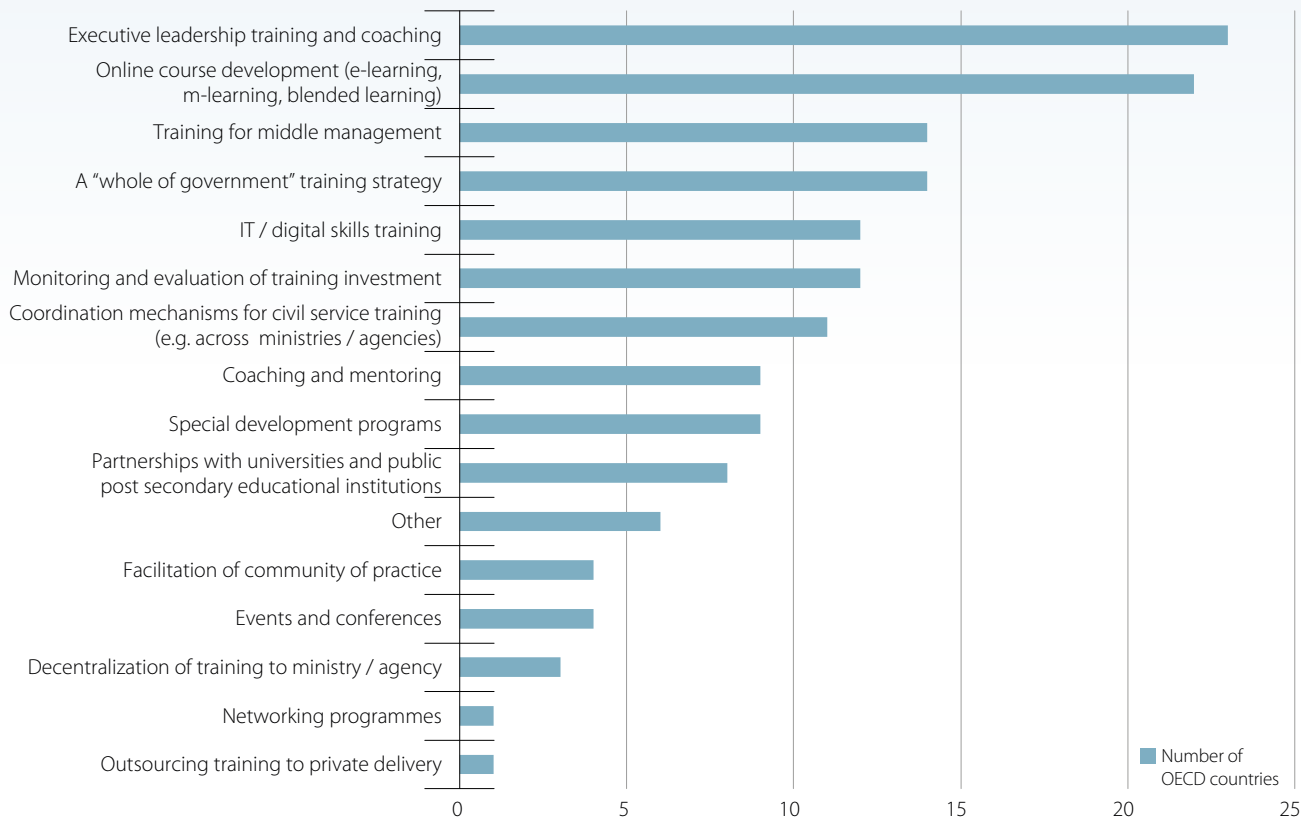
Employee development is a pillar of any skills strategy, particularly in civil services with high levels of job security and low overall turnover. Learning opportunities have been highlighted as an important element of employer branding strategies and ensuring a learning culture will only become more important given the high speed of change and technological advancement. Lifelong learning will be essential not only to move forward in a career, but also as an organisational strategy to modernise and cope with change.

Training budgets, however, were one of the first things to be cut in the wake of the 2008 financial crisis. While budget constraints were significant, such reactions, if sustained over the long term, risk cutting off the civil service's ability to renew and refresh the skills sets it needs to make good policy and implement new services. Reinvesting in civil service learning will require not only training programmes, but also embedding learning in the culture and values of the organisation, making it a core responsibility of every public manager.

Survey and case study analysis on these themes reveal the following findings:

- Different institutional structures exist to manage and oversee civil service training, and various approaches exist to align training at individual, organisational and civil service levels. What is important is that training and development is organised and aligned to the core priorities of the civil service, ideally to the civil service vision and competency frameworks, but also to future priorities such as foresight, innovation, and digital skills.
- Countries that combine individual learning incentives (e.g. learning plans linked to performance management processes) and organisational plans (organisational or civil service-wide plans) are more likely to be able to ensure that civil servants receive the training they need, and that training provision is effectively co-ordinated.
- Developing a learning culture in the public sector will require much more than well-coordinated training. Leadership development and online training are the two highest priorities for OECD countries in terms of learning and development, and these may help. However, countries will also need to use a broader range of tools, such as mentoring, coaching, networking, peer learning and mobility assignments to promote learning as a day-to-day activity that is integrated into the jobs of civil servants.

Training priorities (OECD 35, 2016)



Source: OECD (2016a), Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries, OECD, Paris.



USING SKILLS: GETTING THE MOST FROM INVESTMENTS IN SKILLS

Once skills are identified, acquired and developed, they will not have an impact unless they are deployed in a system designed to make use of them. A well-known theory of human performance suggests that employees need three things in order to perform well: abilities, motivation and opportunity. Most of this report has focused on the first, but without consideration of the second two, skills will not translate to performance.

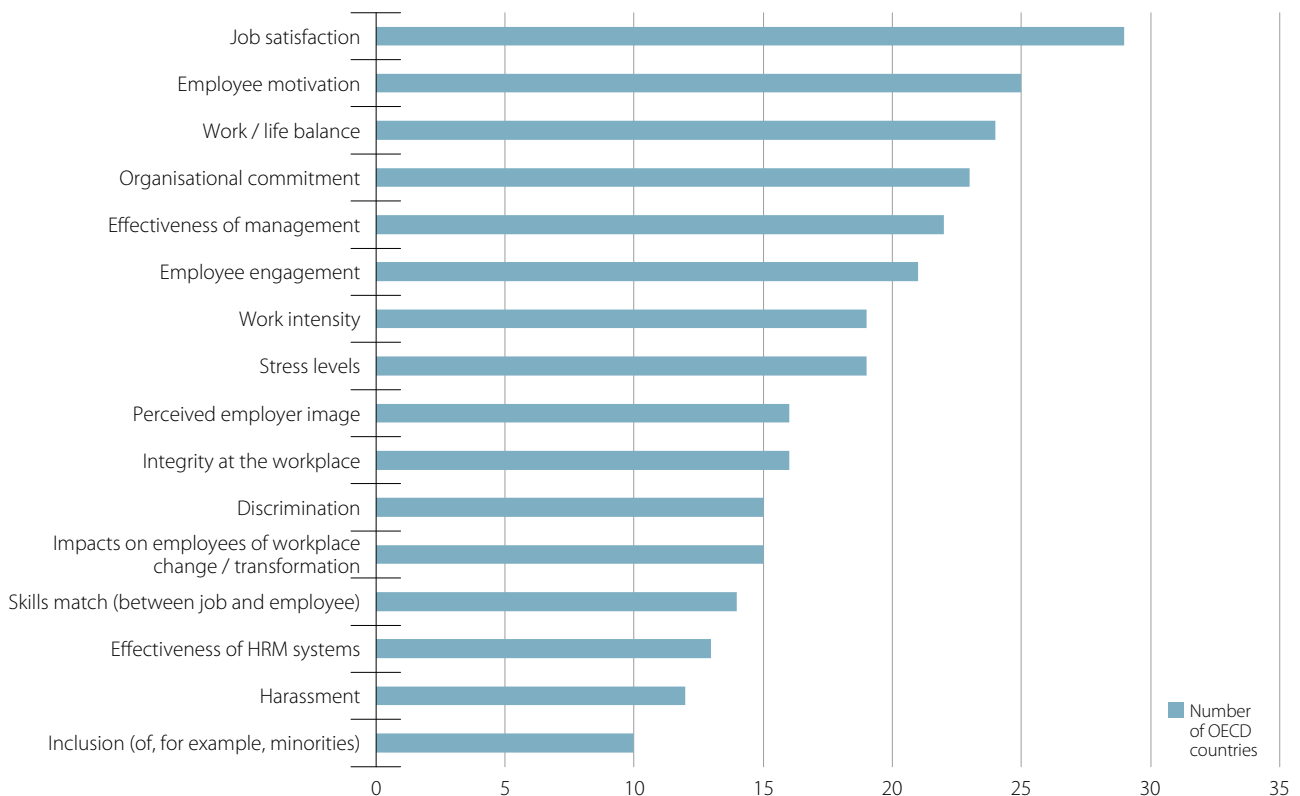
Recent OECD research on productivity in national economies shows that it is essential to match skills to job requirements. According to analysis conducted by the US Partnership for Public Service in 2016, only 56 % of US federal employees agreed that their talents are well used in the workplace, while the private sector scores, on average, over 20 points higher.

One of the highest predictors of skills use is the existence of high performance work practices, such as team work, autonomy, task discretion, mentoring, job rotation and the degree of internal flexibility to adapt job tasks to the skills of new hires. This highlights a key challenge for all organisations, but one that may be particularly difficult for public sector bureaucracies: how to make the best use of the skills they have once they are attracted and developed?

Survey and case study analysis on these themes support the following findings:

- Skills match is very difficult to assess, but some countries are using employee surveys as a source of insight. Employee surveys can also provide insight into a range of other factors related to skills use, such as engagement and workplace health issues.
- Mobility and agility are important factors. Ensuring opportunities for horizontal mobility enables some skill sets to be shared across institutions, while vertical mobility through career paths can help to ensure that people with in-demand skill sets are organised in ways that allow them to develop, grow and put their skills to best use. Some civil services have developed shared talent pools to ensure that hard-to-find skills are available, even if temporarily, across the whole civil service.
- Talent management programmes and the use of high performance work practices are possibly the most valuable, but the hardest to implement as they rely fundamentally on the quality of, and trust in, the management cadre in the civil service.

Employee surveys: Areas of focus (OECD 35, 2016)



Source: OECD (2016a), Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries, OECD, Paris



The skilled civil service of the future

This report reinforces a known, but often overlooked, fact: that the capacity and capability of the civil service workforce is fundamental to the success of all public policy and reform.

Given that in today's public sector change is constant, public investment in the skill sets of civil servants is required for government to become more nimble, agile and adaptable. The models, data and examples presented in this report show that OECD countries are beginning to take steps towards updating their employment frameworks, but no guidance exists at an international level. Further developing the insights in this report towards an OECD recommendation on public employment will help guide countries on the investments needed to make their civil service fit-for-purpose in the twenty-first century.

The OECD strives to support countries to make evidence-informed investments that can boost the capacity of their civil service. Identifying principles that can underpin these decisions will support OECD governments to design and implement civil service reforms that take into account capacity and capability, and balance short-term pressures with future-oriented foresight to ensure sustainability over the long term. This involves looking at the characteristics of the civil servants, the systems that manage them, and their leaders. This leads to the following framework (*see below*), which can help guide the development of these principles.

Towards a professional, strategic and innovative civil service

| | Professional | Strategic | Innovative |
|--|---|---|--|
| Needs civil servants who are: | <ul style="list-style-type: none"> • Qualified • Independent • Values driven • Ethical | <ul style="list-style-type: none"> • Outcomes driven • Evidence based • Future oriented • Proactive • Networked | <ul style="list-style-type: none"> • Iterative • Data literate • Citizen centred • Curious • Storytellers • Insurgent |
| In a civil service which is: | <ul style="list-style-type: none"> • Merit based • Capable of integrating soft skills, ethics, talent management (future potential vs. past performance) • Able to structure the right balance of generalist and specialist professions and career paths | <ul style="list-style-type: none"> • Agile • Attractive to skilled job seekers • Planned and managed to ensure the right skills and competencies are effectively allocated to areas of current and emerging need • Future oriented and responsive | <ul style="list-style-type: none"> • Open and collaborative cultures, leadership and management • Engaged • Autonomous (e.g. work design) • Mobile • Diverse • Learning oriented |
| Led by Senior Civil Servants who are: | <ul style="list-style-type: none"> • Trusted policy advisors and effective transactional managers | <ul style="list-style-type: none"> • Transformational leaders, change managers | <ul style="list-style-type: none"> • Collaborative leaders and adaptive managers |

OECD Public Governance Reviews

Skills for a High Performing Civil Service

This series includes international studies and country-specific reviews of government efforts to make the public sector more efficient, effective, innovative and responsive to citizens' needs and expectations. Publications in this series look at topics such as open government, preventing corruption and promoting integrity in the public service, risk management, illicit trade, audit institutions, and civil service reform. Country-specific reviews assess a public administration's ability to achieve government objectives and preparedness to address current and future challenges. In analysing how a country's public administration works, reviews focus on crossdepartmental co-operation, the relationships between levels of government and with citizens and businesses, innovation and quality of public services, and the impact of information technology on the work of government and its interaction with businesses and citizens.

Civil servants make an important contribution to national growth and prosperity. Today, however, digitalisation and more demanding, pluralistic and networked societies are challenging the public sector to work in new ways. This report looks at the capacity and capabilities of civil servants of OECD countries. It explores the skills required to make better policies and regulations, to work effectively with citizens and service users, to commission cost-effective service delivery, and to collaborate with stakeholders in networked settings. The report also suggests approaches for addressing skills gaps through recruitment, development and workforce management.

For further information visit www.oecd.org/gov/pem