Public Sector Capabilities in Challenging Times

Wednesday 10 April 2024

Today's session

Geoff Plimmer, Associate Professor - School of Management

Karl Löfgren Head of School - School of Government

Annika Naschitzki – PhD candidate

Richard Hamblin – PhD candidate

1.   Provide the latest research on some of the hot topics facing the public sector today.

2.   Seek input on future topics that you would like to know more about (paper is on your seat).

3 topic areas …..

- Restructuring – managing pitfalls
- Consultants and effective change
- Using goals effectively – how to avoid trade -offs and get effective change.

Drawing on existing international research, emerging VUW research

But first some overall trends ….

Trends

- Hyper-innovation (Donadelli & Lodge, 2019)

- Restructuring, CEO turnover, mission change (Hamblin & Plimmer, 2023)

- Performativity /Limited measurement/ Feedback/ Poor incentives (Hill & Plimmer, 2024)

- More hierarchies

- New professions – e.g. project managers (Löfgren et al., 2022)

- Rise of middle managers

- Operational teams often see largest redundancies

The workforce or the 'Elephant in the room'?

- Accountability: better governance or just *performative acts*?

- Bureaucratisation through both autonomy and control

Where has the growth been?

	Occupational	Organisational
Managerial level	Occupational managers (e.g. senior doctors, head teachers etc.)	Senior management team
Professional level	Professional front-line workers, street-level bureaucrats	'Corporate services' (HR, strategy, IT, communications, quality assurance, operational management etc.)
Clerical, technical level	Front-desk staff	Office clerks, technicians, maintenance

Restructuring

- Hyper innovation - Threat rigidity theory (Wynen et al., 2017)
  - Reserve decision-making to a small set of central leaders
  - Reduces local innovation
  - Retrenches to most well-ingrained behaviours;
  - Reduced flows of information
  - Less collaboration (Staw et al., 1981).

Testing with Qualitative Comparative Analysis (QCA)

- Qualitative Comparative Analysis – based on survey results
- Categorises conditions (stability, constructive leadership and ambidexterity) and outcomes (performance, improved performance) as being present or absent for each organisation
- This creates "in" and "out" groups for each condition and outcome
- Then identifies which combinations of conditions lead to achievement and non achievement of outcomes
- Minimises this to the simplest solution
- Ideal for rigour when your number of cases are relatively small

Results

✓ - condition must be present

☒ - condition must be absent

Blank – condition presence of absence doesn't matter

Group	S13	L13	OA	S16	L16	Number of organisations
Good and getting better	✓		✓		✓	5
Good performers		✓	✓		✓	8
	✓	✓	✓	✓		10
Deteriorating performers			✓	✓	☒	7
Improving to average		☒			✓	8
Struggling		☒			☒	7
	☒		☒		☒	5
	☒		☒	✓		3
	☒			✓	☒	2

Managing consultancies (Seabrooke & Sending, 2022)

1. Recognise Ethos: Avoid clashes with public sector values and beliefs.

2. Recognise expertise: Avoid over-reliance on consultants and dependence on external actors.

3. Keep control: status can indicate expertise and ability - but risk of status-based power dynamics..

4. Define and set tasks clearly: You not them - Maintain control over direction and objectives.

5. Balance Efficiency and Public Interest: Evaluate contribution to public interest, not just short-term efficiency.

6. Build Capacity: Build internal expertise for long-term sustainability and the ability to effectively govern.

What do consultants say? (Fattore et al., 2018)

Clear vision and plan for change - provides a sense of direction and purpose for employees and stakeholders involved in the change process.

1. Top management commitment - support and champion change – can create a positive organizational culture and motivate employees in the change.
2. Build internal support: Involve employees to contribute to the change process.
3. Build support: e.g. external stakeholders.
4. Provide resources –e.g. financial, professional, and technological.
5. Institutionalise change - mechanisms to monitor and evaluate the progress, communicate results. Helps ensure changes

SUPPORTING A SHIFT TO STRATEGIC COMMUNICATIONS AND ENGAGEMENT

MINISTRY OF TRANSPORT

Review of the Communications and Engagement function

24 June 2021

FINAL REPORT

CAPITAL THINKING.
GLOBALLY MINDED.
MAI I TE IHO KI TE PAE

VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA
1897

WHAT THE MINISTRY NEEDS

The Ministry of Transport needs communications and engagement support to shift towards more proactive and strategic activities

Communications and engagement work falls across a spectrum from reactive, through to proactive, through to strategic (see diagram below). The full range of activity supports the Ministry to engage with its stakeholders, system partners, and the sector in a variety of ways to meet different needs at different times.
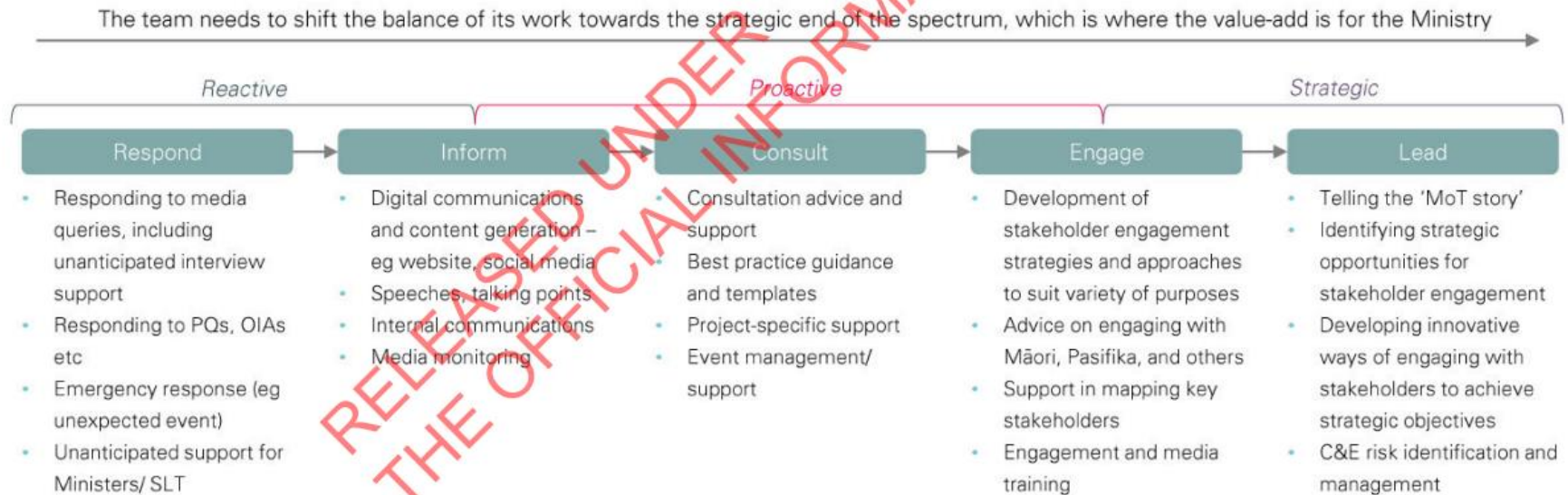
The Ministry needs the communications and engagement function to support across the whole spectrum

Work has previously been focused on the reactive end of the spectrum. However, to meet the needs of the Ministry, there needs to be a significant balance of workload at the proactive and strategic end of the spectrum.

Ultimately, at the strategic end of the spectrum, effective communications and engagement supports the Ministry to meet its leadership role as system steward, and to drive the future shape of the system.

While there will still be a need for reactive support, this should diminish over time through early identification of some of this work through proactive and strategic planning.

The diagram below indicates the types of activities that are required across the spectrum. This should be tested and further developed by the C&E team to ensure all activities are captured.

The team needs to shift the balance of its work towards the strategic end of the spectrum, which is where the value-add is for the Ministry

Reactive		Proactive		Strategic
Respond	**Inform**	**Consult**	**Engage**	**Lead**
• Responding to media queries, including unanticipated interview support • Responding to PQs, OIAs etc • Emergency response (eg unexpected event) • Unanticipated support for Ministers/ SLT	• Digital communications and content generation – eg website, social media • Speeches, talking points • Internal communications • Media monitoring	• Consultation advice and support • Best practice guidance and templates • Project-specific support • Event management/ support	• Development of stakeholder engagement strategies and approaches to suit variety of purposes • Advice on engaging with Māori, Pasifika, and others • Support in mapping key stakeholders • Engagement and media training	• Telling the 'MoT story' • Identifying strategic opportunities for stakeholder engagement • Developing innovative ways of engaging with stakeholders to achieve strategic objectives • C&E risk identification and management

Cross-cutting activities (drawing on work across whole spectrum): build media/ Ministerial relationships; cross-Ministry coordination and communication;

CHANGES TO WAYS OF WORKING CROSS-MINISTRY

The wider Ministry will need to support the shift in ways of working and there needs to be changes to how the Ministry and the function work together

Even though the Ministry isn't large in size, it is a complex landscape and there are a lot of relationships and ways of working together that will need to be in place in order for good comms and engagement activities to happen. There needs to be an agreed approach to how workflows are managed, and what relationships are put in place to support them. This diagram shows where the key relationships are, and how the work will need to flow between different parts of the Ministry to ensure service delivery meets the needs of all involved.

Engage externally with stakeholders

Managers and Teams

Provide information & technical support (all technical leads, brokered by business partners)

Identify & leverage opportunities

Commission work & request support (proactive & reactive)

Media monitoring & response support

Engage externally with stakeholders

Senior Leadership Team

Commission work & request support from Business Partners and Internal Comms Adviser

Technical Leads

Internal Comms Adviser

Māori and Digital Advisers

Business Partners

Comms and Engagement Advisers

Identify & leverage strategic opportunities, inc stakeholder engagement strategic advice

Strategic Leads
(Manager and Principal)

Commission & provide support for strategic work

Comms & Engagement Function

Support key messages for SLT & Minister when reacting to issues

CAPITAL THINKING.
GLOBALLY MINDED.
MAI I TE IHO KI TE PAE

VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

Consultants in restructures

- Consultant work tends to focus on the creation of abstract models and principles, like here:

  '... develop a clearer operating model of WorkSafe's approach to identifying, developing and implementing strategies to influence behavioural change." Consultant report for WorkSafe 2017

- This results in new operating models, ways of working, design principles and vision statements.

- The structural changes are presented as 'giving effect' to these abstract goals, often without further explanation.

- This may well represent the nature of a consultant-engagement (time-limited, leader-focused, closed-door)

Observations

- A 'cookie cutter approach', almost always involving new operating models.

- Abstract language, non-commital, generic – hard to disagree with.

- Unclear links between strategy and structure – weak logic that changes lead to the desired operational/behavioural change?

- Some teams get several operating models within a few years – with the new one difficult to distinguish from the last.

- Out of near 500 restructures, only 1 defined tangible measures of success.

- Little mention of concrete training, tools and resources that staff may need, and no commitments to post-implementation activities other than 'support'.

Goal setting

Good for direction, persistence and level of effort .... *But..*

- "measure fixation, myopia, gaming or manipulation of data", illusion of control" (Franco-Santos & Otley, 2018 p.696).

- "perverse (rather than necessary evils), not just for the users of the system, but also for other stakeholders" p.719

- Risk areas - Low trust, complex, regulated environments, misalignment with public sector values most at risk

So how do we use goals well?

- Fit – alignment (e.g. people and organisational values), match reality

- Stewardship not agency theory? Multiple stakeholders, enabling, shared, long term, intelligence not blame

- Remove opportunities to game – game it out

- Monitor and refresh – gaming can take awhile to happen

- "pay attention to the strategies of senior management" (Tenbensel et al., 2020 p. 160).

Selected references

Donadelli, F., & Lodge, M. (2019). Machinery of Government Reforms in New Zealand: continuous improvement or hyper-innovation? *Policy Quarterly, 15(4).*

Fattore, G., Iacovone, D., & Steccolini, I. (2018). 'Managing successful change in the public sector': a view from the consultants' world. *Public Management Review, 20(4), 587-606. https://doi.org/10.1080/14719037.2017.1340504*

Hamblin, R., & Plimmer, G. (2023). Instability in New Zealand's public sector. *Policy Quarterly, 19(4), 95-105.*

Hill, K., & Plimmer, G. (2024). Employee Performance Management: The Impact of Competing Goals, Red Tape, and PSM. *Public personnel management, 00910260241231371.*

Löfgren, K., Darrah-Morgan, B., Hall, P., & Alamaa, L. (2022). The rise of a new public bureaucracy in New Zealand? *Administration & society, 54(1), 57-86.*

Seabrooke, L., & Sending, O. J. (2022). Consultancies in public administration. *Public Administration, 100(3), 457-471.*

Tenbensel, T., Jones, P., Chalmers, L. M., Ameratunga, S., & Carswell, P. (2020). Gaming New Zealand's Emergency Department Target: How and Why Did It Vary Over Time and Between Organisations? *Int J Health Policy Manag, 9(4), 152-162. https://doi.org/10.15171/ijhpm.2019.98*

Wynen, J., Verhoest, K., & Kleizen, B. (2017). More reforms, less innovation? The impact of structural reform histories on innovation-oriented cultures in public organizations. *Public Management Review, 19*(8), 1142-1164.