

'Senior leadership development programme in public administration'

Case study of a Latvian ESF project under the study 'Progress Assessment of ESF Support to Public Administration' (PAPA)



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion Directorate F- Investment Unit F1: ESF and FEAD Policy and Legislation

Contact: DG EMPL F1 EMPL-F1-UNIT@ec.europa.eu

European Commission B-1049 Brussels

Implemented by PPMI

PPMI Group Gedimino av. 50 LT-01110 Vilnius, Lithuania www.ppmi.lt

Contact:

Dr Vitalis Nakrošis, thematic expert (Programme Manager at PPMI) vitalis@ppmi.lt

Case study written by country expert Dr Iveta Reinholde

Specific contract No VC/2018/0771 under the Multiple Framework Contract No VC/2017/0376 for the provision of services related to the implementation of Better Regulation Guidelines

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Luxembourg: Publications Office of the European Union, 2020

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CONTENTS

Project background6
Senior leadership development programme in public administration
Introduction: the context of the project
Design and execution of the ESF-funded project9
Purpose of the ESF-supported project10
Implementation of the ESF project: main developments11
Conclusion: results, lessons learnt and the role of ESF financial support16
Main results16
Lessons learnt
Role of ESF support19
References
LIST OF FIGURES
Figure 1. Annual Conference of the Programme, 201713

PROJECT BACKGROUND

Senior leadership development programme in public administration		
Operational Programme	The project is supported under SO 3.4.2. 'Professional development of public administration, development of public service and social dialogue for support to small and medium-sized enterprises, anti-corruption and mitigation of the shadow economy', Priority axis 3: 'Competitiveness of small and medium enterprises' of the Operational Programme 'Growth and employment' for EU Structural Funds in 2014-2020	
Beneficiary organisation	State Chancellery	
Target groups	Senior managers – state secretaries, deputy state secretaries and heads of institutions and their deputies impacting directly or indirectly business environment	
Project duration	01/02/2016 - 30/06/2022	
Budget	EUR 926,094.00 (ESF contribution EUR 787,179.90)	
Project manager (email address)	Mr Edgars Spruksts, Consultant, State Chancellery (edgars.spruksts@mk.gov.lv)	
Partners	-	
Project/ organisation website	https://www.mk.gov.lv/content/augstaka-limena-vaditaju-attistibas-programma-0	

This case study was produced as part of the project 'Progress Assessment of the ESF Support to Public Administration' project, contracted by DG Employment, Social Affairs and Inclusion of the European Commission. The purpose of this project is to present specific cases of ESF-funded public administration reform and capacity building initiatives, as well as to show the role of ESF financial support to public administration, for the purposes of accountability. This report recounts the story of the project 'Senior leadership development programme in public administration'. It discusses the context and purpose of the project; the characteristics of the team implementing it; the main challenges faced and difficulties encountered during its implementation; key developments during the implementation process; the results and impacts achieved; as well as the lessons learnt and the contribution of the ESF.

SENIOR LEADERSHIP DEVELOPMENT PROGRAMME IN PUBLIC ADMINISTRATION

Introduction: the context of the project

The 'Manual of an Effective Manager', produced as part of the ESF-funded project 'Senior leadership development programme in public administration', begins with the words of a Latvian folksong. It then goes on to introduce the reader to 12 inspirational stories of managers from the country's public and private sectors. These stories are founded on the belief that change starts from inside a person - that it comes from the heart. Each of the stories reveals valuable insights into the life of an organisation, uncovering the crucial role played by senior managers and the extent to which the management can shape, develop, inspire, and expand the organisation. Similarities exist between the stories presented in the manual and the real-life stories of the leaders participating in the project. All of them are based on organisational values and networking. Several times during our meeting with the team behind the project, team members mentioned the role of modern and future-oriented management in public service delivery, as an integral part of modern and pro-active public administration. The project team -Mr. Edgars Spruksts, Ms. Līva Liepiņa, and Ms. Laura Dimitrijeva – are united in their vision towards the project. All three speak with one voice, and the deep understanding between the three is palpable. They see the project as a set of activities of strategic importance in changing the pace of public administration in Latvia, injecting the values of a user-centred approach, and preparing public administration to anticipate changes¹.

Rapid social and economic changes, together with the increasing adoption of ICT and the unfavourable demographic situation in Latvia, have placed the issue of the competences of every single administrator on the agenda of the country's authorities. Against the background of a complex and volatile environment, strong leadership helps to ensure the continuity of management – and is therefore essential to improving the efficiency, effectiveness and productivity of the public sector. But while technical skills had been regarded as extremely important within Latvia's public administration, 'soft' skills and leadership had been somewhat neglected since economic crises of 2008. From this perspective, 'Senior leadership development programme' was the right project in the right place at the right time – and, crucially, with the right team.

Political and administrative debate over the establishment of a senior executive system, together with a junior civil service, began in Latvia back in 2002. At that time, however, the debate initiated by the State Chancellery and public administration institutions failed to gain political support for a number of reasons. Arguments against the creation of a senior executive system included a wide range of assumptions based on its financial and psychological effects, such as the higher salaries of senior managers in comparison to the rest of the civil service; the negative effects of staff rotation among top management positions; and even a politically-motivated fear that senior managers would remain in their positions forever. At the time, such a senior executive service was expected to cover the top positions at each ministry (i.e. those of the secretary of state and deputy secretary of state), and the heads and deputy heads of government agencies, not exceeding a total of 300 persons.

¹ Valsts Kanceleja (2019), Augstākā līmeņa vadītāju attīstības programma. [The Senior leadership development programme]. Available at: https://mk.gov.lv/content/augstaka-limena-vadītaju-attīstības-programma-0 (accessed: 25 May 2019).

The debate over senior managers re-emerged in 2009/2010, during the economic crisis and the austerity measures imposed on Latvia's public sector. 'Law on Remuneration of Officials and Employees of State and Local Government Authorities' (2010) (known also as the law 'On the unified remuneration system') brought most senior managerial positions under a new system of remuneration. Under the new system the basic principles were set: 78% of salary is determined by the content, complexity and level of responsibility of a position, while the other 22% is determined by the employee's actual performance and professional experience³. Content, responsibility and complexity of the position are the key factors for classification of positions into 'job families' and levels specified in the Job Catalogue. Fixed monthly salary groups are determined for each level of the 'job family'. This law was applied to all positions, from the Prime Minister down to experts within each ministry or institution.

In 2014, Latvia's State Chancellery used a window of opportunity to proceed with the idea of developing competences for senior managers (i.e. heads and deputy heads) of public administration institutions. The project, 'Senior leadership development programme', which began in 2016 and will continue until 2022, is regarded as a new type of investment in public administration. As Mr. Jānis Citskovskis, Director of the State Chancellery, points out: 'Investments in existing employees are two to four times more financially profitable than searching for a new employee for the same position; for employees in managerial positions, it's as much as six times'⁴. The availability of ESF funding was crucial to the project gaining approval, as the backing of the State Chancellery alone would not have been sufficient to push the idea forward.

At the same time, in 2015, new research was published in Latvia on future skills for public administration⁵. This report highlighted the main difficulties faced by senior managers in public administration. Namely, that the work of future managers would be challenging and shaped by uncertainty and complexity, public trust, the limited resources available to accomplish tasks, a lean organisational structure, talent management and the culture of service delivery – as well as local and international mobility of staff⁶. The senior leadership development programme is a direct response to these future challenges. The same research on future skills within public administration also argued that in the light of increasing competition for human resources between the public and private sectors, it is crucial to create a favourable image of employment within public administration⁷. A recent public opinion poll shows the public sector is winning this battle – employment within the public administration is more attractive than employment in the private sector, with 55% of respondents indicating they would prefer to be employed within the public administration, compared to only 31.2% in the private sector⁸.

² The full title of the law is 'Valsts un pašvaldību institūciju amatpersonu un darbinieku atlīdzības likums' [Law On Remuneration of Officials and Employees of State and Local Government Authorities]. Available at: https://likumi.lv/doc.php?id=202273 (accessed: 25 October 2019).

³ Valsts kanceleja (2017), Cilvēkresursu attīstības politika. Atlīdzība. [Human resources development policy. Remuneration]. Available at: http://mk.gov.lv/lv/content/cilvekresursu-attistibas-politika (accessed: 4 July 2019).

⁴ Leta (2019), Citskovskis skaidro, kāpēc ieguldīt esošajos darbiniekos ir izdevīgi. Latvijas avīze. 2019.gada 9.janvāris. [Citskovskis explains why investment in staff is profitable. The newspaper 'Latvijas Avize'. 9 January 2019]. Available at: http://www.la.lv/citskovskis-skaidro-kapec-ieguldit-esosajos-darbiniekos-ir-izdevigi (accessed: 3 July 2019).

⁵ Baltic Institute of Social Sciences, ODA (2015), Pētījums par valsts pārvaldes lomu un attīstību nākotnē. [Research on role and future of public administration]. Rīga. Available at: https://www.mk.gov.lv/sites/default/files/editor/biss_petijums_lv.pdf (accessed: 30 June 2019).

⁶ Ibid., pp.117-118.

⁷ Ibid., pp.6-7

⁸ SKDS (2019), Kur labāk strādāt - valsts vai privātā sektorā? [Where is better to work - the public or private sector?] Rīga.

Special conditions already apply to senior managers in Latvia's public administration with respect to recruitment, entry and appointment, since the recruitment and selection of senior executives was entrusted to the State Chancellery in 2015. But despite the existence of some special conditions for senior civil servants, no formal senior status exists as yet in Latvia⁹. Although politicians and civil servants recognise 'senior civil servants' as a group of highly professional and experienced staff, the formalisation of this group is still to be pursued. Therefore, a separate commission is set up for each senior recruitment case, focusing on the strategic vision and competences of the senior official. In Latvia, top officials are recruited for a limited period (usually five years with possibility of extension). When the public sector can no longer offer new challenges and competitive remuneration, skilled and experience senior managers frequently leave to join the private sector. Differences in remuneration between the two sectors (i.e., public and private) places an additional pressure on the outflow of staff. Overall, public administrators¹⁰ receive around 43-55% of the pay received by their counterparts in the private sector¹¹. Thus, the Reform Plan 2020 set the goal to increase remuneration for public administration and to reach 80% of average median salary of the private sector¹².

Finally, synergies exist between the project's activities and the #GovLabLatvia initiative, which began in 2018. This initiative comprises three interdisciplinary 'laboratories' focusing on (i) better regulation and lower administrative burden; strategic human resource management; and (iii) the reputation and brand of public administration¹³. All three laboratories bring together people from the public and private sectors to identify new solutions to 'old' problems. The role of senior leaders is crucial in this process, because they will be responsible for implementing the resulting innovations within their organisations. Meanwhile, the Latvian School of Public Administration delivers training for the middle management of public administration institutions on topics close to the senior leadership development programme. This is another good evidence of a synergy tailored to bring transformational changes in the Latvian administration.

Design and execution of the ESF-funded project

During the period 2007-2013, ESF funding was allocated to the development of administrative capacity in Latvia, providing support to three measures: 'Better regulation policy'; 'Capacity building of human resources'; and 'Administrative capacity and development planning capacity building of planning regions and local governments'¹⁴. As set out in the Operational Programme, the rationale for public administration reform was that 'increasing the efficiency of public administration is an essential precondition for stable, sustainable and balanced development of society'¹⁵. However, many of the programme's original activities had to be revised due to the financial crisis that began in 2008, which made it necessary to balance public expenditure. Thus, for example, activities such as development of analytical skills within public administration, and

⁹ Kuperus H. and Rode, A. (2016), Top Public Managers in Europe. Management and Employment in Central Public Administration. Ministry of the Interior and Kingdom Relations. The Hague, the Netherlands.

¹⁰ This includes 14-16 monthly salary group like head of department in the ministries, head of institutions, deputy heads.

¹¹ Fontes (2018), Salīdzinošā pētījuma par atalgojuma datu aktualizēšana. [Comparative research on wages]. Riga, pp. 44.

¹² State Chancellery (2017), Public administration reform plan 2020. Riga, p.5.

¹³ Valsts kanceleja (2019), #GovLabLatvia: Latvijas valsts pārvaldes inovācijas laboratorijas. [#GovLabLatvia: Innovation labs in Latvian public administration]. Available at: https://www.mk.gov.lv/lv/content/govlablatvia-latvijas-valsts-parvaldes-inovacijas-laboratorijas (accessed: 25 April 2019).

¹⁴ Ministry of Finance (2011), Operational programme 'Human resources and employment' (for the period 2007-2013). Riga, p.187, p.2.

¹⁵ Ibid., p. 192.

research related to the future of public administration, were scaled back or cancelled as a result of the economic downturn.

Despite the austerity regime in Latvia, some *ad hoc* training was provided for experts in public administration during the programming period (2007-2013). Projects designed to support the introduction of quality management and the design of performance evaluation or cost accounting tools included elements of training for staff in public administration. Even though these training efforts were not systematic, they ensured the continuity of training and the upgrading of skills. No actions or training were carried out that specifically targeted senior civil servants during this programming period, but managerial decisions made during the economic crisis taught senior managers how to respond to policy challenges. The economic crisis and dynamic environment therefore set the stage for the project 'Senior leadership development programme' as an investment in addressing future uncertainties and emergencies.

Purpose of the ESF-supported project

The project has breathed new life into public administration in Latvia. The 'Senior leadership development programme' is deliberately designed to develop the competences of senior management and leadership within the public sector. The philosophical shift it brings, from thinking about 'managers' and 'bosses', to thinking about 'strategic leaders', is a reaction to a fast-changing environment, the need for more innovation and improved management processes, as well as the need to join with leaders in the private sector and speak with one voice. By focusing on comprehensive training and including key areas (e.g. financial management, ICT, rule of law, innovation, communication, leadership and strategic workforce planning) in the training curriculum, the State Chancellery, as a centre of government, aims to bring a systematic and 'whole-of-government' approach to the training of senior leaders. The primary target groups for the project are the heads of institutions (ministries and subordinated institutions) and their deputies impacting directly and indirectly business environment. Thus, these are senior managers in the line ministries and subordinated institutions (e.g. regulatory agencies and agencies delivering public services to businesses).

The project responds to long-standing challenges to the country's public administration that date back to the early 2000s. Policy fragmentation, together with a combination of strong vertical links but rather weak strategic coordination, were firstly observed by Sir Robin Mountfield, former head of the United Kingdom's Cabinet Office, in his report to the Latvian government in 2000¹⁶. Thus, after designing a policy planning system and putting in place several systems (like document management and performance appraisal) designed to improve inter-ministerial coordination, the Chancellery brought the staff and its competences to the forefront, because none of the above systems can operate effectively without adequate staff.

The project contributes to the implementation of the Latvian Operational Programme 'Growth and employment', and supports the achievement of priority axis 3 'Competitiveness of small and medium enterprises'. The priority axis 3 is structured around the priorities of promoting business activities; supporting SMEs in the regions; developing business-friendly public infrastructure; and providing investments in institutional capacity. There are two specific objectives regarding public administration. One aims to increase the capacity of the judicial sector by implementing the project 'Justice for growth' under the SO 3.4.1: 'Improve the competence of the staff of courts and law enforcement authorities to promote improvement of the business environment'. While the other aims to increase the capacity of public administration for better regulation - SO

¹⁶ Sir Robin Mountfield (2000), Public Administration Reform in Latvia. Unpublished report.

3.4.2: 'Professional development of public administration for development of better legal regulation in the fields of support to small and medium-sized enterprises, anti-corruption and mitigation of the shadow economy'. In total, seven projects have been implemented within the framework of the SO 3.4.2. These projects are tailored towards improving public services, human resources, social dialogue and developing the skills of top managers in public administration impacting directly and indirectly business environment, including the project 'Senior leadership development programme'.

The expected results of the project correspond to the indicator 'the number of people who have improved their professional competence in the development of better regulation in the areas of SME support, prevention of corruption, and reduction of shadow economy'. According to the Operational Programme, it is anticipated that an increase in the professional competences of administrators will equip them with new skills and ensure a more client-oriented approach, as well as leading to a reduction in the administrative burden of businesses. In order to achieve these results, the main activities of the project include the individual evaluation and development of competences, training, and the development of networks and platforms for the exchange of experiences. The project also includes the design of support and coaching tools to ensure the long-term, sustainable development of senior leaders.

The performance indicators for the project are as follows: 1,050 persons are to be trained in the development of better regulation, and 262 persons are to increase their professional competences. These numbers alone do not, however, reflect the real challenges and complexity of the project – nor the added value it delivers. Behind these numbers lie the ambitions to promote the public administration as the driver of innovation, and a friend of business. In other words, it is hoped that the training of senior leaders will bring about a 'snowball effect' in the public administration. Ms. Skaidrīte Ābrama, the head of the Competition Council, argued that the senior leadership programme provides an opportunity for self-development, with leaders being able to share their new knowledge with employees afterwards This also explains the rationale of the project, according to which the individual needs of senior leaders are tackled in the wider context of Latvian public administration as a whole. Thus, the project provides both development measures for the senior leaders, and broader public conferences and debates.

Implementation of the ESF project: main developments

The project began in 2016 with preparatory work for 'The Manual of an Effective Manager' to motivate readers and senior leaders to consider the role of leadership within public sector organisations. This guide covers key leadership-leader competencies, and offers both practical advice and self-analysis steps to help managers improve their competencies, as well as experiences and inspirational stories from outstanding personalities in various fields. The manual in a way is a self-reflection and self-development book for transformations towards learning as the key developmental pattern. Strategic vision, building and maintaining relationships, staff motivation, team management, awareness of organisational values, focus on development and results, change management and ability to make responsible decisions - these are the core

¹⁷ Valsts Kanceleja (2019), Augstākā līmeņa vadītāju attīstības programma. [The Senior leadership development programme] Available at: https://mk.gov.lv/content/augstaka-limena-vaditaju-attistibas-programma-0 (accessed: 25 May 2019).

¹⁸ Valdības māja (2018), Augstākā līmeņa vadītāju attīstības programma. [Youtube account of State Chancellery. The Senior leadership development programme]. Available at:

https://www.youtube.com/watch?time_continue=34&v=hvCOM_q7-pA (accessed: 25 May 2019).

¹⁹ Gaile, A. and Pavlova, M. (2017), Efektīva vadītāja rokasgrāmata. [Manual of an Effective Manager]. Valsts kanceleja. Available at: https://www.mk.gov.lv/sites/default/files/editor/efektiva_vaditaja_rokasgramata.pdf (accessed: 5 June 2019).

competences endorsed by the manual, later implemented by the project and finally integrated into the administrative routines of Latvia's public administration. During our interviews with members of the project team, a key phrase was mentioned several times: 'the project is a set of strategic actions'. The team later explained that structuring events under the title of the year, and structuring all development actions around key competences, helps in the communication and overall management of the project.

During 2016, a number of events took place that were aimed at individual needs (e.g. the evaluation of competences based on interviews and the 360-degree approach), as well as wider public formats such as conferences and discussions. One such public event was an annual public administration conference consisting of a regional session and a centrally located session in Riga. The conference aimed to discuss the government performance, analysing the Estonian and Dutch experience as the case studies²⁰. Along with the conference, the first streams of individual development plans and managerial competences were conducted for the secretaries of state and their deputies²¹.

The 'Manual of an Effective Manager' was published during the first weeks of 2017, marking the first year of the project and delivering an easy-to-use guide for inspiration. 'Performance management' was the main theme of 2017, with a cycle of conferences and public events along as well as the second and third streams of individual development plans. At the same time, performance management was included as a government priority in the Reform Plan 2020²². Conferences and discussions during 2017 covered performance management from many perspectives, such as the principle of 'Advise first', plus lectures on customer-centred governance, reducing administrative burden, and key performance indicators. Lectures were delivered on 'U' theory and team building, in order to encourage the development of individual leadership competencies. Training was given via experience exchange seminars with senior managers from the private sector, who brought valuable insights into how the same issues are viewed in business. Examples in 2017 include an experience exchange delivered by Citrus Solution, a private telecommunication company, and Luminor, a private bank. The principle of 'Advise first' was a joint initiative by the Ministry of the Economy and the Office of the Prime Minister, but the project team found a way to spread the idea to senior managers and to demonstrate the benefits of changes in organisational culture - both to communicate with businesses, and to explain the substance of regulations, rather than issuing immediate fines. The idea of 'Advise first' resulted in the memorandum of understanding signed between public administration institutions (more than 20) and business representatives²³.

In order to structure events around the calendar year and ensure the strategic and logical sequencing of all activities, the project team came up with a 'The topic of the year' approach from the very first days of the project. Usually, the topics of the year reflect some contemporary issue of relevance to public administration that is widely debated across Europe. During the

²⁰ Kasemets K. (2016), Can the Government's performance be measured? Ministry of Economy and Communications. Available at: https://www.mk.gov.lv/sites/default/files/editor/governments_performance_est.pdf.

Douglas S. (2016), In Search of Successful Government. Utrecht School of Governance. Available at: https://www.mk.gov.lv/sites/default/files/editor/in_search_of_successful_governance_-_sc_douglas_-_v20161007.pdf (accessed: 30 October 2019).

²¹ Valsts Kanceleja (2019), Augstākā līmeņa vadītāju attīstības programma [The Senior leadership development programme]. Available at: https://mk.gov.lv/content/augstaka-limena-vadītaju-attīstības-programma-0 (accessed: 25 April 2019).

²² State Chancellery (2017), Public administration reform plan 2020. Riga, 2017.

²³ Ekonomikas ministrija (2017), Vienojas par sadarbību "Konsultē vispirms" principa ieviešanā. [Agreement on cooperation for implementation of the principle 'Advice first']. 15 June 2017. Available at: https://em.gov.lv/lv/jaunumi/15527-vienojas-par-sadarbibu-konsulte-vispirms-principa-ieviesana (accessed: 23 August 2019).

project implementation, the topic of the year has become as central as competency evaluation and training modules.

Partly in reaction to international events (such as the annexation of Crimea), and with the aim of equipping leaders to develop communication strategies, the main topic for the year 2016 was 'Strategic communication'. Activities under the banner were supported by the NATO Strategic Communications Centre of Excellence.

The conference 'Leadership Conference 2017: What scale is my map?' was a major event that year. It brought together senior leaders to debating performance management and KPIs for organisations and individuals, touching upon the latest trends across Europe. It was admitted that this programme provides an opportunity to review contemporary trends and understand how they happen in the world – not just to mutually share information, but to accumulate new knowledge²⁴.

Figure 1. Annual Conference of the Programme, 2017



Source: State Chancellery (2017). Picture taken during the presentation on a manager as leader in the creative world.

In line with the theme of the year 2017 'Performance management', several study visits were organised to the UK and Belgium. Ms. Dimitrijeva of the project team explains that the project team looked to the UK in search of inspiration, as the experience of other OECD countries have also been valuable to the Latvian public administration. The UK has long been a source of inspiration for policy development, as the first attempts at public administration reform in Latvia had been informed by the UK's experience²⁵.

Training modules, based on training needs and delivered in small groups, aim to improve the knowledge and skills of senior leaders. All training modules offered under the project are structured around key competences. Modules include 'Finances and public administration'; 'The rule of law and public administration'; 'ICT and public administration'; 'Communication and public administration'; 'Strategic workforce planning'; 'ABC of the Effective Manager'; and 'Challenges of future leader'. As trainer Ms. Gitāna Dāvidsone explains, training modules not only deliver knowledge, but also require institutions to implement the designing of plans for change

²⁴ Valdības māja (2017), Augstākā līmeņa vadītāju attīstības programma. [Youtube account of State Chancellery. The Senior leadership development programme]. Available at: https://www.youtube.com/watch?v=eHBmj0p_nj0&t=42s (accessed: 25 May 2019).

²⁵ Palidauskaite J., Pevkur A., Reinholde I. (2010), A comparative approach to civil service ethics in Estonia, Latvia and Lithuania. Journal of Baltic Studies 41, pp. 45-71.

management. This ensures a practical element, and the immediate application of the new information. During his interview, Mr Svens Henkuzens, Head of the State Agency of Medicines, admitted that 'ABC of the Effective Manager' had turned out to be a valuable module, as it provided methods to increase productivity.

The year 2018 was devoted to public services. Under this theme, the project team highlighted the themes of digital transformation, redesign, design thinking, and a user-centred approach. As a topic, public service supports the implementation of a memorandum of understanding (MOU) signed by the Ministry of Regional Development and Environmental Protection and LIKTA, the association of IT businesses, towards a data-driven nation by the end of 2020. An implementation plan for the MOU divides its action into three pillars: the democratisation of data; the involvement of a data-driven nation in governance and decision-making; and data-and technology-driven innovations. All three pillars aim to simplify and digitalise public services, making them more user-friendly. Again, training, discussions and conferences allowed senior leaders to be introduced to practical tools and instruments for the implementation of public service redesigns. As a result of training and discussions, Mr. Svens Henkuzens brought about some changes at the State Agency of Medicines. The Agency now possesses an innovative 'whiteboard' accessible to staff, which can be used to suggest all kinds of ideas gearing towards smarter working. In addition, the Agency has moved towards offering a greater number of eservices in order to balance accessibility and consultations with staff workload.

The quantity of activities carried out in 2018 was equal that of previous years, with an annual conference under the topic of the year, workshops on public service redesign, thematic lectures on public services and a visit to the Danish public administration. Meanwhile, the project continued to implement training modules, a 'Mentor, coach and supervisor programme' and a wellbeing programme. A new activity that year, the thematic workshop on public service design, brought together the largest public service providers and service designers in public administration, with the aim of achieving new levels of speed and simplicity in the delivery process. In response to a recommendation received by Latvia from the Commission in 2017 to simplify and improve public services²⁷, senior leaders were alerted to methods of achieving smarter operation within institutions and simplifying public services. This was achieved during workshops in a friendly, open, practical atmosphere. The workshops were inspired by local, experience-sharing visits to *Infogram*, the IT enterprise, and Enterprise Register and Rural Support Service, which are both public administration institutions.

The main topic for 2019 is 'Innovation and experimentation', promoting the discussion of public sector innovations and the roles of managers in this process. Practical workshops, lectures, and inspirational debates contributed to the OECD Declaration on Public Sector Innovation²⁸, which was approved in May 2019. The opening event on the year's theme drew attention to new methods applicable to the everyday lives of managers, and discussed the role of policy experiments in a new light. The Innovation Manifest of Senior Leaders, designed in October 2019, will serve as the roadmap for all leaders of public sector in Latvia towards innovation

https://www.mk.gov.lv/sites/default/files/editor/ddn_plans_12.09_0.pdf (accessed: 25 July 2019).

²⁶ Vides aizsardzības un reģionālās attīstības ministrija (2017), Memoranda 'Par kopīgiem mērķiem Latvijas digitālās transformācijas procesā un datos balstītas sabiedrības un valsts attīstībā rīcības plāns 2017 -2020'. [Ministry of Regional Development and Environmental protection (2017), the Action plan 2017-2020 for the memorandum 'On objectives for development of data-based society and Latvian digital transformation']. Available at:

²⁷ European Commission (2017), Commission staff working document. Country Report Latvia 2017. Brussels, 22.2.2017 SWD(2017) 79 final, p.40. Available at: https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-latvia-en.pdf (accessed: 29 June 2019).

²⁸ OPSI (2018), OECD Declaration on Public Sector Innovation – Public Consultation Open through 22 February. Available at: https://oecd-opsi.org/declaration-consultation/ (accessed: 3 July 2019).

culture. Again, best practice visits to *Brabantia Latvia*, the producer of innovative household products, Design Factory at Riga Technical University, and Road Traffic Security Directorate were a valuable source for inspiration. In addition, a visit of state secretaries to Finland, which is perceived as the leading public sector innovator in the EU, should be mentioned.

The cross-cutting activity that has taken place throughout the project is the regular assessment of managerial competencies, and the design of individual development plans based on interviews and a 360-degree assessment of competencies, with a two-year cycle of reassessments. The assessment serves as the basis for the design of individual development plans with relevant curricula, which is carried out jointly by senior civil servants and assigned experts/mentors. Even though participation in training is voluntary, the individual development plans and their follow-up keep development on a goal-driven track. Ms. Liepiņa states that the project helps to achieve another ambition of the State Chancellery – to be a competency centre for senior leaders, in addition to being responsible for their centralised selection and recruitment.

The development programme was originally designed for the leaders of institutions impacting directly or indirectly business environment. Therefore, business is an integral part of the project's activities. Business leaders, regardless of the size of the business, are invited to chair sessions and deliver lectures at events. Second, the programme includes knowledge transfer between the public and private sectors, where study visits to enterprises are part of the learning process. Study visits and close cooperation with small and medium enterprises make it possible to understand the perspective of entrepreneurs. Third, the strategic planning meetings that are aimed at evaluating events and plans for the next project stage could not be held without suggestions from private businesses, which bring their own visions and proposals.

One challenge has been the communication of the project's results, both at a political level and to society as a whole. Modern trends in public administration are difficult to explain to the wider public, as their acceptance depends on the level of maturity and openness in society. For instance, debates on burnout among senior managers have provoked negative attitudes among the public²⁹. The dilemma is visible – everyone wants to receive high-quality public services and friendly communication, but not everyone wants to know that administrators and senior leaders might be tired, exhausted, stressed, and feeling undervalued. Most importantly, the senior leadership development programme highlighted the maturity of society, in terms of the extent to which every individual, and society as a whole, are ready to be responsible for their own lifelong education. The project team and senior leaders interviewed all agreed that while society lives with the illusion that the education system should provide a toolkit for their entire professional life, the dynamics keep changing. The project has helped to open a wider debate on the philosophical issues surrounding public administration – to what extent public administration can be inexpensive, and whether such public administration is capable of delivering high-quality services.

At the same time, leaders in public administration differ in terms of their educational background, experience and seniority. Thus, their level of knowledge differs too –creating another challenge that the project team had to address. In addition, the Latvian public administration consists of some institutions at the forefront of modernisation, and others that lag behind. Some leaders are active participants in events while others never attend, making excuses that they are too busy. However, the project team hopes that peer pressure and the positive benefits of

²⁹ Kokoreviča D. (2019), Apzinātības treniņi par valsts naudu: augstākā līmeņa vadītāji apgūst 'sevis atrašanu'. Latvijas Avīze, 2019.gada 3.janvāris. [Mindfulness training for public money: how top managers learn 'finding themselves'. The newspaper 'Latvijas Avize', 3 January 2019]. Available at: http://www.la.lv/apzinatibas-trenini-par-valsts-naudu. (accessed: 30 June 2019).

networking will change the minds of non-attendees and 'over-busy' leaders. To ensure all senior leaders remain informed, the project team decided to communicate with them directly. By avoiding organisational chains of communication, letters and assistants, the project team hopes to discover leaders' actual needs and collect feedback via a joint mailing list and face-to-face communication. Involving the human resource departments of institutions also enabled them to see the attendance discipline of their senior leaders. Indirectly, this placed peer pressure on leaders, as leadership behaviour sets a tone and a benchmark for the whole institution. This turned out to be the networking glue necessary to bind together a diverse community of senior leaders.

Conclusion: results, lessons learnt and the role of ESF financial support

Main results

At the outset, the project's target groups consisted of 64 institutions and 159 participants. However, by the middle of 2018, these had expanded to 71 institutions, reaching 183 participants – heads and deputy heads of institutions within the central level. Over the years, the number of events has increased significantly, reaching 57 events in different formats (from 1-hour long events up to 2-day events or longer programmes) by mid-2019. The participation rate since the beginning of the project has now reached 1,321 participations by mid-2019³⁰. Some of these are one-off participants, other have attended multiple events. Implementation of the project is in line with the planned indicators, and the approach of the project, based on flexibility and communication, is bearing fruit. Leaders within the public administration are applying new ideas and knowledge in practice, as well as undertaking experiments and looking for possible improvements. Thus, the project has reached maturity, achieving popularity, and a 'networking effect'.

To sum up this progress, the project has already achieved some relevant outcomes that will deliver multiple benefits that will become apparent over the coming years. Namely, senior leaders are recognised as an important resource and a driving force within the public administration. Networking between leaders strengthens communication and inter-sectoral cooperation, enabling solutions to be found to simple, everyday issues, as well as 'wicked' problems. Meanwhile, the cascading of ideas and skills down to middle-management level within the institutions is a by-product of the project. For example, the Ministry of Regional Development and Environmental Protection has created its own 'Academy' as a knowledge and resource centre to share new ideas and knowledge (including soft skills) among the employees of the Ministry. Developments such as this demonstrate that the project, with its training modules on transformational management, is a vibrant generator of new approaches.

At the end of her interview, Ms. Dimitrijeva concluded that the achievements of the project measured in terms of its indicators do not fully demonstrate the full picture. Feedback from training sessions indicates a number of additional, intangible achievements. Leaders now acknowledge that, thanks to the project, they know each other better – which makes problem-solving easier and quicker. In fact, as Ms. Dimitrijeva noted, the training contributed also to team building among senior leaders. This statement recalls the ideas on the senior civil service expressed in 2002, when white papers were drawn up to recognise that senior leaders are crucial resources for public administration, and that their decisions affect the way in which organisations work. In comparison to 2002, the project taken those ideas that were just written on paper, and turned them into a real-life, working model. This is an important step towards creating a public

³⁰ Data from the project team as it was at 30 June 2019.

administration that is modern, productive and effective. According to a 2018 survey covering 106 central-government institutions, 71% were conducting customer satisfaction surveys, and 28% had already developed their own user-based standards for better service delivery³¹. In addition, 75% of institutions reported that user satisfaction has an impact on the training of staff, and also upon the re-engineering of business processes in 67% of institutions³². Latvia scores above the EU average in terms of inter-ministerial coordination (ninth in the EU in 2018) and strategic planning (fifth in the EU)³³. Although these results were achieved by building the system on policy design and planning, senior leaders are crucial elements within this system because they ensure implementation strategies, planning documents and visions.

The training programme is also popular among leaders, regardless of the generation they represent. As Mr. Svens Henkuzens, Head of the State Agency of Medicines, pointed out: leaders finally get the feeling that the civil service is inclusive, and that the impact of leaders' everyday decisions on their employees, organisations and resources is being recognised. Thus, investments in the skills and knowledge of senior leaders can pay back within a couple of years in the form of higher productivity and satisfied citizens. Mr Henkuzens, a graduate of the Dutch university, represents a younger generation of leaders in Latvian public administration. Having gained experience working in the international arena, Mr Henkuzens has returned to Latvia, where he views his work in public administration as motivating, challenging and interesting.

Ms. Elita Turka, Deputy Secretary of State at the Ministry of Environmental Protection and Regional Development, is an example of the generation who started their professional careers during Soviet times. At the same time, her educational path - with three degrees in different fields (economics, finance and law) - highlights the trend towards self-development, as she consistently invested in her skills. Having been employed at municipal level since early 1990s, and working in central government for the last 10 years, Ms. Turka is convinced of the effectiveness of investments in developing management skills within administration. Despite their differing experiences of public administration, both Mr. Henkuzens and Ms. Turka are positive about the outcomes of the programme, seeing the provision of valuable skills as an asset for the future. 'You can feel the benefits,' was Ms. Turka's immediate response.

Even the current mid-way point of the project, sustainability is an issue to be considered. Indeed, concerns over sustainability and continuity are the most serious for the project. 'Senior leadership development programme in public administration' is a typical 'soft' project, and an investment in human resources is politically hard to justify in comparison to an investment in infrastructure or tangible objects. Investments in human resources are also hard to justify to the wider public, particularly in the light of regular, pre-election promises for a smaller, cheaper and smarter public administration. Ms. Gitana Dāvidsone, a trainer in the project, assumes that networking as a value-sharing instrument will create the stimulus needed for future self-driven changes. The team is sure that networking of senior leaders will contribute to the sustainability of results achieved during the project implementation, as well as it will be a significant investment strengthening civil service ethos.

³¹ Kantar TNS, Jaunrades laboratorija (2018), Integrēts Publisko pakalpojumu sniegšanas un gala lietotāju vajadzību monitorings. [Integrated monitoring report on public service delivery and user needs]. Riga, p.34.
³² Ibid.

³³ Reinholde I. (2019), Public administration characteristics in Latvia. Unpublished report of the EUPACK2019 project.

Lessons learnt

The implementation of the project has highlighted some key lessons learnt. Aligning the project with recent trends in public administration, as well as the reform agenda of the Latvian authorities and the European Commission's recommendations in the field of public administration, has been relevant in justifying the project and creating synergies with national and international perspectives. The activities of the ESF project 'Senior leadership development programme' support the implementation of political priorities for public administration reform expressed in Reform Plan 2020; namely, improving the reputation and productivity of the civil service. The #GovLabLatvia initiative, with its search for brand-new solutions to 'old' problems, is also a good example that highlights the close relationship between the ESF project and the country's policy agenda for the modernisation of public administration. Senior leaders are active participants in the modernisation process. Besides the development programme, the State Chancellery established #GovLabLatvia innovation laboratories which turned out to be a perfect place for representatives of public and private sector, including senior leaders to test their new skills, experiment with modern ideas, and become 'de facto' agents for change.

The sound design of the project 'Senior leadership development programme' is another key factor in its success. A clear vision of the project's goals, a broad and complex approach to managerial needs, and the careful synchronisation of diverse actions, has allowed the team to keep the project on track, providing added value to the target group. Training has also been well integrated into activities aimed at organisational development, making it beneficial to the organisations that the senior leaders represent.

Due to the small size of the Latvian public administration, many senior leaders may be trained as trainers to tutor the next generation of leaders and to assist in the introduction of an on-the-job-training system tailored towards newcomers to managerial positions. Further leadership development, whether within or outside the framework of the project, could be organised around the main groups of leaders – newcomers and those with long managerial experience. Both groups are valuable assets to the public administration, and their joint progress could form a solid foundation from which to drive changes in administrative culture because, as Ms. Gitāna Dāvidsone put it, 'The organisation is a mirror of the leader'.

Whatever the scope and size of a project, ownership is a vital element in its success. The project team has enjoyed high-level support from director of the State Chancellery. Together with informal communication with the target group, this support has generated trust within the community of senior leaders both in the project itself, and in its new ideas for modernisation. The project clearly demonstrates that strong leadership and committed ownership is essential to make any new initiative work.

Finally, the project team has demonstrated an effective approach to communication, one of the main challenges during the project's implementation. During her interview, Ms. Dimitrijeva of the project team acknowledged that the project had faced a cautious attitude among senior leaders at the beginning. Once the project team embraced informal and direct communication with senior leaders, the level of cooperation changed substantially. At the very beginning of the project, Mr Mārtiņš Krieviņš, the former director of the State Chancellery, initiated informal debates during meetings with the secretaries of state. This channel ensured the commitment of the state secretaries to the training programmes, as well as allowed to ascertain needs at both individual and organisational levels. The project team confirmed that the current director of the State Chancellery, Mr Jānis Citskovskis, continues to use this informal approach to build the

network of senior leaders. High-level support from the director of the State Chancellery has been very helpful ever since the beginning of the project, the project team admits.

Well-designed training that is relevant to the main target group is a useful long-term benefit of the project. As a classical 'soft' tool, training is inclusive and helps to build a public sector ethos. By providing training, the project represents an investment in the neutrality and professionalism of the country's public administration, whose scores are now likely to improve in future international indices.

Role of ESF support

It is clear that without ESF support, this project would not exist. Political attention would instead have switched to 'hard' investments. Any investment in infrastructure offers tangibility – a factor that plays an important role for shaping political and even administrative decisions. ESF support for this project and its outcomes will be reflected in the indices measuring the professionalism, neutrality and effectiveness of public administration in Latvia for at least the next five years – and probably beyond. In 2017, the European Commission noted that providing greater flexibility to senior leaders with respect to staff, efficiency, and the re-investment of savings accumulated through increased efficiency and productivity, will lead to a leaner and more professional public administration³⁴. Thus, by providing its support and recommendations, the EU contributes to the application of a modern managerial approach to reform implementation, and presents new perspectives in which design thinking, innovation laboratories and agile project management foster modernisation within public administration.

Traditionally, public administration reforms in Latvia have been communicated politically in terms of savings on public expenditure. Naturally, it will be somewhat challenging politically to explain and justify the cost of this project to Latvian society if it had been fully financed from the national budget. In fact, the ESF encourages Latvia to apply transformational methods, thus speeding up reforms and pushing forward the search for more strategic approaches. Without support from the ESF, the project and its central ideas would have slowed down and followed an incremental style. In addition to this, in the fierce battle for public funding, public administration reform might lose out to other policy sectors.

Implementation of the modernisation reforms has been uneven across policy sectors due to uneven administrative capacity. The centre of government and line ministries have accumulated considerable experience, while subordinated institutions are still catching up. Benefits gained from administrative capacity generally materialise in the long term, during the following electoral and government cycle, while implementation costs are incurred in the short term. Thus, line ministries might be reluctant to launch grand reforms requiring major efforts unless part of the costs are covered by external support such as the ESF. This project tackles the problem of uneven administrative capacity by pushing reforms forward across the whole administrative system. Meanwhile, the ESF support during 2021-2027 programming period could contribute to keeping the boost and increasing benefits of investments already made, as well as providing continuous support to senior leaders for implementation of reforms.

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³⁴ European Commission (2017), Commission staff working document. Country Report Latvia 2017. Brussels, 22.2.2017 SWD(2017) 79 final, p.39. Available at: https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-latvia-en.pdf.(accessed: 29 June 2019).

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