

# Public Service Leadership

## Responsibility for the common future

Public Service Leadership cooperation group

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## **PUBLIC SERVICE LEADERSHIP - RESPONSIBILITY FOR THE COMMON FUTURE**

Opening of a dialogue by the Public Service Leadership cooperation group for the development of leadership in public administration in the 2020s

*Finnish public administration is the cornerstone of democracy and sustainable development.*

*The shared identity and value base of public service leadership are created through mutual dialogue.*

*Building sustainable public administration requires bold leadership and systematic support.*

Good public service leadership is built on these foundations. Every leader, whether a political decision-maker or a public service leader, contributes to ensuring that public administration as a whole functions and safeguards the well-being of the Finnish society. The identity, value base and professional approach to leadership in public management must be further strengthened, and a new kind of partnership must be built throughout the public sector. The cooperation group proposes that a joint, broad-based discussion and preparation process be launched to outline the principles of public service leadership and to implement them.

# 1 Finnish public administration is the cornerstone of democracy and sustainable development

**In an unstable world, the capacity of public administration to serve and function safeguards the success and well-being of Finnish society as a whole**

The good public service leadership is based on the view that, in the years to come, the Finnish public administration will continue to serve as a representative example of a Nordic model capable of reforming itself. In this model, a responsible and effective administration is a national success factor. The rule of law, well-functioning administration and good public services also strengthen citizens' trust and the functioning of democracy in a situation where the world is moving into the new and unknown. Social, economic and ecological sustainability are constantly being tested.

Public administration is reformed as a whole and in cooperation between citizens and different societal actors in order to safeguard the stability and integrity of society. The ever-increasing demands of citizens require well-functioning relationships and an equal partnership between the state, municipalities and well-being services counties. They also require adopting more flexible, network-like forms of work and service provision. Partnerships and co-development with companies and third sector organisations strengthen the functional capacity of the whole society.

## **The good of society grows from mutual trust**

Public leaders are important contributors to building the well-being and good governance of the nation. Both political and public service leaders have a role to play. Good leadership ensures the openness of public administration, equality and opportunities to participate for citizens, and societal impact. The task is made more difficult by the segregation of the population and the phenomena that threaten the integrity of society. Trust between actors is the prerequisite of success.

The complex and tension-filled societal issues force leaders in the public sector to constantly work under conflicting pressures. Their success is supported by a solution-oriented approach, which is an integral part of the Finnish public service leadership,

and the good personal abilities of the leaders. The leaders are required, among other things, to understand society and its phenomena, manage matters as entities, have interactive skills, use goal-oriented and enabling working methods, practice ethical leadership and be willing to grow as leaders. When the goal is a human-centred approach to public management, it means using a customer-oriented approach and enabling inclusion, as well as good people management and the development of work communities.

## **Leaders are responsible for the delicate balance between continuity and change**

The work of public sector leaders is subject to increasing and sometimes tension-filled demands. Their work is influenced, among other things, by the following key change factors:

- increasing complexity of societal issues;
- demand for a new kind of joint problem solving and partnership between municipalities, the state and the well-being services counties;
- the emphasised role given to the significance of public leadership, public interest and responsibility in the context of important societal issues;
- the pressures against the value base of leadership, such as trust between different parties, and requirements for sustainable development;
- the importance of a well-functioning division of labour and interaction between the political and public service leaders to enable sharing of responsibility for future generations;
- an increasing demand for publicity and transparency and good relations with citizens; and
- the need to update the image of a good leader to meet the needs of the changing working life, and the need to support the work and development of leaders in a determined way.

The rapid change in the operating environment further emphasises the importance of good leadership and brings new focus areas to management. In the wake of the COVID-19 crisis and emergency conditions, the demands for multi-locality and use of new technologies in service and operational processes, among others, have increased. Leaders and managers must have increased readiness to manage decentralised organisations and to free up human resources.

## **2 The shared identity and value base of public service leadership are created through mutual dialogue**

The identity and shared values of public service leadership are reinforced by mutual dialogue and the shared understanding of the role of public administration and the significance of its duties in Finnish society. For public administration to interact closely with other sectors, it needs not only a clear identity but also an understanding of its special features and similarities with the management of other sectors. A good partnership also requires good self-understanding. The best public administration and leadership in the world evolve through interaction, learning also from corporate management practices, both nationally and internationally. At best, the learning process is reciprocal.

### **Public service leadership means doing meaningful and responsible work that serves the well-being of the whole society and democracy**

The work done by leaders in public administration is meaningful and responsible work at the service of the whole society and the public interest. Well-functioning administration and good public services also strengthen citizens' trust and the functioning of democracy. This is supported by citizens' opportunities to participate and customer-oriented approach to development. The task of public service leaders is to ensure that everyone has an opportunity to be included.

The aim is that public service leadership functions as an entity, making use of flexible structures and partnerships, and thus secures comprehensive sustainable development and provides for a dynamic society. New challenges require continuous renewal of both administration and leadership and, above all, equal partnership, new problem solving approaches and practical cooperation between the state, municipalities and the well-being services counties.

“The work done by leaders in public administration is meaningful and responsible work at the service of the whole society and the public interest” - (98%)

“A well-functioning public sector strengthens the functioning of democracy.” - (98%)

“A well-functioning administration and good public services produce added value for businesses and the national economy.” - (97%)

(Public service leadership survey 2021/Ministry of Finance - shares of “agree” and “fully agree” responses)

## **Solid value base of public service leadership secures sustainable societal development**

The permanent foundations of public service leadership consist of such matters as equality, service principle, openness, trust, strong expertise, impartiality and independence. The changes in the operating environment put the emphasis on comprehensive sustainable development of activities, profitability, knowledge-based decision-making and truthfulness. Public service leaders are increasingly expected to show both courage and responsibility at the same time. Leaders have a special responsibility for future generations.

In good governance, decision-makers, public officials and office holders alike are ethical leaders and therefore responsible for strengthening the integrity and trust of society. Their task is to serve as personal examples and to ensure that values such as trust are realised within the administration and in relations between the administration and citizens and partners. Foundations for ethical leadership are created by the leaders' own well-being, mental maturity and good self-knowledge.

“Public administration actors are committed to a common value base.” - (53%)

“Public activities and decision-making are guided by a knowledge-based approach.” - (52%)

“Public service leadership is fully open and transparent.” - (38%)

“The negative aspects of publicity disproportionately hinder the work of leaders in public administration.” - (36%)

“Public administration operates in a human-centred manner.” - (36%)

(Public service leadership survey 2021/Ministry of Finance - shares of leaders responding “agree” and “fully agree”)

## **Responsibility for future generations requires a clear division of labour and functional relations between political and public service leaders**

The aim is to coordinate political leadership and public service leadership so that the objectives and implementation of leadership consistently carry from one government term to the next. This way we also bear responsibility for future generations.

Clear division of labour, mutual trust and well-functioning relations between political and public service leaders strengthen the entity of public management and societal impact. The independence and professionalism of public officials and office holders are important for the trust capital of the administration and the realisation of the public interest.

“Public organisations bear responsibility for future generations as well.” - (60%)

“There is a clear division of labour and good relations between political and public service leaders.” - (53%)

(Public service leadership survey 2021/Ministry of Finance - shares of leaders responding “agree” and “fully agree”)



### 3 Building sustainable public administration requires bold leadership and systematic support

#### Every leader must be given resolute support as part of the evolving professional community of public service leaders

The entire public service leadership system must be developed in a determined manner for the Finnish public administration to be able to respond to future challenges in a sustainable manner. The objective is that the public service leadership would function in an exemplary manner and that public service leaders would form a constantly evolving professional community of high professional and ethical standards at the service of society.

“The public employers provide adequate support for leaders to succeed in their duties.” - (30%)

“In public administration, leadership has been reformed so that it meets the future working life needs.” - (28%)

“The public employers provide adequate support for the well-being of leaders.” - (22%)

“Poor leadership is effectively addressed in public organisations.” - (16%)

“Good management is adequately rewarded in public organisations.” - (11%)

(Public service leadership survey 2021/Ministry of Finance - shares of leaders responding “agree” and “fully agree”)

#### From mutual dialogue to collaboration in public administration

The objectives can only be reached if the development of leadership is based on a common view of the requirements for future leadership and the efforts taken are systematic and of high standard. Public employers must be able to attract people with the

capacity to develop themselves to their service and leading positions, and they must support their success and promote their development and mobility between different positions in public administration.

The development work should involve the political leaders as well as the leaders and other staff in public organisations. Dialogue and comprehensive collaboration in developing leadership is particularly important between the state and municipalities.

### **In developing public service leadership the path towards a common goal must be clear**

The cooperation group proposes that the Ministry of Finance, together with the Association of Finnish Local and Regional Authorities and other responsible parties, start preparing the common principles for public service leadership in 2022. The broad-based dialogue and preparation would involve both political and public service leaders, as well as stakeholders from public administration, central government, municipalities and other public organisations.

Based on the principles, a development programme for public service leadership should be prepared aiming at:

- strengthening the identity and value base of public service leadership, including through joint dialogue, communication and coaching;
- building a new kind of equal partnership and joint problem-solving capacity between municipalities, the state and new well-being services counties;
- clarifying the division of labour between political leaders and public service leaders and promoting mutual interaction;
- supporting the role, the balance of responsibility and power, and independence of public service leaders;
- developing the required qualifications, selection processes and employment relationships of the management so that they strengthen the professionalism of leadership and make leadership tasks more attractive;
- increasing leadership competence that better meets the needs of future working life, for example by developing both strategic leadership and exemplary HR management and the related people-centred management approach; and
- strengthening the mutual knowledge base, interaction and understanding in public administration.

## Attachments

Public Service Leadership cooperation group, members

Title	Organisation
Päivi Nerg, Permanent Under-Secretary, chair	Ministry of Finance
Pauli Harju, Region Mayor	Council of Oulu Region
Katju Holkeri, Financial Counsellor	Ministry of Finance
Rinna Ikola-Norrbacka, Mayor	Municipality of Asikkala
Minna Karhunen, CEO	Association of Finnish Local and Regional Authorities
Jaakko Kiander, CEO (1 November 2021 -)	Keva
Timo Kietäväinen, CEO (- 30 October 2021)	Keva
Timo Koivisto, Mayor	City of Jyväskylä
Timo Laitinen, Director General	State Treasury
Kari-Pekka Mäki-Lohiluoma, Director	Social Insurance Institution of Finland KELA
Seppo Määttä, Director General	Prime Minister's Office
Juha S. Niemelä, CEO	Metsähallitus
Inga Nyholm, Director	City of Helsinki
Kimmo Peltonen, Director General	Tukes
Jani Pitkäniemi, Director General	Ministry of Finance
Jari Stenvall, Professor	University of Tampere
Kirsi Varhila, Permanent Secretary	Ministry of Social Affairs and Health
Ritva Viljanen, Mayor	City of Vantaa