

How Reform Runs Dry

In November 1996 I was asked to report on the NZSA Convention “Pursuing Further Innovation in Public Sector Management”. I discovered an unsung hero. This career public servant and determined survivor of reform kindly let me use his history and aspirations to add a human dimension to my report. To protect his privacy, let’s call him “Quill Penn”.

Discussions on Day 1 traversed a range of general issues without sparking real controversy or enthusiasm. This seemed to reflect sober puzzlement rather than complacency - if New Zealand really has done so well in reforming the public sector, then what happens next?

Readers may recall the thick volumes of personnel management rules that once gathered dust in every public sector organisation. In theory, these volumes provided a ruling on any particular question (in practice of course, the rules were often confused, inconsistent, or incomplete). Speaking about those “bad old days” with Quill, I discovered he had written many such volumes.

Quill Penn’s Yesterdays

Quill joined the public service at an early age, and later completed a university degree part-time (on full-time pay). He quickly displayed a talent for administration, working in several government departments and agencies. Throughout the 1970’s, Quill busily wrote, amended, and applied regulations of many sorts.

With his grasp of detail, it was only natural for Quill to move into personnel management. Who should be represented on interview panels? What appeal processes were needed? How should work experience with the Hong Kong police band count towards salary progression? Should being off work to have a vasectomy - a voluntary operation, after all - qualify for sick leave? Vexed questions like these were meat and drink to Quill, and he prospered mightily! Until reform came along....

Day 2 took up the theme of strategic direction. Speakers from New Zealand and overseas provided a range of stimulating perspectives. Delegates commented most on the UK’s experience with a “Citizen’s Charter” - a way to make service standards and performance measurement meaningful to individuals? The overall verdict: though New Zealand is the market leader in public sector management, much can still be done and complacency should be avoided.

Accountability themes became prominent during the afternoon. Our systems (particularly compared with others) are admirable, but do they really reach the substance - results and outcomes? Are we over-emphasising form - processes and compliance - instead? Does anyone really read and use all

those reports now? Will they in the future? High compliance costs and creeping “staleness” were the main concerns here.

Day 3 focused on reporting and innovation. The emphasis on accounting prevalent in earlier years was absent. Specialised issues such as infrastructure accounting still provide technical challenges, but the importance of meaningful financial information is now taken as read. That word “meaningful” is tricky though - concern emerged that many public sector organisations practice management accounting without enough heed to the quality or relevance of the information generated.

Speakers noted that better accounting can facilitate better management, but not compel it. Reporting in itself has limited value, and can only be part of a performance measurement cycle. Discussion traversed reporting characteristics like relevance and completeness, and related management performance issues such as capacity maintenance.

Afternoon sessions tackled the “business” themes of quality and innovation. Speakers stressed that internal processes should strive towards outward goals. Most of the qualities organisations need for this - responsiveness, agility, cross-functional teams, benchmarking, passion - are not traditional public sector strengths. Closing these gaps will not be easy - what can people like Quill contribute?

Quill Sinks, and Swims

Public sector reform brought turbulence to Quill. The demise of his department led to redundancy, and apparent career devastation. But the almost tax-free redundancy payment bought a new and bigger house, and it only took weeks to find work with a “transition team” in another department.

A second redundancy two years later was tougher, especially with compensation payments now taxable. Quill’s administrative skills weren’t in demand, and he had to accept a junior position. But applying himself to the new management system, Quill fought his way back. Corporate planning proved a fruitful field. Soon Quill was skilled in “business development”, and landed a “strategy manager” job. He prospered once more....

On the final day, keynote speakers and sector group discussions grappled with the issues raised earlier. Everyone recognised the need for continuous improvement, but not many suggestions for quick progress were put forward. A few delegates still favoured better “contracts”, but most felt we were reaching (or had reached) the limitations of this tool.

At the closing plenary session, comments from the floor were conspicuous by their absence. The “buzz” that characterised the reform period is there no longer. A number of delegates told me that further improvements required patient long-term work from committed managers, not dramatic changes.

Should this surprise us? The public sector, now operating under a businesslike framework, faces the same challenges as other businesses. Leadership is essential to create a vision, inspire commitment, and encourage innovation. The quality and motivation of managers and staff, and the cultures that they create and work in, will drive - or limit - achievement. A persistent convention theme was the need to balance “hard” and “soft” management skills. More than one speaker mentioned the need for “passion” in management. So, what does the future hold for Quill?

Quill's Future Prospects

These days Quill feels positive about reform. As “general manager” of a “business unit”, Quill can define a Key Result Area, recite his outputs and costs, and specify performance standards. His unit may not be changing the world all that much - who could? - but it meets output targets, and the department's annual report looks impressive. Quill is still seen as an administrator, not a leader, but every manager has weaknesses. And as the Cave Creek Commission of Inquiry demonstrated, all that talk about greater accountability doesn't necessarily mean much in practice - you can still blame “the system” when things go wrong, even when people get killed. With hardly any applicants from outside the public sector coming forward these days, Quill expects to land a CEO job despite his narrow experience base and weak leadership skills.

Is Quill right, or wrong? Have we merely achieved a one-off performance improvement, and then replaced one set of bureaucratic rules with another? Will public sector management remain “different” and exclusive? If not, what comes next?

The convention did an excellent job of raising these questions but could provide no easy answers. New Zealand's public sector reform produced excitement and a superior management framework, but that “top-down” revolution has run out of steam. Progress now depends on the arduous and unglamorous work of better management - getting things done through people - and stronger leadership - making people want to achieve things.