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Senior Executive Service System: Lessons from Chile

The Second China– Latin America and the Caribbean (LAC) Policy and Knowledge Summit:
Leadership and Capacity Building for Public Sector Executives

Beijing, September 22, 2015

Shared value of the Chilean experience

- ① System that seeks to reconcile governance with professionalization of public administration
- ② Successful collaboration with the private sector
- ③ Decentralized implementation strategy for personnel management policies
- ④ Expansion of a competitive and meritocratic system at the subnational level





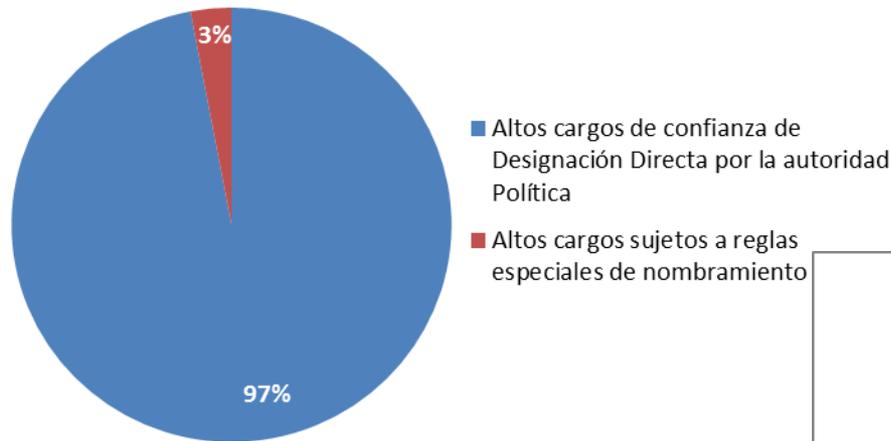
Turning crisis into opportunity: a political crisis triggered by corruption cases paved the way for the biggest civil service reform in Chile

- Until 2002, Chile followed in the footsteps of other Latin American and Caribbean (LAC) countries, treating political positions strictly as a matter of trust.
- The political authorities and the executives of the first 3 levels of administration account for about 2.5 percent of the total civil service staff of the central government
- Corruption cases and the lack of transparency in political authority compensation led the government to put a stop to the direct appointment of more than 75% of Senior Public Executives.

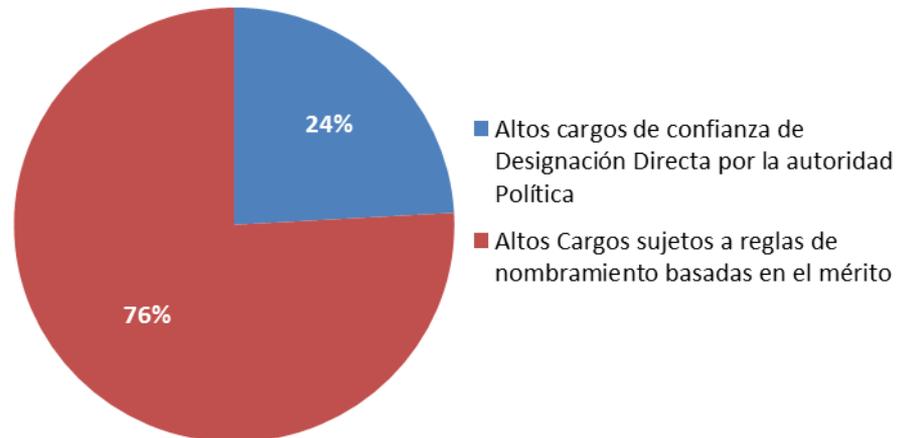


With the creation of National Directorate of Civil Service (DNSC) and Senior Executive Service System (SADP), 3 out of every 4 positions in senior public service is required to be recruited through a procedure that demonstrates the candidate’s qualification and merit.

Distribución de Altos Cargos de Dirección Pública hasta 2002



Distribución de Altos Cargos de Dirección Pública en 2015





① Creation of civil service and the Senior Executive Service System (SADP): key elements in the government's reform and modernization process

- The political-legislative agreements of 2003 enabled the creation of a new institutional structure to implement personnel management policies in the public sector.
- New Public Service: the **National Directorate of Civil Service (DNSC, for its Spanish acronym)**, dedicated to the implementation of personnel administration policies in the public sector and responsible for implementing the Senior Executive Service System.
- **Senior Public Service Council (CADP, for its Spanish acronym)**: pluralistic collegial body consisting of five members.
- **The CADP** is responsible for regulating the candidate selection process for positions in the SADP and, in particular, for senior public executives.



The Senior Executive Service System (SADP)

- To design the SADP it was necessary to differentiate between the strictly “political trust” positions and those in permanent government offices with the main function to implement public policies.
- Positions that focus on responsiveness, performing functions related to policy design and definition, and representing the government in territory are still defined as “trust” positions: ministers, vice-ministers, governors, and certain positions in public administration that perform strategic functions.
- The executives that hold positions in charge of policy implementation continue to depend on the “trust” of the authority and are organized in three tiers.



Advantages of the Senior Executive Service System (SADP)

- The Senior Executive Service System (SADP) created a new standard for public administration.
- The SADP put in place a competitive process, with clear and equal rules for all, and established a merit-based screening.
- The new system has managed to establish the practice of public office competition. Today, approximately 90 % of positions in the System are selected through competitions.
- The SADP has enabled the renewal of Public Administration and helped introduce new talents. Approximately 60% of positions appointed did not hold the positions before.
- Female participation in leadership positions has increased. [28 percent of senior public executives are women despite the fact that women make up only 23 percent of all applicants.](#) Gender inclusion in public sector is better than the proportion of women in management positions of the private sector (15 percent) and on boards of directors in publicly traded stock companies.
- The selection processes are trusted to be efficient and professional. 89% of appointed personnel are the top 2 candidates of the final lists.



Senior Executive Service System (SADP) is a work in progress

- The Senior Executive Service System (SADP) reflects the institutional strength of Chile.
- There have been three unsuccessful attempts at perfecting the SADP. Currently, Parliament is debating a bill aimed at fixing its weaknesses and improving efficiency (high turnover and high costs).
- Ongoing improvement is necessary: old patronage practices can take on new forms. The political sector takes advantage of imperfections in the system to impose partisan control on the government.
- In 2010, the SADP was subject to the test of a change in the governing political coalition, which demonstrated its weaknesses and the serious risk that could affect the system's credibility, as purely politically-oriented appointments by the government were disguised as meritocratic decisions.



Challenges for SADP and greater independence in public sector governance

- To incorporate new services and expand the application of the system at subnational level.
- **After 12 years, the system should increase its efficiency and effectiveness by:**
 - shortening the selection process;
 - perfecting performance agreements with senior public executives to use them as management tools;
 - simplifying the compensation and incentives system for senior public executives;
 - designing programs and activities to train and develop leadership; and
 - eliminating special appointment mechanisms.
- **Services rendered by regulatory and inspection authorities should transition from one-person institutional setups to collegial bodies coordinated with the SADP.**



② Private sector contribution to senior public executive recruitment and selection processes

- About 40 of the best consulting companies in the market specialized in personnel management participate in the selection process.
- The Civil Service manages a registry of over 300 consulting companies that can fulfill specific requirements.
- The consulting companies analyze CVs and conduct occupational-psychological tests and leadership assessments during the recruitment and selection process.
- The SADP relies on expert professionals featured in the registry run by the civil service. The professionals represent the Senior Public Service Council in selection committees for 2nd tier and non-SADP affiliated positions.



③ Decentralized strategy for personnel management in the public sector

- The National Directorate of Civil Service (DNSC) is responsible for promoting reforms and measures to improve personnel management in the public sector through decentralized implementation.
- The DNSC is in charge of the overall design and of providing implementation support to plans and programs aimed at orientation, training, and development for 1st, 2nd, and 3rd tier positions.
- Approve public service training programs and approve special qualification regulations.
- Provide general standards for defining codes of ethics for public employee conduct in all areas of public service.
- Disseminate knowledge on and promote compliance with administrative integrity and transparency standards.
- Along with the Budget Office, Civil Service is the counterparty of public employee associations with nationwide representation in negotiations for better salaries and working conditions.



④ Expanding the competitive and meritocratic system for use in selecting directors of institutions not affiliated with SADP

- Despite taking power away from the political authority, the Senior Executive Service System (SADP) has been expanding.
- The SADP has gained legitimacy and its selection processes are used for complex political appointments (directors of CODELCO, members of environmental, tax and customs courts or members of collegial bodies).
- A third of positions selected through the SADP procedures are for institutions not affiliated with the SADP.
- The National Directorate of Civil Service (DNSC) acts as a “head hunter” for the public sector and is highly regarded.



④ Expanding the competitive and meritocratic system for use in selecting public officials in the educational sector

- In 2011, a new procedure was defined to elect directors of municipal educational establishments.
- Candidates participate in a public call for applications and, as in the SADP, a specialized company reviews their applications.
- An evaluation committee, consisting of a CADP representative, the municipal education chief, and a teacher with outstanding performance selected through drawing lots, conducts the interviews of shortlisted candidates.
- The evaluation committee provides a list of three to five candidates to the Mayor, who then proceeds with the appointment.
- Calls for applications are administered on a municipal level. The SADP keeps a registry of experts and representatives in evaluation committees.



Summary

1. The Senior Executive Service System (SADP) has been the biggest step toward government modernization in terms of personnel management.
2. Promote the professionalization of senior public executives.
3. After 12 years, the SADP has proven to be an effective recruitment and selection system.
4. The Parliament is currently debating proposals to improve the weaknesses of the system vis-à-vis new forms of patronage.
5. The SADP has demonstrated that there is ample space for public value creation in conjunction with the private sector.
6. The application of the SADP in selecting subnational level school directors has advanced rapidly.

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