



MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

 13
 DIRECT ENTRY PRINCIPAL COMPETITION 1983

When on 31 August last year you authorised a resumption of the Direct Entry Principal Competition you asked me to report back to you on its outcome, and to consider its implications for our programme of recruitment and promotion at this level for 1984.

... 2. The attached report by the Civil Service Commission gives a detailed picture of the progress of the competition and its outcome. The competition did produce some good recruits, but it was nonetheless a relatively disappointing result - under half the 36 vacancies were in the end filled. This was not through any shortage of applicants - nearly 1000 people applied - but the standard set for success was (rightly) a high one, and not enough candidates with the necessary combination of intellectual and personal qualities were found. Of the 19 candidates who were successful, 4 have since withdrawn, thus exacerbating the shortfall.

3. Although there were a variety of contributory factors to this rather disappointing outcome, the Commission believe that the major cause was a combination of the narrowness of the experience specification and the lack of detailed description of the jobs that successful candidates would perform once recruited. They consider this had the effect of discouraging the good generalist from applying, without at the same time providing sufficiently focussed job descriptions to attract more of the experts in a particular field who wished to continue working only in that field. If we are to run a competition again, this problem will have to be overcome.

Supply of Principals in 1984

4. A number of departments report a shortfall in the number of Principals required to meet pressing operational needs in the short term. We need to look at this in the light of our whole set of existing and prospective policies which bear on the problem, and to use to the full the opportunity it represents to bring on internal talent.

5. We are looking more fundamentally at this potential source of supply; in our discussion with you about the 1983 competition you were particularly concerned that we should make the best of the young talent we already possessed in the Service. With your agreement and the co-operation of Sir Robin Ibbs, I accordingly

MANAGEMENT IN CONFIDENCE

launched this spring an inter-departmental scrutiny of the means we use to identify and bring on such people. This scrutiny is being carried out with all possible speed, and will be completed this summer. However, the effect of the scrutiny's recommendations cannot be fed through into the system in time to meet this year's need. We therefore need some other mechanism in the short term. The essential problem is the classic one that if there are people capable of doing some of these jobs, they may well be in the wrong place - usually in departments different to the ones where the vacancies need filling - and the normal promotion machinery, which is departmentally based, would not pick them up.

6. A special central exercise is therefore needed. I propose we identify these staff by mounting a special competition to fill Principal posts which is open to all civil servants in the grades below Principal. We should need to insist that the individuals concerned can demonstrate achievement in the effective exercise of real responsibility in his or her work. But we would not confine this to the grade immediately below Principal for the Civil Service candidates. It would, for example, offer talented young Higher Executive Officers a chance to jump the Senior Executive Officer grade entirely, and compete directly for Principal. We would therefore ensure that no artificial barriers prevented suitably able staff to advance in this way.

7. The results of even a competition like this would not necessarily meet all our needs. I therefore also propose that this competition is open to external candidates with the particular qualities needed by today's Civil Service. We would want to draw on the experience of last year's competition in defining the appropriate specification. Widening the internal competition in this way would make the approach consistent with our recruitment at other levels in the Service and would also ensure that our internal candidates could be judged against the quality of staff available from other sectors.

8. Although the Civil Service unions are likely to protest at such a competition, both because it includes external candidates and because it by-passes conventional promotion channels, I think it would have great attraction for serving staff. I intend, if you approve, to ensure that suitable candidates of whom departments are already aware - some of whom may be blocked from early advancement by serving in small departments or in specialist fields - are encouraged to apply and take their chance in equal competition with the outside candidates. I believe the effect on morale and motivation of even one or two promotions of this kind could be very good. As to the outside candidates, an open job specification would enable a wider variety of external candidates to apply, including,

MANAGEMENT IN CONFIDENCE

but not exclusively confined to, those with business and commercial skills. This too is a lesson we need to take from last year's exercise.

9. I should be grateful for your agreement that the Civil Service Commission should hold a Principal competition open both to in-Service candidates and outside candidates on this basis.

gy

LORD GOWRIE
11 June 1984

MANAGEMENT IN CONFIDENCE



FILE

RJ

Fed 3030

10 DOWNING STREET

18 June, 1984

From the Private Secretary

Dear Mary,

DIRECT ENTRY PRINCIPAL COMPETITION 1983

The Prime Minister saw over the weekend Lord Gowrie's minute of 11 June, in which he reported on the 1983 Direct Entry Principal Competition, and proposed a further Open Principal Competition for 1984.

Before reaching a decision on the proposal put to her, the Prime Minister would be grateful if the numerical case could be more fully set out. It would be helpful if you could accordingly arrange for a note to be prepared setting out the forecast supply and demand for principals in 1984 and subsequent years, in aggregate and by individual departments. The note should bring out the extent to which shortfalls in some departments could be compensated for by surpluses elsewhere, or for example by more extensive part-time employment of married women principals with young children.

The Prime Minister would in addition be grateful for further information on two points:-

- (i) the total cost of the 1983 Direct Entry Principal Competition, on a fully allocated basis (i.e. taking into account a share of CSSB, Cabinet Office and other overheads).
- (ii) the predicted effect of the proposed 1984 competition on the promotion prospects of existing staff at and below principal level.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

Yours ever,

David

(David Barclay)

Mrs. Mary Brown
Lord Gowrie's Office

DIRECT ENTRY PRINCIPAL COMPETITION 1983

REPORT BY THE CIVIL SERVICE COMMISSION

INTRODUCTION

1. The Direct Entry Principal (DEP) competition had its origin in the continuing shortage of high calibre Principals in many departments. This stemmed from the Government's drive for improved management, involving the greater delegation of good quality work and the deliberate policy of deploying "fast stream" Principals on a much wider range of jobs.

2. Departments had tried to meet the shortage by promotions; but their requirements for good quality staff had not been completely satisfied. An alternative source of supply was to recruit more Administration Trainees; but this was rejected because it would take a long time to reap the benefit and would also exacerbate the promotion blockage problem. So the best solution appeared to be to take on a few mature, mid-career DEPs, with the additional attraction that they would bring fresh ideas and experience from outside organisations; the stock of DEPs with this kind of background had declined by 40% since 1979. It was also argued that the relatively small size of the planned entry (36 appointments to a group totalling about 4000) and the present retirement rate of Principals would mean that the scheme should not affect the promotion prospects of those already in the Service who were good enough to rise to Principal level and above.

3. To meet this need, a scheme was prepared modelled on the lines of the last competition in 1978. Broadly this meant that we were expecting to look for high quality people to fill generalist posts, who would provide an additional bonus if they came with senior level commercial, industrial or related resource management experience.

4. In approving the scheme on 31 August, Ministers stipulated that this experience should be regarded as an essential requirement, so that it could be designed to fill a specific gap for particular

types of staff. Furthermore, the age limits were set between 35 (instead of 28) and 50, both to emphasise the need for wider experience and to recruit people with more limited career expectations. It was hoped that, as a result, the morale of in-Service staff would not be seriously affected by what they would otherwise regard as a reduction in their promotion prospects.

5. Annex 1 gives details of the 36 vacancies declared by departments.

INITIAL STAGES

6. The scheme was advertised in the first half of September in the Times, the Sunday Times, the Daily Telegraph and the Guardian. The text of the advertisement (Annex 2) reflected the changes agreed at Ministerial level. A circular was also issued to departments requesting that the attention of their staff should be drawn to the competition.

7. 933 people applied (excluding six who withdrew before the initial sift). Table 1 shows their background and experience. 53% of the field had managerial experience and 62% came from an industrial or commercial background. Over a third had both an industrial or commercial background and managerial experience. Just under 15% of the applicants were from the Civil Service. 70% of those applying who gave details of their current salary were on less than £15,000, whereas 8% were receiving in excess of £20,000 (Table 10).

SIFT

8. The aim of the sift was to reduce the field to be seen at the Civil Service Selection Board (CSSB) to approximately 5 candidates per vacancy. It was carried out between early October and early November in two stages. First, each application was examined against the requirements set out in the memorandum. This reduced the field to 316. References were then obtained before the final sift which, taking in all the information available (ie qualifications, career details, and referees' reports), reduced the field to 189 who were invited to CSSB.

9. The sift was carried out by senior representatives of the Cabinet Office (Management and Personnel Office) from the Civil Service Commission, CSSB and Personnel Management Divisions.

10. The criteria used for both sift stages were as specified in the memorandum. Salary and age were used as rather rough measures of the level of experience: those with more than 5 years at an appropriately senior level had a slight edge on other candidates. Academic or professional qualifications were not decisive. In view of the relatively few applications from women, preliminary sift decisions in these cases were reviewed independently.

11. Table 2 provides an analysis of the 189 candidates who were short-listed. Nearly two-thirds had managerial experience and three-quarters were from industry or commerce. Over half were from industry or commerce with managerial experience. A comparison with Table 1 reveals that background and experience were decisive factors in the sifting process. The proportion of civil servants and of those from local authorities were reduced from 15% to 4% and 11% to 4% respectively.

CIVIL SERVICE SELECTION BOARD

12. 32 boards were held between the end of November and the middle of January. Only 141 of those invited accepted the invitation. This drop-out rate of 25% was considerably larger than expected. Neither background nor experience appeared to provide a significant explanation for those who withdrew (Table 3). However, of the 40 who withdrew and gave details of present salary, none was receiving less than £10,000, over three-quarters were earning more than £15,000 and a third were over £20,000. It is also clear from Table 8 that the proportion of those dropping out after sift was greater in the younger age ranges.

13. Table 4 gives details of the background and experience of those attending CSSB.

14. In this scheme, CSSB was looking for candidates who possessed a "satisfactory combination of basic intellectual and personal qualities and of demonstrable skill in resource management". CSSB had to be satisfied that those it judged successful should be capable of tackling a wide range of demanding fast stream work. The principal shortcoming of the majority of those unsuccessful at this stage was a lack of some or all of the requisite intellectual qualities. In some cases, CSSB judged that an apparently weak candidate's basic intellectual equipment was actually quite powerful, but had not yet been applied to its full extent: given the age of these candidates, however, there was not much confidence in most cases that this potential would now ever be realised.

15. Where personality weaknesses compounded intellectual ones, CSSB noted in particular authoritarianism and insensitivity to others; and a lack of drive, commitment and initiative. In just a few cases, negative personal qualities constituted the principal reason for lack of success.

16. With successful candidates, CSSB was able to accept the occasional shortcoming so long as there were compensating strengths. A common attribute appeared to be that in their careers to date they had demonstrated considerable skill in resource management. Although some of the CSSB "failures" had also apparently enjoyed successful careers, under the CSSB scrutiny it became clear that many of them in fact had very little such experience.

17. CSSB passed on 33 candidates to the Final Selection Board (FSB). Table 5 contains details of the background and experience of the 31 who attended, 12 of whom were considered by CSSB to be just below the standard required. These show that those from industry with managerial experience had done particularly well in contrast to those from a commercial background. Table 8 shows that the younger candidates had done better at CSSB: 48% of those under 40 were successful, compared with only 16% of those over 45.

FINAL SELECTION BOARD

18. Six boards were held during December 1983 and January 1984. In the main, FSB endorsed the CSSB assessments. Most of the boards were chaired by a retired First Civil Service Commissioner who is now working as an executive search consultant. He commented that the main failing of the unsuccessful candidates was an inability to take the broader view necessary at this level. With his long experience of interviewing candidates for the Civil Service, he felt that there was little prospect of finding sufficient candidates in the age range 35-50 of the quality we were seeking and at the salary we were aiming to offer. His main reaction at the end was one of surprise that we should have found so many successful candidates.

OUTCOME

19. 19 candidates were successful and recommended for appointment (although 4 have so far declined the offer). Table 6 shows that 10 came from industry and all but 3 had financial or managerial experience. No civil servant was successful. Nor were any women: but this is not altogether surprising. 59 women (6% of the total field) applied, but only 17 were from industry or commerce and, of these, only 3 had managerial experience. Four women were short-listed; but two withdrew before CSSB (both earning in excess of £15,000) and one was sent forward to FSB. It is also noteworthy (from Table 8) that, although the age distribution amongst those successful corresponds roughly with that observed amongst total applications, it differs significantly from the short-listed population. This indicates a difference of emphasis between short-listing, mainly on experience, and CSSB, mainly on intellectual ability.

20. In salary terms, 64% of all successful candidates who gave details of their present pay were earning more than £15,000 (Table 9). Only one of those successful declared a salary of under £10,000, and he was in temporary employment. For some of the successful candidates, accepting a Principal appointment in the Civil Service will mean a cut in salary and several of them have had to be given an increase in the recommended starting salary.

COSTS

21. The direct extra costs of this competition (ie excluding the costs of full-time Cabinet Office staff) were of the order of £42,000.

CONCLUSION

22. In spite of such a large field of candidates of an apparently reasonable quality and appropriate experience, it was disappointing to find so few who reached an acceptable standard. It became clear in the course of the scheme that one of the main causes for this was an underlying tension in the job specification that we were being asked to satisfy: ie departments wanted people of quality who were capable of doing a wide range of fast stream work; but, under the terms of the scheme's conspectus, the successful candidates also had to be specialists from a restricted field of experience. This resulted in our having to sift out a number of promising candidates from local authorities, the academic world and the Civil Service, as well as discouraging the good generalist from applying in the first place. The details of the vacancies which we published with rather more specific requirements than in the past were a help to sifting by reference to track record; but they did not appear to provide sufficiently focussed job descriptions to attract more of the people we wanted. It is our experience that those in this latter category are used to applying for a specific job against which they can match their own qualifications and experience.

CIVIL SERVICE COMMISSION

APRIL 1984

DIRECT ENTRY PRINCIPAL SCHEME 1983

VACANCIES DECLARED BY DEPARTMENTS AND POSTS OFFERED TO SUCCESSFUL CANDIDATES

Departments	Vacancies	Successful Candidates
DES	2	1
DEmployment	2	2*
DEnergy	2	1
DOE & TPT	6	4*
DHSS	3	1
HO	3	1*
IR	2	-
DTI	5	4*
LCD	1	1
MAFF	1	-
MOD	1	1
PSA	2	-
SO	1	-
HM Treasury	3	1
WO	2	2
TOTAL	36	19

*Including one candidate who declined after assignment.

DIRECT ENTRY PRINCIPAL SCHEME 1983

TEXT OF ADVERTISEMENT .

MANAGEMENT IN GOVERNMENT

IMPORTANT OPPORTUNITIES AT UP TO £17,900

The Home Civil Service needs about 30 men and women who can apply relevant skills and experience to the organisation and management of people and resources within various Government departments.

Candidates, aged at least 35 and under 51 on 1 March 1984, must have acquired considerable administrative, managerial or financial experience, normally as the result of holding responsible posts in the industrial, commercial or related sectors. While no formal qualifications are required, candidates should be of good graduate or equivalent professional standard.

Salaries and Locations

The salary range for these Principal grade appointments is £12,935 to £16,655 (up to £1250 higher in London) according to qualifications and experience. Posts are available in Croydon, Cardiff, Sheffield and perhaps elsewhere, as well as in London.

For further details, and application forms to be returned by 5 October 1983, write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours).

Please quote ref: A/651

Media

Guardian	15 9 83
Times	8 9 83
Sunday Times	11 9 83
Daily Telegraph	15 9 83

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 1: BACKGROUND AND EXPERIENCE OF ALL CANDIDATES

Experience	Background							Total	%
	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others		
Financial	26	27 (1)	2	-	4	8 (2)	8	75 (3)	8
Personnel	18	4 (1)	-	3	7 (1)	-	4	36 (2)	4
Admin	36 (8)	19	5 (1)	1 (1)	24 (3)	41 (5)	5 (1)	131 (19)	14
Managerial	289	59 (3)	10 (2)	15	40 (3)	64 (5)	16 (1)	493 (14)	53
Sales	29 (1)	6 (2)	-	-	-	-	-	35 (3)	4
Others	48 (1)	15	13 (5)	3	24 (5)	23 (2)	37 (5)	163 (18)	18
Total	446 (10)	130 (7)	30 (8)	22 (1)	99 (12)	136 (14)	70 (7)	933 (59)	
%	48	14	3	2	11	15	8		100

Females in brackets

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 2: BACKGROUND AND EXPERIENCE OF THE SHORTLISTED CANDIDATES

Experience	Background							Total	%
	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others		
Financial	7	6	-	-	-	1	3	17	9
Personnel	5	1 (1)	-	-	-	-	1	7 (1)	4
Admin	6 (1)	-	-	-	1	2	1	10 (1)	5
Managerial	83	15	3	7	5 (1)	3 (1)	6	122 (2)	65
Sales	10	-	-	-	-	-	-	10	5
Others	5	7	1	-	1	1	8	23	12
Total	116 (1)	29 (1)	4	7	7 (1)	7 (1)	19	189 (4)	
%	61	15	2	4	4	4	10		100

Females in brackets

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 3: BACKGROUND AND EXPERIENCE OF THE SHORTLISTED CANDIDATES WHO WITHDREW BEFORE CSSB

		Background							
Experience	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others	Total	%
Financial	1	2	-	-	-	-	-	3	6
Personnel	-	1 (1)	-	-	-	-	-	1 (1)	2
Admin	3 (1)	-	-	-	-	-	-	3 (1)	6
Managerial	20	2	-	3	-	1	3	29	60
Sales	3	-	-	-	-	-	-	3	6
Others	1	4	-	-	-	-	4	9	19
Total	28 (1)	9 (1)	-	3	-	1	7	48 (2)	
%	58	19		6		2	15		100

Females in brackets

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 4: BACKGROUND AND EXPERIENCE OF THE CANDIDATES SEEN AT CSSB

Experience	Background							Total	%
	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others		
Financial	6	4	-	-	-	1	3	14	10
Personnel	5	-	-	-	-	-	1	6	4
Admin	3	-	-	-	1	2	1	7	5
Managerial	63	13	3	4	5 (1)	2 (1)	3	93 (2)	60
Sales	7	-	-	-	-	-	-	7	5
Others	4	3	1	-	1	1	4	14	10
Total	88	20	4	4	7 (1)	6 (1)	12	141 (2)	
%	62	14	3	3	5	4	9		100

Females in brackets

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 5: BACKGROUND AND EXPERIENCE OF THE CANDIDATES SEEN AT FSB

Experience	Background							Total	%
	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others		
Financial	1	-	-	-	-	-	2	3	10
Personnel	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	1	1	3
Managerial	15	1	-	1	4 (1)	-	-	21 (1)	68
Sales	2	-	-	-	-	-	-	2	7
Others	1	1	-	-	1	-	1	4	13
Total	19	2	-	1	5 (1)	-	4	31 (1)	
%	61	7	-	3	16		13		100

Females in brackets

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 6: BACKGROUND AND EXPERIENCE OF THE SUCCESSFUL CANDIDATES

Experience	Background							Total	%
	Industry	Commerce	Academic	Forces	Local Authority	Civil Service	Others		
Financial	1	-	-	-	-	-	2	3	16
Personnel	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	1	1	5
Managerial	9	1	-	1	2	-	-	13	68
Sales	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	1	-	1	2	11
Total	10	1	-	1	3	-	4	19	
%	53	5		5	16		21		100

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 7: PROGRESS OF MEN AND WOMEN THROUGH THE COMPETITION

OUTCOME	Men	Women	Total
Total Applications	874	59	933
Sifted out	689	55	744
Sifted in	185	4	189
Withdrew before CSSB	46	2	48
Attended CSSB	139	2	141
Unsuccessful at CSSB	107	1	108
Successful at CSSB	32	1	33
Withdrew before FSB	2	-	2
Attended FSB	30	1	31
Unsuccessful at FSB	11	1	12
Successful at FSB	19	-	19

DIRECT ENTRY PRINCIPAL SCHEME 1983

TABLE 8: PROGRESS OF CANDIDATES BY AGE BAND THROUGH THE COMPETITION

OUTCOME	AGE RANGE			Total
	35-39	40-45	46-50	
Total Applications	325	344	264	933
Sifted out	288	272	184	744
Sifted in	37	72	80	189
% Sifted in	11	21	30	20
Withdrew before CSSB	16	16	16	48
% withdrew in Sifted in group	43	22	20	25
Attended CSSB	21	56	64	141
Unsuccessful at CSSB	11	43	54	108
Successful at CSSB	10	13	10	33
% Successful at CSSB in group attending	48	23	16	23
Withdrew before FSB	-	1	1	2
Attended FSB	10	12	9	31
Unsuccessful at FSB	4	4	4	12
Successful at FSB	6	8	5	19

RECT ENTRY PRINCIPAL SCHEME 1983

TABLE 9: SALARY RANGE, BACKGROUND AND EXPERIENCE OF ALL SUCCESSFUL CANDIDATES

SUCCESSFUL CANDIDATES

SALARY RANGE

Background	Experience	SALARY RANGE					Total
		Under £10,000	£10,000- £15,000	£15,000- £20,000	Over £20,000	Not Stated	
INDUSTRY	Financial Managerial	1	1	1 4	1	2	1 9
COMMERCE	Managerial					1	1
ACADEMIC	All						Nil
FORCES	Managerial					1	1
LOCAL AUTHORITY	Managerial Others		1	2			2 1
CIVIL SERVICE	All						Nil
OTHERS	Financial Admin Others		1 1	1		1	2 1 1
ALL BACKGROUNDS	Financial Admin Managerial Others		1 1 2	2 6	1	1 4	3 1 13 2
TOTALS		1	4	8	1	5	19
% OF TOTAL		5	21	42	5	26	

DIRECT ENTRY PRINCIPAL SCHEME 1983

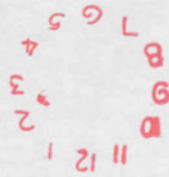
TABLE 10: SALARY RANGE AND BACKGROUND OF ALL CANDIDATES

SALARY RANGE

	Under 10,000	10,000- 15,000	15,000- 20,000	Over 20,000	Not Stated	Total
INDUSTRY	38	180	92	39	97	446
COMMERCE	14	47	22	10	37	130
ACADEMIC	2	16	2	1	9	30
FORCES	-	4	10	1	7	22
LOCAL AUTHORITY	13	64	16	1	5	99
CIVIL SERVICE	18	89	15	-	14	136
OTHERS	10	25	8	7	20	70
TOTAL	95	425	165	59	189	933
% OF TOTAL	10	46	18	6	20	

Civil Service Pt 15

Long-Term Management



JUN 2 1984