



OECD Public Management Policy Brief

Government of the Future

- **How can governments best prepare themselves for reform challenges ?**
- **How can the public sector develop a culture responsive to change?**
- **What types of leaders are needed?**
- **How can governments better communicate with citizens?**
- **How can governments avoid “reform fatigue”?**

These are some of the questions governments are asking themselves as they consider the future shape of public management reform. There is not one correct approach to reform. Reform efforts in the 30 OECD countries range from fundamental review of the role of government to small, incremental changes in public processes. Governments must re-examine the goals and strategies of reform to achieve stronger links between reform activities and outcomes.

Public management reform: A common goal

Public management reform has important stakes for all members of society, but all too often people are forced onto opposite sides in discussions on reform: by dividing people into winners and losers, the stage is set for conflict rather than success.

How can we develop a consensus not only around reform goals, but also the common values that underlie those goals? How can we spread a common understanding of the potential outcomes of reform as well as the alternatives to reform? This concerns not only government leaders, but also civil servants, private businesses, universities, civil society organisations and citizens in general.

There are few alternatives to reform, but countries can choose whom they consult and bring into the process of developing reform proposals, how they communicate the message of reform and how they implement changes.

There is no fixed set of solutions: reformers must pose the right questions to find solutions that are appropriate to their national contexts and to their reform objectives. Focusing on shared reform objectives may help reformers let go of some of their vested interests in exchange for outcomes that benefit all of government and all of society. In this way, governments of the future will learn to be more responsive to changes in society, while remaining a guiding force for achieving common public objectives.

Why public management reform?

Government needs to keep up with society

The purpose of reform is to make government more responsive to society's needs. People want government that does more and costs less. Much of current public reform is an effort to meet society's needs by providing better, faster and more services from government.

But does the public just want more of the same services? The public's needs are rapidly changing as societies become more diverse, complex and fragmented. Technological advances and more knowledgeable citizenry create new opportunities and expectations. The pace of change is faster than ever: governments cannot rely on one fixed set of solutions, but need to listen to ever-changing demands and innovate to find solutions.

Re-establish trust in government

In the face of a changing society, however, many governments seem to keep doing things the same old way. The belief that government is out of touch with people's needs has undermined the public's trust in government. In order to keep up with expectations, government should take a proactive approach to problem solving by anticipating the public's desires and changing the way it does business in order to meet those desires. Government needs to re-earn the public's trust by providing more choice, democracy and transparency. The public service should also learn to work with the political sphere to reappraise the types of services it provides and how it provides them.

Governments in OECD countries are discovering a new imperative to communicate their messages to citizens. An increasingly fragmented and diverse society means that government is looking for new ways to connect with citizens. Government should make the most of opportunities to communicate one-on-one with its constituents through new technologies and new fora of communication (Internet, cable television, etc.).

Government's role is changing under new pressures

As society changes, government's role in society is also changing. Government is becoming just one player among many seeking to represent and serve the public. While still playing a privileged role, the loss of the government monopoly on services means that the public sector faces greater competition. Government is also exposed to a much greater array of outside forces. Greater economic inter-dependence, the opening up of societies and the growing importance of international structures and agreements mean that the outside forces affecting society are more complex than ever before. To understand and serve the public, national governments need to be better mediators, co-ordinators, policy-makers and regulators, in concert with other centres of power, including international and sub-national levels of government, the media, industry and non-profit groups.

Finding the balance between participation and action

The **Netherlands** has been experimenting with forms of interactive governance in which governmental decisions are made not only after consultation of those concerned and interested, but in co-operation with them. This is especially true at the local level where municipalities are closest to the public. But national forms of interactive decision-making are also being sought, if only to find enough support for far-reaching governmental action.

Increased citizen input has not only meant new procedures for public comment and participation, but also an increase in possibilities for "legal resistance" against governmental decisions. While more democratic, there is fear that the cumulative effect of the proliferation of outside influences on policymaking (both positive and negative) may unduly limit the decisiveness of government. The Netherlands is looking at ways to better streamline these processes for influencing decisions and appealing against them. At the same time, inter-active governance is being further developed to increase public support in a proactive phase of policy formulation.

Lessons learned from public management reform

Establish the conditions for reform

Determining the shape of reform depends on government's ability to anticipate the public's needs. Currently, most public reform is not developed in anticipation of needs, but rather in response to crises that arise when those needs are unmet. The challenge to government is to move away from opportunistic reform towards more strategic reform: developing a clear vision, building a constituency, devising tactics to achieve results, and communicating this vision and the anticipated results.

A common vision unifies political leaders, senior officials, front-line workers and the general public. It also provides a guideline for choosing goals, developing strategies to achieve those goals and measuring results. To articulate a common vision, government should consult with stakeholders and bring together their many, varied visions.

Consultation is not easy. Government should gain support for reform from other centres of power — especially political leaders — and to work with them to identify a public agenda. It should also educate its citizens about the stakes of reform. The public is interested in the results of reform, not necessarily in the process. Gaining public support for reform means not only choosing an agenda that the public cares about, but also earning the public's trust that government actions will lead to positive results.

Each country has a different institutional model for providing the capacity to drive reform. The more decentralised the system, the more important it is to have both formal and informal channels of communication in order to maintain coherence in the reform process.

Identifying citizens' needs through consultation

In order to understand citizens' needs better and to gauge the effectiveness of public management reforms, the Service First Unit in the **United Kingdom's** Cabinet Office commissioned the creation of a People's Panel. The Panel consists of 5,000 members of the public randomly selected from across the UK, designed to be a representative cross-section of the population (by age, background, region etc.) Panel members are being consulted about how public services are delivered and how that delivery can be improved from the user's point of view, rather than that of the system. The panel provides a database of individuals that can be used for a wide range of research and consultation, both quantitative and qualitative. It will enable the government to track attitudes and opinions over time, look at the reasons for change, and research the views of both users and non-users of particular services.

Communicate to build constituencies for reform

To gain the public's trust, government should communicate the need for reform, the process of reform and reform successes. Communicating this message is the responsibility of both government officials and political leaders.

Communicating the need for reform involves transmitting the values and goals that underlie the reform vision and identifying and addressing the public's fears. A compelling statement of values creates an emotional connection with the public by reflecting its own desires, and helps government workers overcome bureaucratic self-interest. Communicating the process of reform helps government workers understand their role in reform and maintain the coherence of reform efforts. It also provides a timeline for achieving results. Communicating reform successes builds public confidence and maintains the momentum of reform by bolstering political and public support.

Does the public know that reform was successful?

While reforms in **New Zealand** have been seen as a success by policy elites and overseas commentators, they have coincided with a general decline in public confidence in the government. This may have been due to several factors: 1) increased transparency also increased public's expectations, 2) speed and scope of reform process were unpopular with the public and 3) lack of communication meant that the public did not understand reform efforts.

The key to successful communication is to use simple, everyday language that focuses on results in the form of improved service outcomes. Government should avoid reform "buzzwords" or jargon that lack both content and meaning for the public and confuse the relationship between actions and outcomes. The reform message should be honest, pointing out the potential costs and inconveniences of reform, and should not over-promise outcomes.

Create a "change culture" by changing behaviour

Reform should seek long-term change in government's behaviour by changing organisational culture. This can be done, in part, by building incentives into reform efforts so that government workers are rewarded for actions and outcomes that are consistent with reform goals. Government should foster co-operation rather than co-ordination by reducing the segmentation of tasks and putting the emphasis on global performance.

In response to demands for service and greater responsiveness, governments are evolving away from purely hierarchical systems towards a more "webbed" model in which different parts of government take responsibility for meeting particular aspects of citizens' needs with an accompanying increase in independence and flexibility. Reform efforts should keep in mind that structural changes are geared at changing bureaucratic behaviour and are not ends in themselves. Structural changes should foster leadership, innovation, flexibility and accountability for results.

Changing behaviour

Unless people know the values underlying reform, the goals they are working towards and their role in this change, they have no incentive to let go of the status quo. Delegates at the 1999 OECD Symposium identified the following keys to achieving employee buy-in:

- **Communicate expectations:** let staff know 1) the common values which underlie the reform; and 2) the expected outcomes and timelines; and 3) their role in these changes. A personal commitment to reform on the part of staff is a key to successful implementation.
- **Accentuate the positive:** focus on the opportunities that reform will bring. This does not mean ignoring the cost of change, but employees need to know what the benefits are if they are to bear the costs.
- **Build leadership for change:** identify change agents who are credible and who can inspire employees to share their vision for change.
- **Reward change:** build-in incentives for behavioural changes. This can include non-monetary incentives including public recognition of successes and increasing both freedom and responsibilities for those who show that they share in the vision for reform.
- **Create opportunities:** offer employees the training and help that they need in order to be able to fit into the new vision.

How to sustain public management reform

Work to avoid reform fatigue

Reform fatigue is the condition in which public servants become cynical and tired of reform. Over time, it plagues even the most successful reform efforts. Governments can work to avoid reform fatigue by gaining stakeholder buy-in through feedback and consultation to create a sense of ownership in reform efforts. Rewarding innovative and responsive behaviour and communicating successful outcomes help to create a system of incentives that reward change. Instead of continuous reform, governments need to evolve organisations that can adapt to change.

Recognising successes

In the **United States**, former Vice President Gore's National Partnership for Reinventing Government (NPR) created a "Hammer Award" for teams of federal employees who created an innovative and unique process or programme to make government work better and achieve results. The reward focused attention on those who showed significant impacts on customer service, bottom-line results, streamlining government, saving money and exemplary achievements in government problem-solving. The title of the reward refers to the stereotype of government inefficiency symbolised by a \$400 hammer. Fittingly, the award consisted of a framed \$6.00 hammer, a ribbon and a note from the Vice President. More than 1,200 Hammer Awards were presented to teams comprised of federal employees, state and local employees and citizens.

Stay the path by fostering champions of reform

Leaders within government are key to bridging the gap between the development and the implementation of reform. OECD countries have used leaders at many different levels of government as drivers of reform. The public sector presents unique challenges for leadership. Changing missions and hazy vision confuse expectations for reform and for leaders. Public scrutiny and risk-averse organisations limit leaders' freedom. They are asked to continue reform during changes in the political environment.

On the other hand, public sector reform is allowing new, more flexible leaders to emerge. Organisations should focus explicitly on leadership development by identifying and training leaders. Government can provide incentives for leadership by encouraging innovation and rewarding successes and by giving potential leaders the opportunity to develop leadership skills on the job. Leaders should be held accountable for outcomes, but also be allowed to make mistakes.

Training as a tool for leadership development

Recognising that a co-operative leadership style is the basis for increasing co-operation between staff, the **German** Federal Academy for Public Administration has developed an in-service training programme which focuses on the development of specific leadership qualities. Courses are offered to introduce modern methods of co-operation and leadership and the use of staff talks as a leadership instrument for increasing effectiveness. All ministries today guarantee that in principle *at least one percent of working hours* in each authority is planned for *further training*, with a goal for staff to receive a total of about 15 days of further training over a period of three years.

Where do we go from here?

As society continues to change rapidly, the solutions of the past are no longer sufficient. Not only is there no “one-size-fits-all” solution across countries, but countries should also use reform to create institutions that can constantly adapt to changes in their own societies and to changing outside forces.

In the face of challenges and opportunities posed by globalisation, rapidly evolving technologies, changing demographics, rising citizen expectations, and competition from the private sector, governments are learning to continue to explore and exploit new ways of working.

The OECD Public Management Committee (PUMA) remains committed to using its unique perspective to provoke practitioners to identify future challenges to government, while focusing on solutions that are grounded in practitioners’ needs. PUMA will continue to provide opportunities for practitioners to develop a “bigger picture” that will allow OECD Member and non-member countries to better prepare governments of the future.

“You need to plan for the future. Government needs to be a leader and it’s up to the public sector to engage and facilitate that process. We certainly have a commitment and a need to be forward looking and not just respond to past needs. A danger is that public sector reforms can keep looking in a rear vision mirror for needs and not enough to the future.”

(Symposium delegate)

About this Policy Brief...

This Policy Brief is based on the proceedings of the OECD Symposium “Government of the Future: Getting from Here to There”, held in Paris on 14-15 September 1999. This Symposium brought together 80 high-level reformers from OECD countries in the context of the future shape of government reform. This Policy Brief looks at the way public administrations have been reformed over the last two decades and draws lessons for a new generation of reform.

OECD promotes good governance

The OECD, through its programme on public management, supports and facilitates the efforts of Member countries to achieve ever-higher standards of effective and good governance in accordance with their needs and priorities.

More information...

The OECD publication *Government of the Future* may be obtained from the OECD Online Bookshop (<http://www.oecd.org/bookshop/>).

More information on the Symposium can be found at <http://www.oecd.org/puma/>.

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