

NO REFORM LEFT BEHIND? BALANCING PUBLIC SERVICE  
IMPROVEMENT WITH GOVERNMENT PRIORITIES:  
IMPLICATIONS FOR NEW ZEALAND'S CENTRE-OF-  
GOVERNMENT

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# Origins and Motivation



- To provide an outside-looking-in perspective on New Zealand's reform challenges and discourse
- Build on Gill et al (May 2010) FS discussion paper
- Tap into international thinking on reform directions
- Consider integrated frameworks for thinking about public sector reform
- Draw out strategic implications for central agencies

# Overview



- Getting Bearings in the Post-NPM Environment
- Frameworks for Performance and Reform: A Closer Look
- Integrating Frameworks: A Reflective Pause Before the Reform
- Exploring Implications for Public Sector Improvement in New Zealand
- Central Agencies and Improving Public Service Institutions: A Proposal to Consider
- Conclusions, Discussion and Feedback



# Getting Bearings in the Post-NPM Environment

# NPM Features and Weaknesses...

## NPM according to Jun (2009)

- structural devolution and decentralization
- vertical coordination and autonomy in single agencies
- managerialism and techniques
- contractualism, privatization, and entrepreneurship
- market-driven techniques, citizens as customers, competition
- rejection of Weberian theory for understanding public bureaucracy
- deregulation, reliance on market
- focus on performance. outputs

## Weaknesses and Criticism...

- Role fragmentation and ambiguity flowing from structural devolution
- Too many single-purpose agencies
- Too much vertical specialization
- Insufficient cross-agency cooperation
- Too much managerial autonomy
- Too many discontinuities and nonlinearities
- Undermining of political control
- Fostered mistrust among political leaders, officials, service

**Table 1**  
The Key Components of New Public Management and Their Current Countries)

**Table 2**  
The Key Components of Digital-Era Governance

Theme	Component	Theme	Component
Disaggregation	Purchaser-provider separation	Reintegration	Rollback of agencification
	Agencification		Joined-up governance (JUG)
	Decoupling policy systems		Re-governmentalization
	Growth of quasi-government agencies		Reinstating central processes
	Separation out of micro-local agencies		Radically squeezing production costs
	Chunking up privatized industries		Reengineering back-office functions
	Corporatization and strong single organization management		Procurement concentration and specialization
	De-professionalization		Network simplification
	Competition by comparison		Client-based or needs-based reorganization
	Improved performance measurement		One-stop provision
Competition	League tables of agency performance	Needs-Based Holism	Interactive and "ask once" information-seeking
	Quasi-markets		Data warehousing
	Voucher schemes		End-to-end service reengineering
	Outsourcing		Agile government processes
	Compulsory market testing		Electronic service delivery
	Intragovernment contracting		New forms of automated processes—zero touch technologies (ZTT)
	Public/private sectoral polarization		Radical disintermediation
	Product market liberalization		Active channel streaming
	Deregulation		Facilitating isocratic administration and co-production
	Consumer-tagged financing		Moving toward open-book government
Incentivization	User control	Digitization Processes	
	Respecifying property rights		✓
	Light touch regulation		✓
	Capital market involvement in projects		X
	Privatizing asset ownership		X
	Anti-rent-seeking measures		-
	De-privileging professions		-
	Performance-related pay		-
	PFI (private finance initiative)		-
	Public-private partnerships		-
Unified rate of return and discounting	✓		
Development of charging technologies	✓		
Valuing public sector equity	✓		
Mandatory efficiency dividends	✓		

Note: X = Trend has been wholly or partly reversed. In some cases the change has been linked to policy mistakes or disasters and has been rolled back. - = Trend has substantially stalled. Even advocates no longer expect it to engender significant improvements in government effectiveness. ✓ = Trend is still spreading, and its usefulness has not been seriously questioned.

**Jun (2009) Post-NPM Thinking**

- Structural integration to reduce fragmentation
- Recentralization and re-regulation
- Horizontal, holistic, JUG initiatives
- Reducing role ambiguity and creating clear role relationships
- Relying on public-private partnerships
- Increased centralization, capacity building and coordination
- Strengthening central political and administrative capacity
- Recognize and build on unique features of institutions and communities

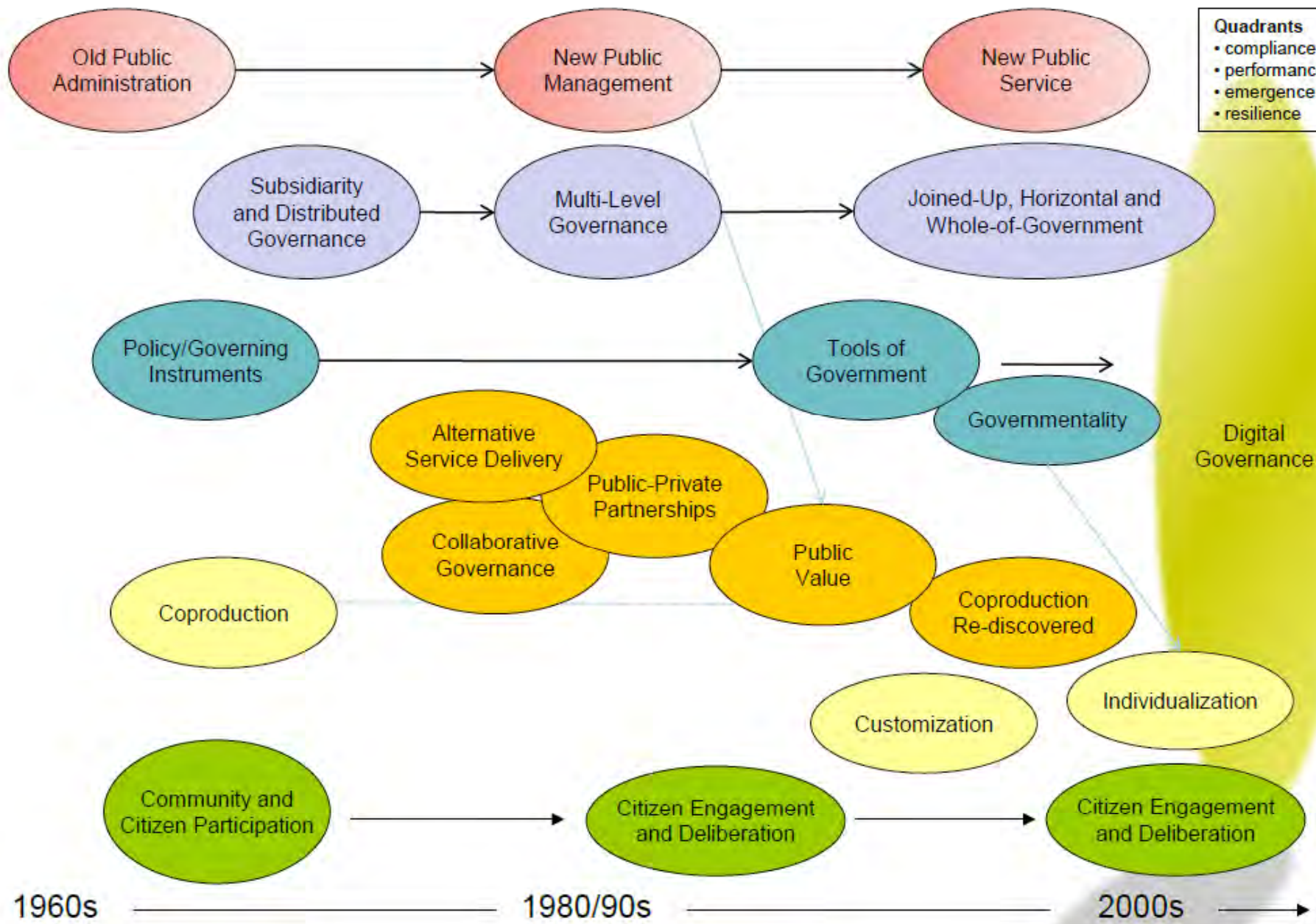
# Recent Discourse on Post-NPM

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- Jun (2009) argues NPM & post-NPM are top-down
- More emphasis on citizen/community preferences
- Grappling with uncertain external environments
- Citizens independently forming their own views **Sound familiar?**
- Need for more citizen & community engagement
- More PPPs. co-production and varied

# Literature on Collaborative Governance


- |                      |
|----------------------|
| <b>Issues</b>        |
| • overlap in terms   |
| • levels of analysis |
| • scope of analysis  |
| <b>Quadrants</b>     |
| • compliance         |
| • performance        |
| • emergence          |
| • resilience         |



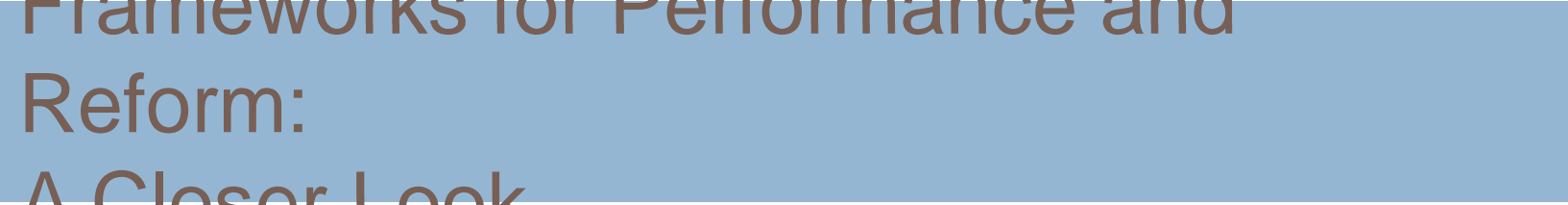
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- Need for more PPPs & variegated delivery models

**Sound familiar?**



# Frameworks for Performance and Reform: A Closer Look



# Comprehensive Reform Frameworks

## UK Capability Reviews

- set direction
- ignite passion/pace/drive
- lead delivery & change
- build capability
- focus on outcomes
- evidence-based choice
- build common purpose
- plan/resource/prioritize
- develop clear roles
- responsibilities and delivery models
- management

“Leadership, Strategy, Delivery”

## Canada’s MAF

- governance and strategic direction
- policy and programs
- people
- citizen service focus
- risk management
- stewardship
- accountability
- public service values
- learning, innovation & change management
- results/performance

## APS Blueprint

- meeting citizen needs
  - encouraging strong leadership & direction
  - developing a highly capable workforce
  - operating efficiently and to a consistently high standard
- capability reviews\*

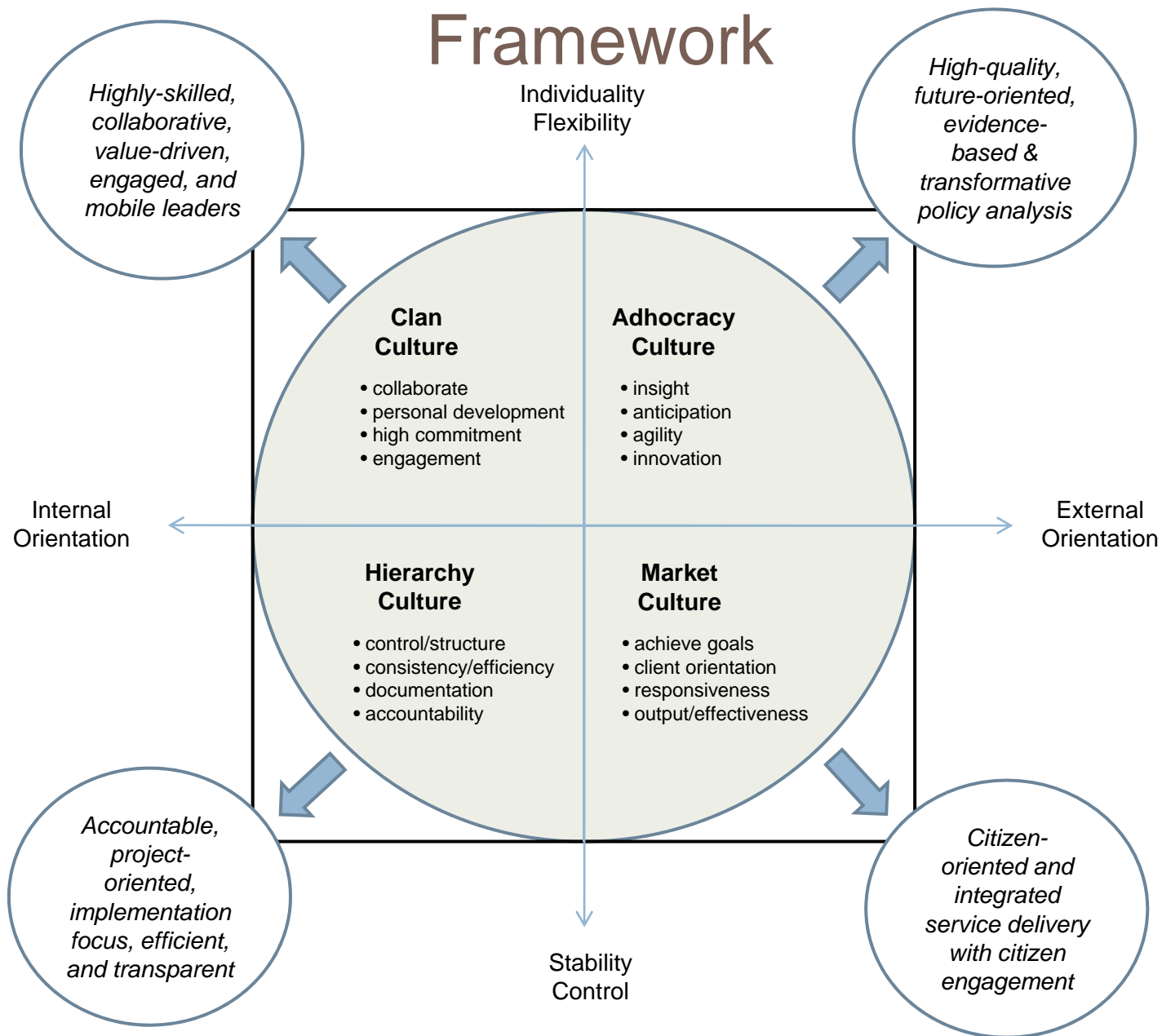
...more later on Moran...

# Cameron & Quinn's Competing Values Framework

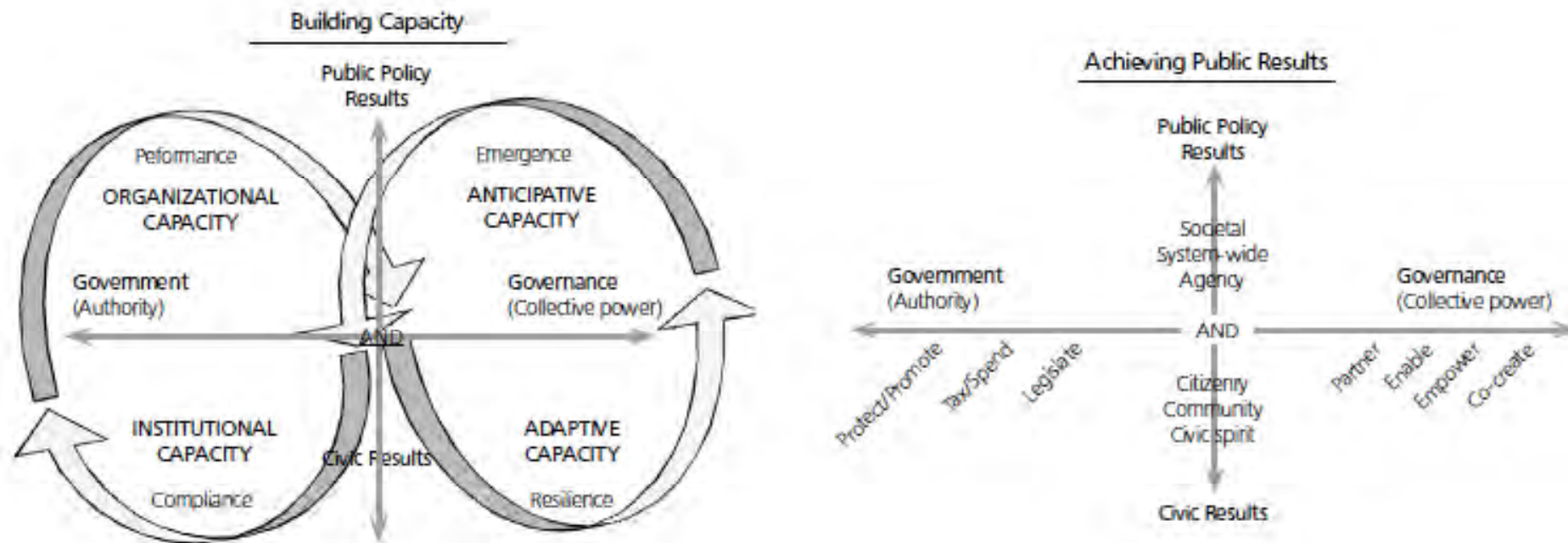


Diagram from Gill et al (2010), p.28.

# The APS Blueprint & the Competing Values Framework



# Bourgon's New Synthesis Framework



From Bourgon, J., with Peter Milley, *The New Frontiers of Public Administration: The New Synthesis Project* (Ottawa: Public Governance International, 2010b), pp.209 and 205 respectively.

# Two Frameworks to

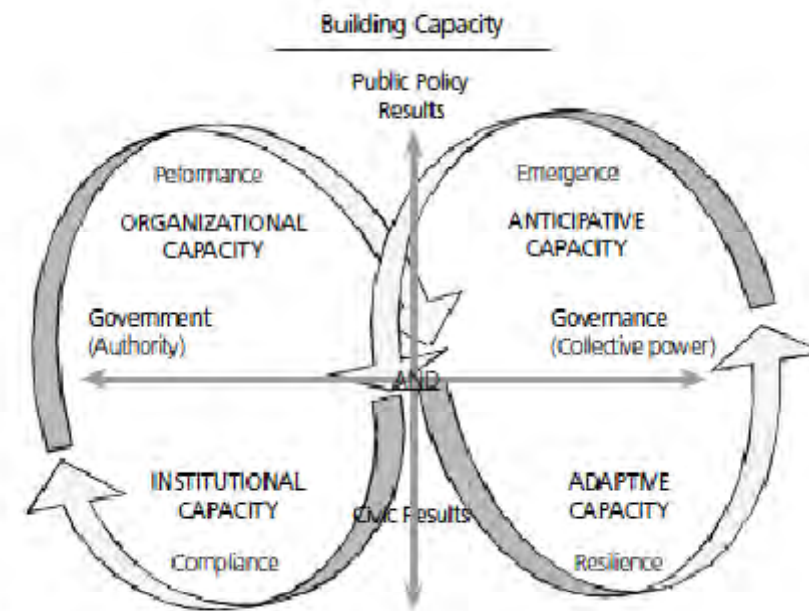
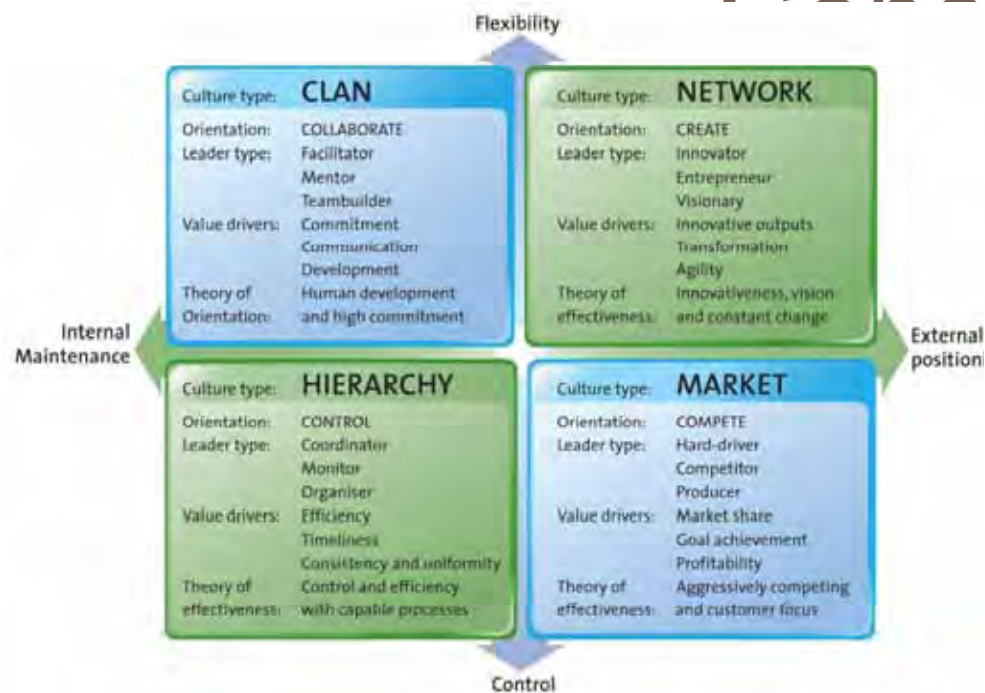


Figure 4 Anticipative and adaptive capacity

- Both frameworks integrate many different values/goals
- Each operates at different levels of analysis; little overlap
- Do illuminate discussions but useful for strategic



# Integrating Frameworks: A Reflective Pause Before the Reform

# Review: CVF and NS Frameworks

- Little on the special character/context of public service institutions (Westminster system, complex organizations).
- Do not deal directly with overload and scarcity.
- Little on critical variables: technology and geography.
- Need application to specific policy sector and organizational contexts.
- Don't locate temporally & recursively in nuanced ways.
- Sense-making ≠ building strategy and coherence.

# From Frameworks → Strategic Dialogue

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- Do not deal directly with overload and scarcity.
- Little on critical variables: technology and geography.
- Need application to specific policy sector and organizational contexts.
- Don't locate temporally & recursively in nuanced ways.
- Sense-making ≠ building strategy and coherence.
- Create possibilities with focus on tensions/constraints.
- Do not inherently point to non-structural change.

## Parting Thoughts....

- Need to re-position the central institutions of government and departments as part of “vast networks of organizations...”
- Is this new?
- Recognize constraints and drags of governments...
  - *Politics*
  - *Bureaucracy*
  - *Clumpy investments*
  - *Drive for equity*
  - *Accountability*




# Exploring Implications for Public Sector Improvement in New Zealand

# Working Assumptions

- the number of wicked problems outstrip governments capabilities, leading to focus on a limited number of whole-of-government priorities;
- public service institutions must serve the governments, fulfil statutory obligations, serve citizens and communities, and monitor its own capabilities as an institution (or collection of public sector organizations) to handle emerging challenges;
- many reforms require step-wise investments and non-trivial political and bureaucratic engagement, which constrains how public service institutions develop, *particularly in non-government-priority areas*;
- New Zealand's governance system has a unique character – including the organization of central public service institutions – which with its geographical, cultural, and economic attributes creates distinct opportunities for dealing with governance challenges;
- many challenges are best addressed away from central government in some sectors, where more innovative approaches may emerge – this requires flexibility from central institutions *but not relinquishing the monitoring of progress*; and
- reform can proceed in *non-structural ways* (new perspectives, quick wins

# Some Considerations

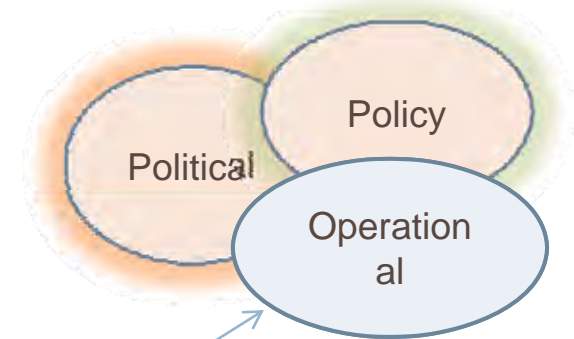
- New Zealand's governance and reform advantage
  - *Smaller, nationally coherent, Maori tradition, reputation for innovation*
  - *Notion of reform is sensitive, but “big bang” vs. steady improvement*
- Governance challenges vs. public service capabilities
  - *Stewardship of public service not necessarily a high government priority but suggests public service leaders supply coherence and strategic view*
- Multi-level governance & public service improvement
  - *Policy sectors and regions are the best focus for analysis; all are different*
  - *Do institutional capabilities & networks match sector trajectory/challenges?*



# Central Agencies and Improving Public Service Institutions: A Proposal to Consider

# Central Agency Roles & Context

- Identifying government priorities (policy and administrative) and monitoring the quality of implementation.
- Serving government of the day, including managing transitions, decision-making and oversight activities.
- Anticipating issues and trends, monitoring the state of practice in other jurisdictions, and assessing opportunities for learning and transfer; and
- Developing and conveying a corporate perspective on public sector capability, and preparing



*Public  
Service  
Improvement*

## **Comparative Perspectives**

- weak DPMC
- focused Treasury
- strong SSC
- distributed public sector
- significant rationalization

# Expanding Central Monitoring...

Going beyond cuts, single-department assessments, and encouraging agencies to mutually adjust

- ▣ capability reviews of departments, agencies, and broader policy/administration networks
  - *including whether or not recruitment and learning repertoires are attracting good talent and developing for future needs*
- ▣ best practice reviews of international practice in designated sectors and cognate policy and administrative domains;
- ▣ monitoring and frank assessments of state of institutional capacity across the core public sector and larger public sector to inform sensible cross-agency rationalization and investments; and
- ▣ analysis of potential significant investments in back-room and front-room IT capabilities of portfolios of departments and agencies, and with departments, agencies and specific communities and sectors.

# Potential Yields for Assessments (1)

- Advice on design/implementation for new priorities informed by understanding of readiness of public agencies & partners;
- Risk assessments of existing policy and programs informed by evolving external environments and state/network capabilities;
- Inform institutional priorities to strengthen and reform public agencies, particularly with respect to cross-organizational collaboration and working with broader networks;
- Identify opportunities to use government priority initiatives to consciously address institutional

# Potential Yields for Assessments (2)

- Reduce probability that CEs will unilaterally restructure their organizations, exporting costs and missing opportunities for collaborative solutions and investments;
- Identify strategies for addressing institutional priorities that are not top government priorities but can be steadily advanced through administrative means;
- Inform advice on the mandate/expectations when appointing chief executives who not only have lead departments and agencies, but also work within and enable networks, and, of course, condition and inform assessments of performance; and
- Convey strategic contextual information to change

# Concluding Observations

- Central agencies have other means for influencing departments/agencies and sectors, ranging from changing people, mandates and structure to recentralizing responsibilities...
- Improving monitoring and reporting on the State of the Public Service would most naturally fall to the State Services Commission...
  - *DPMC and Treasury would inform and benefit; new SSC capabilities required*
- Could lead to deepening specialization at DPMC, focusing on design, implementation, and coordination of government-wide priorities, but there are real limits on how much can be handled.
- Expanded assessment necessary because of restraint, increased ASD, and collaborative experimentation – this may not always arise from citizen engagement but also from assertive leadership, new notions of control and performance, and new hierarchy and monitoring...and variation!

Thank You! Comments welcomed at...  
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