Questions for consideration in reviewing public service motivations and pressures

Submission to the Australian Public Service Review,

Chris Malcher, July 2018

Table of Contents

[1 Submission 2](#_Toc520821450)

[1.1 Background 2](#_Toc520821451)

[1.2 Additional considerations 2](#_Toc520821452)

[1.2.1 Current public service motivations 2](#_Toc520821453)

[1.2.2 On the profit-based sector and objective measures of value 3](#_Toc520821454)

[1.2.3 Some evidence on the case for change 3](#_Toc520821455)

[1.2.4 The challenge of metrics 4](#_Toc520821456)

[1.3 Specific challenges relating to existing APS policies and guidelines 4](#_Toc520821457)

[1.4 References 6](#_Toc520821458)

[1.5 About 7](#_Toc520821459)

# Submission

Questions for consideration in reviewing public service motivations and pressures.

This submission focuses on questions which the Independent Review of the Australian Public Service (the Review) may wish to use to facilitate exploration of longer-term motivations and challenges.

It starts with one key overarching question, and continues with factors which could contribute to the answering of this question.

Imagine a situation in twenty years in which the public service is genuinely designing and/or delivering what the nation and its people need.

What models, motivations or measures would need to be in place to encourage a public service genuinely driven to design / deliver what the nation and its people need, for both the short and long term, and how should these models, motivations and measures be applied?

## Background

It has often been said that the public service (in almost every country) is bureaucratic, risk adverse and inefficient.

Putting aside the potential accuracy or otherwise of that assertion, such a complaint leads to the question – “What would work better?”

What models, motivations and / or measures would lead to the public service operating at the ideal level – in quality of policy design and implementation, and value it adds to the public it ostensibly serves?

This question is positioned in a distant future specifically to encourage exploration outside the current frame of reference, and the baggage that may bring with it.

The question is about the “what” – what should we aim for, rather than how should we get there. There is questionable value in pursuing how we should get somewhere before we have worked out the long-term view of where we need to get to.

## Additional considerations

Note: The assertions in this sub-section relate to public service organisations throughout the world. They highlight some of the (largely unsolved) challenges inherent in the public sector. A major public service review is potentially an ideal opportunity to re-examine possible solutions to such previously unsolved challenges.

### Current public service motivations

It could be argued that the public service (that is, the government agency sector) at times shows signs of being motivated and measured primarily by risk aversion and binary quantitative delivery in one’s own silo.

That is, the main drivers for decision-makers in the public service appear to be focused on whether visible problems occur (risk aversion) and whether a particular project is delivered (binary quantitative delivery).

A senior executive measured above all else to “Deliver X project” is effectively being pressured to focus on simply whether the project is delivered, not whether it is the right project to be delivering, or whether it is delivered well.

What is needed, instead, is explicit measures which can motivate decision-makers to ensure that X project is truly the project that needs to be delivered, whether it has a positive effect on other people and teams (beyond one’s own silo), whether all parts of the project are delivered (multi-level quantitative delivery), and whether the project is delivered well (qualitative delivery). Ideally these would all be built on objective (rather than subjective) measures.

Note: The assertions in this point are based on circumstantial evidence across multiple public service organisations at both state and federal levels. Specific objective evidence is not available due to confidentiality challenges.

### On the profit-based sector and objective measures of value

The commercial sector (theoretically) operates on an objective measure of value (profit) that is not available to the public sector for many good reasons.

The profit measure, for better or for worse, is a relatively simple measure that can be applied to any part of an organisation to determine whether an initiative will have a positive effect on the organisation and its purpose.

Like their public sector counterparts, senior executives in profit-based organisation are likely to be measured on “deliver X project”, but this must be done in a way that continues to achieve the other overriding measure of value (profitability). In theory (although perhaps not always in practice), this overriding objective measure opens avenues for examining senior executive decisions.

The public sector would benefit greatly from something that can be similarly universal and objective, and could create room to objectively examine the value of decisions made within government organisations.

Some have argued in the past that the solution is to privatise, and have delivery of public services driven by the profit motive. In this particular case, this would miss the purpose of the question. No matter who does the work, models, motivations and measures still need to be in place to drive that privatised / in-house or other approach. Privatisation, in this case, would be a way to address the “how”. Before we delve in to the “how”, though, we need to answer the “what”.

### Some evidence on the case for change

Many reasons could be given for whether and why the public service needs to change. Among those would be that public sector organisations generally have lower levels of customer satisfaction than banks, insurers and utilities (D’Emidio and Malfara, 2018), but also that (or possibly because) “around 70% of transformation programs don’t succeed, mostly due to employee resistance to change and management behaviour” (D’Emidio and Malfara, 2018). That is, the public service in most countries isn’t achieving the changes it sets out to achieve.

Furthermore:

“If governments do not change with the times, they become less and less capable of addressing people’s needs, and citizens grow more dissatisfied and disenfranchised. …

“But while some governments have begun to take [an approach of reshaping government into forms more suitable for modern life], others, [Angela] Wilkinson [senior director of the World Energy Council and an associate fellow at the University of Oxford’s Saïd Business School] says, “are not doing well at all’.

The contrasts can be stark. In Sweden, for example, [primary school] students learn to code and to spot fake news, whereas in the US, the president routinely promotes falsehoods. Taiwan, Spain and Iceland are exploring new methods of democracy that tap collective intelligence, but Russia and Turkey are moving toward autocracy and totalitarianism. Estonia has opened up its doors to welcome global citizens as “e-Residents,” while Britain has chosen to leave the European Union”

(Nuwer, 2018).

### The challenge of metrics

Throughout the talk of measurement in this submission, it is important to note that measurement itself has the potential to be a part of the problem. Measurement can be difficult and problematic when what is important is quality, but the measurements available are quantitative.

When the focus is on measures, “people within the organisation will focus their attention and efforts on the things that are getting measured, often at the expense of other essential functions.” (Darabi, 2018). “What can and does get measured is not always worth measuring, may not be what we really want to know, and may draw effort away from the things we care about.” (Muller, 2018). As an example of this distortion, “when surgeons … are rated or remunerated according to their rates [of operations with positive outcomes], some respond by refusing to operate on patients with more complex or critical conditions” (Muller, 2018).

Muller goes on to pronounce:

“I’m calling for a greater reliance on professionalism and expertise. It’s in part possible by allowing decision-making to be made at a more local level: local not just in a geographic sense but in the sense of within the organisation themselves, at a lower level by people who actually know what’s going on as opposed to trying to orchestrate everything from the centre.” (Muller, Jerry quoted in Darabi, 2018)

But this leads back to the original question – At a policy level, how should we make sure that this is happening in the best way that’s realistic possible? Whether it’s through measures or some other method, how can we encourage public service organisations to do what is best?

## Specific challenges relating to existing APS policies and guidelines

The list below highlights some key challenges experienced by some agencies with existing Australian Public Service (APS) frameworks.

These points focus on issues rather than solutions to highlight domains of consideration rather than prescribe specific solutions potentially outside the writer’s expertise, calling instead on the expertise of the APS Review panel and the Review team.

#### The need to clearly specify in advance outcomes from projects, procurements & NPPs makes iterative design of initiatives challenging.

While appropriate and accountable expenditure of public money is clearly critical, some aspects of existing frameworks can have an unintended consequence of discouraging initiatives in which different approaches are explored, learned from and enhanced as the initiative progresses.

This makes it difficult to move away from a “waterfall” project approach to a more iterative approach (such as – fail early, learn from the failure, then try again).

For example, Commonwealth procurement guideline 4.4 includes the line “Officials responsible for a procurement must be satisfied, after reasonable enquires, that the procurement achieves a value for money outcome”.

This requirement can be difficult to meet for innovations designed to explore what works, where some degree of (highly educational) failure is not just expected, but is desirable.

An explicit requirement such as this has the potential to discourage “fail early, fail often” initiatives and other innovative engagements, as the decision-making officials are under pressure to prove success in achieving a “value for money outcome” from every procurement.

Quote source: <https://www.finance.gov.au/sites/default/files/commonwealth-procurement-rules-1-jan-18.pdf>, Section 4.4, page 11.

#### APS staffing caps can make resourcing of innovative non-BaU activities challenging.

Existing caps on numbers of APS staff (Average Staffing Level (ASL) caps – <https://budget.gov.au/2016-17/content/bp4/html/09_staff.htm>) can make it difficult for agencies to explore and pursue new initiatives above and beyond business-as-usual (BaU) activities.

Average Staffing Level limits allow for sufficient resourcing to deliver standard core agency activities, but exploring or creating innovations requires that staff have time available to pursue these non-BaU initiatives.

Limits on agencies ability to engage additional staff can make resourcing such innovations challenging.

#### APS “Span of Control” guidelines act as a disincentive to promotion of highly skilled non-management staff

The Australian Public Service Commission’s “span of control” guidelines (<https://www.apsc.gov.au/file/4291>) make it difficult to appropriately renumerate highly skilled non-managerial professionals who could make valuable contributions to the department.

In practice, this approach can create difficulties in recruiting the expert staff needed for important agency initiatives, and can create a plateau for non-managerial specialist staff at EL1 level in some agencies.

#### APS individual performance management approaches do not actively encourage high-performance

Existing APS guidelines on managing performance (e.g.: <https://www.apsc.gov.au/performance-management-aps>) do not appear to put a great deal of explicit emphasis on encouraging high performance and actively addressing low performance of staff. The resulting performance agreements can, at times, leave little room to reward innovative performance over and above “ticking off BaU delivery boxes”.

This can make it difficult to encourage staff to perform at their best, or to pro-actively address the issue of managers and staff at all levels who consistently struggle to meet important goals.

## References

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# About

I am a current public servant with experience in commercial consulting and financial organisations in Australia and overseas, in charities, in Australian state government and in Australian federal government. My educational background in business management, knowledge management and technology.

The topics raised in this submission are explored further at: <https://chrismalcher.blogspot.com/2018/01/imagining-optimal-public-service.html>.

Chris Malcher