



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ  
REPUBLIC OF CYPRUS

**MINISTRY OF FINANCE**  
**PUBLIC ADMINISTRATION AND PERSONNEL DEPARTMENT**



Τμήμα Δημόσιας Διοίκησης  
και Προσωπικού



# **ROLE OF TOP EXECUTIVES IN TIMES OF CRISIS**

**VIEWS AND EXPERIENCES OF EUPAN MEMBERS**

**CYPRUS**  
**1 July – 31 December 2012**

## Introduction

According to the MTP work programme, the Cyprus EUPAN Presidency will explore under the theme "In the wake of crisis" the subtheme of "The Role of Top Executives in times of crisis". The aim is to build upon the discussions taken place, complement and leverage on the work carried out during the Polish and Danish Presidencies under the aforementioned theme, within the spirit of continuity of EUPAN work and sharing experiences and knowledge amongst Member States (MS).

Our objective is to establish the role of Top Executives/ Top Public Managers (TEs/TPMs) within the context of the crisis and identify what has been and is actually being done by TPMs in implementing Human Resource and other Reform Initiatives in national public administrations. The focus of our Presidency is to explore, together with EUPAN members, the changes/ shift of focus in the role of TPMs stimulated by the crisis and the challenges that they are faced with, to identify the new expectations from TPMs and the type of leadership needed to support the challenges and to consider the possible limitations encountered by TPMs in dealing with the challenges.

Within the context of sharing experiences and knowledge amongst all EUPAN members, we have requested the input of EUPAN members on the two following questions related to the TPMs role in the public administration. The purpose of the two questions was to reflect on the changing role of TPMs and on the possible actions to be taken in ensuring implementation of reforms initiatives.

- **Question 1:** How has the role of TPMs changed as a result of the crisis?  
(Scope of the role of TPMs/ Shift of focus, Strategic priorities, New expectations and responsibilities from TPMs in the new order of things, Behaviours of TPMs, Communication of the changing role)
- **Question 2:** In your opinion, what can be done by TPMs to implement crisis-related reform initiatives?  
(Actions/ activities, Measures of success, Monitoring)

For providing their input, EUPAN members used a specific template, which was included in the first version of the thematic paper (please see Annex 1) developed with the purpose to "set the scene" regarding the topic of "The Role of Top Executives in times of crisis", by providing a framework of understanding of the subject and some key themes.

The information included in this document was provided by Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxemburg, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the European Commission as a feedback to the Cyprus Presidency's request for input by the EUPAN members on the two aforementioned questions. The information provided by the countries is presented as it was received. Our intention is to evolve the document by including a summary of the key themes and issues derived from the information provided by the EUPAN members.

## ROLE OF TOP EXECUTIVES

<b>Question 1: How has the role of TPMs changed as a result of the crisis?</b>	<b>Question 2: In your opinion, what can be done by TPMs to implement crisis-related reform initiatives?</b>
<ul style="list-style-type: none"> <li>• <i>Scope of the role of TPMs/ Shift of focus</i></li> <li>• <i>Strategic priorities (Decision making)</i></li> <li>• <i>New expectations and responsibilities from TPMs in the new order of things</i></li> <li>• <i>Behaviours of TPMs</i></li> <li>• <i>Communication of the changing role</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Actions/ activities</i></li> <li>• <i>Measures of success</i></li> <li>• <i>Monitoring</i></li> </ul>
<b>AUSTRIA</b>	
<p>In the context of the Austrian Budget Reform, budget management will be reoriented, focusing on specific objectives and outcomes to be achieved. In this way, the administration can be managed in an outcome-oriented manner – it is granted greater latitude in its use of resources, but at the same time it is responsible for achieving the objectives.</p>	
<b>BULGARIA</b>	
<p>During the crisis there were no cutbacks in pay in Bulgaria, but all salaries in the state administration were frozen for a period of 3 years. Apart from that a thorough optimization process was carried out, which led to a downsizing of the workforce by about 14%. This led to a change in the position of TPMs in the respect that now they need to attain the same goals with leaner staff. That requires a further focus on increasing the effectiveness and efficiency of the public sector. In order to do that the remuneration of the employees in the state administration was linked directly to the attainment of specific annual goals, which aims at increasing their productivity and strengthening their result-oriented mentality. TPMs were given the right to increase the salary or promote a</p>	<p>First of all they need to be able to communicate well the need for change and explain thoroughly the ideas and motives behind their actions, because this will help them gain the trust and ensure the cooperation of the members of their unit, thus avoiding unnecessary problems and misunderstandings. The same goes for the implementation of austerity measures, which can harm the working environment within the team, if they are not clearly explained and well argued.</p> <p>If necessary, TPMs should rethink and redefine the mission statement of their administrative unit in order to focus on its core functions and responsibilities. They must ensure that the organizational structure</p>

<p>given employee only on the basis of his or her performance appraisal. The granting of additional bonuses was also linked to the achievement of specific objectives by the civil servants. Thus, through the different possibilities provided by performance management TPMs now have a greater role in determining the monthly remuneration that the employees in their respective units receive.</p> <p>The expectations regarding TPMs are higher now than they used to be and they are seen as the natural driving force for change in the state administration. They are responsible for introducing new and innovative approaches that could benefit the administration as a whole. TPMs should also provide the necessary monitoring of the practical implementation of the various reform initiatives that were undertaken as a response to the crisis.</p> <p>TPMs are responsible for setting the strategic goals and communicating the objectives to their respective units. They need to be able to transform these team goals into individual ones, making sure all the employees understand the importance of their role in the entire process and are motivated to give their best for the attainment of these objectives. This requires a profound knowledge on behalf of TPMs of all the strengths and weaknesses of their unit members, so that they could ensure an effective and efficient delegation of tasks. Through this period of various transformations and restructuring of the state administration TPMs should be able to communicate clearly the changing role of their respective administrative units.</p> <p>As a whole, TPMs are now even more focused on the optimization process and are entrusted with finding better and more efficient ways of organizing their units, that ensure cost-effectiveness on the one hand and a goal-oriented mentality on the other. They are also responsible for stressing the importance of involving citizens even further in the decision-</p>	<p>promotes work efficiency and that there is a clear and precise work flow within the unit. They should try and use to the full the advantages that new technologies offer. Digitalization can facilitate significantly the completion of various repetitive daily tasks, providing cost-effective solutions, reducing the necessary time and effort, thus allowing civil servants to concentrate on their main tasks and initiatives.</p> <p>They should try and improve the motivation of their employees and make sure they are result-driven and focused on the attainment of their goals. The individual goals should reflect the objectives set for the unit and the latter should contribute to the achievement of the strategic goals of the administration as a whole. Performance management should be used actively in order to improve the effectiveness and efficiency of public administration. The adoption and implementation of the principles of project management in the state administration could also be useful for the better organization of the work process.</p> <p>TPMs should play an important role for placing the citizen in the center of attention for the state administration. All public services should be designed with the active participation of the civil society, so that they reflect the needs and expectations of citizens and businesses. Innovation should become a major focus for all TPMs who need to introduce new approaches, initiatives and etc., stimulating creative thinking and modernization of the administrative practices.</p> <p>TPMs need to introduce effective monitoring mechanisms for the implementation of the various reform initiatives in order to ensure that they are carried out in the proper way and to guarantee sustainability of the results. They need to make sure that the reform initiatives of the different administrative structures are well coordinated and contribute to the attainment of common goals. So as to achieve that, they must establish a framework for action, which encompasses the whole state</p>
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<p>making process and turning their needs and expectations into a driving force for change.</p>	<p>administration.</p> <p>Having in mind the reduced staff that TPMs now have at their disposal, they need to pay even greater attention to retaining their most qualified experts by offering them clear career growth paths, stimulating them to continue their professional development and constantly improve their performance. In order to achieve that they need to cooperate closely with the HR units so as to provide the necessary training opportunities for their employees, to implement effective talent management programs and put an emphasis on the recruitment process.</p>
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**CROATIA**

<p>In the field of public administration reform, significant changes with a view to rationalising the state administration were implemented upon the constitution of the new convocation of the Croatian Parliament in December 2011, by adopting a new Act on Organisation and Scope of Ministries and Other Central State Administration Bodies and a new State Administration System Act. The above regulations established 20 ministries, 4 state offices and 8 state administrative organisations. The positions of managing civil servants appointed by the Government through a special procedure (Heads of Directorates (Directors) in ministries and Assistant Directors of state administrative organisations) were abolished, and the position of Assistant Minister as a state official was introduced in ministries. Moreover, the official position of State Secretary was abolished and the official position of Deputy Minister was introduced instead. The number of political appointments in the state administration system was thus significantly reduced. In addition, in December 2011, the Croatian Government adopted a new Decree on Principles for Internal Organisation of State Administration Bodies, rationalising the internal organisation and management structure in state administration bodies. Lower internal organisational units (sections, sub-sections and units) were abolished, and a three-level management</p>	<ul style="list-style-type: none"> <li>- make the decision-making process transparent in all stages (internal and external factors)</li> <li>- consult a wide range of experts, business people and all interested citizens during the decision-making process (active search for input, provision of detailed information to the public via selected networks and channels)</li> <li>- base decisions on a solid analytical basis (quality and timeliness of information)</li> <li>- in case of undesirable events, initiate communication with the public with a clear stance on activities to be undertaken (controlling the situation)</li> <li>- effect strengthening of human relations in an organisation and develop a positive attitude towards necessary changes (understanding, communication, motivation, conflict resolution)</li> <li>- develop interinstitutional cooperation (encourage and develop informal modes of horizontal cooperation among relevant organisations)</li> <li>- long-term planning</li> </ul>
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structure was established at the level of civil servants, instead of the previous six management levels.

In December 2009, the Government of the Republic of Croatia issued a Decision Prohibiting New Recruitment of Civil Servants and Employees in State Administration Bodies, Administrative and Professional Services and Offices of the Croatian Government. Exemptions from the recruitment ban include bodies founded in that year and recruitments of civil servants necessary to fulfil the assumed obligations towards the European Union, provided that necessary financial resources have been secured for the recruitments. In addition, it is allowed to fill vacancies opened due to the termination of individual civil service or employment contract, if regular performance of tasks cannot be ensured by a redistribution of existing civil servants and state employees.

Furthermore, the Government insists on compliance with the Fiscal Responsibility Act, which introduced some fiscal rules and rules for strengthening fiscal discipline which contribute to ensuring and maintaining fiscal discipline, transparency and medium to long-term sustainability of public finance. In times of economic downfall this means additional structural reforms aimed at significant reduction of budget expenditure, which were missing in the previous, more prosperous period. In this respect, significant savings have been proposed compared to the previous year, reflected in rationalisation or reduction of workforce costs, material costs, subsidies, etc. (Economic and Fiscal Policy Guidelines 2013 - 2015).

In an effort to reduce budget expenditure, in August 2012, the Government and civil service trade unions concluded the Collective Agreement for Civil Servants and State Employees for the next four years, the Agreement on Amendments to the Addendum to the Agreement on Civil Service Salary Calculation Base of 23 March 2009, and the Addendum

<p>I to the Collective Agreement for Civil Servants and State Employees, which reduced some material rights of civil service staff. The same collective agreement model will be on the table for negotiations with public services, and will form the basis for negotiations with state-owned company, that is between company managements and trade unions.</p>	
<b>CYPRUS</b>	
<p>The relatively recent economic crisis has affected Cyprus as well and as a result austerity measures became necessary which so far included, amongst others, freeze of wages, salaries and allowances for 2 years, freeze of occupational pension increases for 2 years, introduction of a contribution of 3% on gross earnings for occupational pensions, temporary contribution on gross earnings of employees and pensioners for 2 years ranging from 2,5% - 4% based on salary band, etc. It should be mentioned that additional measures related to financial and HR cutbacks will likely follow in the very near future.</p> <p>At the same time, the crisis served as an opportunity to touch upon long existing structural problems in the Cyprus' public sector such as the size of public sector, the rising salaries, the sustainability of occupational pensions, the payroll spending etc.</p> <p>The economic crisis had an impact on the management of governmental organizations and as a consequence, on the expectations from TPMs. It should be mentioned that from a statutory point of view the role of TPMs has not changed. Within this context, TPMs were faced with and still are facing the challenges of:</p> <ul style="list-style-type: none"> <li>• defining strategic priorities</li> <li>• managing budgets effectively</li> <li>• managing change</li> <li>• providing quality services with less financial and human resources</li> </ul>	<p>TPMs have an important role to play than ever before in this new environment, where the need for permanent change is no longer just a long term goal but a necessary and immediate reality. As a result, TPMs, as enablers of change, need to place their focus on and give emphasis on the following:</p> <ul style="list-style-type: none"> <li>• Continuous communication: <ul style="list-style-type: none"> <li>- With the staff of their organizations explaining the need for change and the reasons behind it, so as to ensure cooperation of staff and effective implementation of reform initiatives</li> <li>- With stakeholders and policy makers for ensuring their cooperation and involvement</li> </ul> </li> <li>• Setting strategic objectives/ targets in their organizations, defining strategic priorities and action planning in relation to the achievement of goals (strategic management and planning). Through action planning the responsibility and accountability of employees at all levels will be enhanced and a culture focusing on results will be established</li> <li>• Placing emphasis in managing Human Resources by: <ul style="list-style-type: none"> <li>- Strengthening human relations in their organisations through teamwork</li> <li>- Motivating employees (enhancement of employee responsibilities, recognizing employees through the achievement of goals etc)</li> <li>- Conducting performance appraisal in a fair, objective and consistent manner (enhancement of competencies)</li> <li>- Providing training and development opportunities</li> </ul> </li> </ul>

- increasing productivity
- enhancing accountability, responsibility and transparency
- improving and simplifying processes
- creating flexible structures
- enhancing administrative capacity
- utilizing technology effectively
- improving citizen focus

As a result, the focus of the role of TPMs has changed and therefore the need for introducing and promoting reform measures and for enhancing TPMs skills and competencies has become even more imperative. Within this context a number of initiatives/ reform measures have already been promoted as follows:

- Implementation of a project for the “Re-organisation and improvement of the administrative capacity of the Public Administration and Personnel Department (Ministry of Finance) and the Labour Department (Ministry of Labour and Social Insurance)” aiming at improving the provided services and the internal operation of the two afore-mentioned Departments, as well as developing a series of methodological tools that will be horizontally implemented, so as to enhance the operation, efficiency and effectiveness of the Organisations (Ministries / Departments) of the Civil Service in Cyprus. The project is co-funded by the European Social Fund.
- Better Regulation aiming at improving legislation and rationalizing the government regulatory interventions as well as for reducing the bureaucratic and time-consuming procedures allowing the release of resources towards more productive activities
- Studies aiming at enhancing the administrative capacity of governmental organizations
- Implementation and installation of a computerized Human Resource Management System aiming at using HR available effectively, providing

- Promoting innovation and creativity through specific set of activities
- Investing in knowledge management and sharing
- Developing interinstitutional cooperation
- Promoting the values of their organization through leadership and by being role models
- Utilising and investing in new technology
- Redesigning of processes, where necessary for ensuring efficiency and effectiveness as well as better quality of service to the customers/ citizens

The measures of success and monitoring can be done through the setting of specific targets making sure that they are achieved. This requires following up on activities related to the achievement of set targets. Also, by conducting staff and client surveys on a regular basis will enable TPMs to redefine and adjust their priorities.



better and faster services to the employees and public, organizing better the public service etc

- Electronic Office Automation System aiming at, amongst others, reducing the time for record keeping time thus, utilizing human resourced effectively
- Employee performance appraisal system for the civil service aiming at creating a performance oriented culture, enhancing communication between management and employees, increasing productivity
- Further enhancement of "Schemes of Service" aiming at recruiting and promoting the right staff in order to be able to meet the current demands and the challenges
- Increase in the number of Citizen Service Centres aiming at providing services to the citizens in the most timely and efficient manner
- Effective implementation of E-Government through the redesign and simplification of processes

In addition to the above, two other initiatives are currently being explored as follows:

- Modernisation of the budgeting process aiming at improving planning, achieving results and enhancing responsibility and efficiency
- Target Setting for creating a results oriented culture, increasing productivity, efficiency and effectiveness in the public service

With regards to the enhancement of skills and competencies of TPMs, the Cyprus Academy of Public Administration (CAPA), the training School of the civil service, has undertaken the design, utilization and evaluation of an EU co-funded project titled "Training programme for the development of the strategic, leadership and management capacity of the Cyprus Civil Service" aiming at enhancing the strategic, leadership and management capacity of TPMs of the Cyprus Civil Service through the provision of learning activities and onsite support (More information is provided on "Top Executives Development" template information Question 1).

### CZECH REPUBLIC

It is being discussed by the Czech public, media as well as politicians if the lack of capable manager does not weaken the foundations of the state. So far, the positions of TPMs can be easily influenced by the political pressure.

TPMs in the Czech Republic are being appointed without tenders. That means that they usually pursue the goals and plans declared by the ruling politicians.

### DENMARK

The economic crisis and financial cut backs has enunciated the responsibility of the TPMs to ensure effective, flexible and innovative organizations capable of rethinking core processes and products and create better results for less.

Reforms to assure a more effective administration have resulted in merging of government agencies and institutions and development of shared service initiatives. The strain on the public spending and merging of institutions accentuates the need for TPMs in Denmark to focus on execution, reducing staff and managing merged institutions with different cultures and traditions.

The crisis heighten the demands for TPMs in the Danish government sector, that are able to create and ensure:

- Strategic priorities and result creation across the public sector.
- Political advisory and policy development. Ensuring effective implementation of necessary long term reforms.
- Effective organizations with transparent and goal-oriented resource and economic management.
- Professional development of leaders and employees to enhance performance.

Professional talent development and recruitment and development of

The crisis has underlined the importance of the TPMs role in Denmark as not only political advisor and policy developer, but also as manager of an organization and champion of effective implementation of reforms.

For large reforms to be effective it requires a well-functioning implementation organization and good process to link policy development with the further implementation. It is critical to have strong evidence and analysis underlying the arguments for reform and understanding/involvement of major stakeholders which are necessary for successful implementation. Finally it is important to have clear and measurable outcomes and effect of the reform, so it is possible to follow up and adjust the initiatives accordingly.

<p>existing TPMs play a central role in the effort to create a stronger and better performing public administration, capable of weathering the crisis.</p> <p>One of the ways to communicate the new focus can be guiding criteria in recruitment to support the recruitment of TPMs with the right experiences and competences. The ministry is considering different criteria in its work with recruitment of TPMs such as:</p> <ul style="list-style-type: none"> <li>• Documentation of results as a manager</li> <li>• Relevant portfolio experience</li> <li>• Experience from a department or a political governed organization</li> <li>• Experience and knowledge of financial management and/or management of a business</li> <li>• Experience from other sectors or areas e.g. <ul style="list-style-type: none"> <li>- Another ministry, a municipality, a region or private sector knowledge</li> <li>- Different levels of the steering chain e.g. policy formulation, service delivery, inspection, operation management or economy</li> <li>- International relations</li> <li>- Relevant training courses</li> </ul> </li> </ul>	
<b>ESTONIA</b>	
<p>We cannot say that the role of TPM has changed as a result of the crisis. The role is still the same but surely there have been some changes in priorities. On the one hand public administration has still the responsibility to change becoming more open and client orientated, but on the other hand the question of performance and efficiency needs to be taken into consideration.</p> <p>As the TPMs has a crucial role in leading the reform processes and they have to manage organizational change in public administration, the need</p>	<p>Times of crises need managers who can activate reforms and changes in public sector organizations. It means that more than ever we need managers with very good leadership skills and innovative mind. But also collaboration and cooperation. The same results have been emphasized in OECD Public Governance Review where moving toward a single government approach is suggested for Estonia which clearly presumes the whole public administration to work in new (more common) ways.</p>

for dynamic leadership and innovative thinking are becoming more and more important.

## FINLAND

### 1. Proactive crisis management

Management in a complex, unpredictable and unexpected environment means a dramatically different approach to management than in a stable, linear and easily predictable environment. This is a huge challenge to public sector, which was originally built to maintain stability, to administrate and control rather than be an enabler and open partner in a society.

It has become more and more important to constantly anticipate the complex environment, understand its systemic connections and to prepare oneself for unexpected surprises. This is not possible by the managers alone or organizations alone, but with continuous and open dialogue both within own organization and (perhaps even more important) with diverse groups of experts, customers and stakeholders outside own organization.

What is mostly needed in public sector organizations at the moment is so called "strategic agility". The more stabile and rigid an organization is the more difficulties it meets to be ready when something unexpected or totally unfamiliar arises.

Public sector organizations need to be more agile and elastic and this sets new demands to TPMs. What is mostly needed from public sector TPMs at the moment is

- systemic thinking: understanding the "big picture" and connections between single phenomena
- understanding the role as an enabler, not as a micromanager
- understanding the role as a connector and a bridge-builder:

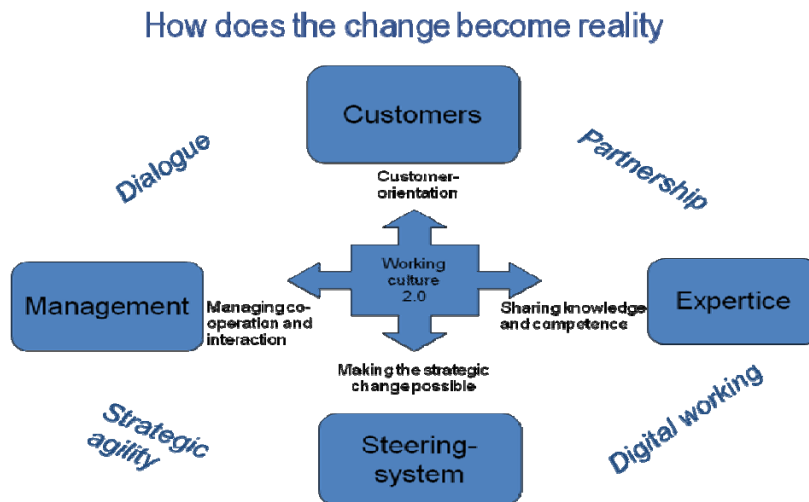
connecting people, expertise, functions etc.

- building a culture of trust by sharing all information within the organization
- encouraging people to challenge present ways of thinking and doing
- building a culture of innovations by debating and seeking "second opinions" / alternative solutions / variance
- assertive decision making

The following changes are needed:

1. Changes in working methods
2. Changes in target setting and evaluation: targets for the change
3. Changes in ways to co-operate with customers and shareholders
4. Changes in management orientation and practices

The core of the change needed is described in a picture below:



## **2. “Hands on” –crisis management**

### **Managing finances**

Finance Minister Jutta Urpilainen’s budget proposal for 2013 is one that strengthens central government finances and fosters economic growth. It draws largely on measures introduced in the spending limits decision reached in April. The budget proposal will boost growth by creating opportunities for new business activities and investment and by catering to the skills and labour needs of existing businesses. The appropriations for the administrative branches include the adjustment measures introduced in the spring spending limits decision. Their net effect in reducing expenditure will amount to around EUR 370 million in 2013. The government’s cuts in spending apply to many administrative branches. For instance the indexing of central government transfers for general education, the university index and index adjustments in child allowances will be frozen for the year 2013. Also, central government transfers to local government for basic public services will be cut by EUR 125 million relative to 2012. Overall, the adjustment measures adopted this spring by the government (spending cuts and tax increases) will amount to about EUR 2 billion in net terms in 2013. The budget proposal shows a deficit of EUR 6.6 billion. This means that government debt will increase to a total of EUR 95 billion in 2013. Service provision will focus especially on helping SMEs grow, develop and expand internationally. A selection of fixed-term tax incentives will be introduced into the tax regime to boost economic growth.

### **Managing profitability and impressiveness**

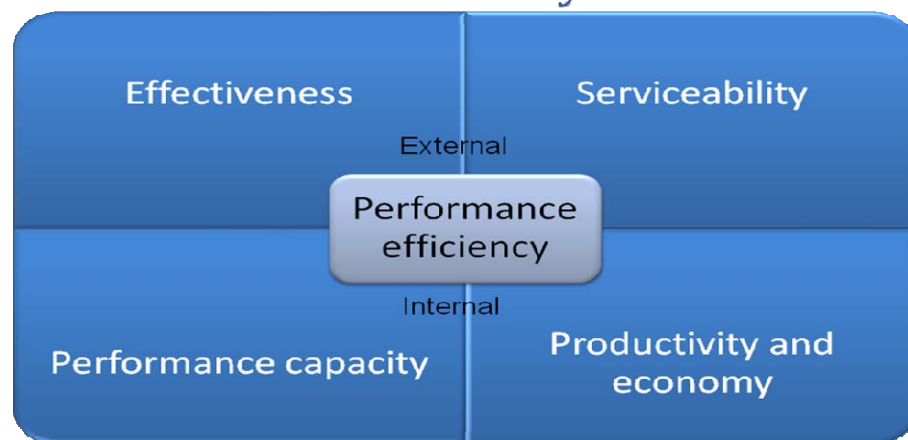
In June 2011 Prime minister Katainen’s government launched a Public Sector Profitability and impressiveness –program for 1.11.2011-30.4.2015. Aim of the program is to clarify the role of state government and its

organizations as well as to strengthen public sector's actions in stabilizing the imbalance within public finances.

According to the Government Program "it is possible to improve productivity and performance efficiency as well as lengthen work careers by good personnel policy and encouraging and participative work spirit".

Performance efficiency is approached balanced from perspectives below:

## Organisational performance efficiency



One of the most important actions in Public Sector Profitability and impressiveness –program is to redefine the role and tasks of public sector a part of the whole society, as administrative branches and as organizations. Each state agency is directed to make a corefunction -

analysis and critically analyze its present functions. This also includes a rehearsal “what would we do and what would we not do if our budget was cut by 10%”. Perspectives are the end of this government term which is year 2015 and long-term perspective until year 2020.

In addition ministries have been asked to specify by 7<sup>th</sup> of December their leading project and actions by which the performance efficiency of the whole administrative branch is going to be improved.

### **Managing Information security**

The Government Resolution on Enhancing Information Security in Central Government sets out guidelines for the development of information security as a key element of leadership, competence, risk management and administrative reforms and activities. The core concept in information security in central government is that each organization is responsible for information security in their own field and for compliance with the statutory information security obligations. Furthermore, the organizations are expected to foster information security as specified in the Government Resolution and to implement the VAHTI information security guidelines and other policy guidelines issued by the Ministry of Finance. VAHTI's objective is, by developing information security, to improve the reliability, continuity, quality, risk management and contingency planning of central government functions and to promote information security so that it becomes an integral part of central government activity, steering and performance management.

A summary of General Instructions on Information Security was launched in 2009. These summarized instructions serve as a manual and as a link to the more extensive instructions and present their main elements in condensed form. Moreover, these instructions emphasise the management perspective, management and supervisor responsibility as



well as information security planning. Their purpose is to give the management of central government organisations, and particularly their senior information management staff and security and information security personnel, together with people otherwise working in the said tasks, instructions for managing information security as part of their own work. The main elements are people, processes, information material, information technology and availability of information.

*Government Security Network Project* was established after a government plenary session on 8 April 8 2009. Need to ensure telecommunication security and availability for senior government and security authorities to tackle growing cyber-threat. Key guidelines of the project are:

- Critical information is stored in Finland
- Critical systems are controlled in Finland
- Information security is ensured with efficient surveillance and encryption
- Steering factors: High preparedness of the implemented solutions, Integrated ICT services, Cost efficiency and energy efficiency

### **Reinforcing the leadership unity**

Implemented actions:

- fostering shared mission
- formulating common agendas + incentives
- setting common targets
- building mutual dependency
- fostering the top team collaboration
- embracing conflict and dialogue
- improving the capability to play multiple roles

## FRANCE

TPMs are no longer expected to only be experts on administrative and regulatory rules. They are expected to be leaders and managers for their team, in order to maintain the team's motivation in light of the current economic situation. As presented in the other template, new skills are regarded as necessary for TPMs:

ability for leadership, ability to convince, ability to manage change and team projects, in addition to the ability to achieve high performance results.

The current economic situation has highlighted the ability of TPMs to develop into their teams a type mentality where one is rewarded through one's performance, to set goals and the way in which one would organize one's work to reach those goals, in order to create a collective performance result, despite a human resources policy constraint.

TPMs also need to be able to define strategic vision, to anticipate the next steps of change.

TPMs are becoming committed actors and drivers of change, while reinforcing the values of civil service.

- TPM had to continue to support and disseminate culture of effectiveness and efficiency.
- This, in order to increase the link between human resources and financial resources, and build a strategic vision to optimize management and allocation of resources and means.
- A new reflection should / could also be started about the accountability of each hierarchical level, from the top to the middle managers for management of resources and means.

## GERMANY

The role of TPMs has changed not only as a result of the crisis. This focus must be expanded to include additional aspects. Further, the change in roles primarily affects mid-level public managers, because mid-level management is doubly affected by change processes: Mid-level managers are directly affected themselves, and they must actively promote change and serve as role models and multipliers. They serve as links to employees. Their function as promoters is therefore extremely important for implementing change.

Communication is central to managing the challenges referred to. To prepare employees for change, a credible and honest policy of internal communications is essential. Communication must not only inform but also motivate. Especially when implementing human resources policy compatible with different life phases, it is important for supervisors and staff to discuss their demands and expectations and try to reconcile them. This conveys respect and prevents disappointment, which can reduce motivation.

<p>Due to continuing staff reductions over the past decades, managers in German public administration have long had to make do with fewer staff. Limited numbers of staff have made it all the more urgent to decide which tasks are critical and which are non-essential, to set priorities and deploy remaining staff in a precisely targeted way. This requires good human resources development initiated by supervisors which is intended to help staff enhance their own skills and interests and motivate them despite the growing pressure of work.</p> <p>But there are other aspects as well which require a new understanding of management, such as the growing number of tasks caused by European and international integration and by technological progress, which simplifies administrative tasks but also speeds up the pace of work. Mobile devices mean that workers are always available, making it more and more difficult to separate work from private life.</p> <p>Managers therefore have to confront these new challenges in addition to traditional management tasks.</p> <p>Stress and growing pressure of work leave employees increasingly vulnerable to health problems such as burn-out or psychosomatic illnesses. Managers must take organizational measures to prevent such problems, such as flexible working conditions (part-time, telecommuting) which enable employees to deal with special demands at home.</p> <p>Applied to the age structure of public administration employees, demographic change means that managers will increasingly work in teams with older employees. Older workers have different expectations of supervisors than do younger workers, which is something managers should be aware of. The only way to motivate employees to keep working until they reach the statutory retirement age is by establishing an administrative culture which recognizes and values their contributions. It is</p>	<p>In addition, with targeted training measures that build on employees' strengths and talents, they can be deployed where needed most, while increasing their motivation at the same time.</p> <p>When it comes to overseeing longer processes of change, partial successes on the way to the ultimate goal should be actively communicated in order to increase staff openness to change.</p> <p>It is also important to get staff representatives involved early so that employees have the opportunity to participate and have a say. This means that the organization's culture must accept employee involvement (as well as errors).</p> <p>In case of change associated with employee turnover, it is crucial to establish professional knowledge management, i.e. to identify sources of knowledge and make them available to everyone in order to avoid loss of knowledge or withholding of knowledge to assert one's power.</p> <p>Whether change processes have been successful can only be measured indirectly. Possible indicators include:</p> <ul style="list-style-type: none"> <li>- client satisfaction</li> <li>- staff satisfaction</li> <li>- fewer days lost to illness</li> <li>- tasks completed on time</li> <li>- willingness to volunteer for overtime</li> </ul> <p>Possible monitoring instruments include:</p> <ul style="list-style-type: none"> <li>- staff surveys</li> <li>- quality circles to discuss emerging problems and develop solutions</li> <li>- monitoring by external consultants</li> </ul>
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all the more important to ensure knowledge transfer when older workers retire.

In general, staff expectations of employers and thus supervisors have changed, and managers will have to adapt. Above all, employees expect a proper balance between work and private life. The tech-savvy "Generation Y" prefers flat hierarchies and working when and where they want. Employees with family commitments (children or other family members needing care) may wish to cut back their hours temporarily without giving up the chance of career advancement. Using human resources management oriented on specific life phases to meet such expectations while ensuring that work gets done will in future be one of supervisors' main tasks in order to keep employees motivated and producing high-quality work despite limited resources.

## GREECE

The economic crisis has affected the role and scope of management at all levels, influencing all Human Resources functions. Specifically by HR function:

### **Recruitment:**

In Europe, there are two main systems for the evolution of civil servants:

1. career system
2. position system

In Greece, the first model is being followed, which actually means that top managers are not recruited but they derive from the body of civil servants, after some years of service. The criteria that are being taken for their promotion, are their education titles (i.e. bachelor, M.A., P.H.D., foreign languages etc), their proved experience in the service (i.e. participation in committees, European experience, etc) their evaluation (as far as goal

- Within an organisation, staff needs to be objectively assessed and placed in the correct job position
- Training needs have to be traced, so that employees of all levels will be trained in multilevel business skills
- Working procedures need to be reorganised
- Top managers should set and monitor the goals of the organizations
- Top managers should critically adopt best practice from other countries/ organizations

setting and achieving/ behavior/ strategic thinking/ creativity/ efficiency/ productivity/ knowledge of their works etc is concerned), training. In the era of crisis, standards in all above areas tend to go further high.

**Training:**

Due to the crisis, Top Managers need to be trained on issues concerning:

- human resource management
- stress / anger management
- communication, steering, information, motivation of their staff
- goal setting
- objective/ accurate evaluation of their staff
- collective bargaining
- decision making
- team building
- organization and controlling

The National Centre for Public Administration is implementing all new methods of training on the above mentioned issues having in mind European trends and best practices.

**Development:**

In the era of crisis, development of higher officials has become even more difficult, since posts high in the hierarchy tend to be reduced, or even abolished. Even whole organisations tend to be either merged or shut down, which of course reduces the number of posts high in the hierarchy and raises the standards in competition.

**Strategic thinking:**

Strategic thinking has now been transferred to priorities, such as how to

cut down costs, reduce personnel without causing percussions to society, arrange pension issues for the departing personnel, arrange insurance/social security issues in a changing and maybe less prosperous society. Of course, other issues remain as crucial as ever, such as the promotion in accordance with the respect of the rights of the society and the employees. That is why , managers have to promote strategichinking and give more emphasis on decisions ensuring a more prosperous future for the society. They also need to work more proactively, in order to ensure social, cost and business effectiveness.

**Diversity:**

Top managers have to incorporate in their works, diversity issues, i.e. working with staff of different ages, nationalities, social/economic/educational background, with different sexual orientations, philosophical/religious/political beliefs and make efforts so that the public service will avail itself of this existing diversity.

**Employee relations:**

In the era of crisis, team building and close co-operation with other Units, Ministries , Institutions and the private sector is fundamental. The so called "organizational silos" have to be eliminated. Therefore, Top Managers need to improve their communication, conflict management and negotiation skills.

**Performance management:**

More than ever, Top Managers are expected to ensure business effectiveness, so employees need to be carefully assessed and placed in the right position. That means that Top Managers are expected to motivate/ monitor their employees on a regular basis, in order to be able

to assess the productivity of their staff.

In Greece a new Presidential Decree for the evaluation of personnel, (mainly) according to performance is expected to be put into force. Goal achieving, measured with performance/productivity/efficiency indicators is expected to give a boost to the performance of the personnel.

**Reward management:**

In the era of economic crisis, managers cannot really motivate their staff with economic benefits. That is why the Greek Code of Civil Servants has got provisions for the ethical reward of the personnel, such as medals, the ethical reward of "congratulations", the award of "great performance" to employees who are discerned for their performance. The opportunity for promotion is also one of the main rewards that a well performing employee might have as a reward

**Talent management:**

In Europe, there are two main systems for the evolution of civil servants

1. career system
2. position system

In Greece, the first model is basically being followed, which makes talent management not very easy, as far as placing newly employed civil servants who might very talented to top management positions is concerned. In any case, top managers should be able to trace and develop the talents of their employees.

## HUNGARY

The recent economic crisis has triggered a lot of changes in our public administration. As a result, the roles and responsibilities of TPMs have significantly changed, too. In recent years many austerity measures have taken effect in the Hungarian public sector. Some examples of these austerity measures are: e.g. the thirteenth month pay was terminated a few years ago, pay rates have been frozen, and compulsory redundancies have been made. As a result, civil servants and government officials (hereinafter: civil servants) have less job security.

We believe that this is an aspect where the role of TPMs has changed: TPMs are "leaders" and have to be role-modeling the desired behavior of Hungarian public servants. This is a very difficult task and that is why we think that TPMs should receive special trainings in order to be able to fulfill this task as effectively and efficiently as possible.

Cutting expenses has become a common strategic priority in the Hungarian public sector. Therefore, now more than ever, TPMs have to find the most economic solution to implement and reach certain goals. Identifying opportunities that aim to achieve sustained, long-term savings have made the restructuring of state subsystems become a top priority. Ministries have to fulfill the same tasks even though their budgets are being cut.

Redundancies and reorganizations have plagued the Hungarian public administration for years. As a result, TPMs have to properly select those civil servants that should be dismissed. Most of these dismissals are 'caring dismissals', meaning that the state tries to find another job for the dismissed civil servant through a career bridge program.

If civil servants trust their TPM more than the TPM can, without investing much time or money, inspire the civil servants to perform his/her best. Hence, the selecting, by taking account of the relevant competencies, and training TPMs is becoming increasingly important.

Inspiring civil servants without allocating many resources can be done through if Government leaders:

- Promote flexible work schedules (e.g. flexible working hours, telework, part-time work) fitting the needs of the civil servants;
- Offer a clear path for promotions (including mobility);
- Offer ample training opportunities to civil servants;
- Offer civil servants children free or reduced kindergarten or nursery services;
- Offer high quality cafeteria for civil servants;
- Offer government employees the opportunity to spend their holidays in government holiday resorts;
- Organize team building exercises;
- Reward high performing civil servants;
- Establish a Knowledge sharing system;
- Involve civil servants into important decision making processes; and
- Establish a more positive work atmosphere.

In practice, for the efficient implementation of the crisis-related reform initiatives it is essential to establish an enhanced monitoring mechanism (oral and written reports for the minister or for the government, timesheets etc).

An efficiently working performance measurement system is also essential.



## IRELAND

Given the requirement for fiscal consolidation, there is a need for comprehensive reform of the Irish Public Service in order to maintain public services in an environment of reduced staff numbers and budgets.

The Government's Public Service Reform Plan was published in November 2011 and is based on five commitments to change: placing customer service at the core of everything that we do; maximising new and innovative service delivery channels; radically reducing our costs to drive better value for money; leading, organising and working in new ways and a strong focus on implementation and delivery.

Public Service managers will be required develop their management skills and to adopt and implement new management practices, functions and processes. While the scope of these reforms is very wide, some key examples of the main areas include:

- Developing, implementing and reporting central, sectoral and organisational reforms;
- eGovernment and the use of ICTs;
- Public Expenditure Reforms including expenditure reviews, performance budgeting, value-for-money initiatives etc;
- Cross-organisational coordination and shared services;
- Possible use of alternative methods of service delivery;
- Business process improvement;
- Improve public procurement;
- Enhanced management of property resources;
- Rationalisation of organisations and functions;
- Enhanced information gathering and sharing;
- Organisational performance measurement
- Individual performance management and leadership development.

There are a number of measures that TPMs can / should take in the implementation of reform initiatives. Many of these are addressed in our response to Question 1.

In the first instance, they should enhance the reform capacity and capability of their organisation, whether this is through development of existing staff or the engagement of external expertise (still with a view to enhancing internal competence through skills transfer).

There is a need to set performance targets, to measure performance against those and to report on the progress made, as well as adapting to counter deficiencies where they are identified.

There is an onus on managers to develop their leadership and management capabilities, and well as to develop their staff. They are required to think more in terms of outcomes and outputs and managing their budgets to optimal effect (value for money). There is also a renewed requirement to consider the functions of their organisation, to identify core activities and essential business processes and to focus resources in those areas.

In a situation where there is a degree of uncertainty, they must also enhance their communications capabilities and practices, not just with their customer base or the political / governmental system but also with staff and their peers.

TPMs must develop change management and project management capacity and capability within their organisations, as well as their own programme and project management competence, where appropriate.

On a general note, organisational change, flexibility and a focus on outcomes must become an engrained part of the TPM role, reflected in

<p>Cross-organisational cooperation and coordination is also key and requires a broader knowledge of the operations and policies in areas outside of the direct remit of the TPMs themselves.</p> <p>Decision-making and evaluation competencies are also increasingly important. Choices need to be made as part of the change process within and across organisations. In the same vein, as priorities for reform are identified within and across organisations, managers must ensure that projects are properly and effectively managed to ensure the right outcomes and timely delivery, within budgets.</p>	<p>the design, delivery and management of the business functions involved.</p>
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**LATVIA**

<p>At the very beginning of crisis Latvia started to carry out massive and swift fiscal adjustments; these fiscal reforms also drove a number of structural reforms. Thus TPMs in Latvia were simultaneously obliged to focus both on different austerity (fiscal) measures (for instance, salary cuts, downsize of human resources) and reform-making process in the relevant sector as such; in addition, also revision of institutional structure, optimization of functions and redistribution of duties was carried out (which inter alia was aimed at speeding up decision-making process within the public administration). Hence necessity to carry out fiscal adjustments was not seen as an isolated issue/task; it was instead perceived as an opportunity (and also as an obligation) to carry out strategic structural reforms having a positive long-term effect in the future (which probably previously for one or another reason were delayed). In this regard, besides the enormous amount of new responsibilities and tasks, TPMs faced another challenge – decisions had to be adopted very swiftly. This altogether undoubtedly stressed importance of specific TPMs competences and skills: competence on change management, strategic thinking, ability to set priorities, planning, coordination and organizational skills.</p> <p>One should also mention an important aspect regarding fiscal adjustments</p>	<p>Motivation is at the core of successful implementation; motivation can be boosted by, for instance, sharing good practices between the TPMs (in Latvia different forums on a number of topical issues are organized). Furthermore, also an effective communication about reforms to both civil society and public administration is important.</p> <p>As regards measure of success, one could argue that ownership of crisis-related reform initiatives both within the public administration and civil society might be regarded as an important indicator of success. Ownership can be monitored by different means, for instance, by participation level of civil society, effectiveness of public administration (regarding timely and result-orientated implementation of the adopted crisis-related reforms).</p>
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within the public administration – spending reduction of each institution/policy area (its amount) was often depending on TMPs ability/strength to bargain and defend interests of his/her institution/represented policy area (for instance, by using informal (also political) communication channels). Thus one can argue that TMPs had a great impact on decisions taken at political level regarding spending reductions. Furthermore, it shall also be noted that TMPs had a rather wide discretionary power as how to reach the decided spending reduction targets (for instance, which functions to minimize, cut); due to very limited financial resources it was a real challenge to maintain focus on development of the relevant institution/policy area.

It also interesting to note that TMPs in crisis period had to deal with issues (significant in the light of fiscal adjustments and structural reforms) which normally previously were within the competence of lower management level and/or civil servants. On the other hand, due to the tough agenda of TMPs, decision-making process in some areas (those not entirely and directly connected to fiscal adjustments and structural reforms) became more decentralized and, for instance, in some cases role of lower management level (deputy heads etc.) considerably rose.

In the light of the issues described above, one should also mention another important challenge TMPs faced, namely, how to effectively communicate upon the foreseen reforms to the civil service/public administration as such in order to ensure a common ownership of the whole reform-making process (and thus also its motivation to be effectively involved). One can argue that a balanced blend of communication at both political and expert (i.e. TMPs) level on the issues at stake was of a great significance during the crisis period. Although important, it however was not sufficient motivation tool and TPMs had to search for new methods as how to manage rather demotivated human resources (for instance, how to prevent talents from leaving public

administration (due to low salary, excessive workload), how to balance workload between the civil servants etc.); in this regard, TPMs actually had to develop also their psychological skills and serve as consultants in this very challenging period (thus, for instance, individual meetings/talks with civil servants/employees had become a very common practice).

As regards current expectations and responsibilities from TPMs, Latvia is committed to improve its competitiveness and facilitate growth. For instance, a national development plan has been drafted (and currently discussed) setting out clear top priorities until 2020. Thus continuation of structural reforms remains at a very centre of TPMs work requiring competences highlighted above (i.e. change management, strategic thinking, ability to set priorities, planning, coordination and organizational skills). In addition, it is also very critical for the TPMs to be innovative, generate new and advanced ideas, approaches.

Yet another lesson learned from crisis shall be mentioned, namely, reduction of administrative burden and simplification of administrative procedures within public administration are issues which now are definitely taking a permanent and also more prominent role on TPMs agenda.

Besides these responsibilities, TPMs also continue focusing on practical implementation of the adopted structural reforms.

Since these all are very complex issues, TPMs are currently paying a profound attention to human resource management issues since a result-orientated and motivated civil service is a decisive factor for both elaboration and implementation of reforms. For instance, this year a new performance assessment system has been introduced; the new system is based on defining concrete objectives and results to be achieved by civil servant, in addition also different his/her competencies are assessed; these

assessment results further serve for setting out individual training and development activities.	
<b>LITHUANIA</b>	
It cannot be affirmed very strictly, that the crisis had the major impact on the changes of the role of TPMs in Lithuania. However the crisis pushed “the words into the actions”. As it is mentioned in the Template for the TE development, at the moment amendments of the Law on Civil Service regarding the TPMs are prepared.	As per Q.1
<b>LUXEMBOURG</b>	
<p>During the previous legislative term (2004-2009), before the actual outbreak of the crisis, the legal status of certain high officials in leadership positions in government and state services had been redefined in a specific act.</p> <p>The core points of this act are the following:</p> <ul style="list-style-type: none"> <li>• definition of the scope of TPM positions</li> <li>• introduction of the principle of 7-year term nomination with possibility of renewal</li> <li>• determination of the conditions of appointment</li> </ul> <p>In the context of the ongoing crisis, no new impact has been determined, apart from the reflections being integrated into the reform package that has been submitted for consultation to the Parliament (cf. Question 2).</p>	<p>In the context of the reform package of the public service supposed to come into force during the next two years, a strengthened role of TPMs is expected on a 3-year basis in various fields, such as strategic planning and policy implementation, this in close cooperation with ministerial departments and cabinets and based on the introduction of management by objectives principles, which will help to prioritize activities and reinforce monitoring and controlling measures.</p>

## POLAND

The formal role of the TPMs in Poland has not been significantly changed due to the crisis. According to the Act of 21 November 2008 on civil service the duties of the Directors General (that hold the higher positions in the Polish civil service system) limit to ensuring the functioning and continuity of work of an office, conditions for its operation, as well as work organisation and performing activities envisaged under labour law in relation to persons employed in the office and implement the HR policy. However it is widely understood that effective leadership in government administration is crucial for its right functioning in fast-paced environment. Therefore there is an increasing attention paid to TPMs (senior civil service) in Poland, expressed in the draft strategy "Performing State 2020" as well as in the draft "Strategy for Human Resources Management in Civil Service for 2011-2020", developed by the Head of Civil Service (the central organ of government administration competent in civil service issues). In the second document, scheduled activities are to result in strengthening the role of leaders and leadership in the civil service and in increasing competences, also soft ones (interpersonal and personal) that are necessary on senior positions. It is important in time of crisis when leaders are forced to deal with reforms resulted in numbers of painful austerity measures on one hand, being expected to do "more for less" on the other.

Poland has been less impacted by the negative effects of the crisis when compared to some other EU member states. Admittedly the Prime Minister recommended the ministries to reduce employment in their units and as a result the level of employment in the Polish civil service dropped by 1,3 % in comparison to 2010. Nevertheless a reduction in number of employees has not been the most problematic for the Polish TPMs. Scarcity of the financial resources has occurred to be much more challenging issue to cope with, despite a relatively better situation of the Polish economy as mentioned above. As there has been strong political

There is no easy answer for the question how to implement initiatives that usually affect negatively employees. Long life learning of the TPMs and improving managerial skills are of utmost importance, the TPMs are supported in this process by the Head of Civil Service. In the broad project "The Academy of Public Management" devoted to improvement of quality management in the government administration by the introduction of managerial rationalization in 62 government administration offices, the TPMs had the opportunity to improve their competences by taking part in training events on financial management, management of the organization, human resources management, strategic planning and public procurement etc. The project, being implemented in years 2009-2012, was co-financed with the ESF.

On the other hand, due to financial scarcity, the TPMs are forced to invest less money, if at all, in financial bonuses to motivate their employees. And even if we agree that financial motivation is not the only one and most important motivational tool, it is still challenging to encourage people to contribute to implementing crisis-related initiatives. Therefore the Polish TPMs are more and more willing to use non-financial motivators, including different activities directed e.g. towards reconciliation of public and private life of employees, different forms of development more often understood as giving possibilities for self-education, e-learning, mentoring, coaching and 'learning by doing' rather than training courses only (training system in the Polish civil service is decentralized, all but so called 'central training' are planned, organized and supervised by the Directors General of the office). As the budget of central training is very limited, Head of Civil Service tries to support the TPMs in the other way in this difficult time of crisis. In 2012 the specific directions have been issued that could support the TPMs in their leadership activities: Standards of human resources management in civil service as well as Training policy in the Civil Service, both standardizing the activities directed towards employees and giving suggestions how to modernize the management in civil service.

determination to effectively limit the costs of the functioning of public administration, pay in public sector has been frozen since 2008. Therefore much more challenging for the TPMs is above mentioned expectation to do "more for less". Cuts in the costs of the functioning of public administration have resulted in considerable reduction of resources necessary for employees' training as well as other financial motivators (bonuses, awards etc.). Management of the organization has become even more challenging as those new conditions, in extreme situation, could lead to possible erosion in public service values. The TPMs in Poland, as well as in other countries, have to deal with these consequences of the economic downturn and resources scarcity, that require from them to be more leaders than just managers.

The Head of Civil Service willing to get involved the Directors General in the process of civil service system reform, as well as facilitate mutual communication between the TPMs in Poland, created the Forum of the DGs. This opinion-sharing and advisory body aims at creating a network of public administration chief executives for sharing knowledge and brainstorming about best practices in public governance, strengthening teamwork to creative problem solving, implementing standardized rules and procedures within offices and building a corporate identity within Poland's public sector. Meetings, chaired by the Head of Civil Service, are organized on regular basis (every 1,5-2 months) and are the unique opportunity to exchange opinions on dealing with austerity measures. In addition a working groups within DG Forum exists. Composed of 5-7 DGs or their representative deal with concrete issues (e.g. code of ethics, HRM standards, job evaluation etc.) in order do elaborate their recommendations for the Head of Civil Service, communicated to all DGs, and allowing DGs to be included in the very early stage of drafting and implementing reforms/changes.

Finally the relationship between politics (the heads of government

administration offices) and the TPMs happens to be a subject to tension. These sometimes difficult relations, if happens, stem from intense distrust between the TPMs and politicians resulting mainly from misunderstanding of the TPMS' role. To facilitate mutual understanding, the Head of Civil Service has developed and disseminated among ministries the guidelines on the role of the Directors General, to support the Directors General (the top civil servants in Poland) in execution of their tasks and smooth collaboration with ministers. It is too early to assess the influence of this initiative on the mutual relation between the TPMs and politicians, but it could be perceived as a step in the right directions.

**PORTUGAL**

From a statutory point of view there are no significant changes in the role of Portuguese TPM as a result of the crisis. The legal competencies remain unchanged. However, from a managerial approach we cannot say the same. The TPMs charters of mission that constitute a management commitment where the objectives duly quantified and scheduled in an explicit manner are defined by the political power, to be attained in the course of the fulfillment of functions, have established more demanding goals of execution, by making difficult the activity of top managers who in the current context of lack of financial resources are pressed to a better service delivery of servicers of organizations that they manage with a minimum cost. It should be borne in mind that in the last years, the operational budget of public services has undergone significant cuts.

This situation forces to a correct identification of the strategic objectives/priorities in the short and medium term of each public service, as well as requiring from TPMs capacities of planning, co-ordination and decision making so as to materialize them. And due to instability of the current economic and financial environment top managers have to be prepared to adjust the strategies to new urgencies and constraints.

The responsibility of TPMs has increased as well as the expectations from

In the implementation of the crisis-related reform initiatives, TPMs should begin to privilege a strategy of communication/information, where all employees understand what is going to change or has changed and why, so as to foster a climate of adhesion and of adaptation of public service staff mindsets, culture, attitudes to a new environment and namely to new working conditions thus avoiding the resistance to change. The availability of relevant information on the intranet and internet, as well as the scheduling of regular meetings with middle managers so as to appraise the degree of execution of reform measures and obtain information on the work climate, the concerns of employees are other aspects to be taken into consideration. In addition to a permanent monitoring of change processes under way, it is important that TPM maintain the motivation and improve the performance/productivity of their staff in the current depressing context in public sector. That is the reason why the role of TPM has been becoming more and more demanding and difficult.

Without the staff adhesion the implementation of austerity measures became more difficult. In times of crisis an internal policy of openness and transparency has an added value, because they are fundamental to create or reinforce the trust between manager and his/her staff. The contexts of change as it is the one we are living constitute opportunities for



<p>the political power and employees in relation to them. They have a strategic role in government, as the government performance and efficiency depend in part on the quality and capacity of the senior civil service. One of the examples to give based on the Portuguese reality, that testifies a greater demand in relation to this civil service professional group is the fact of having been established, as from 2012, the open competition as a way of recruitment. The merit (knowledge, skills, experience) of candidates replaces the criterion of political trust. It's difficult to have an efficient public sector without competent managers.</p> <p>The insecurity produced by the crisis in the workforce led to an increased attention to communicational component. TPMs while change facilitators have developed strategies of internal and external communication, taking advantage of communication technologies, to explain the reforms, transmit relevant information; show the way to be followed by creating a climate of trust within organization and reducing the anxiety and speculation that the context of the crisis fosters. It must be always be borne in mind that a good leadership and a clear communication facilitate the adhesion of employees.</p>	<p>innovation, being put to the test the capacity of TPMs to manage to attain the expected results in terms of implementation of the crisis-related reforms, in a less stressing environment to public employees.</p> <p>The share of experience between the TPMs at EU level, in which EUPAN is a privileged forum for this purpose, would contribute much to the identification of good practices at this level.</p>
<b>ROMANIA</b>	
<p>In what concerns civil service in Romania, the category generically called TPMs is defined by reference to legal texts in force which refer to the functions and responsibilities associated with the following civil service management positions:</p> <ul style="list-style-type: none"> <li>- Director General, Deputy Director General, Director and Deputy Director in autonomous administrative authorities, ministries and other specialized bodies of the central public administration (PA) and their related specific civil service positions;</li> <li>- Executive Director and Deputy Executive Director of de-concentrated public services of ministries and other bodies of central PA from</li> </ul>	<p>Starting from the facts referred to in question 1, a number of initiatives of TPMs to implement reforms in the context of the crisis or linked to it can concern:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Fully and consciously taking note of the new/modified roles generated by the socio-economic and political-administrative changes. Broadly speaking, this means a better understanding of causes and effects and an identification of those areas where changes are needed on a personal/individual level, followed by concrete, visible actions and, where appropriate, directly communicated to subjects.</li> </ul>

<p>administrative units, of prefect's institutions, in local public authorities and institutions subordinated to them, and their related specific civil service positions;</p> <ul style="list-style-type: none"> <li>- Senior civil servants - Secretary General, Deputy Secretary General, prefect, sub-prefect and government inspectors.</li> </ul> <p>The main landmark in delineating the role of the occupants of these positions within the administrative system is the requirement of enforcement/application of the principles (in accordance with the Statute of Civil Servants) used in exercising public duties: legality, impartiality and objectivity, transparency, efficiency and effectiveness, accountability, citizen-oriented, stability in exercising public duties and hierarchical subordination. Also, we can add various regulatory provisions covering details like job description, position, institutional structure or institution.</p> <p>A second landmark, the basis for determining the level of complexity in exercising the above mentioned civil service management positions, is the provisions referring to the institutional structure (for example, those relating to the maximum number of persons required to form a general directorate or a directorate, or to the maximum number of positions of a public authority or institution, or those relating to the coordination of some areas, activities or thematic teams).</p> <p>A third equally important landmark is the administrative/organizational culture specific to Romania and to areas of Romania, whose elements are found implicitly and necessarily translated into administrative culture.</p> <p>Based on these three elements, the role of TPMs in Romanian administration can be best defined as <i>making decisions within the formal management of people activities in order to get to the predetermined results – part of a wider and more complex programme intended for public affairs.</i></p> <p>Socio-economic or political-administrative contexts, and its developments</p>	<ul style="list-style-type: none"> <li>☑ Improving personal assessment and that of subordinated employees with a self-assessment component, and using the findings to plan next activities so that individual goals are linked not only with institutional needs, but also with individuals and environmental limits.</li> <li>☑ Identifying training needs resulting from assuming new/changed roles, prioritizing in satisfying needs identified by reference to specific situations in which each TPMs expects to be in at any given time in a given period, and acting consequently, within the limits imposed by environmental variables (both individually and for subordinated staff);</li> <li>☑ Transition from traditional to modern management (performance management and structured dialogue with a focus on including behavioral elements), more adapted to the current needs for action, with the application/encouraging the application of techniques and valid tools to substantiate and evaluate performance decisions;</li> <li>☑ Voluntary eliminating the prevalence of the reactive nature of administrative measures, developing a medium and long-term vision and better (and standardized) defining strategic directions followed by a consistent application of the measures proposed and/or approved;</li> <li>☑ Recognizing, encouraging, capitalizing and rewarding innovation, high performance and professionalism;</li> <li>☑ Providing a reasonable level of protection, both individually and for subordinated staff against any measures justified by the need for austerity, but with the potential effect of affecting fundamental rights;</li> <li>☑ Improving vertically and horizontally communication within professional networks, and a better use of information flow.</li> </ul>
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<p>in recent years – the so-called “<i>period of crisis</i>” – have generated a series of changes in priorities and challenges of TPMs employment. The main such changes can be summarized as follows:</p> <ol style="list-style-type: none"> <li>1. The ratio between the expected results and effort (human, material, financial, informational and time) made in order to obtain the results registered significant developments in what concerns maintenance, growth and/or diversification of expectations with a considerable reduction of the available resources. In other words, the beneficiaries of public services (broadly) expect their rights to be exercised if not to a higher quality and quantity than in the prior period of so-called “<i>crisis</i>”, at least at the same level while:       <ul style="list-style-type: none"> <li>- number of persons employed in the public sector decreased following the implementation of successive cost reduction measures involving human resources in public administration;</li> <li>- the computerization initiatives such as e-administration or e-government to be successfully implemented need to be not only functional, but also used, require not only the existence of the specialized software but also the IT infrastructure necessary for implementation and require not only specific skills for systems administrators, but also specific skills for users/ beneficiaries;</li> <li>- internal financial resources, along with the ability to finance administrative activities were decreased, decision makers being forced to find/use external financing solutions to support the system;</li> <li>- there are more and more prohibitions and/or restrictions expressly provided for in existing laws relating to the acquisition of fixed assets, goods and services of different types or to payments made from public funds for various purposes (e.g. protocol expenses, travel abroad expenses, purchase of prints and other goods for representation and protocol actions, and for festivities, including anniversaries, cars acquisition, leasing or rental, or certain categories of furniture and</li> </ul> </li> </ol>	<p>The public administration reform is a dynamic process and, like any structural reform process, it can never be complete and perfect. The acceleration of the public administration reform is required first by the need to carry out the transition (including the economic one). The reform is a comprehensive, extensive process, which changes the approach to the main problems the public administration in Romania faces at present. Thus, TE / TMPs have to successfully fulfill several “missions”:</p> <ul style="list-style-type: none"> <li>• to promote new information technology in administration;</li> <li>• to improve where possible according to the reform;</li> <li>• to support a dynamic favorable to change, one that would last irrespective of the leaders;</li> <li>• to catch the civil servants’ interest for change and modernization.</li> </ul> <p>One of the main problems in the administrative system is the need for change at the local public administration level. Ineffective, autocratic public management, bureaucracy remain the attributes of local public administration as long as policies and procedures do not apply. Poor representation of citizens’ interests by elected officials and appointed decision makers is a major constraint in achieving a more democratic political process. Equally important is the representation of the interests and the demands of citizens, managed by civil society organizations at local level, by officials.</p> <p>Continuing the reform in local public administration is based on increasing the autonomy of local communities by carrying out both the decision-making autonomy, as well as financial one. In this respect, the role of TE / TMPs at/ from local level is:</p> <ul style="list-style-type: none"> <li>• to increase the involvement of civil society structures, mainly trade unions and employers in developing strategies, policies and sectoral programmes;</li> </ul>
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<p>office equipment etc.).</p> <ul style="list-style-type: none"> <li>- information available for decision-making is becoming more fragmented and subject to interpretation, often the same information varies depending on its source;</li> <li>- the timeframe necessary for making an implementing decisions is much shorter due to the prevalence of the reactive nature of measures.</li> </ul> <p>2. In the Romanian public authorities and institutions we can talk about a so-called "skills crisis". By relating to specific activities, exercising public positions (at least) requires a different type of experience and/or expertise than having experience in the private sector. This is also due to the substantial difference between the purpose of private activities – making profit, translated by giving priority to satisfying private interests – and the purpose of public sector activities – meeting government objectives, translated by satisfying collective interests on the public agenda and generically defined as "meeting public interest". As a result, the skills necessary for carrying out activities involving the exercise of public power prerogatives are quite different from those needed for economic activities. Starting from the premise that the development of such skills is a long process, which is based less on theory and more on practical experience or on the ability to apply purely theoretical aspects specific for public management, the gap left by people with great experience in public office by leaving the system can not be filled by occupying vacant positions by other people with other training or without a similar experience. However, given that in recent years there have been successively adopted administrative measures like reorganizations, reductions of positions, freezing salaries, reduction of rights (including wage and salary, or career related rights), and so on, the leaving rate from the administrative system by well prepared people with relevant experience in their respective fields has increased substantially. And that, given the fact that among Romania's commitments one could</p>	<ul style="list-style-type: none"> <li>• to implement partnership projects;</li> <li>• to provide continuous training conditions for all local civil servants.</li> </ul> <p>Implementing reform initiatives in the context of crisis requires, first, a thorough analysis of the existing situation, of the critical, vulnerable points of the institution. At the same time, a concrete plan of action is required, on short and medium term, which could stabilize the institution in this context, or which, in a positive, time speculative sense, could constitute new opportunities for developing and render more efficient the field and activities undertaken by the institution.</p> <p>The success measures during a crisis can be highlighted when initiatives are implemented, their implementation process being able to confer a certain experience in managing the current situation. Thus, reference points (milestones) can be easily identified and established in order to monitor and correct possible errors, flaws or gaps in the strategy of the institution. In the context of a crisis, the action plan to be implemented should contain a higher level of flexibility than a strategy or a plan implemented under normal conditions.</p> <ul style="list-style-type: none"> <li>• Continuing to implement management tools (Quality Management, Internal Management Control System, Common Assessment Framework CAF, Balanced Scorecard).</li> <li>• Decision making based on objective analysis, with factual data and information (cost-benefit analysis, multi-criteria, and so on).</li> <li>• Better/close collaboration between TE / TPM in different areas of activity – exchange of experience creates value.</li> <li>• Promoting strong ethical principles, professionalism and transparency in public administration. TE / TPM must play an important role in the prediction of resources.</li> <li>• Creating a real learning system for the public administration – TE / TPM must provide their expertise to the staff they coordinate and</li> </ul>
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find a policy to replace one employee from 7 departing employees.

3. In public administration from the upper hierarchical levels towards the basic hierarchical levels, there is a tendency to reduce response times, mainly reflected in the reduction of grounding administrative decisions periods and those related to managing resistance to change. Moreover, being measures for crisis situations, the natural reaction is to address current issues, urgent and mandatory to be solved urgently. As a consequence, the necessary adjustment periods are reduced proportionally and in some cases overlap those associated with adopting new measures. In addition, not being sufficiently substantiated such administrative decisions once taken would entail, in turn, other crisis situations that require urgent action and a new series of insufficiently grounded decisions, thus creating a vicious circle in which the reactive nature of measures becomes a priority to the detriment of planned approaches, mainly directed towards the achievement of strategic objectives and characterized by consistency, continuity and a less empirical character.
4. Computerizing public authorities and institutions activities, both in terms of internal information/documents management and in its relations with the beneficiaries showed a steady upward trend in recent years. Such means of interaction have multiplied and diversified, expanded to increasingly more fields and sub-fields, and for subsequent periods new developments are expected corresponding to international trends (e.g. in communicating and involving beneficiaries in the administrative act, it is expected that both the use of the concept of Web 2.0, which converts the beneficiary from a simple receiver of information in an active participant in defining web content and information, and the use of the concept of Open Data to meet a broader applicability and to benefit from higher interest in the Romanian public administration). Unfortunately, in

encourage teamwork and civil servants training and development.

order for efforts in this new direction to produce the expected results, it is necessary to train the user (public authorities and institutions staff, and individuals outside the system as indirect and/or potential beneficiaries) not only in the early stage of implementation, but permanently. But amid the current crisis budget allocated for this purpose is minimal, their destination not being considered a priority.

Considering the above, it can be said that the role of TPMs has been (or should have been) recorded a series of significant changes designed to ensure their ability to meet the new requirements resulting from the specific of change variables in the environment. Therefore:

☑ If previous to the manifestation of the effects of the “crisis” in most cases it was sufficient to have and to apply managerial skills, in the face of the current challenges, to ensure achieving optimum results meeting minimum parameters, it is necessary for TPMs to show skills, abilities and attitudes less close to management and closer to leadership.

☑ If previous to the “crisis”, the role of TPMs involved a relatively equal ratio between having technical knowledge in the field and having interpersonal skills and good knowledge of working with people, in the current context it has become more urgent need to focus on performance (by encouraging innovation, the use of alternative means of motivation, supporting individual personal development in a broader context than strictly related to job description, developing anticipatory thinking etc.) to the detriment of going towards applying predefined rules and procedures . Equally, if authority is accepted as an intrinsic management function, it can be said that a counteraction of the negative effects of austerity measures (or even the support for voluntary accepting them) to be effective on medium and long term it is necessary to do more from positions of authority based on trust and respect and less from positions of authority based on other criteria.

If within the traditional variant positioning TPMs in a predefined hierarchy was considered sufficient to achieve expected results in the variant corresponding to new realities to obtain the same results is necessary even a better positioning within professional, institutional or any other networks able to generate added value and increased reaction rate with minimal damage to the quality of administrative decisions and actions.

Since the end of 2008, the public administration has entered into a crisis management and the management issues raised by the "economic turbulence" also supposed the inventory of the capacity of managers in public administration to deal with new challenges. In consequence, recruitment in the administrative system was reduced in 2009, followed by a reorganisation of the entire Romanian administrative system in 2010.

The challenge for the Romanian administrative system is the inertia generated by the previous regime and the global influences arising from the accession to the European Union in 2007. The recent international economic crisis has provided an opportunity to challenge traditional perceptions on skills in the public sector and to deal with standards to be achieved in order to ensure the continuous improvement of professional talents in the administrative apparatus.

The public sector management is increasingly seen not only in terms of modernising the state institutions, but also in terms of generating dynamic partnerships with civil society and the private sector to improve the service quality, to enhance social responsibilities and to ensure broad participation citizens in decision-making.

This requires increased attention to the problem of administrative decentralization as a means of supporting the objectives of poverty

reduction and conflict prevention policies. These trends pose an increasing focus on the public service performance and on the need for an effective and efficient public management, transparent and accountable.

Although Romania does not explicitly approach performance and performance management issues, a number of measures have been taken. These include the single public sector payment scheme, for which the government passed a law, but also the principle of contribution as major pillar of the pension law project. Moreover, reducing the number of state agencies and authorities whose activities can be covered by existing ministries is also a precondition for harmonising the criteria for competitiveness in the private and public sectors, namely an incentive to professionalisation.

The Romanian administration and especially top managers have to be guided by and comply with the following principles in times of crisis:

- strength, competitiveness, adaptability and creativity.
- resistance - comprising a well-built system, with the best professionals selected to constitute the critical mass;
- competitiveness - the system must keep the best people and to absorb the existing professionals, regardless of the public administration where they are employed;
- adaptability - the natural state of things is change, regardless of circumstances, but especially in the current global context;
- creativity - even if the public administration is now seen as a sterile, restricted environment this does not mean it can not adapt best practices from the private sector, namely the outsourcing of workforce recruitment, respectively of talent recruitment.

The crisis period highlighted the skills of TE / TPM regarding the provision and continual adaptation of the institutional management in order to uninterruptedly carry out specific activities, with minimal disruption and



also to maintain a high degree of achievement of objectives.

At strategic level, the emphasis was placed on prioritizing needs and efficiently using the existing human and financial resources within the institution during the crisis. Meanwhile, TE / TPM ensures the conditions for the fulfillment of tasks and the use of resources available to the institution in a more responsible manner. Also, in the context of financial crisis, TE / TPM will ensure the search and identification of alternative sources for funding (external grants for public institutions).

In terms of staff motivation policy, the financial rewarding means were reduced in favor of non-financial ones. Thus the focus was directed towards the raising of the level of professional accountability and merit recognition in a formal framework for all employees of a structure (departmental or institutional). In this respect, we consider reducing excessively authoritarian behavior from the part of the manager coupled with the policy of involving employees in the decision making process, a bottom-up approach, consultations, negotiations.

Another form of rewarding the efforts of the employees of an institution is offering the possibility to participate in training / skill development programmes in a particular field. If the institution does not have sufficient financial resources, is indicated to identify the opportunity to participate in training programmes organised within grant projects, according to the required areas of expertise.

During the economic crisis one could see an increased role of TE / TPM on providing expertise of documents and normative acts in order to substantiate decisions of leaders of public institutions and/or authorities to provide optimal solutions to stakeholders involved in developing action plans necessary to the current and future activities.

Current socio-economic conditions have caused TE / TPM to adopt a new outcomes-oriented behaviour (practical, pragmatic) in terms of human resource management, financial, material resources. They also adopted a model of organizational culture that is characterized by being aware of the importance of human resources, the need for coordination in order to achieve the institution's goals and meeting citizens' needs.

During this period TE / TPM have developed the ability to plan strategically, to structure and control tasks and processes, to seek consensus and focus on the results of the team they coordinate before individual results.

Also, they assumed the responsibility of the need of changes in public administration, as part of the reform, being the link between execution staff and the challenges/opportunities in public administration. They showed that they have the will and power to overcome cultural barriers, to manage the inevitable conflicts as a result of the changes, both outside and inside.

The emphasis on teamwork led to a better resistance to stress, creating a work environment that provides and encourages taking calculated risks.

### SLOVAKIA

- On TPMs is put greater emphasis on flexibility, initiative, cooperation in finding solutions, quick decision making
- TPMs work under bigger pressure
- In public service the number of public servants has been decreased what influenced amount of TPMs work (and also work of other public servants)
- Necessity to follow budgetary measures; TPMs have to deal with budget in more detail
- Lack of finance leads to lack of TPMs motivation (public servants have been rewarded with less bonuses, less personal bonuses and therefore

- In Slovakia has not been implemented any reform yet, but it does not mean that financial crisis does not have impact. Some financial measures has been performed. Secondly, the government is currently working on the reform which it is supposed to be done in several phases (public service should change in effective, open and reliable).

<p>their pay were lower or the same as few years ago)</p> <ul style="list-style-type: none"> <li>- Language knowledge is often required</li> </ul>	
<b>SLOVENIA</b>	
<p>All actions (restrictions on new employment, freeze on promotions, strict, restrictive control on staffing budgets, decrease of salary, reorganization of public institutions, postponement of wage disparity elimination, freeze on regular superior work performance) have weakened employee commitment and eroded trust.</p> <p>This also means that motivation to perform, particularly in a period of frozen performance bonuses and wages, is extremely low. Currently, monetary incentives are not operational and are also not supported by an effective performance management framework.</p> <p>In a climate of austerity, the role of top managers has been changing. They have to find other (non-financial) ways to better incentivise the central public administration to increase its performance, be accountable for its performance, and be more efficient and effective, overall. They have to develop the right mix of incentives to achieve a positive influence on employee motivation.</p> <p>Slovenia has already carried out reforms, sometimes significant, in most of these areas. The economic and fiscal situation has sharpened the importance of these reforms. They need to be taken further, and this is not the time to give up or slow down.</p> <p>As part of austerity measures Slovenia has reduced all existing approved establishment plans by 1%. Public organizations have been relying on recruitment freezes and natural attrition to meet this measure; however the turnover rates in public administration are quite successful but in public sector are not sufficiently high.</p>	<p>There is a need for a change of the leadership model during the current economic crisis. We think that the fact is, that every leader's action causes an action or reaction from his/her co-workers. The manager is also the key element in leadership and the relationship between the leader and his/her co-workers with trust as the main link. Trust is the key link throughout all the crisis elements of leadership and is given very important role due changes in the behavior of leaders and their co-workers during the time of instability; both are faced with an increased level of stress, (personal) instability and fear. So, we think that mutual trust and connection are key factors of successful leadership during this changes</p> <p>Consistent with the overall philosophy of this manual, the key to being able to manage a crisis is doing as much planning as practical before a crisis starts in order to best position you and your institution to respond to and mitigate such a situation. In short, the faster you can increase your ability to gain knowledge and establish command, control and communications, the more time you will have to be influential.</p> <p>Innovation activity in organizations and companies is long known phenomenon that connects various concepts of management – e.g. learning organization, learning as leadership, innovation encouragement, lifelong learning, etc. All these concepts have in common that they emphasize the importance of leadership in creating and promoting innovative potential of companies. If leaders don't create an environment that will promote innovation, innovation it will have the right effect. Innovation is therefore clearly important, even more clearly is the fact that it is leader's responsibility to create conditions for the innovation of its employees. Such conditions are leaders able to create only with proper leadership. Leadership markedly affects the innovation team.</p>

<p><b><u>Intervention measures in the field of salaries aimed controlling labour costs of public sector for 2011 and partly in 2012</u></b></p> <p>a) Concerning performance-bonus awards in 2011 (and partly in 2012):</p> <ul style="list-style-type: none"> <li>- no regular performance-related bonuses didn't paid to civil servants;</li> <li>- the amount of performance-related bonus associated with an increased workload were reduced so that, in the aggregate, it was not exceed 30% of a civil servant's basic salary;</li> <li>- budget users could spend maximum 60% of their savings, determined in the Public Sector Wage System Act, for the performance-related bonus associated with an increased workload.</li> </ul> <p>b) Position bonus were decreased from the range 5% to 20% of basic salary to the range 5% to 12%.</p> <p>c) Duty hours: during duty hours, public servants are entitled to a bonus for overtime work in the amount stipulated by the Collective agreement for the public sector and other bonuses for work during less convenient hours that are, during duty hours, paid in the amount of 50% of the amount. Thus this allowance has been reduced for 50%.</p> <p>However, due to austerity measures the third and fourth tranche increases as well performance related pay have been frozen.</p> <p>In May 2012 came into force Act on Stabilising Public Finances, which seeks to ensure their greater sustainability, provide a legal framework for efficient management of public finances, macroeconomic stability and long-term and stable national economic development, while creating rules ensuring greater fiscal discipline. The Act regulates, for the first time, the extent and structure of public expenditure to increase the possibility for public growth, which is of key importance for Slovenia's long-term development. The Public Finance Balance Act affects over 40 other acts or</p>	<p>It is also very important to: Making managers manage and increases:</p> <ul style="list-style-type: none"> <li>• The ability to change – by see(k)ing alternatives</li> <li>• The Co-operation – by taking responsibility</li> <li>• The Development – by taking initiatives</li> <li>• The Co-worker ship – by optimizing Human Resources</li> </ul> <p>Being aware that salary system is an important segment of the entire HRM system we think that the possible measures for increasing efficiency and effectiveness of the entire public sector using modern governance arrangements, particularly with regard to fierce macroeconomic and fiscal policy conditions. So, it is important to that the direct link between personnel plans (the number of allowed employments) and budgetary financing should be eliminated by introducing clear restrictions for decentralized HRM. This should enable a more active role of management in human resource planning and competence management in the organization. Also the present legislation and other norms regulating public sector salary system should be reduced in order to increase the role of the Government and the management of budget users in active human resource management. It is also important that greater competence/autonomy of managers in human resource management and salary arrangement also requires awareness of the responsibility for decisions and sanctioning of practices deviating from the specified rules.</p> <ul style="list-style-type: none"> <li>• Open information</li> <li>• Statistics of outcome</li> <li>• Dialogue between managers</li> <li>• Pay policies at all levels</li> </ul> <p>In our opinion is very important to develop a whole-of-government vision and strengthening the central HR function</p>
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<p>other legislation, which testifies to the fact that the austerity measures affects numerous areas, including salaries and other income of public sector workers. According to the agreement has been reached with social partners at the end of May, the salaries of public sector workers were reduced by eight per cent, beginning in June. Austerity package consider measures for lowering labour costs in public sector, consider measures which relate to salaries and the reimbursement of expenses and other incomes of public sector employees, and measures concerning employment and the conclusion of contracts.</p> <p>In the aim of reduce the scope of employment and the reduction of labor costs Act states that employment in the public sector irrespective of the applicable standards and norms, and irrespective of the personal plans, work programs, business and financial plans of each public sector entity is allowed only under certain conditions. Employment in accordance with the law can only be with the consent, and the law sets out the situations where there is employment without consent. Employment restrictions apply equally to Top managers and local community administrations, who have a mandate, and positions management bodies in public law entities (Director of a public institution, the director of a public agency), which are also tied to the mandate. These posts are not defined in the Act as an exception, which means that also are subject to all rules and restrictions regarding the termination of the employment contract.</p> <p>The Act also permits the conclusion of authors and works contracts only in exceptional cases and limits the work of students. Also, public sector users can not conclude with their employees contracts for job training leading to a qualification. Exceptionally, it is possible, if the employer's obligation to award the contract on the education of our employees, arising from the special regulation or collective agreement.</p>	<p>Given the impact of austerity measures, the central public administration requires a vision for the medium to longer term which incorporates the aim of increasing the efficiency and effectiveness of its operations while ensuring the capacity for change and to undertake the tasks required to achieve these two goals. This cannot be left to individual silo organisations within the central public administration, but rather needs to be driven from the centre across the whole of the central public administration.</p> <p>This vision should ideally support the achievement of strategic planning, thus ensuring there are the right number of people with the right skills employed in the right areas of the public administration to effectively operationalise the government's objectives.</p> <p>A whole-of-government vision for the public administration should be accompanied by a strategy for its achievement. The strategy should demonstrate the outcomes that the public administration aims to achieve and the steps (with timeframes) that will be taken to get there. Each reform includes the desired outcome and details a set of recommendations for its achievement with accompanying actions, a timetable for implementation, and the responsible department/agency identified to lead the implementation.</p> <p>Developing and shepherding the implementation of a whole-of-government vision for the public administration requires leadership from the centre.</p> <p><b><u>So, in our opinion is very important to have:</u></b></p> <ol style="list-style-type: none"> <li>1. A clear employers' policy supports effective and efficient business and operations</li> <li>2. Strategic operational needs shall be in charge for the allocation of skills and competence</li> </ol>
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	<ol style="list-style-type: none"> <li>3. Our agreements contributes to efficient business and operations</li> <li>4. Leadership in cooperation with empowered workers develops the business and operations</li> <li>5. A good work environment triggers good development of the business and operations</li> </ol>
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**SPAIN**

Recently, on the occasion of a wide set of rules approved by the Spanish Government, the boundary conditions of the HR management in the Spanish Public Administration have changed quite a lot; it doesn't compare with the previous situation.

So, now there is a new regulation that sets up an "Austerity Measures Plan" fully affecting very important and delicate HR matters such as, among others, wage salaries, sick leave's regime, holidays and other leaves' regime, or the staff size.

All these matters make up the natural element where TE have to cope with their tasks; therefore, it's obvious that an important evolution of the role of TE leading a so changing organization is expected in Spain.

Legal changes happened so recently that, for the time being, may be it would be a bit too soon to answer so concrete questions like the ones on your templates.

**SWEDEN**

<p>Our financial crisis occurred in the early 1990s and actually made a lot of reform initiatives already in pipeline possible. From then and onwards TPMs are responsible for:</p> <ul style="list-style-type: none"> <li>- Taking on and implement a fully delegated employer responsibility,</li> <li>- Responsibility and demand to adjust staff size and skills to operational needs.</li> <li>- Full budget responsibility within framed budgets, no opening for additional costs.</li> <li>- Possibility to finance a limited budget deficit (&lt; 5%) by loans (at an interest rate) from the national bank.</li> <li>- Possibility to transfer a limited budget surplus (&lt; 5%) to the next fiscal</li> </ul>	<p>Demanding responsibility mandates from politicians. ... and of course as much as possible in line with what is mentioned under 1 above.</p>
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<p>year.</p> <ul style="list-style-type: none"> <li>- Reporting back on budget outcome following the same rules as any organization (yearly reports).</li> <li>- Reporting back on operational effects of current modernization work.</li> </ul>	
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**EUROPEAN COMMISSION**

<p>The role of TPM in the European Commission has always been subject to constant change in line with evolving priorities. The last decade has seen this role moving from a more conventional management role to a rather outward looking leadership one, putting emphasis on defining strategic priorities, identifying opportunities and motivating staff.</p> <p>These changes require TPM to dispose of a different set of management skills; today's TPM has to be able to cope quickly and efficiently with current and future challenges. For instance, the recent crisis has brought forward a stronger emphasis on leadership and change management capacities. Innovation and excellent communication skills are also prerequisites for an efficient TPM. They will have to be able to come forward with new and fresh approaches, introduce changes and have the capacity to communicate clearly all changes induced by these measures to their staff.</p> <p>Focusing on managing the organization is no longer sufficient; although technical skills and expertise are still necessary, a TPM has to show that he or she can lead their organization, being innovative and adaptable and in a context of constant or reduced resources, (re)adjusting its immediate aim using optimally the available resources while steering his or her teams towards achieving the longer term objectives. Flexibility, priority setting and political savvy are skills that the Commission is looking for in its TPMs, they need to be able to communicate with staff in an open and transparent manner and to introduce change management successfully.</p>	<p>Within the European Commission, implementation of crisis-related reform initiatives is carried out to a very large extent by the TPM. They play an important role in identifying actions for which they are responsible, communicating with their staff, explaining and showing the opportunities which these measures entail.</p> <p>To this end, the Commission has engaged in a series of awareness raising initiatives among its staff and its TPM. For instance, regular meetings by the President of the Commission or by the Vice-President responsible for personnel with TPM but also with staff to discuss the main political issues for the coming year. The Commission uses different communication channels to interact effectively with its TPM.</p> <p>Against a background of continuous change, TPM are in a privileged position to identify and review on a constant basis internal and external processes in order to realign existing workflows with a view to improving efficiency. In addition, within a context of staff reduction, TPM will need to match new or additional requirements for human resources through internal redeployment, simplification of delivery modes (see above) and/or other organizational improvements. This implies a much more pro-active role from their part in appropriating these changes and to act as a lever with regards to their own staff.</p>
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# **Annex 1**

**Thematic Paper: "ROLE OF TOP EXECUTIVES"  
and  
Template: Request for input by EUPAN  
Members**



2 August, 2012

## ROLE OF TOP EXECUTIVES

### What this paper is about

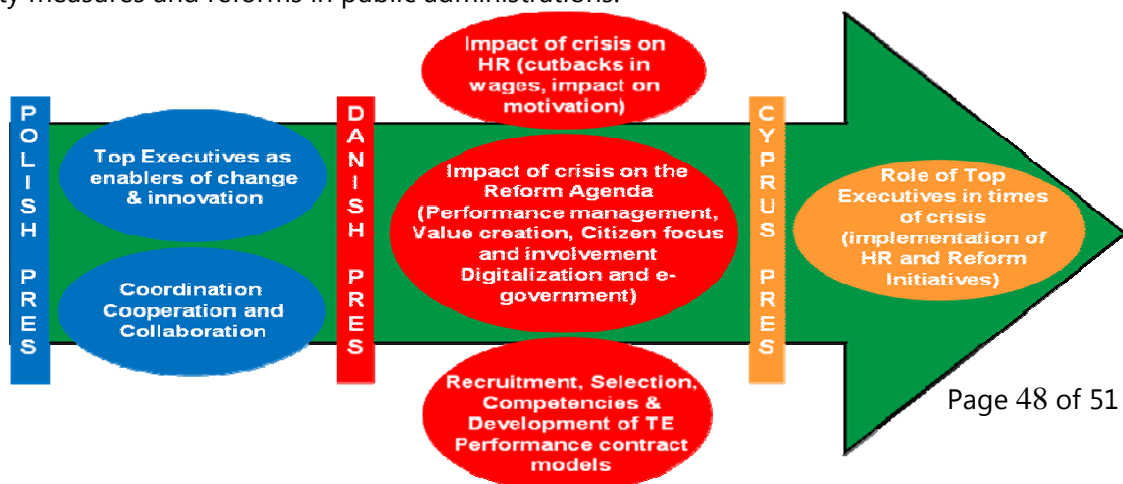
According to the MTP work programme, the Cyprus EUPAN Presidency will explore under the theme “In the wake of crisis” the subtheme of “The Role of Top Executives in times of crisis”. The aim is to build upon the discussions taken place and complement the work carried out during the Polish and Danish Presidencies under the aforementioned theme, within the spirit of continuity of EUPAN work and sharing experiences and knowledge amongst Member States (MS).

The purpose of this paper is to “set the scene” for the discussion on the topic of “The Role of Top Executives in times of crisis”, by providing a framework of understanding of the subject matter as well as some key themes, and to provide an outline of our methodology and next steps. In addition, EUPAN members are kindly requested to provide input on some questions (by 12<sup>th</sup> September, 2012) to kick-off the discussion during the joint HRWG/ IPSPG meeting (please see p.3).

This paper is intended to be an evolving document, constantly updated by the work that will take place during the Cyprus Presidency, and will be used as a methodological tool for exploring our Presidency’s themes, following the innovative idea and methodology introduced by the Danish Presidency in the thematic papers which were developed over its six-month term and provided a practical and valuable synthesis of the work and lessons learned within EUPAN.

### Role of Top Executives - Bridging with previous TRIO work

Within the context of Trio Presidency work, several interesting topics were explored under the two themes of the current MTP “In the wake of crisis” and “Top Executives”. The subtheme of “The Role of Top Executives in times of crisis” which will be explored during our Presidency falls under both themes of the current MTP, as reflected in the diagram below, considering the important role that Top Executives/ Top Public Managers (TEs/TPMs) have in implementing austerity measures and reforms in public administrations:



Through the work carried out during the Polish and Danish Presidencies under the two themes, it is evident that national public administrations went through many changes in an effort to deal with the new circumstances stimulated by the crisis. As a result, within the context of:

- taking reform measures in order for public administrations to become more effective and efficient through modernization and innovation of the public services (e.g. digitalization and e-government initiatives, citizen involvement, performance management),
- thinking beyond new public management,
- implementing austerity measures including cutbacks or freezes in pay and downsizing of the workforce, and
- designing and implementing efficient HR organizations leading to higher quality services,

it seems that the focus of the role of TPMs in national public administrations has shifted/ changed and become even more significant.

The above are reinforced in the DG Resolution of the 58th DG meeting in Copenhagen under the theme of "Top Executives" where it is mentioned that *"...TPMs are holding positions where they are largely responsible for creating the framework for resolving national and global challenges, for implementing reforms and the policies of the government. The economic crisis and financial cut backs require TPMs who focus on resource management, efficiency and results, practical implementation of reform agendas, organisational changes and new government programmes etc..."*

### **The focus of the Cyprus Presidency**

Based on the above, we plan, as a Presidency, to leverage on the relevant work carried out during the Polish and Danish Presidencies in order to establish the role of TPMs within the context of the crisis and identify what has been and is actually being done by TPMs in implementing Human Resource and other Reform Initiatives in national public administrations.

The focus of our Presidency will be to explore, together with EUPAN members, the changes/ shift of focus in the role of TPMs stimulated by the crisis and the challenges that they are faced with, to identify the new expectations from TPMs and the type of leadership needed to support the challenges and to consider the possible limitations encountered by TPMs in dealing with the challenges.

The discussion on the role of TPMs covers the following themes, aiming at engaging EUPAN members in a structured discussion and critical thinking process.

#### **Themes to be explored**

- Changes/ Shift of focus in the role of TPMs
- Scope, New expectations, Responsibilities, Strategic priorities, Behaviours of TPMs
- Main challenges for TPMs
- Barriers/ Limitations encountered by TPMs in dealing with challenges

- Activities/ Actions for driving the change
- Measures of success and monitoring

## Definition

### Top Public Managers

According to EIPA's study on Top Public Managers in Europe the common scope of Top Public Managers includes the levels of Directors-General, Directors and Heads of Departments. Within the context of this discussion the term may also include some lower management levels.

## Our Methodology

The aim of our Presidency is to engage in an exchange of knowledge and sharing of experiences jointly within HRWG and IPSG regarding the changes in the role of TPMs in national public administrations and the possible next steps forward in dealing with changes. Our methodology consists of the following:

### 1. Preparation prior to the joint HRWG/IPSG meeting - Request for input by EUPAN members

In order to kick-off the discussion and facilitate the sharing of valuable experiences amongst all EUPAN members, we kindly request your written input on two questions regarding the TPMs role in your public administration, **using the template at the end of this paper, which will also be sent to you separately, in word format, as "Template-ROLE OF TOP EXECUTIVES", for electronic completion.** The purpose of these questions is to reflect on the changing role of TPMs and on the possible actions to be taken in ensuring implementation of reforms initiatives.

The topic will be dealt with jointly within the HRWG and the IPSG. Therefore, we kindly ask that you coordinate internally within your HRWG/IPSG delegations for preparing your reply and send it by **Wednesday, 12<sup>th</sup> September, 2012** to the email address **eupan@cy2012eu.gov.cy**.

### 2. Joint HRWG/IPSG meeting (15-16 October, 2012)

During the Joint Meeting of the HRWG/IPSG on 15<sup>th</sup>-16<sup>th</sup> October, 2012 in Limassol, a case presentation has been scheduled to engage EUPAN members in critical thinking regarding the changing role of TPMs and a group discussion for exchanging ideas and experiences will follow based on specific questions.

### 3. DG Meeting (5-6 December, 2012)

After the HRWG/IPSG meeting, this paper will be enriched with material based on the case presentation, input from EUPAN members, discussions and reflections that will take place and the next version will be sent to EUPAN members for their comments. The final draft will be presented to the DG meeting where the discussion on the topic will be further continued.



## REQUEST FOR INPUT BY EUPAN MEMBERS TEMPLATE - ROLE OF TOP EXECUTIVES

Please use this template to answer the following questions regarding the changing role of Top Public Managers (TPMs) in the public administration of your country. Please use as much space as you wish.

<b>COUNTRY:</b>	
<b>RESPONDENT NAME &amp; Email:</b>	
<b>Member of HRWG or IPSG:</b>	

### Question 1

#### How has the role of TPMs changed as a result of the crisis?

*In answering the above question, you may reflect on (without being limited by) the following:*

- *Scope of the role of TPMs/ Shift of focus*
- *Strategic priorities (Decision making)*
- *New expectations and responsibilities from TPMs in the new order of things*
- *Behaviours of TPMs*
- *Communication of the changing role*

### Question 2

#### In your opinion, what can be done by TPMs to implement crisis-related reform initiatives?

*In answering the above question, you may reflect on (without being limited by) the following:*

- *Actions/ activities*
- *Measures of success*
- *Monitoring*