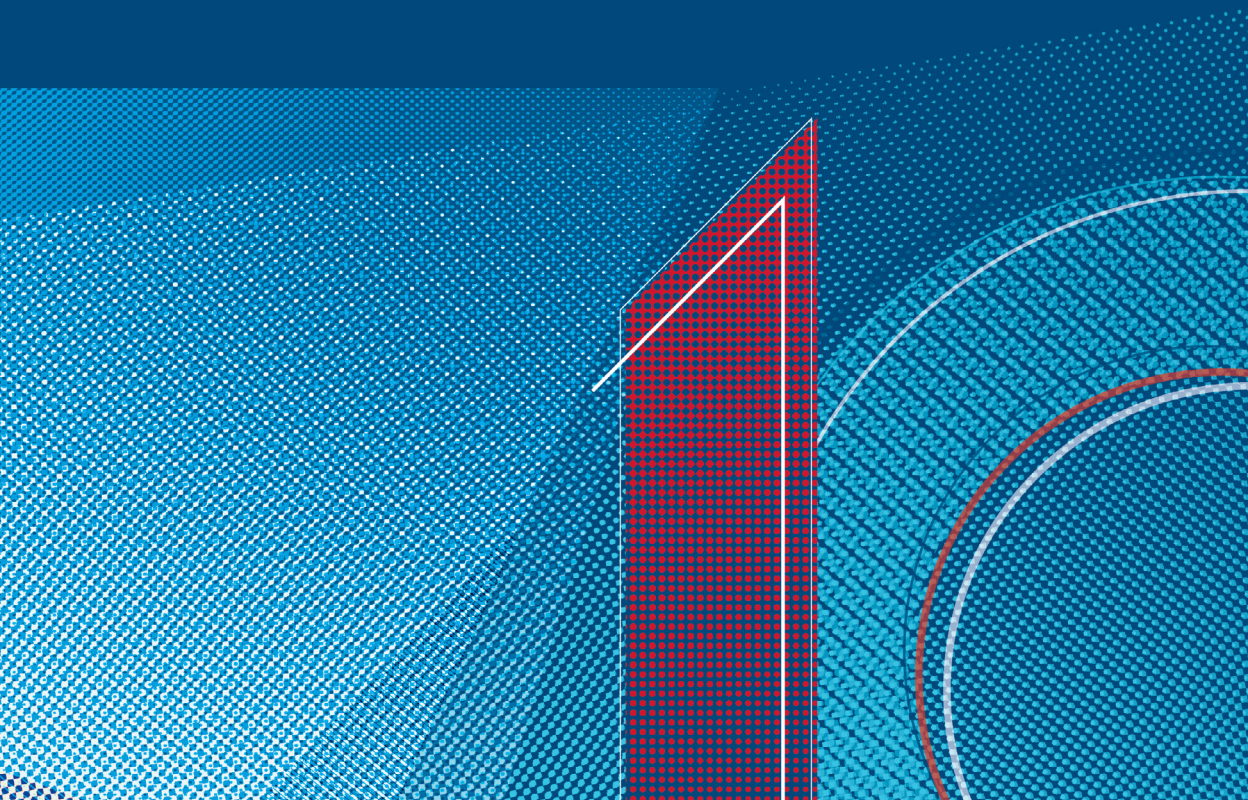


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Effective Civil Service – Inspiration for Urgent and Complex Challenges

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Preface

This report builds on the publication *Desetiletí výzev: inspirace pro českou státní správu*¹ (*Bolstering the ability to deliver: Global insights for the Czech civil service*), which defined five core pillars for the Czech civil service to consider. In that report, we focused on two of these pillars in detail: attracting and retaining the best talent, and driving change and delivering government programs.

Since the report was published in June 2021, the Czech civil service has faced an increasing number of urgent, complex challenges, most notably the war in Ukraine and the energy crisis and accompanying macroeconomic instability, as well as the continued impact of the COVID-19 pandemic. In this report, we return to the five pillars for effective civil service, looking particularly at concrete, practical measures illuminated by the crisis response that could help bolster the ability of public services to address exceptional challenges. We build on tested methods that the Czech civil service has used to resolve crises and complement these with learnings from global research by McKinsey & Company.

Our analysis shows that these pillars can also help create the conditions necessary to spark a broader transformation of the effectiveness of public services.

Transformation is challenging even in normal times, and in recent years the Czech Republic and, indeed, the whole world has faced exceptional events that threaten to dampen ongoing efforts to create more effective institutions. The Czech civil service has met these tests with resilience and determination and examining its response could offer inspiration to longer-term programs that strive to build a modern system with improved benefits for the people.

1) McKinsey & Company, [Bolstering the ability to deliver: Global insights for the Czech civil service](#) June 2021 (Czech version only).

The Czech civil service has faced extraordinary challenges

Over the past three years, the Czech Republic has faced several extraordinary challenges, creating real tests of the capabilities of citizens, companies, and the civil service. Among the most urgent were:

- 1. COVID-19:** The pandemic compelled social restrictions for activities and the movement of people, the introduction of test-and-trace systems, efforts to ensure sufficient hospital capacity, and the urgent procurement and administration of vaccines.
- 2. The war in Ukraine:** More than 412 thousand refugees from Ukraine had arrived in the Czech Republic by 30 September 2022,² triggering an immediate need for accommodation, as well as education, healthcare, and work opportunities.
- 3. Energy crisis:** Significant increases in energy prices linked to the war caused far-reaching social and economic distress and required the government to respond with appropriate measures quickly.

Such outlier crisis situations are difficult to predict, and so it is also difficult to fully prepare for them. While the government has crisis management tools and plans for more-common emergencies, such as floods or other natural disasters, today's unusual challenges require new capabilities beyond traditional crisis management. These have included rapid analysis of an emerging situation, an understanding of interdependencies between different issues, and designing and implementing specific, often untested, and even radical measures. The time frame is also often tight, sometimes just a matter of weeks. At the same time, clear communication has proven critical so citizens and companies understood the purpose and expected impact of measures and were ready to cooperate.

Of course, even amid unusual challenges, the civil service must continue to support a government's regular public service priorities, including economic, social, and security efforts. Such ongoing duties are also made more complex by long-term trends including digitization and automation, sustainability, and European integration. Meanwhile, citizens expect improved services while economic realities often restrict the necessary additional investments. In this environment, the civil service faces challenges in its routine operations that could affect its capacity to address unexpected situations.

While this report focuses on practical measures that may be useful to civil service in responding to unusual crises, some of the ideas could also be helpful in delivering more routine public services. For example, if urgent practices enacted during a crisis – such as clear

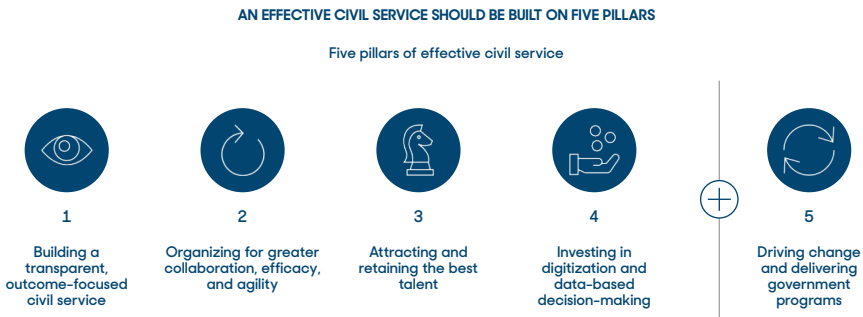
2) Ministry of the Interior, Czech Republic, [Statistics of Ukraine refugees](#), accessed November, 2022 (in Czech).

outcome measurements, agile structures, or data-based decisions – prove successful and useful, they could be considered for absorption into ongoing civil service activities.

Foundations: Five pillars of effective civil service

The 2021 McKinsey & Company report mentioned above introduced five pillars that provide a strong foundation for effective civil service (Exhibit 1). These pillars, based on data analysis and evaluation of international best practices, can help improve the effectiveness of civil service. Before moving on to their relevance to crisis situations, it would be helpful to revisit them.

Exhibit 1: Five pillars of effective civil service



1. Building a transparent, outcome-focused civil service

Evidence suggests that purpose-driven organizations perform better in delivering priority outcomes. Setting clear objectives helps align employees and secure their support for what is important. Clear priorities also help with effective resource allocation. For real impact, outcomes should be defined rather than outputs. For example, when launching an online public service platform for citizens, a meaningful and measurable outcome could be customer quality satisfaction rather than an output such as inquiries processed. Equally important, results should be monitored openly and management based on clearly defined responsibilities.

2. Organizing for greater collaboration, efficacy, and agility

Most new challenges require both specific expertise and collaboration across departments and ministries. Civil service is continuously looking for ways of working to ensure collaboration across ministries and accelerate results. Organizations that choose to implement

elements of agile working with teams of specialists across different departments can increase collaboration. In addition, this collaboration requires them to pay attention to culture and working conditions.

3. Attracting and retaining the best talent

The increasing complexity of tasks faced by governments requires that the civil service secures highly talented people with the required skills. This applies to specialists and also to all levels of civil service management. Our research suggests that the most skilled employees working on complex tasks, for example, senior managers or IT specialists, can be as much as eight times more effective than their colleagues.³ Best practices from other countries show methods to systematically develop core skills and attract, develop, and retain the best talent.

4. Investing in digitization and data-based decision-making

Best-practice organizations can provide examples for civil service for work automation, process digitization, systematic use of data, and the introduction of analytical methods in decision-making. These modern methods could help the civil service improve the effectiveness and efficiency of employees and contribute to high-quality, data-based decisions. Other benefits include lowering demands on employee time, eliminating risks, and reducing IT costs related to legacy IT systems.

5. Driving change and delivering government programs

Our research, canvassing about 3,000 civil service employees globally, suggests that about 80% of public sector transformation projects fail to meet their objectives, even though 93% of respondents believe the goals were indeed within reach.⁴ Such findings underscore the importance of constant and systematic attention to successfully driving change within civil service. The research strived to map which factors contribute to successfully delivering government programs and found that projects were up to three times more likely to succeed if they incorporated five core themes of change management:

- Committed leadership
- Clear purpose and priorities
- Cadence and coordination in delivery

3) Scott Keller, [Attracting and retaining the right talent](#), November 24, 2017, mckinsey.com.

4) Tara Allas and others, [Delivering for citizens: How to triple the success rate of government transformations](#), May 31, 2018, mckinsey.com.

- Compelling communication
- Capability for change

These five themes are relevant not only to the transformation of the civil service itself, but can also help drive reforms and implement new policies throughout a government.

A possible approach to implementation

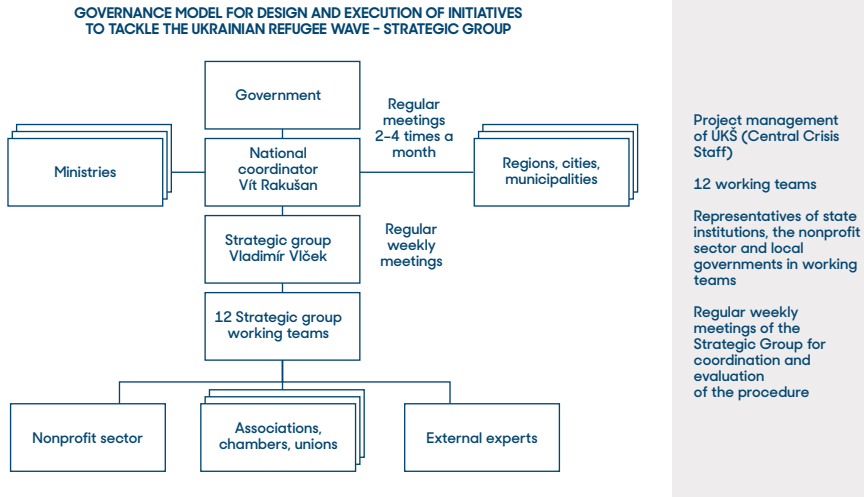
A government could choose to implement these five pillars in two possible ways, either through a comprehensive civil service transformation program or a pilot that tests the effectiveness and can be implemented throughout the civil service once proven to be useful. In this analysis, we elaborate on the pilot-program approach and its practical inspirations. If the measures being tested succeed, they can provide the impulse for broader transformation.

Crisis management as an inspiration for urgent complex challenges

Rapid-fire crises over the last three years have highlighted the need for more speed and agility in tackling unpredictable crises. Responsibilities are typically distributed among ministries according to their regular division of competencies. Responsible authorities then prepare specific measures in their respective areas. Rather than dedicated response teams, staff are assigned to work on measures beyond their usual mandate and may not be able to devote their full capacity to them. Such fragmentation also often leads to complex coordination between different authorities. Coordination occurs in the inter-ministerial process in which individual measures are aligned, and then implementation is coordinated mostly by the local government units.

A clear example was the Czech government's response to refugee inflows that followed Russia's invasion of Ukraine (Exhibit 2). The Czech civil service began operating in a crisis management model, establishing the Central Crisis Staff (ÚKŠ, after its Czech name) to handle the inflow. The ÚKŠ was led by the Ministry of the Interior and included representatives of other ministries, the police, the fire-rescue service, regional governors, and other entities. To quickly implement operational measures, Regional Assistance Centers for Ukraine (KACPU) were created, which were coordinated by the National Assistance Centre for Ukraine (NACPU). This structure was dedicated to tasks more operational in nature, such as registering refugees, assisting with emergency or temporary accommodation, and providing refugees with basic information.

Exhibit 2: Crisis management governance model



To rapidly address longer-term issues related to the adaptation and integration of Ukrainian refugees, such as healthcare, school enrollment, and employment, a Strategic Group was created that included representatives from the Ministries of Interior, Regional Development, Health, Social Affairs, Education, and Finance, as well as from the Department of Asylum and Migration Policy, the Fire Rescue Service, and the Police. This group was supported by expert teams advising on legislation, communication, process digitization, data analysis, and financing. Compared to the typical civil service operations, this unit was able to resolve complex issues involving several ministries more quickly and effectively.

Although the crisis management model was born of necessity, it offers practical inspiration for improving civil service effectiveness. In the next section, we present several suggestions inspired by effective crisis management approaches, also offering several international examples. These can provide inspiration for practical potential steps that could kick-start transformation in the five core pillars of an effective civil service.

Examples of how a civil service could better respond to urgent, complex challenges and kick-start transformation

Analyzing the Czech response to recent crises against the backdrop of the five pillars cited in our 2021 report, we can survey practical examples of steps that could help further build an effective civil service. Perhaps counter-intuitively, we will look at the pillars in reverse order, from 5 to 1, to begin with ideas that might be most powerful and highlight how these

steps are all interrelated. The individual pillars reinforce one another and can also, to a certain extent, strengthen the state's capacity to respond to a crisis.

Pillar 5: Driving change and delivering government programs

Practical step: Creating a nerve center for a swift, data-driven response.

A central step in change management could be to create a nerve center to analyze the situation, propose possible solutions, recommend policies, and coordinate implementation. A nerve center could further develop the capabilities of a core committee, such as the Strategic Group convened during the refugee crisis, and improve the ability of the crisis management system to respond effectively to unforeseen events.

Like the Strategic Group, the nerve center eases inter-ministerial coordination, engaging the necessary capabilities of government organizations to manage response coordination, whether crisis response or public service reform. The nerve center would have greater flexibility than the Strategic Group and stronger data analysis capabilities, which would lead to more objective decisions. In addition to immediate crisis management, the nerve center would also focus on the longer-term perspective, possibly looking ahead for up to three years.

Drawing from a March 2020, McKinsey report, *Crisis nerve centers: Supporting governments' responses to coronavirus*,⁵ typical elements of a nerve center are:

- **A strong, trusted leader with the capabilities to manage fast-moving, disparate teams.** This leader is typically a senior civil servant with experience in a ministerial role or in managing a critical government organization, such as the emergency services or the military.
- **A set of agency or cross-functional teams representing the highest-priority areas and expertise.** Team selection should reflect actual, on-the-ground needs rather than historical organizational divisions. Each team should have a dedicated project leader and core team personnel.
- **Representatives of legal, regulatory, and other critical bodies.** Such experts are necessary to ensure the most effective implementation of crisis measures, for instance by assessing whether measures are on solid legal footing and avoiding any technical challenges that could delay results.

5) Adi Kumar and others, [Crisis nerve centers: Supporting government's responses to coronavirus](https://www.mckinsey.com/industries/government/our-insights/content/crisis-nerve-centers-supporting-government-responses-to-coronavirus), May 25, 2020, mckinsey.com.

- **A dedicated data and analytics team.** This group makes sure that necessary data is available regularly and that the nerve center can deliver a unified account to ministers, civil servants, and the public.
- **Regular communications to stakeholder groups.** Legislatures, local governments, critical businesses and their associations, crucial enablers such as teachers or doctors and their associations, and relevant non-governmental organizations (NGOs), among others, should remain informed in a transparent manner and at times participate to contribute their practical expertise.

Among the tasks assigned to the nerve center could be:

- **Situational analysis:** Collecting and maintaining all relevant data
- **Scenario modeling:** Analyzing possible developments and their economic, social, and other impacts, including risks, and plans to address them
- **Controlling activities and outputs:** Maintaining a database of activities and monitoring the progress of indicators and outcomes
- **Fact-based peer reviews:** Examining proposals from state administrations, external organizations, or other interested bodies
- **Solution design and coordination:** Designing quick resolutions of new problems
- **Communication:** Overseeing a communications strategy
- **Strategic planning:** Ensuring short-term measures address immediate needs, while preparing efforts that may become necessary in one to three months according to different possible scenarios

The civil service could consider the following factors when creating a nerve center:

- **Full-time teams ensure that core activities have continuity.** These teams should ideally bring together experienced experts from the government, possibly augmented by specialists from the private sector if needed. A smaller number of full-time staff is preferable to more people who split their time between the nerve center and their normal mandates. These nerve-center teams would hold more authority than teams focused on a specific topic, such as security, health, or education teams.

- **Nerve center teams can be changed and adapted as needed.** Priorities can shift, sometimes rapidly, and flexibility enriches the team. For example, early in the pandemic, a good tracing model was needed to address the first COVID-19 cases and their contacts. Within a year, however, the priority shifted to a comprehensive distribution system for vaccines. The early phase required specialists in call center operations and rapid scaling, among other capabilities, while the later one needed specialists in logistics for deep-frozen vaccines.
- **A common workspace for the nerve center smooths operations.** A common workspace eases communication, streamlines progress and outcome tracking, and allows information to flow more readily. Coincidental conversations among team members can also enhance efficiencies and lead to unexpected revelations.
- **Structured problem-solving can deliver faster solutions.** Commonly, governments solve problems by designing solutions drawn from previous experiences or examples from other countries. This approach is effective in solving known or expected problems. A more structured and fluid approach may be more effective in unusual crises. Here structured processes founded on a reiterative cycle that includes hypothesis, design, and testing are repeated to address changing situations.

Along with a nerve center, an implementation “delivery unit” can be a powerful addition to a change management initiative. Such a unit, typically reporting directly to the prime minister, is responsible for accelerating project work and ensuring cooperation across ministries. Its team members have needed capabilities in areas including management, analytics, and project management and coordination skills. It ensures that best practices for effective management of complex projects, such as structured routines, regular evaluations with initiative owners, a unified dashboard, and coordinated team efforts, are followed.

A delivery unit is particularly suited for implementing medium-term initiatives, such as digitization, linking critical state information systems, or simplifying a welfare system, that can emerge as recommendations from the nerve center, but are no longer impacted by day-to-day changes or the need for rapid political decisions.

Pillar 4: Investing in digitization and data-based decision-making

Practical step: Providing an integrated data source for the nerve center and ministers.

Policy decisions based on the most relevant data from the field require a mechanism to update data on a regular basis and make it available in a visual form that allows rapid comprehension and informed decisions.

To build such an integrated data source, several measures may be considered:

- **Identify and collect the necessary information as soon as possible.** For example, to implement an effective labor market policy for refugees, it would make sense to understand individual capacities for work. For instance, is childcare availability or lack of credentials an obstacle? Are some refugees economically self-sufficient or able to continue their jobs remotely? Technology offers many ways to collect such information efficiently, especially as refugees enter the country or have other interactions with the government, such as registering for assistance.
- **Focus on practical decisions.** Data should be detailed enough to help drive practical decisions. For adaptation courses, for example, authorities could consider tracking not only outputs such as the number of attendees, but also qualitative outcomes from the courses, such as language abilities. Schools could then be appraised of whether newly-arrived students have a good command of the Czech language or whether resources would be needed to help build those language skills.
- **Data visualization.** For decisions in crises, visualized data, such as dynamic maps or interactive graphs, can be invaluable in helping senior officials or politicians navigate a problem and propose solutions quickly.
- **Scenario modeling.** To design adequate measures, nerve centers need data not only on the current situation, but for modeling a range of possible future scenarios. During a crisis, these scenarios will likely need to be created and refined rapidly.
- **Shared data across government institutions.** Much of the data in state databases are held in varying standards that do not allow automatic sharing across institutions, often because only one institution has formal permission to store specific data. For a nerve center to work effectively, such restraints may need to be eased temporarily, with appropriate privacy and security safeguards, even while officials continue to work on longer-term solutions.
- **Build continued data availability.** Data collected spontaneously during a crisis could have long-term value once the crisis has passed and efforts can help ensure continued useful practices. The central repository of data on classroom capacity and availability of teachers was critical to providing education for refugee children from Ukraine, and it can also be important in making long-term decisions on education policy. Ensuring the continued availability of this information would not undermine the principle of decentralization and local management of schools.

Pillar 3: Attracting and retaining the best talent

Practical step: Creating a group of skilled employees for specific projects.

Recruiting and developing skilled workers can be strengthened by a cadre of the best talent working on core projects for a specific period. Many critical capabilities are scarce in the public sector, including **project managers** who are able to focus on results and collaborate effectively, **data analysts** who are able to connect data and generate insights, and **IT specialists**, especially those skilled in system architecture and specific applications. It would be difficult to ensure that every entity has such skills available. A common pool of experts and specialists that can be accessed as needed would ease the challenge.

For the civil service to attract workers with highly desired skills, new and innovative methods for human resources are likely needed. Some ideas that could be considered:

- **A reformed organizational structure and financial security.** Re-visiting an organization's structure and incentives program could open the door for more flexible performance evaluations and performance-based remuneration, as well as enable an agile working environment.
- **Job and service systematization and budgeting in individual offices.** New principles in systematization and budgeting could help in allocating staff to specific projects within individual ministries, between ministries, and on an ad hoc basis, for instance for the nerve center.
- **Assessing competencies above formal qualifications.** The emphasis can be shifted from formal employee qualifications to real competencies and the ability to apply them in practice. Assessing competencies in practice is more complex and may require multiple interactions before a final offer of full-time employment. Examples of such interactions might be hackathons or workshops focused on specific problems requiring the competencies desired.⁶
- **Modernize the civil service by adjusting benefits and working practices.** The expectations of talented workers change over generations, therefore shifting the focus to factors that are gaining importance for today's job seekers may be beneficial. These could include the job's mission (the opportunity to make a positive impact on the lives of millions), independence, valuing individual contributions, professional training and leadership development, and job security. Building an attractive brand around civil service positions may also draw talented candidates who might not otherwise consider the public sector.

⁶ David Chinn and others, [The future is now: Closing the skills gap in Europe's public sector](#), April 27, 2020, mckinsey.com.

Pillar 2: Organizing for greater collaboration, efficacy, and agility

Practical step: Designing conditions that enable agile practices.

For the long-term goal of creating an agile organization, an immediate step could be to create conditions that ease the transition, such as instituting agile approaches into daily work. The model could simplify cooperation between state agencies from different ministries, create conditions for agile collaboration, and allow for the full-time allocation of specific experts to core projects.

Basic principles of agility in civil service augment the traditional archetype of a civil servant who follows standard procedures, meets deadlines, and strives for perfection. The challenge is to overlay agile's imperatives – particularly speed and experimentation – on top of these laudable traits.

The practical hallmarks of an agile approach follow five themes:

- **A shared vision.** A common vision creates unity of purpose within a team. The vision of the team may differ and carry more authority than the various visions of the individual ministries from which team members have come.
- **Small teams.** Inter-departmental teams with a minimal number of members – ideally assigned full-time to the program – create the flexibility needed for an agile approach.
- **Work in sprints.** In agile leadership, sprints are typically tasks that last two to three weeks and deliver specific outputs that can be tested in practice. The approach accelerates work while identifying and correcting false leads as quickly as possible.
- **A talent-based culture.** Agile approaches focus on attracting, retaining, and developing talent by delegating responsibility and ensuring job satisfaction.
- **Technology focus.** Technology is used to accelerate results, including rapid prototyping, data sharing, and the use of cloud solutions.

Pillar 1: Building a transparent, outcome-focused civil service

Practical step: Setting ambitious goals and measuring results.

Projects based on the work of a nerve center should define ambitious, measurable goals, identifying three to five metrics that indicate the effectiveness of the interventions and not simply the amount of work expended. Such metrics would primarily inform management and foster open communications, but sometimes they could also be used to evaluate the team.

Working with targets and indicators in a crisis requires important considerations:

- **Specific, reachable goals.** Goals set by the nerve center are best if they are as specific as possible and within reach even as they are aspirational. Potential disconnects

between measures and results need to be thoroughly analyzed when discovered, and compromises may be needed to ensure the goals are relevant and credible. This should not deter stretch targets, but even when these are not met the motivation created and progress made are commendable.

- **Willingness to adjust.** Goals are not immutable. As priorities change and data is obtained, goals may need to be revised, even on a weekly basis. During the pandemic, COVID-19 mutations changed the severity of the disease and how quickly it spread. The evolving needs for hospital preparedness or vaccination coverage argue for different targets and different indicators being monitored on an ongoing basis.
- **Recognizing complexities.** Not all targets and indicators are built the same. Especially ambitious targets used for personal motivation and employee evaluation may require complex metrics and indicators intricately linked to the mission of the underlying organization. Short-term solutions should be resisted, and skepticism towards indicator-based management overcome.

The Czech civil service is already looking for new ways to address the challenges it faces, for example through the work of crisis groups and ad-hoc teams at the Office of the Government. This model and the experience from recent or ongoing crises could be used to develop tools, processes, and organizational structures to strengthen the effectiveness of government-led crisis management. Successes in this area can also provide momentum for broader improvements in the effectiveness of the civil service when addressing other national priorities.

As the discussions continue, questions that might help leaders to improve the civil service could include:

- Is the political will in place to take practical steps towards greater effectiveness?
- Where and how can these steps succeed while mitigating risks until successful outcomes are evident?
- What are the greatest public service issues likely to arise during a transition and what preparations are needed to address them?
- How can sufficient scale and momentum for change be created so that the first difficulty does not halt the progress?
- Who is also keen to improve the effectiveness of the civil service and how can their support be bolstered?

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