

IPANZ 2019 Conference
Public Service Reform – the challenges ahead
Keynote – Speech Notes

E ngā mana, e ngā iwi, e ngā rau rangatira ma, tēnā koutou, tēnā koutou, tēnā toutou katoa

My aim this morning is to provide a brief sketch of how the proposed Public Service Act will help the public service workforce navigate the future.

There are two parts to this:

- clear foundations on which to face the future, and linked with that
- a unifying ethos that supports the public service to operate more as a system.

When we think about the future of work and the public service we tend think about the changing *nature* of work; the types of work public servants will potentially do, the types of jobs that might be lost or the capabilities that might be needed in future.

But we also need to think about the *way* public servants work, the principles and values that should guide them, and what motivates them to serve.

It is these latter questions I want to focus on because they are important enablers of the reforms.

But first, I should start with perhaps the most critical enabler of all, that most intangible of assets – something New Zealand has in abundance – trust.

Trust (and, associated with that, low corruption) underpins our economy, society, and the effectiveness of our institutions. Even some economists admit that trust is desirable!... though mainly because of trust's utility (it's efficient in some contexts) not its inherent value But still, it's progress.

New Zealand is one of a handful of countries bucking the international trends of a general decline in trust.

Trust in government and satisfaction with public services in New Zealand remains high. But we cannot be complacent; trust once lost is very difficult to regain.

Despite leading the world in trust and integrity, New Zealand public servants are a bit uneasy talking about fuzzy concepts like culture and values. We tend to believe actions speak louder than words. New Zealand heroes describe their highest achievements in pragmatic and understated ways – “we knocked the bastard off” sums it up.

So, it may be that the things that guide our highly ethical behaviour are views too profound for “management speak”. Even when we hear talk about “culture eating strategy for breakfast” we can get a bit side-tracked by the jargon and conclude that a culture fed on a diet of management strategies might leave us a bit anaemic.

But, at base, we know organisational culture matters and it is founded on clarity of purpose, principles and values.

So, what does the public service stand for? What is its fundamental purpose and what are its core principles?

The current State Sector Act is remarkably silent about these things. It talks about the functions of the State Services Commissioner and Chief

Executives. It also provides for the apolitical appointment of chief executives and the establishment of departments. Otherwise, it has little to say other than by implication.

Part of the reason is that the New Public Management reforms of the 1980s and 90s sought to drive performance through smaller, more tightly focused, departments.

Departments were viewed as analogous to corporate firms. Business-like management models were introduced to build strong departmental cultures and staff who identified with their departments.

All of this was evident when I first joined a government department in the 1990s. I knew I needed a job and I wanted to contribute to New Zealand and 'make a difference' - but I knew little else.

My induction was rudimentary. On my first day I was pointed to a desk and given some Pledge. For those of you who don't know, Pledge isn't something profound about the public service ethos. It's a cleaning product – so I could clean the mess off my desk.

In any case, it was clear that I worked for the department. Everyone talked about the department. It operated as a single organisation with its own mission and values. The idea that I might be part of a wider organisation called the public service never occurred to me (or it seemed anyone else).

While much has changed since my experience of old school “sink or swim” management, one thing is clear to me; the overwhelming majority of public servants share my desire to “make a difference” for New Zealand and New Zealanders.

I think today we may be a little more comfortable with the idea that public servants have a range of motivations, particularly a desire to make a difference and serve their communities.

But it might be difficult for some of you to imagine the scepticism that such a statement would have been received with in the heady days of New Public Management which assumed that public servants were primarily motivated by self-interest; or at least that was the ethos of the time.

While we need to be cautious about claims to public service virtue, the reforms signal a departure from this singular, self-interested view of human motivation and admits others.

It suggests that the basic requirement of public servants, from both citizens and government, is now one of commitment to service based on a common underlying ethos founded on a spirit of service.

The proposed Act will include this ideal of “a spirit of service to the community”, in such a way that it underpins everything else in the Act.

The spirit of service is likely expressed in many ways. For some it might be in their compassionate approach to face-to-face interactions with the public, for others in the expertise and courage they bring to the provision of advice to Ministers and for others in their observance of professional codes and standards in their work.

This is not to say that the spirit of service is missing now. Consultation on the idea that chief executives needed to ‘imbue’ a spirit of service into the public service met with a strong reaction. While there was strong support for explicit recognition of the spirit of service, submitters were clear, public servants didn’t need anyone to imbue them with it - it already exists.

Alongside this, the Act will clearly set out the purpose of the public service. It will also establish a set of common unifying principles and values that apply across the public service.¹

Some of these principles trace their origins to the earliest ideals of democracy itself, as expressed by Pericles of Athens who in the 5th century BCE said:

*“Our administration favours the many instead of the few: this is why it is called a democracy... When a citizen distinguishes himself, then he will be called to serve the state, in preference to others, not as a matter of privilege, but as a reward of merit; and poverty is no bar...”*²

[Apologies for the gendered language but Athenian democracy did not get beyond the male franchise – in this New Zealand had to again lead the world, albeit well over 2000 years later]

The idea of merit and merit selection re-emerged as a response to problems of patronage in the 19th and early 20th centuries. The point is, such principles have stood the test of time for what is needed to support trusted democratic government.

Another foundational aspect of the proposed Act is the inclusion of clear expectations on the public service in supporting the Crown with its Treaty of Waitangi responsibilities. This includes responsibility for supporting Māori public service leadership capability and duties to build

¹ Purpose (to be drafted) includes: to support the Government to develop and implement their policies and deliver services and do this in a manner that is lawful, open, democratic, trusted, competent, politically neutral, and in the public interest.

Principles: Political neutrality, free and frank advice, merit-based appointment, promoting open government and stewardship

Values: impartiality, accountability, integrity and openness, respectfulness and responsiveness.

² Quoted in Karl Popper, 1971, *Open Society and its Enemies*, USA: Princeton University Press, p 186.

a culturally competent public service that reflects, serves and delivers for Māori.

These changes, taken together, are important for clarity about the fundamentals, what our purpose is and what we stand for. But there is a more practical application too.

The public service's workforce is aging and struggling to attract and retain a younger more diverse workforce. Millennials, the generation born between 1981 and 2000, are said to be seeking meaningful work that makes the world a better more compassionate place. How much different that is from earlier generations is debatable.

Nonetheless, too few are choosing the public service; partly this is because we have failed to clearly articulate the distinctive and powerful message of the purpose and ethos of public service. I believe we have a very compelling story to tell about a meaningful and varied career making a difference in the service of our country.

The Public Service as a system

The second, and related aspect of the reforms, stems from the idea of the public service as a system. In a workforce context, this involves managing talent more deliberately as a system resource; and the new Act will provide new tools to enable this.³

But conceptualising the public service as system is more profound than that. The establishment of a common unifying ethos recognises that public service leaders, and individual public servants, collectively own the reputation of our system. It makes no difference to the public if there

³ State sector wide workforce policy statements that set out government expectations (e.g. pay equity, diversity, development). Improving inclusiveness and workforce diversity by explicitly recognising its value, making chief executives responsible to promote appropriate workplace policies and practices

is an ethical or service failure in one department; it impacts on the trust and confidence of the whole public service and government.

A common ethos also supports development of a common identity as public servants (not just as departmental staff).

A common identity also helps people work together in teams. Given our track-record of fielding world-beating sports teams, as a country, we know what it takes to harness talented individuals to deliver a shared goal. Curiously, the public service struggles to move beyond fielding groups of talented individuals – departmental silos struggle to operate effectively as a team.

The proposed Act includes a focus on stronger team-based leadership for the public service, including the establishment of the Public Service Leadership Team made up of departmental chief executives. This Team will own a senior leadership strategy to ensure future leaders are developed for the benefit of the public service system.

Another focus is on enabling the system to work better for citizens. The new Act will provide a greater range of options for agencies to organise around common problems. A critical component is attracting and retaining the right people who can work across boundaries.

Cross-boundary operation requires sophisticated operational capability and methods to navigate complexity. It also requires new shared leadership approaches and people who are skilled in collaborating, negotiating and brokering across boundaries.

Looking ahead, it can be expected that citizens will continue to demand more of the public service and public services. Citizens are less inclined to simply accept top down government authority.

From a citizen's perspective there are now multiple sources of authority and an array of information to draw on (a recent example is changing parental attitudes to vaccination). Governments and public servants will increasingly need to operate in a contested space, where authority can't be assumed, and citizens expect to have a greater say in the services that affect them.

Public servants nowadays operate with significant levels of discretion within the authority given by Ministers, the Government or by Parliament. The public service cannot be the arbiter of the public interest but nor is it as simple as being obedient servants either.

Increasingly citizens expect honest direct engagement and, in some cases, expect authority to be shared with them. This will require new ways of engaging to understand and enable the needs and aspirations of individuals, families, communities and businesses.

It requires us to acknowledge that the Government or the public service does not necessarily know best and to continue the shift to a public service working in partnership and alongside communities.

Conclusion

This brief sketch of the reforms has been necessarily limited and selective.

I started by talking about how New Zealand is unique in having high levels of trust and how important that is for our future.

Trust matters. The public service can only operate if it is trusted by Ministers and the public.

When we think about the future of work in the public service, it is not just the nature of the work but the way we do it that matters.

The new Act will provide clear foundations for what the public service stands for; who and how we serve now and into the future.

Acknowledgement of the spirit of service to the community recognises a core ideal of public service; it represents a choice to work for the benefit of New Zealand and New Zealanders.

Thank you.