

Survey shows hard road for public sector reforms

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In April 2013, the Public Service Association and Victoria University's School of Management surveyed public servants about their jobs, workplaces and organisations. Almost 16,000 PSA members took part from a wide range of occupations and agencies, making it the largest survey of workers undertaken in New Zealand. This article, the first of two, explores public servants' perceptions of their managers, workplace processes, organisational systems and performance. A follow-up article next month will look at public servants' experiences of their jobs.

The government wants a more effective and efficient public service to provide better services for New Zealanders. 'Improving public services within tight financial constraints' is a priority, and 'the key to doing more with less lies in productivity, innovation, and increased agility to provide services'. The State Services Commission's *Better Public Services* website says, 'Agencies need to change, develop new business models, work more closely with others and harness new technologies in order to meet emerging challenges'. These challenges are global as governments face tight budgets but more demanding and diverse stakeholders. In New Zealand, the *Better Public Services* agenda is a good start to the reform needed, but it will be hard to sustain because new skills are required and entrenched habits hard to change.

Last year's survey jointly undertaken by Victoria University and the PSA reveals a public sector that is adequate and even good in some respects. Inside organisations, workers are committed and motivated, but poor management and organisational systems get in the way of doing a good job. The general consensus from the survey is that organisations have a lot of work to do.

Past PSA national secretary Brenda Pilott says recent amendments to state sector legislation are not sufficient to achieve the changes the government seeks. 'The PSA is of the view that this cannot happen without significant change to workplace culture,' she says.

Project leader Geoff Plimmer says the data is a good starting point for the conversation. 'Not for finger-pointing but for opening up a topic for reflection.' Hopefully surveys like this will help by providing feedback to a public sector system that in the past has been insular and complacent.

PERCEPTIONS OF MANAGERS

Managerial capability is an important area for improvement, particularly in light of recent research showing the critical role of line managers in organisational performance. Good managers motivate and bring out the best in employees, bad managers undermine their confidence and ability. They also create silos and other barriers to change.

Inside the workplace, public servants believe their managers do not base decisions on facts and analysis and a third of the respondents believe that managers do not devote considerable effort to developing subordinates. .

¹ This article draws heavily from Plimmer, G., Wilson, J., Bryson, J., Blumenfeld, S.; Donnelly, N. and Ryan, B (2013) 'Workplace Dynamics in the New Zealand Public Service', a survey report prepared for the NZ Public Service Association, Industrial Relations Centre and School of Management, Victoria University of Wellington.

A third also said managers do not deal with employees honestly and cannot be relied on to keep their promises. Even fewer agreed they take prudent risks or put a lot of effort into developing subordinates, a pre-requisite for dynamic, forward-thinking leadership.

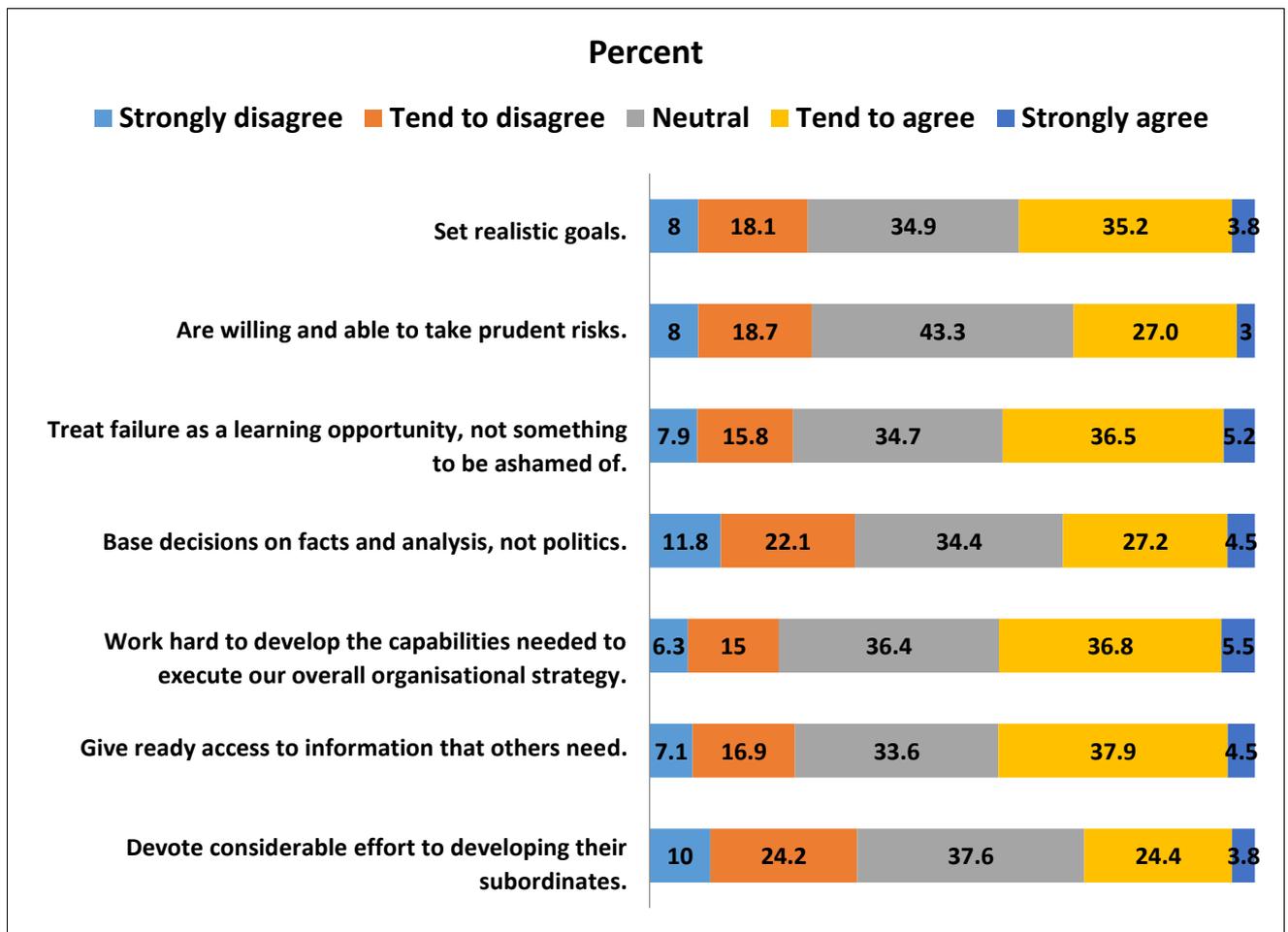
Managerial shortcomings may be systemic as much as personal. In areas where managers have autonomy, such as in granting time off work for family and other responsibilities, they show considerable goodwill. Respondents scored their managers most highly in understanding workers' needs to meet responsibilities outside work. Notably, this is the only one of 12 positive statements about managers that most respondents agreed with. Where managers have less autonomy – over things like pay increases, political demands, risk-taking – they are less reliable.

The *Better Public Services* programme has an ambitious agenda for development of top leaders, but it will also need to ensure less glamorous line managers are given the ability, motivation and opportunity to do a better job. The newly legislated responsibility for public sector CEOs to be stewards of organisational capability provides a mandate. It will be interesting to see how organisations and their managers respond to the required shift in mind-set.

A striking aspect of the survey is the high number of 'neutral' responses ('3' on the Likert scale) – a no-man's land between 'agree' and 'disagree' – ranging from 24 percent to 43 percent across the board. This doesn't mean that public servants have no opinion or don't care about their workplaces. It may suggest they have very mixed feelings about their managers and the organisations that employ them.

In part, this is likely to reflect the difficulty of asking simple questions about very complex scenarios. A manager sometimes behaves one way, sometimes another. Collectively, managers don't behave identically. If a worker has one manager who sets realistic goals and one who doesn't, they effectively cancel each other out. This might explain why more than a third of respondents answered 'neutral' to all eight questions about managers' ability as a group to create the right social context for high performance.

Figure 1 Managers' development of social context



Instead, what stands out is a pattern of ‘pervasive ambivalence’, which raises more questions than answers. If managers’ responses to the survey are taken out of these results, the picture becomes slightly starker. Overall managers rated their organisation’s management capabilities slightly higher than other workers although the difference is not great.

WORKPLACE PROCESSES

Human resource practices are another area of weakness. The survey used the PIRK model, which stands for staff perceptions of power (autonomy), information, rewards and knowledge. This scale was used because the effectiveness of HR processes depends on how people experience them, not what managers’ report or think they are.

Overall, public servants’ experiences have deteriorated in all four areas over the last decade, compared with an earlier study of high-performance New Zealand work systems by researchers Keith Macky and Peter Boxall². Both studies used the PIRK model as the basis for evaluation.

² Macky, K. & Boxall, P. (2008). ‘Employee experiences of high-performance work systems: An analysis of sectoral, occupational, organisational and employee variables’. *New Zealand Journal of Employment Relations*, 33 (1), 1-18.

Comparisons need to be cautious because of different methods and sampling. Overall though, workplaces process seem to have got worse for public servants in the years 2002 to 2013.

Table 1: Comparison of New Zealand surveys measuring experiences of human resource management practices (1= strongly disagree, 2 disagree, 3=neutral, 5 = agree, 5 strongly agree)

	PSA 2013 N = 15,726	Macky Boxall (2008) data from 2002 –N= 1004	
		Public	Private
Authority	3.57	4.16	4.11
Information	3.00	3.57	3.59
Rewards	2.64	3.13	3.33
Knowledge	3.16	3.62	3.54

Of the four PIRK fields in the current survey, respondents rated power (autonomy) most positively. Most agreed they are encouraged to participate in and make decisions about their everyday activities, have freedom to do their job and fulfil their responsibilities, and have authority to make decisions necessary to provide quality customer service. These responses were among the most positive throughout the whole survey. However, workers felt they have slightly less power to participate in decisions that affect them.

Information flows in organisations were more problematic. Respondents felt they work towards common goals, that organisational policies and procedures are generally clearly communicated and that management is informed about important issues in their work area. However, information flows about changes and the reasons behind them are weak. Less than one in four agreed that channels of employee communication with top management are effective. Orders flow down from above, but upward flows are weaker. ‘Increased agility to provide services’ is one aim of the *Better Public Services* programme. But organisational agility will be limited when information only flows one way. The case for participation and ‘voice’ has been a long-running controversy, but the empirical evidence suggests it does improve organisational performance. Decision-making is better when executives know the business and know what is going on.

Rewards received the lowest rating and are an area that needs attention. In the last two decades, enormous effort (or at least rhetoric) has gone into linking pay scales and performance in the public sector. The survey shows it has failed to make an impact. Two-thirds of respondents said they are unlikely to be promoted if they do their job well, and only one in five agreed that employees who make an extra effort are rewarded. Although over a third saw performance evaluations as helpful to professional development, links between actual performance and performance appraisals are poor, as are links between appraisals and wage rises.

This is a tough nut to crack and in government has often been caught between ideology, low management skill and office politics. Rewards are also naturally contentious as most of us rate ourselves above average. Budget cuts, and perhaps an aging, plateaued workforce are also constraints. Nevertheless, the mean of 2.64 for rewards does point to the need for improvement.

A good starting point would be some evaluation and sharing of good public sector practice for performance measurement, management and rewards. These systems themselves also benefit from rigorous 'performance management', including appraisal and feedback using criteria like validity, reliability and usability. Important basics for improvement could be the capability, feedback loops and incentives for management teams to do a good job. A wider network of rewards might help get around budget issues. Too often bad systems carry on for years or reform efforts finish at redesign of the appraisal form.

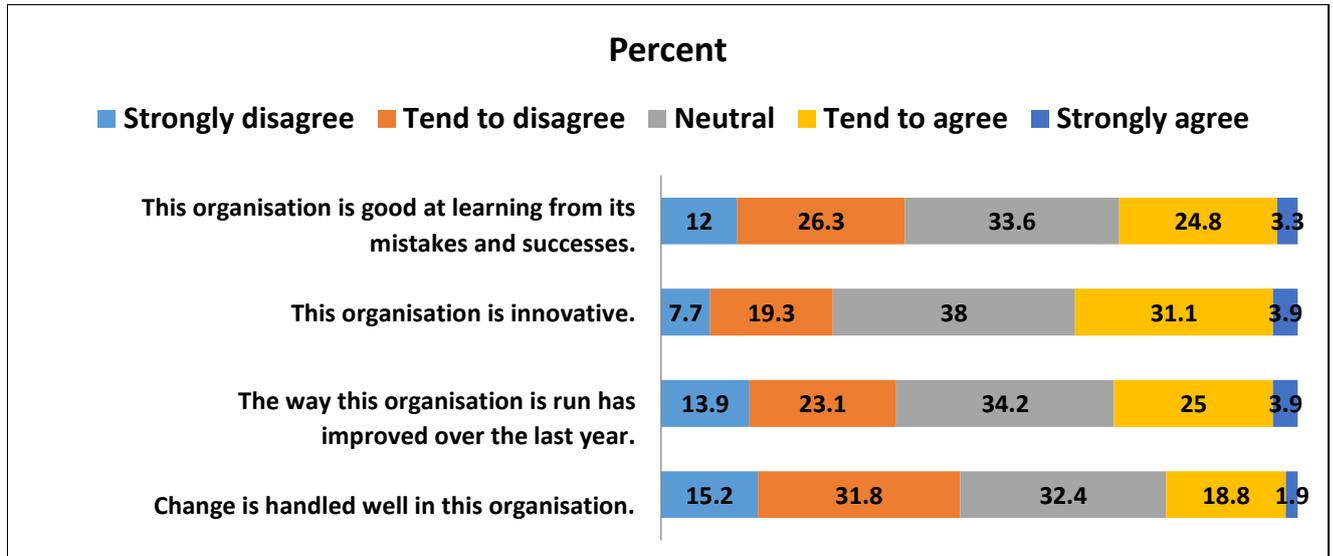
Knowledge, or training and development was rated relatively well. Just over half the respondents agreed they have sufficient job-related training and educational activities that help them do their jobs better. There were, however, some concerns about the quality of training.

ORGANISATIONAL SYSTEMS

The overwhelming majority of respondents said their organisations' objectives, priorities and direction are clear and well-defined. Most also said their own responsibilities are clear, as are work policies and procedures, although the efficiency of procedures was not seen as positively. In other words, public servants know what they and their organisations are meant to be doing. It's in the doing of it that things come unstuck.

Only one in five respondents agreed change is handled well in their organisation. Nor did most think their organisation is good at learning from its mistakes and successes. More than half said communication across all sections of their organisation is not good, and another quarter were ambivalent. Knowledge-sharing and cooperation also scored poorly. Substantial change seems to be needed to organisational change mechanisms if the *Better Public Services* aspiration of 'delivering better public services that meet the needs of New Zealanders' is to be met. BPS requires government agencies to be innovative, responsive and work together. Hopefully this will end the over-reliance on restructuring as a means of change because it has not lead to the capabilities sought.

Figure 2 Workplace innovation



More encouragingly, a third believe their organisation is innovative. Given the low ratings for organisational cooperation, it is possible that some workplaces are innovative but are not able to change and capitalise on this across different sections of the organisation because they cannot work together. ‘Getting rid of silo thinking’ has been a catch-phrase in the public sector for years. The survey shows barriers to cooperation are still deeply ingrained in the system. It would be useful to explore the reasons for this.

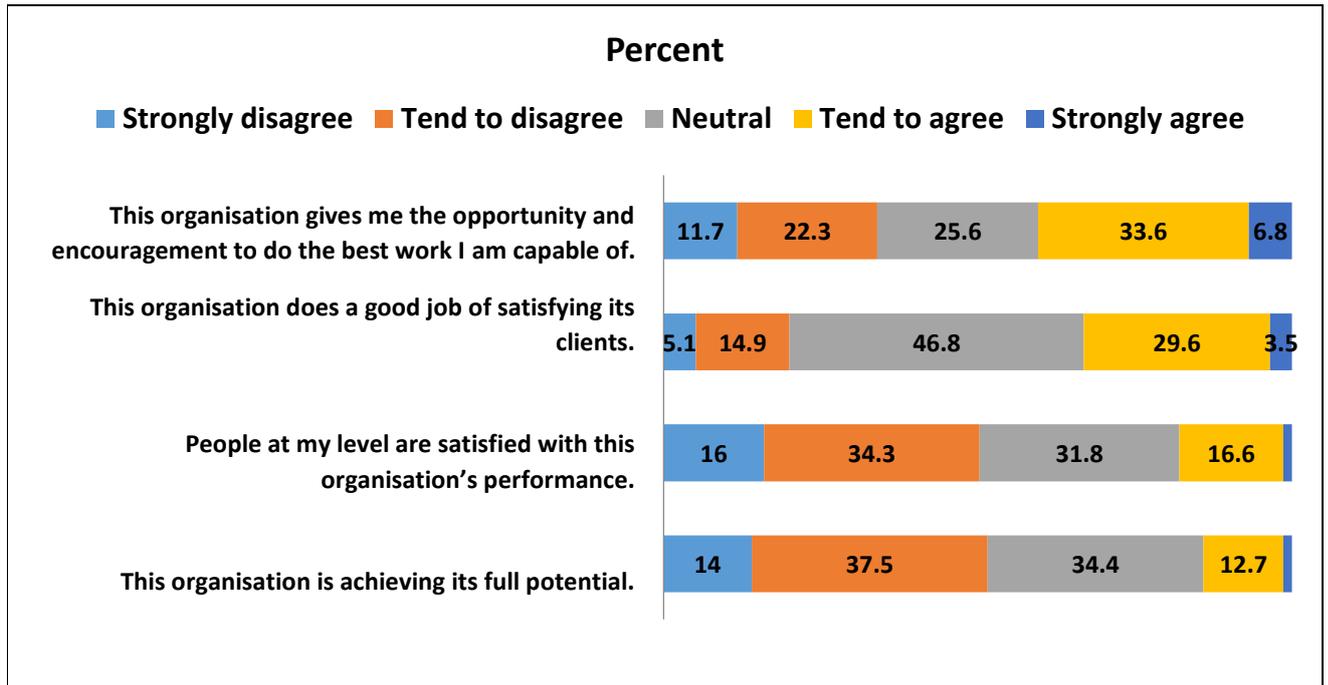
ORGANISATIONAL PERFORMANCE

Most public servants do not think their organisation is achieving its potential. In fact, this statement got the lowest positive rating of any in the survey, pointing to a wide gap between public sector goals and outcomes or what staff think is possible.

Respondents were particularly ambivalent about whether organisations are doing a good job of satisfying their clients, with almost half answering ‘neutral’ and only a third agreeing. There is still a long way to go to achieve the *Better Public Service* goal of ‘greater responsiveness within the public sector to the needs and expectations of New Zealanders, and a commitment to continuous improvement’.

Relatively few respondents agreed their organisations are responsive to new opportunities or changed conditions. In other words, they are not adaptable. Nor do they encourage people to challenge poor practices.

Figure 3 Organisational performance



Alignment, the efficiency of systems and processes to support each other, rated slightly better. When organisations are both adaptable and aligned, efficient and flexible, they can be described as ‘ambidextrous’. Ambidexterity is particularly important to public servants because of the converging pressures of budget constraints and rising expectations for more sophisticated, innovative and customised services.

Analysis of large employers in the survey – those from whom more than 100 responses were received – showed that few organisations are ambidextrous, although the variation is small, with results clustering around the middle.

District health boards tend to be the most ambidextrous. In spite of severe fiscal pressures, they have clearer organisational goals and processes, greater cross-unit cooperation, more clarity with employees’ job objectives and higher levels of staff commitment.

Large, central government agencies are the least ambidextrous. Many have had frequent restructurings in recent years and have poor performance evaluation systems. Respondents reported more work overload, less job security and more bullying.

The differences between organisations may be attributed to the nature of their operations or variations within their workforces. However, other data sources seem to corroborate the survey findings that high levels of job insecurity, weak managers and major restructurings are a feature of poor-performing organisations. In times of uncertainty, people tend to stick rigidly to what they know. They become risk averse and unwilling to rock an already unsteady boat.

In terms of their organisation’s performance, respondents felt most positively about the opportunity and encouragement they are given to do their best work. Perhaps that is why, in spite

of flawed management practices, operational shortcomings and the failure of organisations to live up to their potential, public servants remain highly motivated and want to serve the public. A follow-up article in June will investigate this further.

CONCLUSION

In conclusion, the survey largely corroborates aim of the *Better Public Services* programme. It also points to particular challenges within organisations that may be missed by inter-agency efforts, or forgotten under the general rubric of CEOs having 'stewardship' for organisations. All managers' ability, motivation and opportunity to do a better job must be fostered, not just those earmarked to go to the top. Management of rewards needs to improve. Training and development seems adequate now but its quality is questionable and will also have to improve if competency expectations rise under *Better Public Services*, as they should. Better availability and use of data could be an over-arching theme. Much government work emphasises the need for evidence based policy. Perhaps now is the time for evidence based management.