



Innovations in Government

International perspectives on civil service reform

Guy Lodge and Susanna Kalitowski

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Innovations in Government: International perspectives on civil service reform

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1. Introduction

Over the past few decades, civil services across the world have been subjected to significant bouts of reform. Reform has been driven by a number of social, economic and technological developments that have altered the environment within which government operates. Today, as the pace of change quickens, civil service systems, and the civil servants who work in them, must continue to adapt if they are to have the right skills, knowledge, and capabilities needed to meet the challenges of 21st-century government.

The aim of this report is to:

- Analyse international trends in civil service reform
- Identify and understand the new challenges and problems confronting civil services
- Highlight a number of innovative case studies that offer possible ways forward
- Suggest promising new directions for future civil service reform.

Methodology

This report forms part of ippr's 'Rethinking Whitehall: The Future of the Civil Service' research project, and complements our report *Whitehall's Black Box: Accountability and performance in the senior civil service*, which was published in 2006. It is based, in particular, on:

- Expert seminars
Seminar 1 – Reforming the Civil Service: Lessons from Overseas (September 2005). Speakers – Professor B Guy Peters (University of Pittsburgh) and Geoff Mulgan (Director of the Young Foundation and former Head of Policy, 10 Downing Street).
Seminar 2 – Civil Service Reform: Lessons from the Devolved Institutions (December 2005). Speakers – Sir John Elvidge (Permanent Secretary, Scottish Executive) and Matthew Quinn (Director of Strategy, National Assembly for Wales).
- An extensive review of the international comparative public management and public administration literature.
- Expert interviews – ippr researchers conducted 15 targeted interviews with key international practitioners and policy experts, including: Dr Mark Prebble, the Head of the New Zealand Civil Service; and HE Mel Cappe, former Cabinet Secretary in the Canadian government. We also established informal networks with key high commissions and embassies, which provided us with an important channel for learning and sharing ideas.
- Seminar paper *Civil Service reform post-devolution: The Scottish and Welsh experience* written by Richard Parry and Audrey McDougall, and published as part of the ESRC Devolution and Constitutional Change programme (Parry and McDougall 2005).
- The (65+) expert interviews ippr researchers conducted with senior ministers, senior officials and other leading experts for its work on UK civil service reform.

Country case studies

This paper uses a number of individual case studies. To obtain a good cross-section of international trends, and to account for institutional differences, we chose countries from a range of different civil service 'families', including:

- Westminster systems: Australia, Canada, New Zealand, Singapore and the UK
- Politicised systems: the US
- Scandinavian systems: Denmark, Finland and Sweden
- Continental systems: France and the Netherlands
- New political systems in the UK: the Scottish Executive and Welsh Assembly Government.

Lost in translation?

Some academics and scholars dispute what we can really learn from other countries. Sceptics stress the problem with importing ideas from abroad that do not take account of specific national contexts, and distinct institutional, cultural and behavioural differences – they argue that there is a danger of getting lost in translation. More specifically, they question whether large countries can really import ideas and practices that are seen to have worked in small countries.

While there are, of course, limits to what we can learn, let alone import, we believe such scepticism is exaggerated. So long as we are aware that one size does not fit all, and distinguish, as Mulgan (2003) suggests we should, between a policy *concept* – which is ripe for borrowing – and the *application* of that policy – which will have to be adapted to different cultural and institutional environments – it is possible to look to others for new sources of knowledge and inspiration.

And even accepting, as we do, that there are limits to what we can learn from smaller countries, it would be perverse, in our view, not to pay particular attention to them, given that it is smaller states – notably places like Finland, Denmark, New Zealand and Singapore – who tend to be at the cutting edge of reform, and who seem to consistently come up with the most exciting innovations. In this report, we make no apologies for drawing extensively on the experiences of such countries.

2. The civil service in a changing world

Civil service reform in context: the legacy of the new public management

In the last 20 years, governments all over the world have made fundamental changes to the way they are run (OECD 2005). Civil service reform has been at the heart of this process of ‘modernisation’. Despite different administrative cultures, political circumstances and priorities, the level of convergence is striking (Karmarck 2003a). This convergence reflects the prevalence of a shared governing philosophy that has underpinned many of the recent reforms: the new public management (NPM).

The NPM model defined itself against 20th-century government, and against the classic ‘Weberian’ hierarchical bureaucracies, which it considered to be fundamentally flawed. It advanced a particular diagnosis of what was wrong with civil services, and a series of panaceas that have since been incorporated – albeit to varying degrees – in many OECD countries.

This is not the place to evaluate the pros and cons of the NPM – that debate has been the subject of several books and reviews (see Hood 1991, Aucion 1995, Pollit and Bouckaert 2004). However, for our purposes, it is important to understand the impact of the NPM, if only to set the scene and to gauge the future trajectories of civil service reform. Below, we briefly summarise key features of the NPM reform movement, and give an overview of some of the more significant problems it has left civil services.

The NPM mounted a strong critique of government and the public sector, arguing that:

- Civil services were bloated, rigid, hierarchical and over-centralised
- Monopoly status ensured that the public sector was unresponsive and inefficient
- Government was driven by the interests of producers, not users
- There was an absence of a performance culture
- Civil servants were unaccountable and over-privileged.

Holding that the ideal government is ‘flat, flexible, specialised and decentralised’, the NPM model advocated a series of reforms that were designed to remake the public sector in the image of the private sector (Pollitt and Bouckaert 2004). In short, the NPM tried to introduce a ‘bottom-line’ mentality into the way government operated. Efficiency became the main goal, as private sector techniques were fastened on to the machine of government.

A number of reform themes emerged¹:

- *Privatisation* – wherever possible, government functions were privatised.
- *Devolution* – if privatisation was not possible, then the next best option was to divide government functions into smaller entities in a bid to drive efficiency up and costs down. ‘Delivery’ bodies were hived off into semi-autonomous single-purpose agencies; other services were contracted out; and many were dispersed from central government to lower tiers. The aim was to create more specialised single-purpose organisations.
- *Performance management* – government and its employees had to become more accountable and performance-minded. Performance measurement regimes were installed, and attempts were made to quantify government activity so that it could be effectively assessed.
- *Personnel management* – the NPM wanted ‘can-do’ leaders to replace traditional administrators, which led to reforms to personnel systems. Reformers targeted the ‘job-for-life’ through fixed-term contracts as well as by shifting to performance-related pay initiatives.

Like other reform agendas, however, the NPM has far from delivered on all its promises. Moreover, it has created significant problems for civil services today (Pollitt and Bouckaert 2004), which include:

- *Fragmented and un-cohesive government*: the proliferation of semi-autonomous public bodies and the fragmentation of the state has made coordinating government significantly more difficult.
- *Separation of policy and delivery*: a consequence of organisational fragmentation is that the NPM reforms have put too much ‘distance’ between the designers of policy and those tasked with delivering it on the ground.
- *Accountability and control deficits*: central government often has less control over the mosaic apparatus of the state, yet is still held accountable for their actions. New accountability models have yet to be developed.
- *Inhibited learning*: contrary to the assumptions implicit in the NPM, it has failed to deliver a learning culture in government. Organisational fragmentation has made learning across boundaries more difficult.
- *Neglecting democratic engagement*: the NPM worked with an impoverished understanding of the public realm and the role of citizens, who were seen as little more than ‘customers’. Despite its increasing importance to improving both the effectiveness and efficacy of government, the NPM has little to say about how governments should cooperate and engage with the public and others as active partners or co-producers.

Civil services in a changing world

Central government civil services do not exist in a vacuum. The demands on them change in response to developments in the wider environment. Today, civil services must adapt themselves to a number of long-term societal trends that are changing the context of government in the 21st century. These include:

- Globalisation
- Demographic change – especially an ageing and more diverse population
- Global migration flows
- The information technology revolution
- Greater marketisation and the blurring of boundaries between the public and private
- A less deferential and trusting citizenry
- Rising public expectations of government
- A more intrusive mass media

1. See Pollitt and Bouckaert (2004) and Torres (2004)

-
- Increasing numbers of so-called ‘wicked problems’ that require joined-up, cross-boundary responses
 - Problems that can only be addressed through co-production and behaviour change.

This list is far from comprehensive, but it demonstrates a crucial point. Societies are more complex and less governable than ever before. As Nye and Donahue (2003: 5) argue, these trends are acting to ‘diffuse a degree of power, responsibility and even legitimacy held by central government’.

Civil services in an era of distributed governance

More specifically, civil services have to come to terms with what has been labelled as the shift from government to *governance* (Rhodes 1997). The ‘hollowing out’ of the state, achieved through privatisation, contracting out and the creation of the arm’s-length agencies, has eroded traditional hierarchical bureaucracies. These trends have accelerated in recent years, resulting in complex and diverse patterns of governance.

As Karmarck points out, 21st-century civil services increasingly have to operate ‘through reformed state institutions, through networks created and managed by them and through markets shaped and monitored by them’ (2003b: 135). This involves working with a constellation of public, private and voluntary actors, and having to negotiate across boundaries at the international, regional and local levels, managing diverse and sporadic delivery chains.

In this world, central governments increasingly have to share the stage with other actors (Nye and Donaghue 2003). Coordination in this diffuse environment has become something of a holy grail for 21st-century public administration. The problems it faces are now far more complex, often seemingly intractable, with old solutions, instruments and patterns of engagement appearing increasingly obsolete and irrelevant.

Combined, these forces present the centre with an array of formidable challenges. Ensuring that civil service systems and the civil servants who work in them have the right skills, knowledge and capacity to operate in this world is a central challenge for government in the 21st century.

3. International perspectives on civil service reform: trends, challenges and priorities for the future

As is clear from the section above, civil services the world over have had to adapt to and make sense of an ever-changing world, transforming their practices, people and cultures to meet the new challenges they face.

Significantly, though, it is not just new challenges that civil services have to respond to. The dynamic nature of administrative reform means that they also have to deal with the consequences of previous efforts. Perhaps the clearest example of this concerns the organisational fragmentation created by NPM agency reforms. These have made joined-up government much more difficult, just at the time when public policy must increasingly cope with problems that require joined-up responses (Bogdanor 2005).

In what follows, we outline a number of ways in which civil services are attempting to address these challenges. We focus on themes we consider to be of growing importance for international civil service regimes. Such an overview can only expect to explore selected aspects of civil service reform, and so we do not claim to offer a comprehensive guide.

The key themes we address are set out below:

- Results-based government: performance and accountability in the civil service
- Improving the policymaking process:
 - Opening up the policymaking process
 - Strengthening policy evaluation.
- Building a learning culture:
 - Knowledge management and institutional memory
 - Capturing innovation.

-
- Transforming civil service skills, training and career paths:
 - Widening the gene pool
 - Bridging the divide – changing the relationship between the civil service and the wider public service
 - Schools of government and training.
 - Joined-up government.

Under each theme we:

- Identify the nature of the problem confronting civil services
- Highlight a number of innovative case studies that offer possible ways forward
- Suggest areas on which future reform should concentrate.

4. Results-based government: performance and accountability in the civil service

As a result of fiscal constraints, growing demands on public expenditure, and rising public expectations for more and better quality services, OECD countries have, in the last few decades, come under increased pressure to improve public sector performance (Curristine 2005a, 2005b).

In response to this pressure, a major reform theme has centred on improving the accountability of public services. One obvious reason for this is because accountability is believed to be a significant driver of improved performance and delivery (O'Donnell 2003).

Enhancing the accountability of government has been addressed by using a number of different techniques and approaches to public sector management. Perhaps the biggest trend, however, concerns the advent of what some call 'results-based government', and the rapid rise of performance budgeting and performance management as a tool for enabling effective accountability. A survey in 2005 revealed that nearly three-quarters of OECD countries report having results-based systems in place (Curristine 2005b).

The logic behind results-based government is both simple and attractive: managers are given the levers and autonomy to push up performance and are then held accountable for delivering agreed results. Whereas, in the past, performance was assessed by monitoring inputs (the amount spent on a service or the number of people employed in it), today results are increasingly defined and measured as outputs – that is, the services government provides such as education – and outcomes – that is, the broader impacts and effects the services themselves are intended to have, such as a better-educated citizenry.

One consequence of these developments has been the exponential growth in performance information, though, as Curristine (2005a) points out, this is not regarded as an end in itself, but is designed to:

- Improve decision-making and understanding of what works and what achieves value for money
- Improve performance
- Improve public accountability.

Given the widespread adoption of results-based government, it is worth asking how successful it has been in delivering more accountable government.

Drawing on OECD analysis we explore this by focusing on the following key questions:

- Are there effective mechanisms in place for rewarding or sanctioning individuals/agencies for meeting or failing to meet performance objectives and goals?
- Does performance management information influence and shape decision-making?
- Do legislatures use performance information to hold the executive to account?
- Has the performance movement enhanced the accountability of government to the public?

Rewards and sanctions

The OECD found that just under half of their member countries had no formal mechanisms in place for relating success or failure in achieving a target to the reward or punishment of individuals or agencies (Curristine 2005a).

Surprisingly, and despite claims to the contrary, very few OECD countries have attempted to integrate performance management processes with the budget process. In other words, resource allocation is rarely informed by a department's performance against agreed objectives. In the UK, for instance, the link between the spending review (which sets out biannual departmental spending plans) and Public Service Agreements (PSAs – departmental outcome targets) has been weak. It is not unusual, for instance, for departments to have agreed spending envelopes with the Treasury ahead of any discussion of their PSA targets.

The absence of a more integrated process also undermines Parliament's ability to hold the executive to account, as it prevents it being able to judge whether spending has led to improved performance in outcomes.

There are some interesting exceptions, however. The US has introduced an integrated budgetary and performance management system (see Box 4.1), while, in Sweden, performance management and financial control are linked throughout.

Box 4.1. Case study – performance accountability

An integrated budgetary and performance management system: the Government, Performance and Results Act (GPRA), United States

In contrast to some of the internal performance management regimes in place in other countries, which keep the budgetary process distinct from the performance objective process, the US GPRA model offers an example of a more integrated and comprehensive approach to performance management. Under the GPRA, all federal departments and agencies are required to present performance data that is explicitly linked to the budgetary process. This ensures that the two processes are effectively integrated, and that Congress is able to fully scrutinise the performance of the executive branch, linking this assessment to decisions on budget appropriations. Federal departments and agencies submit:

- Five-year strategic plans.
- Annual performance plans – setting out budgets and performance goals for each departmental programme of activity, along with measurable performance indicators.
- A Performance and Accountability report – which sets out performance against previously-agreed goals for that fiscal year, explaining and describing when and why a particular goal has not been met.

The GPRA allows both the executive and the legislature to make informed judgments when determining budgets about how well particular federal activities are being conducted, which countries that keep the two separate are unable to make.

This is not to presume that highly formalised links between performance management and funding allocations are automatically desirable. Arbitrary funding cuts and raises are unhelpful where poor performance arises as a result of under-investment, or where raising performance requires additional resources.

Accepting this caveat, as we do, there is still much scope for improving the way that the two processes inform each other, in much the way that the US GPRA does.

Informing decision-making

It seems central government's reluctance to use performance results to determine resource allocation is mirrored by its reluctance to use this information for broader decision-making. Certainly this is the case where performance budgeting information is concerned: 41 per cent of OECD member countries reported that it was uncommon for members of the executive or the legislature to use it to inform decision-making.

Information generated through monitoring progress on performance targets plays a marginally higher role: 50 per cent of OECD countries said that they used it to set priorities (Curristine 2005a).

Some might think it strange that central governments have put huge effort into designing and building sophisticated performance regimes, only to overlook much of the information they create, especially given

the impact it could have on fostering greater learning in government (see section 6).

Holding the executive to account

The performance management revolution provides legislatures with an opportunity to transform the ways in which they hold the executive to account, but, so far, the evidence suggests that they have failed to do so: just 19 per cent of legislatures in OECD countries claim to use performance information to hold the executive to account (Curristine 2005a). This finding is supported by Talbot and Johnson's study of the UK Parliament, which showed how select committees have neglected to scrutinise departmental performance against PSA targets (2007). It seems developing a results-based system is quite distinct from building a results-based culture.

Enhancing public accountability

Performance information has had only a limited impact on improving the accountability of government to the public. True, most governments now publish regular performance reports, but this on its own cannot be said to have enhanced accountability. Two issues seem relevant: is the data reported in a way that the public can easily understand? And is the public confident that the information published is accurate? On the first question, some interesting innovations can be observed. The US Scorecard, for example, uses an easily understandable 'traffic light' scheme for highlighting the performance of individual agencies (see Box 4.2).

Assuring the public about the quality and accuracy of performance information is more difficult. One important option available to governments is to have performance data externally audited. Yet the OECD shows many countries have not gone far enough down this road. They asked members whether performance data was externally audited and received the following response (Curristine 2005a):

- No – 24 per cent
- For some programmes – 36 per cent
- For most programmes – 20 per cent
- For all – 20 per cent

Box 4.2. Case study – balanced scorecards

The Executive Branch Management Scorecard, United States

In addition to performance accountability achieved through the GPRA, the Office of Management and Budget (OMB) – an executive office in the White House – assesses the performance of federal departments and agencies quarterly by the Executive Branch Management Scorecard. The Scorecard assesses how well the departments and major agencies are performing against government-wide management priorities in the core areas of strategic management of human capital, competitive sourcing, financial performance, e-government, and budget performance integration.

Using an easy to understand 'traffic light' system, it awards a green light for success, yellow for mixed results, and red for unsatisfactory. Such an approach allows departments and agencies to be benchmarked against each other. However, it must be noted that critics have claimed that the Scorecard has become politicised; rather than rewarding good performance objectively, they claim the Scorecard measures whether agencies adhere to the President's agenda.

Overall, while these reforms have delivered some significant improvements in the way central governments work, they have had a mixed and uneven impact on accountability, certainly they have not transformed civil service accountability arrangements.

Savoie (forthcoming) questions whether the growth in performance and evaluation reports and management and performance targets actually amounts to real and effective accountability, focusing as they do on processes rather than on the individuals who oversee those processes. For him, genuine accountability would entail holding officials individually and publicly to account for their actions. Such a view seems to chime with the public, who increasingly want to hold individual officials to account for the power they exercise and the resources they spend (OECD 2005).

This raises important questions about the constitutional relationship between ministers and officials. In many cases, shifting to this sort of accountability model would demand a reappraisal of the constitutional position of civil services. This is a particular issue for Westminster systems, governed as they are by the doctrine of ministerial responsibility, which dictates that ministers, and ministers alone, are accountable for everything that happens in their departments. In other words, the flipside to ministerial responsibility is the non-accountability of the civil service (Lodge and Rogers 2006). Such arrangements leave lines of accountability unclear, and roles and responsibilities confused.

Without recasting constitutional doctrine and clarifying the respective roles and responsibilities of ministers and officials, it makes it very difficult to distinguish between the performance of the civil service and the competence of the minister. But this is precisely what recent attempts to make the civil service more accountable have neglected to do. The constitutional dimension has been continually overlooked (Lodge and Rogers 2006).

One obvious exception to this is New Zealand, which has done more than any other Westminster system to tackle this accountability problem at the top of the civil service (see Box 4.3). Elsewhere attempts are being made to clearly distinguish between ministerial and civil service responsibilities: in Canada, the Gomery Commission, a high-profile public inquiry into the sponsorship scandal, triggered a major debate about the inadequacies of the constitutional settlement (Gomery Commission 2006).

In the UK, following a series of high profile failings at the Home Office, an internal review concluded that significant problems stemmed from unclear lines of accountability, following which the Government announced that a new 'contract' was needed between ministers and officials with the aim of 'clarifying respective roles ... in relation to policy, operational delivery and management' (Home Office 2006: 3).

Box 4.3. Case study – ministerial and civil service accountability

New Zealand

Respective roles of ministers and chief executives

In New Zealand, the respective roles of ministers and chief executives (permanent secretary equivalents) are clearly defined in statute:

- Ministers are politically accountable to parliament (and the public) for the conduct of their agencies – they are responsible for strategic direction, policy decisions, the public advocacy of the decisions made, and 'outcomes'.
- Chief executives are responsible to their ministers and to parliament for the conduct of their agencies – they are responsible for policy advice and implementation, service delivery, the management of their agencies, 'outputs' and 'managing for outcomes'.

Accountability in New Zealand

New Zealand undertook radical and large-scale reforms to its public sector and civil service in the 1980s. At the heart of the reforms was a desire to improve the accountability of the public service by establishing clear lines of responsibility between ministers and civil servants, and instilling a new sense of personal accountability in the latter.

The architects of New Zealand's management reforms envisioned ministers and chief executives in a contractualised principal-agent relationship, in which ministers would 'purchase' outputs from chief executives using a system of detailed purchase agreements. However, this arrangement proved problematic, as it was costly and rigid, and ministers proved to be largely uninterested in negotiating contracts. The system evolved so that the State Service Commission became the principle assessor of chief executive performance, with ministers providing valuable feedback.

Concerns were also raised about the way in which the contract system encouraged departments to focus on the delivery of outputs at the expense of broader outcomes, a problem Hood and Lodge refer to as hitting the target but missing the point (2006). Consequently, detailed purchase agreements were replaced with more streamlined and outcome-focused 'Statements of Intent and Output Plans', which set out ministerial objectives, and civil service delivery plans.

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The role of chief executives

The unified career civil service that New Zealand inherited from Britain was effectively abolished, as permanent department heads were replaced with chief executives, appointed via open competition on fixed-term contracts. Unlike permanent heads, chief executives are personally accountable for all department operations, including the management of its staff, and have the freedom to make all input decisions, including pay, staffing, organisation structure, and service delivery. Chief executives oversee the hiring and firing of staff, respond to parliamentary committees, and represent the department to the media and public.

Initially, chief executives were only responsible for departmental outputs, but now they are also responsible for 'managing outcomes', which requires them to take a broader view of their work and its impact on government policy as a whole, and encourages collaboration with new actors.

The shift to hold chief executives to account for 'managing for outcomes' was an attempt to better align administrative activities with political goals. Chief executives have to demonstrate that the outputs they are using will deliver the political outcomes. This is an important development as it links outputs with outcomes in an effective way that others might learn from. In recent years, it has become fashionable for governments to focus much more exclusively on outcomes (OECD 2005), and, while this is understandable in many ways, it does pose problems for performance accountability, given the more ambiguous nature of outcomes-based targets. By linking the two – and adopting New Zealand's 'twin-track' approach – many of these difficulties are ameliorated.

The role of ministers

Ministers are accountable to parliament for departmental outcomes. They are rarely drawn into the day-to-day operations of departments. Instead, their role is to develop strategic objectives and policies and to 'steer' government departments by providing them with resources, helping them to develop departmental Statements of Intent and monitoring their Output Plans. They are collectively responsible for the overall capacity of government.

Accountability mechanisms

Chief executives are accountable to parliament for the financial management and financial performance of their department, and for departmental 'outputs'. As part of the annual budget round, chief executives must prepare a Statement of Intent for their minister to have tabled in parliament, which provides a base against which the department's actual performance is later assessed. This Statement must be followed up with an Output Plan, a more detailed work programme that will deliver on these priorities.

Both the Statement of Intent and the Output Plan are scrutinised annually by the relevant parliamentary select committee, which uses these documents to formally evaluate the department in the form of a Financial Review. This Review evaluates the success of the department's annual undertakings in a clear and accessible manner, and incorporates financial and service performance ratings from the Auditor-General.

The State Services Commissioner assesses chief executive performance annually. If it is unsatisfactory, he or she can decide not to renew the chief executive's contract, or to take more drastic sanctions. The Commissioner has the power, with the approval of the cabinet, to dismiss a chief executive.

If civil servants consider that their minister is seeking to exert too much influence over matters that are properly within the domain of the chief executive they can raise their concerns with the chief executive, who should attempt to clarify and resolve any concern through discussion with the minister. If concern remains, the chief executive will ask the minister for a written direction conveying his or her intentions. If necessary the opinion of the State Service Commission will be sought (State Service Commission 2003).

Summary

No one would suggest that the New Zealand model has completely ironed out all the difficulties inherent in trying to distinguish between ministerial and official responsibilities. In practice, there is no perfect, binary distinction between policy and operations. Nevertheless, the New Zealand model has done more than any other system to make an effective distinction workable. Crucially, the arrangements have been able to evolve and adapt – with changes made where they are deemed necessary. So it comes as no surprise to note that a 2001 government review declared that one of the great achievements of their reforms is that 'accountability is taken seriously in the system' (Review of the Centre 2001: 14).

5. Improving the policymaking process

Designing, developing and advising ministers on policy remains a core function of all senior civil servants. However, recent debates on civil service reform have tended to overlook this important area.² The ‘Achilles heel’ of civil service regimes has generally been considered to be in the area of management and service delivery – and, consequently, insufficient attention is given to how the policymaking process can be improved, and how the role of the senior civil service needs to change to achieve this (Savoie 1994, Lodge and Hood 2004).

This is a source for concern, since it is clear from international evidence that the traditional reputation for policymaking excellence is often exaggerated for many civil service systems.

A number of general critiques can be levelled at the way in which civil services perform their policy roles:

- The policymaking process is still too closed and insular. Policymaking is often conducted behind closed doors, with little attempt to engage stakeholders or to capitalise on external expertise.
- In particular, there is a gulf between those designing policy and those delivering it. Policy is insufficiently informed by frontline experience and knowledge.
- Civil services struggle to engage with the public and have not fully embraced the opportunities provided by the ‘new democratic processes’ – especially the more deliberative kinds of public involvement.
- Civil services lack systematic and ongoing processes of policy evaluation and challenge.
- The role of civil servants in the policymaking process is evolving, but it lacks definition; once better-defined, civil services will be in a better position to assess the relevant skills and training needed to enhance this role.

Transforming the policymaking process so that it responds to these shortcomings should be a priority for future civil service reform. Below we look at these issues in more detail.

Opening up the policymaking process

Across the OECD, governments are becoming more open, transparent, accessible and consultative (OECD 2005).³ This phenomenon reflects changes in the nature of the relationship between the citizen and the state: increasingly, governments realise that, for their actions to gain legitimacy and support, they need to be underpinned by some degree of public involvement. Further, governments are beginning to recognise that ‘good policy’ is less likely to flow from a highly centralised and closed policymaking process. Indeed, the World Bank has shown that greater openness is positively linked to greater economic growth and better government performance (Islam 2003).

Consequently, all governments are looking for new ways to engage a wider range of actors in the policy-making process. Witness, for instance, the rise in public consultations for new policy and legislation as evidence of government attempts to become more inclusive and responsive.

However, even with this general trend towards greater openness in government, it is clear that the policy-making process in many countries remains too closed. Formal requirements to hold consultations, which are often treated as little more than a box-ticking exercise, do not, in themselves, trigger a change in attitude and outlook. The centre – politicians and officials – has so far proved reluctant to embrace a more participative approach to governing.

True, the civil service can no longer claim to have a monopoly on policy advice – let alone knowledge – but we are still some way from achieving a genuine marketplace for ideas in policy design. The concept of ‘contestability’, which has become increasingly popular in the field of public service delivery, has yet to be applied with equal vigour to the policymaking process. Civil services have not fully exploited the range of

2. For instance, the policymaking capacity of the civil service is barely mentioned in a number of OECD reports on civil service reform (OECD 2003, 2005). And, in the UK, the recently launched Departmental Capability Reviews, which assess departments in the core areas of strategy, leadership and delivery, did not think it necessary to assess the policy capabilities of departments.

3. For example, 90 per cent of OECD countries have freedom of information legislation in place (OECD 2005).

expertise and knowledge that lies outside its walls, in universities, business schools and research institutes, and with the wider public. Invisible hierarchies remain fairly firmly in place (Goss 2004, 2006).⁴

In particular, they have not exploited the ideas, expertise and insights that lie below the surface, with the so-called 'street-level bureaucrats' (Lipskey 1980) – the frontline staff tasked with delivering policy – who, given their proximity to service users, are often the first to know whether a policy is working or not.

Across all civil services, there is still far too much of a gulf between those designing policy and those delivering it. Even central government departments' own agencies complain about a sense of disconnection, lamenting the fact that they are rarely asked to contribute their views to policy formation (OPSR 2002).⁵ A central challenge for civil services, therefore, is to explicitly recognise public service staff as legitimate stakeholders in the policymaking process (Parker and O'Leary 2006), and to then understand how they can best tap into this reservoir of invaluable knowledge.

No one should underestimate the scale of this challenge. Developing credible and workable methods for involving frontline staff – and external experts – in the policymaking process is complex and difficult. It is something that all civil services are currently grappling with. Often, it is not an averse culture that stands in the way, but a series of logistical and practical barriers. Technology has real potential to help break down these barriers, with some looking positively at the opportunities presented by open source software (Mulgan *et al* 2005). But so far, technological advances such as online participative consultations have had only a limited impact, and international examples of good practice remain scarce (OECD 2005).

The best example we have come across in this respect comes from Singapore. Through its PS21 programme, the Singapore civil service has pioneered a system that enables all public service staff, particularly frontline staff, to feed their ideas into the decision-making process (see Box 5.1, p.16). Though it was originally designed to allow staff to comment on where and how savings could be made, the principle has since been extended to policy development and beyond.

Where the broader public are concerned, it is clear that central government has an important part to play in facilitating their greater involvement in decision-making. Civil services need to be conscious of newly emerging 'terms of exchange' between citizen and state: a public that is much less deferential and better educated than it was in the past is no longer satisfied with the 20th-century model of government, which tended to think of citizens as passive recipients of professionally managed services, and which only consulted them infrequently at the ballot box.

Instead, today's model of government needs to imagine a much greater role for citizens in determining the decisions that affect them – what Coleman (2005) calls 'conversational democracy' – which, in turn, demands that the civil service foster a more collaborative and deliberative approach to government, one that understands the essential roles of users and communities. The gains from doing so are high, since it enables government to win legitimacy for its actions, and, moreover, because it is increasingly acknowledged that public services and public policies work best where the public are actively engaged in shaping them.

In responding to such trends, governments all over the world have begun experimenting with 'new democratic processes' to enable greater citizen involvement in collective decision-making. These include public opinion surveys, deliberative workshops, focus groups, citizens' juries, participatory budgeting, and e-democracy initiatives – all of which are beginning to have a real impact (see Smith 2005). The UK's Department of Health, for instance, used a series of deliberative workshops and public surveys in develop-

4. It should be noted that the lack of diversity in policy advice is a particular problem for Westminster systems, where, traditionally, policy advice has been dominated by the permanent civil service. Countries outside the Westminster model that have a tradition for openness include Belgium (policy advice comes from consultants and universities); the Netherlands (broad mixture of civil servants, academics and consultants); Sweden (its corporatist model ensures that a range of outside experts have an input into policy); and the US (where there are strong links with think tanks, corporations and academics). See Pollitt and Bouckaert 2004.

5. While the disconnection between policy and service delivery is by no means new, it is clear that it grew as a result of NPM reforms (Pollitt and Bouckaert 2004). NPM theory argued that efficiency gains could be made by separating the functions of policy design and execution, by disaggregating government departments and the public sector into smaller, more effective, manageable units. In countries like the Netherlands, the UK and New Zealand, this led to many bodies concerned with service delivery being 'hived-off' into semi-autonomous 'agencies'. To get a sense of this, it is worth noting that, at the height of the NPM reforms, New Zealand, with a population of 3.5 million people, was governed by over 300 separate central agencies and bodies (Dunleavy *et al* 2006a).

ing its primary care White Paper (Department of Health 2006).

The most interesting example, however, concerns the decision taken by the government of British Columbia, Canada, to establish a Citizens Assembly to determine the future of the states electoral system. Rather than appointing a commission made up of the great and the good, the government decided to hand the decision over to the people themselves by randomly appointing 160 ordinary citizens to conduct the inquiry. Having sat for a year and consulted widely, the Assembly recommended that the current electoral system be replaced with a form of proportional representation. Their proposals, which were put to a referendum, were endorsed by some 58 per cent of the electorate – only two per cent short of the 60 per cent needed to change the system.

The outcome of the referendum mattered less than demonstrating the effectiveness of the Assembly model itself. The British Columbia experiment succeeded in overturning many of the criticisms levelled at deliberative democracy: principally, that lay members of the public will not be able to pick their way through difficult and complex policy issues. It is hard to think of a more complex area of public policy than electoral reform, and yet the members of the Citizens Assembly proved more than capable of dealing with it. Indeed, the venture proved so successful that other Canadian states (notably Ontario) are now doing the same, while there are similar moves afoot in California and the Netherlands (Rogers 2006).

However, such innovations have proved much more successful at the local level – where it is undoubtedly easier to engage with the public – than at central government level, where cultural barriers to such processes remain high. Certainly, they have not yet embedded themselves within the policymaking environment. Peters notes that countries with a tradition for openness and transparency – notably Canada and the Scandinavian countries – have made much more of an effort than those countries with a history of insularity and secrecy (2001). In the former, consultation and citizen-involvement have become central features of the policymaking process, extending even to the budgetary process (Lindquist cited in Peters 2001).⁶

Strengthening policy evaluation

Deficiencies in openness are reflected in the way policy is evaluated. There is not enough independent challenge to policy as it is being developed, and too little interrogation of it once it has been implemented. The mantra of ‘what matters is what works’ – a global motto in public administration – is, therefore, undermined by the fact that often civil services do not know what works.

As indicated above, a common global trend across civil services in the last 20 years has been the growth – indeed the ‘explosion’ – in performance measurement systems and performance information (Power 1994, Pollitt and Bouckaert 2004). However, much of this is focused on observing whether departments and their agencies meet specific targets and objectives, principally in relation to service delivery. Much less of it is concerned with effective and systematic evaluation of policy itself.

Consequently, civil services tend not to ask whether particular policies worked, and to see what lessons might be learnt for the future. There are relatively few mechanisms in place for ensuring that policies are interrogated and challenged throughout the policymaking process, at their inception and development, and then once they have been implemented.

One explanation for this is that policy is made in a highly politically charged and time-sensitive environment, conditions that do not necessarily lend themselves to such reflective practices. When evaluation does take place it tends to be on an ad hoc basis, with the civil service carrying out episodic ‘one-off’ studies, and is, therefore, not institutionalised within the policymaking process. So there are few equivalents of the UK’s Gateway Reviews – which ensure that all government procurement programmes are subject to an ongoing series of rigorous approval tests during the critical periods of the projects – operating at the policy level.⁷

Some countries are beginning to recognise this and do something about it. Finland has begun to move away from narrow performance assessment of service delivery, and started to focus more on appraising

6. Some central government scepticism over greater citizen involvement is understandable. There are downsides and challenges that need addressing. In particular, there is a danger that such processes will get ‘captured’ by those groups who have the time and resources to participate in them, which could create new sources of inequity. Engaging poorer communities in a sustained way is difficult to do and more thinking is needed here (Prior *et al* 2007).

7. This is not to suggest that the Gateway Reviews have completely succeeded in their ambition of improving government procurement processes, but they have undoubtedly helped.

and evaluating the effectiveness of policy (Harrinvirta and Kekkonen 2005). The Finns have even developed specific performance tools for assessing particular policies, and have ensured that such assessments are mainstreamed within the policymaking process itself, so that new policy proposals are scrutinised for their workability from the outset (ibid). Meanwhile, in 2002 the Japanese government introduced a new system of policy evaluation that is intended to transform the way things are done there (see Box 5.1).

Box 5.1. Case study – policy evaluation

Towards effective policy evaluation? The Government Policy Evaluations Act, Japan

In Japan, in 2001, the Koizumi government introduced the Government Policy Evaluations Act (GPEA), which offers a potential model for how to institutionalise an effective and iterative system of policy evaluation within the civil service. Significantly, policy is evaluated and challenged throughout the policymaking process, and does not just take place 'after the event'.

The GPEA attempts to combine policy evaluation with the much more common performance measurement/assessment reporting of particular government activities. In the GPEA context, 'policy' has a broad definition, referring to government policy and government programmes and projects (Sasaki 2005).

It places the onus on government agencies to develop their own approach to policy evaluation and performance reporting, within guidelines laid down by the core executive and the legislation. The Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) is responsible for complementing self-evaluations by ministries, and also conducts evaluations to ensure uniformity and comprehensiveness of government policies.

A summary of the 'Standard Guidelines for Policy Evaluation' is set out below.

Based on the following three standard evaluation methods, each government office must select an appropriate evaluation method and carry out assessment accordingly:

- (1) *Project evaluation* to provide information useful for adoption, rejection, and selection of administrative activities, by conducting evaluation beforehand, and carrying out verification during and after the implementation.
- (2) *Performance evaluation* to provide information on the extent of policy achievements. This is accomplished by setting up the goals to be achieved beforehand in the wide-ranging areas of administration, measuring the performance, and evaluating the extent of goal achievements.
- (3) *Comprehensive evaluation* to provide a variety of information useful for solving problems by setting up a specific theme, carrying out comprehensive evaluation by looking at the theme deeply and from various angles, and finding out effects of policy.

There is no doubt that GPEA has experienced some teething problems – particularly with regard to the almost unmanageable volume of performance information it has produced, given the need to evaluate thousands of public works programmes (Talbot 2006b). Nonetheless, GPEA has potential. Observers have noted that policies that are deemed to have been successful have been rolled out elsewhere and prioritised, and, conversely, that poor policies have been abolished as a result of evaluation (Sasaki 2005).⁸ GPEA is also regarded positively for attempting to integrate policy evaluation and performance in a way that is still not done in most OECD countries, and, above all, for enshrining the practice in law (Talbot 2006a).

8. In 2002, a total of 2,436 ex-post evaluations were conducted using one of the approaches suggested above. Out of the total, 1,920 cases (78.8 per cent) were evaluated as 'well done and should be continued as is'; 450 cases (18.5 per cent) were evaluated as 'should be improved or reconsidered'; and 55 cases (2.3 per cent) were judged negatively, as 'should be suspended, terminated or abolished' (Sasaki 2005).

A new role for civil servants?

Perhaps the biggest challenge facing civil servants is the need to recast their role in the policymaking process – and beyond. Evidence from our international case studies suggests that civil servants increasingly have to perform the role of policy coordinator rather than the more traditional role of policy adviser.⁹ By this it is meant that civil servants need to focus on building relationships, networks and policy communities with experts on the outside (in universities for example), engaging the wider public and facilitating feedback and learning from the frontline.

As suggested by Goldsmith and Eggers, one way of thinking of this role can be found in Malcolm Gladwell's *The Tipping Point*, which introduced the concept of the 'connector' (2004). Connectors are people who act as facilitators and coordinators, bringing in experts from across the public, private and voluntary sectors, and from different levels of government, who have particular skill-sets, experiences and knowledge, to collaborate in specific activities.

This is not to suggest that civil servants will no longer be active players in the policymaking process: of course, they will. It is just it is hoped that they will occupy a more outward-looking role. Such a change is only beginning to take place; practice, as ever, is some way behind the rhetoric, and making it happen will require a change in culture. It will also require different skills and training (we discuss this more in section 7 below).

6. Building a learning culture

These concerns about policymaking form part of a wider issue facing civil services: the absence of an effective learning culture. Organisational theory has come to regard a capacity to learn from experiences – both successful ones and failures – as essential to progress and change (Chapman 2002). Yet civil services have, with some exceptions, attached little priority to how they think about learning.

We explore this theme through two dimensions:

- Knowledge management and institutional memory
- Capturing innovation from within.

Knowledge management and institutional memory

Every organisation of any complexity needs to find ways of ensuring that the knowledge and experience that it contains are effectively preserved and deployed. Yet, it is clear that central government civil services struggle in this area – institutional memories have become weak. A recent OECD investigation revealed that most civil services attach little priority to managing and utilising their knowledge and memory (OECD 2001).

In our research into the UK civil service, we continually encountered people – both those working in it and those whom it works with – who regarded its weak institutional memory as one of its most serious shortcomings. The critique we heard, which is best summed up by a former senior official below, is true for the other international systems we examined:

'There is no attempt in Whitehall to think about knowledge management. Indeed, often it seems as though the wrong things are remembered. The corporate memory as a whole is lacking, and poor corporate memory means you will be bad at change and knowing what works and what doesn't.' (cited in Lodge and Rogers 2006)

The issue of knowledge management is often considered to be something of a distraction. This is a mistake. How an organisation manages its memory and knowledge is fundamental: a culture that does not value its institutional memory – or takes it for granted – will not learn from experience, nor is it likely to succeed

9. This trend also reflects the other major change taking place in civil service roles, and that is the much greater emphasis that is now placed on management and operational delivery. In fact, the two should be regarded as complementary: as the managerial role becomes more central, senior civil servants will need to change their role with regard to policy.

during periods of rapid change. This explains why private sector firms have, for some time, prioritised knowledge management strategies within their reform programmes. Moreover, poor knowledge management can be an expensive business: just think of the regular problems civil services have encountered with their procurement policies in recent years, where it seems as though the same mistakes get repeated.

In government today, information is pervasive. But its full potential will not be realised without an effective knowledge management strategy in place. A classic – and paradoxical – example concerns performance information. Organisational theory predicts that performance management and measurement-generated information will create swathes of new knowledge about what works and what does not (Kelman 2006). But because central governments have made little effort to attempt to link the process of inspection and performance monitoring to improvements through learning and spreading good practice, this opportunity has been largely squandered (Leadbetter 2003).

A number of factors can be advanced for explaining why institutional memory is so weak in civil services across the world, but two in particular stand out (Goss 2004):

- *The high level of turnover in post* – recent management orthodoxy has encouraged a high level of movement between jobs, on the grounds that this refreshes talent and diversifies experiences. However, this practice seriously inhibits the growth of expert knowledge.
- *Fragmentation of knowledge infrastructure* – the NPM-inspired reforms of the last 20 years encouraged the disaggregation of policy, research and delivery teams into separate units, meaning that expertise became dislocated and buried within departments.

Knowledge management needs to become an explicit goal of future civil service reform. It will have an increasingly important role to play, especially as the pace of change quickens and the pressure for more horizontal government – working across traditional boundaries – grows. Moreover, given the trajectory towards more porous personnel systems, with people moving in and out of the service, the need for a structured and effective means of sharing knowledge is crucial. In such an environment, knowledge will become the ‘glue holding central government together’ (Mulgan 2005b: 186).

The OECD also highlights knowledge management as a major priority for civil service reform, but, worryingly, it has identified very few innovators in this area (OECD 2001). However, following consultations with key stakeholders, the OECD has developed a helpful set of recommendations on how the public sector can improve itself (this is reproduced in Box 6.1 below). Denmark provides another useful example. Here, the government has pioneered a knowledge management strategy based on the experiences of several leading Danish private sector firms. Departments and agencies have to produce ‘intellectual capital statements’ (ICSs), which report on the status of their knowledge management activities. They also include performance indicators, which allow for assessment to be made of the implementation of this strategy.

Other case studies that are regularly cited as examples of organisations that have placed much emphasis on developing a learning culture include the US Army and Navy (Peters 2005).

Box 6.1. OECD recommendations

Governments should adapt management tools to systematically promote knowledge sharing. Within a general framework aimed at promoting good knowledge-sharing practices, they should be working on:

- Improving human and social capital by:
 - flattening rigid hierarchies and opening up bureaucratic divisions to promote horizontal knowledge-sharing
 - linking performance pay and promotion to knowledge-sharing
 - building communities of practices, for example a group of practitioners sharing their knowledge in a specific area.
- Adapting corporate/organisational capital, that is databases, the internet, intranets, social events, knowledge workers and knowledge-management central coordinating units.
- Building stakeholder capital by:
 - obtaining the right knowledge on all stakeholders
 - involving stakeholders in the decision-making process

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- Strengthening connections with private firms, research institutes, and universities.

The implementation of a knowledge management strategy requires:

- Strong commitment from the top, with board-level responsibility for overseeing the implementation of knowledge management, and for raising awareness of mid-level managers (this should also include developing incentives for managers to promote knowledge sharing within their teams).
- Preparation of a knowledge management strategy defining the user or customer value of knowledge for the organisation, as well as the needs of the knowledge worker.
- A focus on the three fields of knowledge management:
 - Improving human capital
 - Adapting organisational capital
 - Building stakeholder capital.
- Regular assessments of the implementation of the knowledge management strategy.

The OECD also recommends that knowledge management can be strengthened through the use of international benchmarking, and through independent statistics agencies and independent research institutes.

(OECD 2001)

Capturing innovation - 'being in time for the future'

Reflecting on the giant leaps technological innovation has achieved in recent decades, and the way in which the private sector has embraced policies designed to nurture and encourage innovation, the public sector is increasingly focusing on the important role innovation can play in transforming public services – not least because it has been shown that a focus on innovation can drive up public sector performance and productivity and reduce costs, as well as identify new and creative ways of doing things (Parker and O'Leary 2006).

Contrary to some views, the public sector, despite the absence of competition and hard incentives, and a reputation for being risk averse, remains a rich source of innovation. The problem is that there have been few attempts to capture and systematically analyse the innovation that is out there. Innovation within government has been studied much less than in the private sector, and, consequently, we know much less about it (Dunleavy *et al* 2006b).

Central government and the civil service have a crucial role to play in this area. Located at the heart of government, the civil service is ideally placed to both enable and capture innovation (Kelman 2006). As John Stuart Mill noted, '... knowledge, to be most useful, must be centralised' (quoted in Mulgan and Bury 2006: 13).

The civil service needs to act as a 'talent spotter' – absorbing ideas and spreading knowledge about what works and what drives change. And, importantly, the centre must not confuse sharing knowledge with imposing it, since this has been shown to be counterproductive (Kelman 2006). In particular, it also needs to ensure that it opens effective lines of communication and links with frontline staff and users, since it is here that many of the best new ideas are generated (Parker and O'Leary 2006). This is a significant challenge, given that the route from the 'street level' – from classroom, job centre, and hospital ward – to the centre is notoriously difficult to navigate.

Presently, however, civil services do not have a strong track record of performing this role. There has been a failure to put innovation at the heart of civil and public service reform programmes. Central government is particularly poor at 'talent spotting'; best practice is collected inconsistently and sporadically. Often, no one in central government is assigned responsibility for supporting and, crucially, funding innovation. Nor have many civil services worked out how to incorporate the views of frontline staff particularly well.

Even accepting the obvious institutional barriers that exist, notably an unforgiving media and a political culture that cannot stomach failure where taxpayers' money is concerned, it seems clear that central government must do more to encourage innovation and the learning that follows from it.

Accepting this, a number of civil services have attempted to institutionalise the process of innovation capture by creating centres in government where innovations can be shared, examined and, potentially, rolled out elsewhere (Karmarck 2003a, National Audit Office 2006):

- In Italy, the Department of Public Administration launched *Canteri*, a programme that promotes so-called innovation 'docks'.
- In France, a database has been established to showcase innovations.
- In New Zealand, a network of government departments was set up – the 'Path Finder project' – that uses management systems to share lessons learned.
- In the Netherlands, four departments jointly set up the *Futures Centre* in 2004, which is about 'getting people together' and sharing ideas and knowledge.
- In Denmark, the Ministry of Economics and Business Affairs founded the innovation centre *MindLab* in 2002. It advises the ministry on which innovative projects it should fund.

(Examples cited above can be found in Karmarck 2003a and National Audit Office 2006.)

But the clear leader in this area has to be the Singapore civil service, which has placed the building of a learning culture at the heart of its reforms (see Box 6.2).

Box 6.2. Case study – capturing innovation

The PS21 Programme, Singapore

'[PS21] is about being in time for the future.' (Mr Peter Ho, Head of the Civil Service, 2004)

The Singapore Civil Service is regularly regarded as a world leader in government and civil service reform. Its Public Services for the 21st Century programme – PS21 – launched over 10 years ago, is no exception. PS21 is a civil service reform *movement*, and is intended to build a continuous reform momentum, fostering and embedding a 'culture of change, improvement and innovation'.

PS21 is made up of many components, but the most interesting is its approach to innovation and organisational learning. Originally driven by a need to promote productivity and reduce the cost of government, PS21 took the view that real productivity gains could be best achieved by encouraging officers on the ground, those with an essential and untapped knowledge base, to feed in their views and ideas for how government can save money. The logic behind PS21 is set out by Lim Siong Guan, the ex-head of the Civil Service:

'PS21 is based on the idea that efficiency and economy is a lot about attitude and perspective, that the officer on the ground knows where a lot of the waste and possibilities for improvement are, and that, by allowing officers at every level to offer and be recognised for their ideas, they also become much more open to strategic and radical change directed from the top.' (Siong Guan 2003)

PS21 has successfully institutionalised a process for feeding in the views of all public sector officials, and for capitalising on their insights. It enables the Singapore civil service to respond quickly to changing circumstances, and, crucially, builds support for change across the organisation – indeed PS21 enables change to be driven from within the organisation itself. It aims to encourage a 'culture of innovation and enterprise ... so that continuous change, improvement, learning and new ideas are embraced as a way of life' (PS21 website: www.ps21.gov.sg).

PS21 understands that innovation tends to come from those at the frontline of service delivery, and is intended to cultivate and act on those ideas. It actively encourages suggestions to change the way organisations work – as Peter Ho says: 'Making a suggestion to improve your organisation is an act of leadership' (Ho 2004: 6).

By building the capacities of public officers, and harnessing their creativity to improve the way things are done, staff suggestions for improvement have resulted in the saving of millions of Singapore dollars. In the financial year 2002–03, 60 per cent of suggestions made for improvement were accepted and implemented (Siong Guan 2003).

Core features of PS21 include:

- Staff ideas for improvement are channelled through the Staff Suggestion Scheme (SSS), where they are then considered by a Central Steering Committee, chaired by the Head of the Civil Service.
- There is a dedicated PS21 intranet facility, into which new ideas can be fed.

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- PS21 training programmes have been launched to help staff develop the skills necessary for turning ideas into reality.
- Building on the success of SSS, in 2000 The Enterprise Challenge (TEC) – located in the Prime Minister's Office – was set up with the remit of funding, testing and implementing new innovations and ideas to emerge from both public and private sectors. There is an annual TEC fund of S\$29 million available, and, to date, more than 65 innovations have been funded through TEC. It is predicted that these will result in around S\$600 million in savings (PS21 website).

PS21 has also been rolled out to the wider Singapore public, offering them the opportunity to feed in their views on how improvements can be made. Internet-based consultations, such as the Cut Waste Panel, exist to ask the public where it thinks public money can be saved.

7. Transforming civil service skills, training and career paths

'Managing indirect government requires skills that the traditional civil service system tends to either undervalue or ignore.' (Kettl 2002: 499)

If civil servants are going to adapt to the challenges of contemporary governance, then personnel and human resource systems – those processes that oversee the way individuals are recruited, trained, rewarded, and developed – need to be transformed. This has been recognised for some time: a major trend in international civil service reform over the last 20 years has concerned overhauling human resource systems, making them more flexible, open, and performance-related (OECD 2003).

However, many civil services have proved less than successful at this, and remain closed and rigid. Moreover, many have yet to fully grasp the level of change that is required if civil services are to be effectively transformed. Much of the public management literature suggests that managing in a 'networked' environment demands a radically different set of competencies, capabilities and experiences (Goldsmith and Eggers 2004). In particular, it is suggested that the career paths of civil servants need to change – so that they enable managers to move much more easily between, and throughout, the public, private and voluntary sectors (ibid).

Interest in human resource reform stems from the need to:

- Revamp the skills-base of senior civil servants
- Widen the gene pool of talent and expertise
- Break down cultural barriers between different levels of government and beyond
- Link promotion with performance.

The ambition is no less than to create a new model of a 21st-century civil servant, complete with the requisite skills. Identifying and defining these skills is, however, something that civil services across the world have found difficult to do. In part, this reflects the fact that the role of the civil servant is in a state of flux, as the emphasis shifts from managing direct government to managing indirect.

Despite these difficulties it seems likely that some of the following key skills and competencies will come to be of growing importance for central government civil servants:

- Network and collaborative skills
- Strategy
- Commissioning and contract design
- Negotiation and consultation skills
- Project management and change management
- Communication skills
- Knowledge management.

Lodge and Hood (2004) also stress that those working at the centre will need to focus on developing what they call 'boundary-spanning' competencies, given the need to work across different boundaries of government (local, regional, national and international) and to coordinate such disparate activities.

There are number of options that personnel management can concentrate on to ensure that reform builds these different capabilities, but our focus here is on the issue of how civil services can become more porous and open, and on how career paths and skill-sets need to change. Why? Because we believe that there is a clear (though not yet uniform) trend towards opening up civil services; that, so far, success has been limited; but that getting this right – and addressing the issues it throws up – is crucial for civil service renewal and adaptability.

We look in particular at:

- Civil service mobility and interchange, and the role of opening up recruitment
- Attempts to break down barriers between the civil service and the wider public service
- The potential opportunities provided by dedicated schools of government.

Widening the gene pool

Motivated by the need to correct a skills deficit – and also to tackle the cultural insularity common in civil services – a key international trend in civil service reform has been to make the service more permeable to outsiders and to enhance the level of interchange between the civil service and other sectors (OECD 2003).

In particular, countries such as the Netherlands, Finland, Canada, New Zealand, the UK and the US have attempted to open themselves up. Common methods for achieving this include:

- Changing the recruitment criteria – so that it focuses on management and leadership qualities
- Moving to open recruitment processes, where posts are publicly advertised to attract outside talent
- Fixed-term contracts
- Developing head-hunting capacities to target particular candidates
- Reforming pay systems, moving to performance-related pay, and increasing competitive levels of pay.

Despite this effort, mobility in and out of the service remains low, while outsiders remain a minority (OECD 2003). The case of the UK civil service, which has strongly encouraged personnel reform, and has gone further than most, is illustrative. Of the 29 permanent secretaries in the UK, just six have been recruited from the outside (Lodge and Rogers 2006).

One case study that is attracting interest is the Canadian province of Alberta (see Box 7.1). Alberta's reforms have recently been highlighted as a model for others, not least by the influential Gomery Commission, a major public inquiry, which recommended that the Alberta model be extended to the federal government.

Box 7.1. Case study – open recruitment of senior civil servants

Alberta, Canada

The province of Alberta, Canada, has pioneered a complete overhaul of its process for recruiting deputy ministers (the Canadian equivalent to permanent secretaries). All deputy minister-level vacancies are now automatically subject to open competition and advertised externally.

An executive search group from Alberta's human resources agency manages the application process. The executive search group narrows down the list to around 20 applicants using face-to-face or telephone interviews. The relevant minister is then consulted and the list is pared down to several candidates for the final interview, which is conducted using a panel made up of the deputy minister of Alberta's equivalent of a Cabinet Office, the head of the executive search group, two other senior government officials, and two to three individuals from outside of government, normally industry or stakeholder representatives (examples of outside stakeholders include the president of the Chamber of Commerce).

The interview panel will send the names of its top two to three choices to the relevant minister, often with its

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overall recommendation. The minister then goes to cabinet with the final recommendation. The Premier retains a veto power over the appointment, but this has never been used.

In February 2006, the Gomery Commission, a federal judge-led inquiry into a major corruption scandal, recommended that the Alberta model of deputy minister recruitment be extended to the entire federal public service of Canada. Currently, federal deputy ministers are appointed by the Prime Minister, who usually follows the recommendation of the head of the public service.

The Alberta model is viewed as promoting higher levels of transparency, thereby strengthening the application of the merit principle. Moreover, by casting a much wider net in the search for the best-qualified people both inside and outside government, and by involving expert stakeholders in the appointment process – who bring a fresh perspective in terms of the type of person and skills needed to do the job – it is suggested that the Alberta model delivers dynamic candidates into the senior ranks of the civil service.

(See Gomery Commission 2006)

The push for greater permeability raises a number of issues that all civil services need to address. Two seem especially important.

Firstly, concerns have been expressed about the impact greater mobility will have on the ‘public service ethos’ (OECD 2005, Norris 2003). Some worry that an influx of outsiders, particularly from the private sector, which is assumed to be driven by a distinct and profit-orientated set of values, will erode the ethos of public service. Others contend that recent reforms have undermined the process of socialisation, a process deemed to build common norms and values.

It is difficult to judge precisely what impact reforms have had on the public service ethos, precisely because the concept itself is so difficult to pin down, let alone measure. The attempts that have been made, and which draw on comparative datasets such as the International Social Survey Programme, suggest that, when it comes to employee motivation, a useful indicator, there is little to separate those working in the public sector from those in the private sector (Wright 2001). That said, Norris suggests that values such as ensuring democratic accountability and equity in dealing with citizens, among others, do suggest a distinction between public and private (Norris 2003).

We suggest that there is a need within civil services to promote and sustain their organisational values, such as integrity and honesty, not because they are under threat per se, but because they are values that are immensely important and worth keeping. The Canadian government places significant emphasis on inducting new entrants so that they are familiar with civil service values and the public service ethos, which others could no doubt learn from. Moreover, the issue does not arise in relation to interchange with the public sector, a form of interchange that is needed if civil servants are to have frontline experience, and if policy and delivery are to better mesh together (see below).

The second important issue concerns the impact on knowledge and institutional memory. It is crucial that civil services have effective knowledge management strategies in place to cope with greater mobility. Undoubtedly the very high levels of turnover in post have eroded the ‘grey matter’ of government, and lessons need to be learnt.

Bridging the divide – changing the relationship between the civil service and the public service

Given that the reforms outlined above have achieved only limited levels of openness and mobility, perhaps it is time to consider more radical options.

One issue that looks set to test civil services, and certainly one they have struggled with so far, is how to boost interchange with the wider public sector. It is indicative, perhaps, of the NPM reforms’ fascination with the private sector that they focused almost exclusively on bringing in people from the world of business, and were much less concerned about involving public sector leaders in government.

But what is clear from our case studies is that senior civil servants would benefit from much greater contact with other public servants and their organisations, especially those working on the frontline of service delivery. There is often too much ‘distance’ between the civil and public services (a problem obviously

exacerbated in those countries that have separate services). The effect of this 'distance' is to:

- Reinforce cultural barriers – and the pervasive 'we know best' mentality in many civil services
- Separate the policy designers from the policy deliverers
- Inhibit learning across boundaries and 'whole-of-government' thinking
- Deprive civil servants of direct experience of service delivery and operational matters.

A central challenge for all civil services, therefore, is to bridge this divide and to define a new relationship with the wider public service. A number of initiatives intended to do this can be observed in different countries – such as the Public Service Management Wales programme in Wales (see Box 7.2).

Box 7.2. Case study – unified public service

'Big is beautiful?' – Wales

Parry and McDougall show how interest in harnessing greater mobility between different parts of the public sector has been growing in Wales – as has the idea of a unified public service (2005). The Welsh Assembly Government (WAG) has established Public Service Management Wales, a membership-based body (70+ members) designed to improve management skills, personnel transfer between different sectors, and much greater partnership working.

However, the most innovative decision came in July 2004, when the WAG announced plans to absorb the main Welsh quangos – the Welsh Development Agency, the Wales Tourist Board, and Education and Learning Wales – within the structure of the Assembly government. A number of reasons were given for this radical move:

- To increase the critical mass of the Assembly and horizontal coordination
- To improve the links between policymaking and implementation
- To provide better career paths for staff and mobility between the Welsh public sector
- To enhance the accountability of the quangos, which have long been criticised for falling outside formal accountability structures.

In Wales, it seems, big is once again beautiful. Only time will tell whether these ambitious objectives will be realised. Critics complain that the moves amount to a significant centralisation of powers, which will prove unworkable and counterproductive.

More broadly, the Welsh example is of interest as it represents a rejection of some core aspects of the NPM-inspired civil service reforms of the last 20 years, and demonstrates how civil service regimes are attempting to grapple with some of the perverse side effects of those reforms: organisational fragmentation and a lack of coordination; and a split between policymaking and service delivery.

(Source: Parry and McDougall 2005)

One of the more interesting debates to emerge in this area is taking place in the UK, where there is growing interest in the concept of establishing a *unified public service*, which would end the formal distinction between the civil service and the wider public service, and allow for the freedom of movement between the civil service, local government and other public bodies. A number of different models have been advanced, but it is clear that there is growing support for the concept, including from a number of former civil servants, not least from the ex-head of the civil service, Lord Wilson, as well as from academics and policy experts (Bichard 2005, Goss 2006, Mulgan and Bury 2006, Wilson 2006).

Proponents argue that a unified public service would:

- Create a generic public service gene pool
- Ensure much greater mobility of staff between central and local government
- Radically transform the skills, experiences and career paths of civil servants

- Integrate public service-wide training and development
- Break down cultural barriers and achieve a parity of esteem between different aspects of the public sector: the civil service would cease to be a separate and protected organisation
- Allow ideas and innovation to flourish.

Are these claims realistic? The experience of France, which has had a similar system in place for many years, suggests that a more unified system does develop more rounded and diversified careers that are shaped by frontline experience. However, in other respects, the French model is less attractive (see Box 7.3).

Opponents to the idea of a unified public service advance a number of problems:

- The unwieldy super-structure would be inflexible and unresponsive, and would not work. For instance, the UK public service employs five million people.
- Structural reform is costly (in time and money) and not necessarily effective at achieving change.
- Such a reform would amount to significant 'centralism'.
- Harmonising pay and pensions within a single employment framework would be a logistical nightmare.
- It would lead to the loss of democratic accountability at the local level. The reform would represent an infringement of local government and other public bodies.
- A unified public service would lead to confusion about public servants' role, purpose and loyalty.

Box 7.3. Case study – the unified civil service, France

In France, the Service Civile is fully unified, and comprises employees of central government, local government, public hospitals and the armed forces. There are five million civil servants, who are employed in 1,600 different groups. Within these groups, there are three main categories of civil servant: the *corps* A, B, and C. The top management positions are filled by members from the elite 'A' group, and they largely come from the exclusive Ecole Nationale d'Administration (ENA), which trains people for top management positions on a two-year course of 100 students per year. ENA graduates are obliged to work in the public service for five years, and they must work outside of central government within four to six years of graduation.

This guarantees that senior officials have exposure to other departments and other levels of government (regional and local), ensuring that they have had some direct public service experience. For example, a Treasury Corps member might spend two years as a sub prefect in Marseilles before returning to the Treasury. The system is very good at ensuring that top leaders gain experiences of other departments and non-central divisions. The unified nature of the civil service also makes it easy to design and administer common training programmes, ethic regimes and induction policies.

On the negative side, the system is complex and rigid. It is particularly difficult to make any pay adjustments to specific groups, as unions will then demand that other groups at the same grade receive the same. Also, although the system encourages mobility, in reality there is little mobility among middle level staff. Mobility tends to be for the elites (group 'A') in the French civil service.

(Source: Strategy Unit 2001)

Though this debate is specific to the British context, the idea of a unified public service has read-across for all civil services that are concerned about bridging the divide between themselves and the wider public sector.

One response is to ask how benefits of a more unified system could be achieved without embarking on major structural reform. A UK government study suggested the civil services could do the following to reap some of the advantages of the French system (Strategy Unit 2001):

- Improve the overall marketing of public sector employment
- Join up recruitment strategies and practices.

In some US agencies, and across parts of the Japanese civil service, human resources departments are beginning to insist that central government officials undertake some time in local government and other

parts of the public service in an attempt to give them experience of operational service delivery. Elsewhere, moves are being made to join up public service-wide training schemes to enable greater contact between different sectors (see below). In Denmark, the Service and Welfare project has been developed in order to create an environment for learning between central and local government (see Box 7.4).

Box 7.4. Case study – learning between central and local government

Service and Welfare project, Denmark

The Service and Welfare project was launched in Denmark as the result of cooperation between the Danish government, the Association of County Councils and the Association of Local Municipalities. The overall purpose of the project is to create a framework for public sector learning and public sector reform, and to promote public debate on the future challenges of the public sector. The project has a further three sub-purposes:

- To facilitate experiments and the sharing of knowledge about management, organisation and citizen relations within the public sector
- To create a framework for public sector reforms
- To promote the public debate on the future of welfare society at large, including issues related to public management.

Schools of government and training

Training remains a key driver for revamping the skills base of the civil service. A general trend, identified by the OECD, is to focus training courses on the development of leadership and management. Both are intended to build the capabilities and capacity of civil servants and in particular to negotiate and work across boundaries and jurisdictions (OECD 2003).

In-house training has had mixed results. A potentially more effective – and increasingly popular – way of transforming skills is through dedicated schools of government, and dedicated academic degrees, such as the Masters of Public Administration (MPAs) – a public sector equivalent of the MBA.

It is possible to broadly distinguish between three types of schools of government:

- *External* – schools based in universities, which are completely independent of government, for example the Kennedy School of Government at Harvard University in the US.
- *Internal* – schools of government that are a formal part of government itself, for example the recently launched National School of Government in the UK.
- *Consortium* – a mix of the above, a joint enterprise by government and universities, who co-fund and maintain formal links, building on each other's strengths. Examples include the Australia and New Zealand School of Government.

Schools of government are uniquely placed to help transform the skills base of civil service leaders. And the focus on leadership is needed – civil service high fliers today must do more than administer – they must also lead (Gergen and Kellerman 2003). Reflecting this, Harvard Business School has just announced that it is teaming up with the Kennedy School of Government to launch a three-year combined master's degree programme in public policy and management, which is intended to train leaders for the public sector (*Financial Times* 2006).

Schools of government need to be at the forefront of understanding what skills and competencies civil servants need. For instance, they should be developing training for networked and joined-up governance, and for the 'connector' role outlined above.

And, to be successful, we believe that schools of government need to fulfil particular criteria. They need to:

- Involve academics and practitioners, but remain independent of both.
- Be a genuine school of government – training leaders from all tiers of government (national and local) and the wider public sector. This allows for the sharing of knowledge and ideas.

- Build a research capacity, collaborate with all relevant institutions, and be committed to a research agenda as well as practitioner training. This allows for our understanding of government, public management and policy to grow.

The case study that most impressed us, and which best meets these criteria, is the Australia and New Zealand School of Government (ANZSOG). ANZSOG is a unique set-up, which we believe other civil services should look to as a model.

Box 7.5. Case study – civil service skills and training

The Australia and New Zealand School of Government

The Australia and New Zealand School of Government (ANZSOG) was established in 2002 by a consortium of Australian and New Zealand governments (both state and federal) and 12 leading universities and business schools. It exists to provide postgraduate education and professional development courses for current and future public sector leaders. Its unique collaborative make-up has attracted much attention, and it is widely seen as an international leader.

ANZSOG's distinctive features are:

- As a not-for-profit company, ANZSOG is genuinely independent of government. Though the experience of practitioners in government is embedded in what it does, it sets its own agenda.
- ANZSOG has significant links with leading figures in academia, which enables an effective building and transfer of knowledge. ANZSOG has a strong research capacity and capability at arm's length from government, which means that it is able to play the important role of being a critical friend of government.
- ANZSOG's set-up ensures that it attracts the best academics, practitioners and researchers to participate.
- ANZSOG is a genuine school of government – drawing as it does on all levels of government, federal/national and state level, and across the wider public sector. It is geared to building the skills base of all public sector leaders, and does not confine itself to a particular tier of government.
- Its collaborative, cross-jurisdiction, multiple-institution make-up allows for the spread of knowledge, the sharing of experiences and ideas and innovation. This provides for a real culture of learning.

ANZSOG provides the following core activities:

- *Education:* ANZSOG offers a range of innovative courses for current and future public sector leaders:
 - Executive Fellows Programme: intensive three-week programme for very senior public servants to develop strategic leadership, management and skills.
 - Executive Masters of Public Administration: ANZSOG established a dedicated master's degree for those who have chosen a career in public service (aimed primarily at mid-level public sector managers considered to be the next generation of senior public sector leaders).
 - Specialist and tailored short expert courses such as regulation and ICT.
 - Case Study programme: ANZSOG uses the case method of teaching common in law and business schools. This involves teaching relevant theory, applied through case study methods to real government decisions.
- *Research:* ANZSOG conducts its own innovative and cutting-edge research in the fields of public administration, public policy and public management:
 - The research programme has adopted a collaborative approach drawing on the leading experts across its university partners. The research programme is overseen by a newly created research Chair.
 - The ANZSOG research programme publishes a number of policy-relevant outputs and acts as a hub for all researchers in the fields of public administration, management and policy (both academic and practitioner researchers).

Transforming the skills and training of civil servants is a major priority for all the civil service regimes we looked at. The other notable feature we identified is that training is focused almost exclusively on civil servants, meaning that the other central actors in government, namely ministers, are left out of the picture. This is unfortunate, as ministers need training too. We came across little evidence of a 'professional skills for ministers' programme, and the training that is available tended to be informal and tokenistic. One excep-

tion to this is emerging in Canada, where some effort has been put into training ministers, though even here the focus is on educating ministers about their roles and responsibilities, especially with regard to civil servants.¹⁰ Though important, this is more about ethical issues than public management ones.

The rise of the 'career politician' means that ministers often come into government tasked with overseeing large and complex organisations, with very little relevant experience. Without addressing the training needs of ministers, there is a danger that they will become the last bastion of the 'amateur' in government.

8. Joined-up government

Joined-up government remains a core challenge for civil services across the world. The 'wicked problems' that governments need to tackle – be it climate change, obesity, crime or family breakdown – do not fall into neat departmental silos. Responding to them requires coordination and cohesion across several departments and agencies, not just at the level of central government, but across international, regional and local jurisdictions, too.

The challenge of horizontal governance has been made greater because of the NPM reforms of the 1980s and 1990s, which resulted in the disaggregation of the state apparatus. Moves to privatise chunks of the state, to hive off delivery functions into arm's-length agencies and to diversify providers of public services have all made working across boundaries more complicated. Reflecting on these reforms, Peters (2001) notes that the 'ship of state has become a flotilla'.

In rising to the challenge, governments have developed a number of techniques to help them work horizontally:

- Cross-cutting targets
- Pooled budgets
- Cross-cutting and coordinating policy and delivery units
- Allocating ministers 'horizontal' portfolios
- Remodelling departments around outcomes
- Reforming corporate governance structures for senior civil servants
- Using the core executive to override departmentalism.

The Scottish Executive has been particularly active here. Intent on moving on from the departmentalism of Whitehall, Scotland's new devolved government seized the opportunity to start afresh. The Executive has emphasised the maintenance of a unified corporate identity. This has also been promulgated through the matching of ministers to topics that cross departments, rather than identifying ministers clearly with specific departments (Parry and McDougall 2005).

However, it often feels as though these innovations are the exception to the rule. The tradition of departmentalism remains alive and well in the countries we researched. The default position is to do things vertically: so budgets and policies are still primarily organised along departmental lines, as are ministerial responsibilities. Factors militating against joined-up government include:

- Departmental traditions and culture remain strong. Civil service careers remain wedded to departments.
- Vertical models of accountability, such as ministerial responsibility, do not lend themselves to joined-up activities. Effective mechanisms for 'many hands' accountability have yet to emerge.
- Civil servants lack the skills to work across boundaries (Lodge and Hood 2004).
- Even if the right institutional mechanisms and skills are in place, the delivery structures might be poorly aligned to deliver an effective joined-up strategy.

10. For example, the Privy Council gives each minister a *Guide for Ministers and Secretaries of State*, which sets out the roles and responsibilities of ministers (see <http://dsp-psd.communication.gc.ca/Collection/CP22-65-2002E.pdf>; accessed March 2007).

The bigger challenge for governments is to deal with the legacy of the NPM reforms in an effective way. Frustrated by the problems posed by fragmentation, governments are going 'back to the centre' (Peters 2004). They are looking for ways to improve central governance capacity and to reassert some control and coherence over the state. The tricky part is to develop a strategy that does not simply see them returning to the status quo ante. A return to the pre-NPM days of hierarchical and rigid government is not the answer. Nor, indeed, should the quest for greater coherence result in over-centralisation. Instead, civil services need to rethink the role of the centre and the part civil services should play.

The experience of Finland is instructive here. In a series of institutional innovations, the Finnish government has developed and implemented an approach to government that has, at heart, the desire to make government work as a coherent whole (see Box 8.1).

Box 8.1. Case study – joined-up government, Finland

Troubled by problems associated with 'departmentalism' and the general fragmentation of state infrastructure, the Finns set about making 'horizontal governance' a core priority for their civil service reform programme. A series of institutional innovations designed to enhance coherence across government have recently been adopted, many of which are considered to have been highly successful, making Finland one of the world leaders in joined-up government (Peters 2004, Mulgan 2004, Mulgan and Bury 2006).

In 2004, the Matti Vanhanen government overhauled the 'Government Programme' system – the action plan all governments have to agree to and publish on coming into power – along horizontal lines. The priorities for the administration were reduced to a small number of strategic and cross-cutting policy outcomes. These were grouped into four policy programmes, which were then assigned lead ministers, civil service teams and budgets.

Each policy programme is allocated a lead coordination minister from the most relevant government department, and a number of other key ministers (all of cabinet rank). A dedicated programme director – a senior civil servant – is appointed and a delivery team of officials assembled. The coordinating minister and programme directors organise the implementation of the policy programmes, making decisions on how to divide tasks/responsibilities across government ministers and ministries.

The four policy programmes and coordinating ministers (as of September 2006) are:

1. Information Society Programme (Prime Minister)
2. Employment Policy Programme (Minister of Labour)
3. Entrepreneurship Policy Programme (Minister of Trade and Industry)
4. Citizen Participation Policy Programme (Minister of Justice)

The Prime Minister's Office (PMO) is responsible for the overall coordination of policy programmes (that is, between the four programmes). At official level, this is done through the Programme Management Steering Committee, which is chaired by the State Secretary (a political appointment and the PM's Chief of Staff). Membership comprises the programme directors of each policy programme, as well as officials from the Ministry of Finance. The reforms have seen the role of the PMO change and strengthen at the same time. The PMO has deliberately been 'beefed up', so that it can foster and facilitate joined-up work, acting as a powerful force against departmentalism.

This approach has been strengthened through ministerial policy forums, which bring ministers together periodically to conduct a thorough analysis of whether the right policies are being pursued and what impact they are having (Parker and O'Leary 2006).

In addition, in order to improve horizontal governance, senior officials are expected to – and are assessed on their ability to – share knowledge, establish partnerships and networks, and the conditions for joint decision-making (OECD 2003).

The Finnish reforms have also had a positive impact on clarifying the respective roles and responsibilities of ministers and officials: the process of moving to a horizontal policy framework has seen ministers lead on policy thinking, design and development, leaving officials to concentrate on delivery and implementation. Importantly, the 'political' and the 'administrative' are fully integrated in the process.

Much of the thinking around horizontal government has centred on improving the way in which central government and the civil service can work across silos. In the future, though, the civil service should think more about how it can encourage and incentivise joined-up government by empowering citizens themselves. For example, offering citizens personalised budgets that draw on a range of government services forces departments to aggregate funding. Such 'bottom-up' pressures – or citizen-led holistic government – might be a powerful way of driving greater cohesion.

A good example of joined-up government of this sort is provided by the Centrelink project in Australia. This ambitious project aims to provide a 'one-stop shop' for citizens accessing a range of public services. To achieve this, the Australian government integrated, under one roof, a number of social services from eight different federal departments as well as some from state government (Goldsmith and Eggers 2004).

9. The civil service in a new century: priorities for future civil service reform

In the context of a rapidly changing socio-economic climate, the civil service has a vital role to play in understanding, managing and shaping the forces of change.

Our observations in this report lead us to make the following conclusions on where civil services should focus future reform efforts:

- **Real and effective civil service accountability depends on clarifying the respective roles and responsibilities of ministers and officials.** In Westminster systems, this means recasting core constitutional conventions.
- **Civil service reform must not neglect the policymaking process.** Policymaking needs to be opened up more vigorously. Policy advice could increasingly come directly from academics, practitioners, community leaders and professionals. In particular, policymakers need to engage with street-level policy deliverers more effectively. Policy evaluation needs to be institutionalised, and should not just take place 'after the event', but, rather, needs to be an iterative process, ensuring the deliverability of policy is challenged throughout.
- **Civil services need to think much more creatively about how to engage the public in making collective decisions.** Collaborative and deliberative approaches must be embedded in the everyday business of government.
- **The role of senior civil servants is set to evolve, with them playing the role of connectors and coordinators.** Ensuring they have the right skills, capabilities and capacities in place to do this is essential. Schools of government have an important role to play in ensuring that they do.
- **Civil services need to focus on building effective learning cultures.** Knowledge management needs to become an explicit goal of future civil service reform.
- **Civil services have a crucial role to play in enabling and capturing innovation.** They need to become 'talent spotters', identifying, disseminating and funding ideas and innovations that will transform the public sector. To do so, they must create effective mechanisms for listening to and absorbing the views of their staff, especially those at the frontline, who have expert knowledge about what works and what drives change.
- **The gap between the centre and frontline service delivery needs to be narrowed.** Civil services must no longer see themselves as distinct and separate parts of the public sector. They should develop a new relationship with the public service, one that is built on trust, is less hierarchical and values what each can learn from the other.
- **Civil service careers need to be transformed, and there must be greater movement between the civil service and the wider public sector.** Ultimately, this might involve creating a unified public service recruitment pool. Certainly, it implies insisting that central government officials spend some of their careers working in local government and other parts of the public sector in an attempt to give them experience of operational service delivery. It also suggests the need for public service-wide training schemes to be joined up to enable greater contact between different sectors. Schools of government have a crucial role to play here.

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- **Where possible, and appropriate, governments should shift the balance away from vertical to horizontal structures.** Multi-disciplinary and cross-boundary policy teams, equipped with adequate resources and ministerial support, should be organised around key cross-cutting policy programmes. The centre of government – the core executive – also has an important role to play in tackling departmentalism and reversing the organisational fragmentation. Equally, the centre has a core role to play in encouraging and incentivising joined-up government by empowering citizens themselves.

Having explored international trends and innovations in civil service reform in this report we would also make the following general points:

- **Adopting a ‘whole of government’ perspective to reform** – In reforming the civil service, policymakers should adopt a ‘whole of government’ approach, that is an approach that places the civil service in its broader context, recognising that it is part of a wider set of governance and constitutional architecture. Too often, reform takes the form of promoting discrete solutions to discrete problems, which can undermine the impact they have.
- **The need for a new reform paradigm?** – Although the shortcomings of the new public management have been recognised for some time now, the underlying intellectual approaches to civil service reform – and public service modernisation in general – remain largely driven and inspired by NPM ideas. The danger this presents is that governments are continuing to use yesterday’s tools to tackle tomorrow’s challenges. We are missing a new intellectual framework or reform paradigm for guiding future changes to public administration. As one of our seminar speakers said: ‘we are in the twilight zone; the old has died but the new has yet to emerge’. Perhaps the most pressing issue, then, is to define a new reform framework. A number of candidates have been touted recently, including ‘holistic government’, ‘networked governance’ and ‘public value’. But, as yet, none of these have achieved the traction needed to embed themselves in quite the way the NPM did.

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