

A 'Spirit of Service' culture at the core of new Public Service Act

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The Government's plan for a new Public Service Act is overdue recognition that ideas about organisations have changed markedly since the 1988 State Sector Act used then fashionable thinking that emphasised contracts, markets and accountability to radically alter the systems in place since 1912. The proposed Act seeks to embed a 'spirit of service' that could provide a more motivating environment for staff.

Passing legislation, however, is easy compared with changing organisational culture – the day-to-day interactions that add up to the experience of staff and citizens of 'how things are done here'.

In the 1980s the State Sector Act sought to shake up a long-established and often inward-looking hierarchy through techniques such as contestability, accountability, strategic plans and 'SMART' goals that were specific, measurable, achievable, relevant and time-bound.

But the solutions of one era often create a set of challenges for the next. The emphasis on specifying results, subdividing tasks and using budgets and accounting documents to control services has led to a system that is now seen to be fragmented, siloed and reduced in its ability to demonstrate long-term service and provide politicians with 'free and frank advice'.

The proposed Public Service Act seeks more collaboration and creativity – a significant shift from the cultures created by 30 years of contracting and control and a one-size-fits-all straitjacket for performance across extremely varied lines of work.

A well-researched framework called 'Competing values' helps identify how public services differ from those provided by private sector organisations. Market cultures focus externally and on the control needed to return profits. Hierarchies focus on consistency and control. Clan cultures focus on flexibility and the relationships and skill building that can assist innovation. Network cultures emphasise outward-focused innovation and connecting across tasks and subject disciplines.

As a result of the 1980s legislation, market and hierarchical values have dominated with their budget, performance reporting and accountability routines – at the expense of the clan and network values the public sector also needs

Priorities for this Government are multidimensional issues such as climate change, inequality, housing development and water quality. These can't be delivered by individual agencies narrowly focused on performance targets.

These cross-cutting issues need organisational systems and cultures that encourage and reinforce collaboration and innovation without losing strengths that come from hierarchy and markets.

What is required is captured in the term 'paradox navigator' coined by US business professor Dave Ulrich and his co-authors of the 2017 book *Victory Through Organisation*.

Navigating paradox involves "constantly steering, adjusting, adapting, and evolving more than the disciplines of managing, which implies controlling, resolving, administering, and solving".

Tensions, debates, dialogue and conflicts that emerge as a result of paradoxical thinking can make a positive contribution to organisational change: *"When people in an organisation agree all the time or act out of their existing roles, adaptation is less likely. Navigating paradox accepts and heightens disagreements that enable organisations to change and evolve."*

The public service might also look to the changes since 2014 at Microsoft.

The chief executive appointed that year, Satya Nadella, had been on Microsoft's staff since 1992, when it was beginning to overtake IBM in market leadership in personal computing. Nadella became the company's third chief executive at a time when it was losing market share.

In a book about his experience, he identifies a cartoon as a catalyst for his determination to achieve change. This cartoon caricatured Microsoft as divisions pointing guns at each other, an image that captures the fragmentation and competition seen at times in the New Zealand public service.

Collaboration and creativity were at the core of the change process Nadella adopted and the language he uses is similar to that of 'spirit of service'.

Microsoft's culture had been rigid, he writes.

"Each employee had to prove to everyone that he or she knew it all and was the smartest person in the room. Accountability – delivering on time and hitting numbers – trumped everything. Meetings were formal. Everything had to be planned in perfect detail before the meeting. And it was hard to do a skip level meeting. If a senior leader wanted to tap the energy and creativity of someone lower down in the organisation, she or he needed to invite that person's boss, and so on. Hierarchy and pecking order had taken control, and spontaneity and creativity had suffered as a result."

But now: *"Finally, we are one company, one Microsoft – not a confederation of fiefdoms. Innovation and competition don't respect our silos, our organisation boundaries, so we have to learn to transcend those barriers. We are a family of individuals united by a single shared mission."*

The Government has found already – during 2019, its 'year of delivery' – that implementation is hard to guarantee. If its Public Service Act is to succeed, the lessons of Microsoft and being a 'paradox navigator' are ideas for this era.

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