

'A duty to modernize': Reforming the French civil service

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By Karim Tadjeddine

François-Daniel Migeon heads the agency charged with modernizing France's public services. In this interview, he reflects on the challenges of large-scale government reform.

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Shortly after taking office in 2007, France's President Nicolas Sarkozy and Prime Minister François Fillon launched a reform program—the Révision générale des politiques publiques (RGPP)—to achieve structural reductions in the country's public expenditures and, in Fillon's words, to "do better with less." The ambitious program has other goals as well: to modernize government, improve services for citizens and companies, ensure greater recognition for the work of civil servants, and promote a "culture of results."

The RGPP has launched more than 450 initiatives in all 18 government ministries. Among these initiatives are structural reforms (including mergers of France's tax and collections agencies), changes in governance models (such as the implementation of a performance-based funding system for universities), service improvements (for example, acceleration of the naturalization process), and improvements in support functions such as IT and human resources.

It has not been an easy road, but the government remains committed to the RGPP. The task of coordinating and supporting all RGPP initiatives falls to an interministerial body, the Direction générale de la modernisation de l'État (DGME), led by former consultant François-Daniel Migeon.

A graduate of the École Polytechnique—the foremost French engineering school—and a member of France's Corps of Bridges and Roads, Migeon was at McKinsey from 1999 to 2004 and then again from 2006 to 2007. He also has experience in the public sector, most recently serving as adviser to the French minister of economy and finance on the modernization of governance.

In September 2010, Migeon spoke with McKinsey's Karim Tadjeddine in Paris. Excerpts of the conversation follow.

McKinsey: For the first time in decades, France has embarked on a wide-ranging reform program. Recent reform programs all focused on relatively narrow areas and were nowhere near as ambitious as the RGPP. What do you think makes such a large-scale transformation effort possible this time?

François-Daniel Migeon: The reach of this reform program is indeed second to none. All 2.5 million civil servants are involved in this modernization plan. It has already delivered more than €7 billion in

savings, and a new set of reforms—announced in June 2010—should yield an additional €10 billion by 2013.

Two factors have made the launch of such a major endeavor possible. First, it is grounded in the commitment of the highest level of government. This program was part of President Sarkozy's campaign platform, which means it had compelling support from the public. The second factor is widespread acceptance from public-sector workers—both because of the civil service's image deficit (which was revealed by a number of surveys in 2007) and also because with the economic downturn, the entire nation felt it had to mobilize. Civil servants understand that in order to truly serve, their duty now is to modernize.

McKinsey: The RGPP touches all areas of the administration. All-encompassing reform seems both complex and risky. What were the reasons for choosing that route?

François-Daniel Migeon: Actually, I would say that the decision to get everything moving at once is one of the key success factors of our approach. It symbolizes a quest for fairness—we are asking all public-sector workers to play their part. This is not to say we are asking all of them to make the same effort: the field of higher education and research, for example, was treated as a national priority, so we didn't place the same economic constraints on this sector as we did elsewhere. But overall, every sector contributes to the transformation effort.

Another reason it's useful to get everything moving at once is that reform begets reform. It creates momentum, which allows us to commit significant resources to support and drive further change. So, in terms of management, this global scope is a factor of complexity—but in terms of ambition and political support, it really is an enabler of success.

As far as what elements made it possible, the key factor is the vision conveyed by all these transformations. There are now 450 reform initiatives, which could end up sounding like a laundry list. But when we launch each reform, we never lose sight of the vision that we're building: the vision of an agile administration, resolutely oriented toward the citizen, putting its resources into core services rather than support functions and creating a better working environment for civil servants. This vision runs like a thread through all these measures. Having formulated and defined these measures, we can get to work on concrete topics. And we can do so quickly, without having an ideological debate about the vision.

McKinsey: Tell us about the role of the DGME.

François-Daniel Migeon: The DGME is all about catalyzing transformation. We often refer to ourselves as the "task force" of the reform. We are there to ensure that results are achieved faster and to guarantee the effective transformation of administrative departments and services.

But transformation begins at home, and the transformation of the DGME itself involved both root and branch. To start with, our staff turnover is about 30 percent a year, so over three years you can imagine how many people have changed in the department. Since the launch of the RGPP, we have renewed our entire staff. We migrated our skills from what might be called a "classic" civil-service model toward a model with a far greater balance between public- and private-sector skills. We lowered the average employee age a little, and we reinforced skills in change design and management. The DGME today draws on the various backgrounds of its 130 members, all of whom have expertise in conducting or supporting transformation projects.

McKinsey: You have said that you want to “inoculate the gene of the user into the administration’s DNA.” What do you mean by that, and how do you intend to go about doing it?

François-Daniel Migeon: The idea is very simple: we have to put the citizen at the heart of the administration, or else the administration will look for objectives of its own. The imperative for the DGME is to remind everyone that it’s all about better serving the citizen.

A meaningful metric for this philosophy is the recent publication of a quality-of-service barometer. We selected about 15 indicators based on citizens’ primary expectations—expectations that we identified through satisfaction surveys, demand analyses, and studies of administrative complexity. For each of the 15 indicators, we make a commitment to support the relevant ministries in improving their performance.

One example: waiting times in accident and emergency (A&E), which for 83 percent of French citizens is an indicator of central importance. We worked in a number of hospitals to reduce A&E waiting times, and after experimentation, we observed an average time reduction of 28 percent.

Another example: again based on citizens’ expectations, we identified what we call “life events”—for instance, getting married, having a child, hiring an employee, or losing an official document—that concern citizens, companies, and public organizations. We assessed the complexity level and frequency of each life event to determine priorities for action, and then we conducted diagnostic studies to identify ways of simplifying procedures. We committed to a program that, by 2012, has to come up with 100 simplification measures, and to date we have defined 30. One example is enrolling in the electoral list online, a service for which there is significant demand in France. The same goes for compulsory registration of all citizens at age 16. The 16-year-old

demographic group said to us, “We ought to be able to do that on the Internet.” Well, now they can.

We also focused on what we call “demonstrators”— high-visibility transformations that show impact quickly. In the area of naturalizations, for instance, we had a huge backlog and long delays in the processing of cases. We worked on the regulatory aspects to change the way cases were processed and to eliminate dual processing (cases used to be examined at both the local and central level); we also helped the frontline staff in every office review their ways of working to speed up processing. After a few months, backlogs were reduced significantly and we were able to redeploy personnel.

Those are a few concrete examples of where citizens’ expectations have led to simplification measures. Our principle is this: start from their expectations, devise tangible solutions, and implement them quickly.

McKinsey: You make it sound very easy, but we all know that reform is hard. What are some of the difficulties you’ve come up against, and how did you overcome them?

François-Daniel Migeon: I would highlight four main roadblocks. First, I didn’t expect to encounter inertia of such magnitude—inertia that is due to the scope of the program, the number of workers involved, and the strength of habits anchored for decades or more in the public sector. I’ve since learned not to underestimate the amount of energy you have to invest just to ignite the change process and set organizations and people in motion.

Second, it was difficult to communicate change in a world where internal communication channels and change-management practices have historically been rather restricted. In response, we heavily leveraged “champions” who acted as heralds of the transformation. We

also undertook relentless efforts to explain and persuade stakeholders of the validity of the program.

A third barrier has been the difficulty of transferring the multidimensional set of transformation skills that reform requires. One cannot imagine conducting a transformation on this scale without having leaders at every stage to take initiative, to take responsibility, to take risks. For this reason, we decided to set up the School for State Modernization, with three campuses. The first campus is targeted at upper management. We hold sessions where managers can share their experiences and talk about the transformative effect that managing change has had on them. We have a second campus for middle management, where we instill a taste for change and impart the basic tools required to enable managers to adopt this mind-set of project thinking and commitment, risk taking, planning, and leading from the front. A third campus has a more operational orientation, where we teach more conventional operational-improvement tools. Our goal is to train about 800 people a year at the school.

The fourth main difficulty is yet to come: we still have some progress to make in reviewing and redesigning public policy, which is the next frontier for the RGPP.

McKinsey: The RGPP aims at moving from a “resource-based” to a “results-based” approach, which entails new systems and processes. Public-sector workers initially greeted these practices with skepticism. How did you manage to assuage their misgivings?

François-Daniel Migeon: The migration from a resource-based to a results-based approach didn't begin in 2007. The LOLF (the Loi organique relative aux lois de finances), which was passed in 2001 and came into effect in 2006, requires public-sector leaders to report on the effectiveness of the use of public funds. So the RGPP started in a

context where the language was already in place and mind-sets were already prepared for this results-based logic. The important thing was to put the theory into action, and that is what RGPP has achieved.

How did we do it? Success is the best kind of publicity, so we started by finding departments that were themselves convinced of the potential for improvement, and we worked with them—for example, on optimizing the naturalization process or putting in place a new central purchasing function. In each case, we got the project under way and, building on its initial success, rolled it out across the department.

People now accept that change is the rule. Managers or frontline staff no longer ask, “Should we transform or not?” but rather “How are you going to help us transform?” Currently, we are very much in a guidance and support mode, and people are asking for that support—which is understandable, as a transformation on this scale is naturally uncomfortable for frontline staff.

McKinsey: Speaking of frontline staff, what role does the transformation of HR play in all the reforms?

François-Daniel Migeon: By 2012, the RGPP plans to reduce by 150,000 the number of civil servants, largely through nonreplacement of one out of every two retirees—a significant level of downsizing. What do we have to do to make it work for the remaining staff? The starting point is to respect the professional loyalty of the frontline staff. You can't ask civil servants to act in a way that negates the fundamental reason they are there: to serve the public. So you must respect that and build on that logic of improving the provision of services.

Once you have that starting point, you need a promise. The promise at the heart of our initiative is one of greater mobility, more career opportunities, and better compensation. Concerning this last point, there is a formal commitment—which has been honored—to plow half

of the resulting payroll savings into the compensation system of the civil servants.

Respecting people's loyalties and keeping promises are the two preconditions for such a transformation; the next step is actually doing it. And for that you need legislative and operational tools. The legislative tools were provided by a 2009 law that encourages public-sector mobility by introducing a more flexible grade structure. The operational tools are, for example, the implementation of online interministerial mobility platforms designed to facilitate personnel movements at the local level.

McKinsey: What lessons have you learned so far from the RGPP that might be of interest to policy makers in other countries? What would you say are the key success factors for a large-scale transformation?

François-Daniel Migeon: The first success factor is, very clearly, commitment at the highest level of government. The second, which to some extent echoes the first, is to invite public scrutiny. You have to be transparent. If you try to keep it all under wraps, then the whole thing is lost. We set up a monitoring mechanism that publishes a quarterly performance dashboard, giving a very visual overview—using traffic-light indicators, a language that everyone understands—of where the reform is making progress and where it is struggling.

The third is to obtain visible results quickly. The reform must make a concrete, tangible difference in terms of improving services—primarily to reassure those involved that we are heading in the right direction, and then, quite simply, so that the public understands and, in turn, follows the movement toward reform.

Those are the three most important success factors. A fourth, no doubt secondary to the others, is to invest the right degree of energy at every

level. To transform, you need skills. But the specific skills you need are not always in place; you have to find them.

One of the strengths of the current initiative is our insistence on showing that this is not an exercise in political grandstanding. It was crucial for political decision makers to also make a commitment to monitoring and ensuring the quality of the reform implementation program. To this end, we set up a monitoring committee—jointly chaired by the general secretary of the Elysée and the prime minister's cabinet director—which includes all the ministers in charge of the reform. This committee meets on a quarterly basis to hear progress reports on each reform and make decisions at the right level. This ensures—and signals—that the reforms are and remain a political priority. It is also a way of mobilizing the administration at every level to address the issues that inevitably arise.

McKinsey: On a more personal note, your profile is somewhat unusual in the French public-sector landscape: you have divided your career between the senior civil service and management consulting. How has this helped you in your current role?

François-Daniel Migeon: Quite frankly, I think it's a strength and an advantage. When you want to accelerate change, it's essential that you know where to position the cursor between ambition and realism. Having guided major industrial groups in their transformation processes and also having experienced public administration from the inside, I have a certain freedom of choice when it comes to positioning that cursor.

ABOUT THE AUTHOR(S)

Karim Tadjeddine is an associate principal in McKinsey's Paris office.

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