

**ORGANISATIONAL MANAGEMENT
IN NEW ZEALAND'S PUBLIC SERVICE**

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Organisational Management in New Zealand's Public Service

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Abstract

This paper explores the extent to which the organisations of New Zealand's central government are effectively reporting on, and arguably therefore focusing on, the management of their organisations as well as their operations. A distinction is drawn between *operational management*, in terms of how organisational objectives are set and achieved and *organisational management* which represents management of the ability or potential of an organisation to achieve those objectives. It is argued that the agency and transaction-based logic of new public management reforms and an ongoing focus on "that triumvirate of virtue: economy, efficiency and effectiveness" (Pollitt, 1986), has resulted in an over-emphasis on the former at the expense of the latter.

It is further suggested that attempts to remedy this situation, such as New Zealand's 2004 introduction of a legislative requirement for government departments to report on the management of their 'organisational health and capability', have been hampered by a lack of a clear and consistent framework for how that should be reported. The paper therefore argues for the public sector accounting standards to include such guidance in much the same way as they do for service performance reporting. A potential outline of a proposed framework for reporting organisational management is discussed.

Introduction

When we engage in a pursuit, a clear and precise conception of what we are pursuing would seem to be the first thing we need, instead of the last we are to look forward to.

(John Stuart Mill)

Following a 2004 amendment to New Zealand's Public Finance Act 1989 (PFA) the chief executives of central government departments have been required to include in their annual reports "information about the department's management of its organisational health and capability (PFA s.45(2)(c)). In 2013 the importance of this requirement was further emphasised in an amendment to the principal responsibilities of chief executives as set out in the State Sector Act 1988 (SSA). Together with the previous responsibilities relating to the operational performance of the department, including the provision of policy advice to ministers, chief executives are now also explicitly responsible for:

... the stewardship of the department or departmental agency, including of its medium- and long-term sustainability, organisational health, capability, and capacity to offer free and frank advice to successive governments; and

the stewardship of —

- (i) assets and liabilities on behalf of the Crown that are used by or relate to (as applicable) the department or departmental agency; and
- (ii) the legislation administered by the department or departmental agency.

(SSA, s.32(1)(c) and (d))

However, the legislation, and indeed the advisory material provided by New Zealand's Treasury and State Services Commission, does not provide any further definition or explanation of "organisational health and capability" and therefore guidance as to what exactly departments should report.

The above does at least suggest that a long-term view of organisational management involves the concept of stewardship for enduring, or at least long-lasting, public organisations in which departmental chief executives and their managers have a responsibility to 'pass on' to their successors organisations that are both competent to meet future demands and trusted, and therefore supported, in doing so.

A 2013 analysis of the Performance Improvement Framework (PIF) reviews of twenty-one of New Zealand's central government departments identified a range of good practices by which New Zealand's central government departments are building strong organisations able to effectively respond to the changing demands placed upon them. However, the analysis also found that this was not a consistent picture. It stated:

Agencies are better at managing issues and keeping their Ministers happy than they are at building core institutional capability that adds substantial and enduring value to New Zealand. (SSC, 2013, p.10)

Arguably, a continued improvement in this area needs to be supported and encouraged by a clearer focus on how the core institutional capability of public organisations should be managed and reported.

To better understand the adequacy with which government are responding to the requirement of section 45 (2) (c) of the PFA, this paper:

- i. reviews the concept of ‘organisational management’ and its ongoing discussion in the context of New Zealand’s public management reforms;
- ii. discusses New Zealand’s State sector Performance Improvement Framework (PIF) and the results of its application in reviews of twenty-nine central government departments;
- iii. argues for a more comprehensive and formal statement, or at least some guidance material, equivalent to that provided for service performance reporting;
- iv. discusses a review of current reporting practice and argues for more specific consideration in accounting standards of the reporting of organisational management.

What do we mean by ‘Organisational Management’?

The importance of managing an organisation’s health and capability has long been a topic in both the academic and practitioner literatures. Since at least the middle of the last century writers on management have stressed the need to focus on developing and maintaining relevant organisational resources, capabilities and core competencies (Drucker, 1954; Peters and Waterman, 1982; Hamel and Prahalad, 1994). Discussing the need for a more empowered and flexible workforce Senge (1990a) stated that:

... leaders in learning organisations are responsible for *building organisations* where people are continually expanding their capabilities to shape their future – that is leaders are responsible for learning. (p. 9)

More simply, managing the organisation was likened by Collins and Porras (1996) to “building the clock”. They argued that the successful private sector organisations that they studied were not characterised by “a great idea or a charismatic leader” but by executives who focused on the creation of the organisation itself.

Recognising the changing and increasingly complex reporting environment of for-profit entities the International Integrated Reporting Council (IIRC) is concerned to establish a more comprehensive and integrated framework that provides “a clear representation of how an organisation demonstrates stewardship and how it creates and sustains value” (IIRC, 2011, p.4). It is argued that framework should provide insight into the extent to which organisations are running down or building up a series of resources and relationships, or “capitals”, which encompass:

- financial capital;
- manufactured capital (i.e. tangible assets such as buildings and machinery);
- human capital;
- intellectual capital;
- natural capital (including biodiversity and ecosystem health); and
- social capital (including key relationships and common values and behaviours) (ibid. p. 11).

However, the IIRC also argued that the changing expectations of information users has resulted in a growing volume of reported information as responses to separately evolving requirements are added on to, rather than integrated with, the existing set of information.

In the context of the public sector there has been a similar concern with the need to appropriately manage and report on the governments ‘ownership interest’ in public

organisations together with its 'purchase' of goods and services from those organisations (SSC, 1997). In Europe the Common Assessment Framework (CAF), like the European Foundation for Quality Management (EFQM) model on which it was initially based, draws a distinction between 'enablers' of performance and 'results'. In the United States the Government Performance Project (Pew, 2008) also sought to identify proven practices in the management of organisational finances, people, infrastructure and information that would in turn support improved organisational performance.

Following New Zealand's public sector reforms in the 1980s, as early as 1991 a review of the impact of those reforms noted:

... a risk of loss of value to the Government's investment in departments ..
[that] includes the risk of loss or damage to physical assets but also less tangible risks such as inefficient use of assets or loss or wastage in intangible resources such as human and intellectual capital. (Logan, 1991, p.55)

Similar concerns were noted in a further review in 1996 by Allen Schick when he defined ownership responsibilities in terms of:

... an organisation's capacity to perform the task set for it. This encompasses both the production of current outputs and the performance of what might be expected of it in the future. (Schick, 1996, p.42)

The 2001 'Review of the Centre' (SSC, 2001) also commented on the need for an improved focus on management development, the promotion of a public service ethos, and the adoption and exploitation of emerging communication and information technologies. However, it was not until 2004 that the Public Finance

Act 1989 was amended to require departments to report annually on the management of their organisational health and capabilities. Although, as noted above, a definition or explanation of what that might encompass was not provided.

The 2011 report of the Better Public Services Advisory Group focused on “how to reduce the cost of the public service by improving the system’s efficiency and effectiveness – in short to do more and better with less” (SSC, 2011, p.5). The improvements to the system recommended by the report were largely structural in nature, or at least they were concerned with how the central agencies would play more clearly defined and active roles and with how individual departments should function more collectively. Although the report did reflect on the need to achieve a change in the culture of the public service to provide “a greater onus on citizen voice, innovation and risk taking” (p.52), it did not focus on what investment might be required to facilitate and maintain that improved performance over time.

New Zealand’s Performance Improvement Framework

A more formally structured review of organisational management was introduced in 2009 as part of the State Service Commission’s Performance Improvement Framework (PIF) and in response to a requirement “to generate significant ongoing productivity gains” (SSC, 2014a, p.1). Based in part on the British civil service’s Capability Review Programme¹, this model explicitly recognises the dual management responsibilities of operational management that delivers desired results, and organisational management that ensures that the capability to deliver those results exists both now and in the future.

¹ see <http://www.civilservice.gov.uk/about/improving/capability>

In terms of assessing organisational management, the framework provides a series of lead questions grouped under four headings:

- Leadership, Direction and Delivery,
- External Relations,
- People Development, and
- Financial and Resource Management.

The responses to those questions resulted in an assessment of either ‘strong’, ‘well placed’, ‘needs development’ or ‘weak’. While a 2013 analysis of the results from the first twenty-one agency reviews noted that:

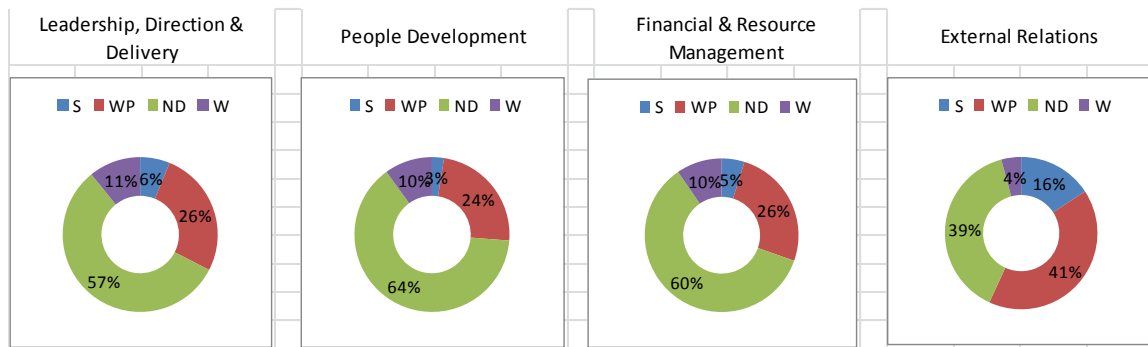
Efforts to improve value for money should be focused here, rather than on expenditure reviews that leave many agencies doing the same things in the same ways with less money and less effort. (SSC, 2013, p.7)

It also suggested that progress had been limited and stated that:

While many of our public institutions are adept at managing immediate issues, transactional stakeholder relationships and the priorities of the government of the day, they tend to be less successful in building strong and enduring public institutions whose purpose and roles are clear and whose business effectiveness and efficiency are as strong as their ability to manage issues and events. (SSC, 2013, p.6)

By the end of 2014 all of the then twenty-nine central government departments had been subject to a PIF review. Whilst recognising that these reviews occurred over a four year period when a number of factors were affecting the structure and role of those departments, the aggregate results of those reviews are presented in Appendix I and summarised in the following graphs.

Figure II – Aggregate Results of PIF Reviews 2010 to 2014



S = Strong, WP = Well Placed. ND = Needing Development, W = Weak

It will be seen that 57% of the responses to questions relating to External Relations resulted in a ‘strong’ or ‘well placed’ rating. However, only 32% of Leadership, 30% of Financial and Resource Management, and 26% of People Development responses were given a ‘strong’ or ‘well placed’ rating.

In 2014 an updated analysis of the, by then, twenty-nine reviews completed focused on the weaker Leadership and People Development components of the framework. It reported that: “only two agencies came close to achieving the excellence in people development, as well as achieving a ‘strong’ institution status described [by the model]” (SSC, 2014, p.8). In terms of leadership and governance, only 36% of the reviews showed a ‘strong’ or ‘well placed’ rating; most agencies receiving a ‘needing development’ score. Whilst 43% of agencies were given a ‘strong’ or ‘well placed’ rating for values, behaviour and culture, the report stated:

Few agencies appear to have explicitly thought about values, behaviour and culture as part of the design of the operating model needed to give effect to strategy. (p.18)

Similarly only 32%, or nine of the twenty-nine published reviews, had a ‘well placed’ rating for workforce development. The report noted that human resource

information systems (HRIS) tend to be under-developed with human resource information being “ad hoc and off-system”. It stated:

With few exceptions, strategic workforce management seldom seems to receive attention from senior leadership teams and yet is fundamental to successful strategy execution. (p. 28)

Only one agency had received a ‘strong’ rating for management of people performance which was reported as being the third worst performing element in the whole PIF model, behind Information Management and Improving Efficiency and Effectiveness

Finally, in respect of engaging staff, only 39% of agencies received a ‘strong’ or ‘well placed’ rating. It was suggested that:

The main reason those results are so poor is that purpose and strategy are so unclear in so many agencies. There are also weak links between purpose and strategy and behaviour and culture in most agencies. (p. 41)

The PIF process has been described as “a method for systematically identifying the extent to which an agency understands its role and purpose and determining how it is led, managed and resourced” (Te Kawa and Guerin, 2012). It is a periodic review and the timing of its repetition for any one agency is yet to be determined. Thus, while it does provide a sector consistent analysis for Ministers, Parliament, the central agencies and the public (to the extent that the public access the reviews published on the SSC web site), it does not form part of the annual accountability framework for those organisations. It is therefore argued that, as well as a statement of service performance, public sector organisations should be required to provide a

comparably detailed ‘statement of organisational management’. However, while the international public sector accounting standard on the presentation of financial statements (PBE IPSAS 1) contains guidance on the reporting of service performance, no such guidance is provided in respect of the reporting of organisational management.

A More Comprehensive Framework for Organisational Management

The above analysis of the last four years of PIF assessments points to some significant shortfalls in the management of New Zealand’s central government departments. We are therefore left with a concern over the extent to which organisational management is receiving adequate attention.

What are the organisational stewardship responsibilities of public sector managers and how might an annual statement of organisational management be better framed? Management of an organisation, rather than its core functions and operational performance, requires a focus on a number of interlinking aspects or dimensions. It is suggested that (in a little more detail than used by the PIF framework) these may be summarised as follows:

- Leadership
- People Development (Human Resource Management)
- Knowledge and Information
- Financial and Physical Resources
- External Relations (Public Capital)

The following sections provide a more detailed description of each of these aspects and suggest possible evidence of their management and therefore how that might be reported.

Leadership

Description

The literature on leadership is substantial as is the number of different definitions used to explain it (Denis, Langley & Rouleau, 2005). A common approach focuses on the role of leaders' influence in establishing a long term vision of an organisation's objectives and transforming how it is structured and functions toward that end. In their study of successful and long lasting organisations, Collins and Porras (1994) defined leadership as

... top executive(s) who displayed high levels of persistence, overcame significant obstacles, attracted dedicated people, influenced groups of people towards the achievement of goals, and played key roles in guiding their companies through crucial episodes in their history. (p. 261)

More simply, Chemers (1997) has defined leadership as: "... a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task".

Alternatively, leaders may be seen as 'managers of meaning' who define organisational reality through the articulation and promotion of a vision which is a reflection of how he or she defines an organization's mission and values which will support it" (Bryman, 1996). This includes the ethical framework by which standards of right and wrong are understood and enacted. The compromises that are often

necessary between competing public objectives and the, at times, fine line between public service and political context give this function particular importance.

In both cases the focus has been very much on the characteristics and role of an individual, or perhaps more recently on a top team, rather than how leadership as a process emerges and is evidenced in different organisational and social settings. Such a 'dispersed leadership' approach recognises the emergent nature of patterns of organisational reality and the influential roles potentially played by actors throughout the organisation and beyond.

In a study of English local governments Andrews and Boyne (2010) found support for a positive link between good leadership and the existence of better organisational capacity defined in terms of organisational abilities and the management sub-systems of financial, human resources, capital and information technology management (Ingraham, 2001; Moynihan and Ingraham, 2004).

Possible evidence

Evidence of effective leadership might be provided by a number of factors including:

- a common culture – a system of shared meaning or basic assumptions and beliefs.
- evidence of a clearly articulated strategy
- communication of that strategy via staff forums, newsletters and other media.
- evidence of local leadership initiatives

People development

Description

The largest costs of most public sector organisations are those associated with their staff. For the twenty nine central government departments studied the average

expenditure on personnel represents 60% of total costs. In the face of funding pressures public sector organisations have resorted to reductions in the number of staff employed as well as the amount of, relatively discretionary, expenditure on staff training and development. However, the importance of a well-managed and engaged workforce has long been recognised. As noted in a recent report on the British public sector:

Business and organisations function best when they make their employees' commitment, potential, creativity and capability central to their operation. Clearly, having enough cash, and a sensible strategy, are vital. But how people behave at work can make the crucial difference between business and operational success or failure. (MacLeod and Clarke, 2013)

Similarly, New Zealand's State Services Commissioner has stated that:

The most valuable resource an agency has is the skills, expertise and commitment of the public servants who work for it. Workforce planning to make sure they have the right mix of skills in the right places over the long term is an essential part of long term success. (SSC, 2014b)

At its simplest level, therefore, human resource management is concerned with how people are managed within the organisation so as to enhance their value. This includes the acquisition, development and retention of staff to support the organisation's strategy and objectives.

Possible evidence

Evidence of effective people management might be provided by a number of factors including:

- Staff retention (turnover).

- Staff satisfaction surveys.
- Usage of sick leave and outstanding holiday entitlements.
- Evidence of a recruitment and retention strategy that identifies future workforce requirements.
- Training and development programs for skill development and to ensure transition and retention of knowledge.
- Are there any measures of outputs per employee, or workload/caseload/etc. per employee?

Knowledge and information

Description

Both the academic and practitioner communities broadly recognise the importance to organisations of information and its conversion to (tacit and explicit) knowledge (Nonaka and Takeuchi, 1995; Senge, 1990b; Choo, 2006). Just as with financial and human resources, information needs to be managed effectively to achieve maximum value and return for the organisation.

Explaining the relationship between information and the individual and collectively-based nature of knowledge, Alavi and Leidner (2001) have posited that:

... information is converted into knowledge once it is processed in the mind of individuals and knowledge becomes information once it is articulated and presented in the form of text, graphics, words, or other symbolic forms. (p.109)

Knowledge then also represents a capacity to apply learning and experience to determine what information is needed in decision making (p.110).

Given the increasing age profile of public sector employees (SSC, 2014) many public organisations are beginning to consider the threat of the loss of a significant amount of tacit knowledge as older workers finally retire over the next five to six years. Sharing and, where possible, codification of that tacit knowledge is therefore

becoming increasingly important. Cohen and Olsen (2015) have argued that an organisation's performance is associated with its "success in developing and retaining competent and committed human capital and by its efforts to promote the sharing of tacit knowledge amongst its employees" (p. 1180). The authors further argue that such organisations will be more flexible, have better planning, problem solving and troubleshooting capabilities, which will lead to better customer service and satisfaction.

As well as being a strategic asset, organisational knowledge and information also represents a risk. This means that organisations should establish and enforce appropriate administrative, technical and physical means to protect data from accidental and deliberate corruption, destruction or unauthorised access. Particularly in the public sector, the management of knowledge is also associated with the notion of stewardship - the idea that the agency is responsible for ensuring its use of data from the public domain is protected..

Possible evidence

Evidence of effective knowledge management might be provided by a number of factors including:

- the existence of, and ease of access to, information in formal corporate knowledge directories;
- evidence of knowledge sharing, interaction and collaboration in knowledge networks;
- the coding and sharing of best practices;
- explicit and tacit knowledge is managed as a strategic and valued asset.

Financial and Physical Assets

Definition

For any organisation there is a specific link between a given level of operational funding and the intended amount and quality of work that can be undertaken. In other words, changes in the level of operational funding will be matched by changes in the amount of work and/or the quality of that work. Or, at some point, changes in the level of work will impact on the level of required funding and/or the quality of that work.

A well run organisation will have a clear and explicit understanding of these linkages.

Organisations also have a requirement for an appropriate level of capital funding, either from depreciation of the current asset base or from new investment, that supports the maintenance and development of an asset portfolio relevant to the organisation's strategy.

Effective management of operational funding, capital expenditure and the organisation's assets all require explicit consideration and management of the related risks.

Possible evidence

Evidence of effective management of financial and physical assets might be provided by a number of factors including:

- Evidence that managers have considered and understood the implications of changes in the level of anticipated workload and/or the amount of available funding.
- Evidence of a capital replacement plan.
- Evidence of a risk management plan.

Public Capital

Definition

Public Capital - represents the trust and confidence in an agency held by Ministers, major stakeholders and the general public – factors that contribute to the political salience of, and external influence on, that agency’s core functions. A significant element of the State Service Commissioner’s annual review of the performance of departmental Chief Executives is also, in effect, based on an assessment of the trust and confidence that other agencies and external stakeholders have in their departments.

Accomplishing the objectives of a government program can often call for some of the work to be done by groups other than that of the agency such as a target group, other public sector agencies or citizens in general (Alford, 1993; Ryan, 2011; Boston & Gill, 2011; Alford & O’Flynn, 2012). This introduces a broader conception of stewardship that extends beyond the organisation to a concern for the health and capability of other actors and the relationships with and between them.

How managers interact with the media, the public, other organisations, and Government Ministers will either enhance or erode understanding and hence the trust and confidence in their agency. Moore (1995) has suggested that the management of public capital (and more broadly ‘public value’) requires non-elected public servants to assume an active role in the external authorising environment to promote and maintain the trust in, and legitimacy of, their agency.

Possible evidence

Evidence of effective management of public capital might include:

- Engagement with other organisations at both the national and local level.
- Consultation with affected organisations, groups and elements of society prior to the development and implementation of initiatives.

- Evidence of joint initiatives with other government organisations, non-government organisations, private sector companies or community groups.
- User, client or citizen satisfaction surveys.
- Once these surveys are complete and summarised, what evidence is there that the results are incorporated into the direction of the agency?
- Positive media coverage.

Current Reporting Practice

To understand the current reporting practices of New Zealand's central government departments a review was undertaken of their 2014 annual reports. Evidence was sought of the management of organisational health and capability using the five categories discussed above, namely: leadership, people development, information and knowledge, financial and physical assets, and public capital.

The summary of the analysis shown in Figure I counts the number of times a given category was mentioned or discussed in each annual report. As such, it provides a rough guide to the emphasis placed on each of the categories in each department's report. It does not, of course, necessarily provide evidence of the emphasis of management activity in each department.

The review revealed a range of different practices in terms of both the content and emphasis in their reporting of the management of their organisational health and capability. Although the reports of most of the twenty-nine agencies studied contained a section headed 'Organisational Health and Capability', information on this topic, i.e. in relation to the five categories, was frequently dispersed throughout the rest of the report. As a result, any attempt to find evidence of the nature and extent of the organisations' activities and results in this respect required a significant effort of reading through the whole report to find it.

Figure I – Departmental Reporting Practices

Department	Leadership	People Development	Information & Knowledge	Financial & Physical Assets	Public Capital
Business, Innovation & Employment	11	8	17	6	58
Canterbury Earthquake Recovery		4		38	58
Conservation	14	21	7	16	42
Corrections	14	21	7	17	41
Crown Law	21	31	10	21	17
Culture and Heritage	15	14	15	8	48
Defence	22	22	11	34	11
Education	13	20	10	15	42
Education Review	20	13	13	20	34
Environment	7	13	13	11	56
Foreign Affairs & Trade	27	25	10	20	18
Government Communications Security	29	43	7	7	14
Health	13	25	16	23	23
Inland Revenue	32	9	4	23	32
Internal Affairs	12	12	25	11	40
Justice	16	9	9	28	38
Land Information	8	10	16	2	64
Maori Development	11	59	4	4	22
Customs	15	17	9	18	41
Pacific Island Affairs	21	11		10	58
Primary Industries	17	21	7	10	45
Prime Minister & Cabinet	19	11	7	7	56
Serious Fraud Office	18	18	12	11	41
Social Development	24	9	37	6	24
State Services	26	40	5	11	18
Statistics	19	14	21	15	31
Transport	47	13	7		33
Treasury	20	60		2	18
Women's' Affairs	24	19	5	5	47
<i>Average</i>	<i>19.11</i>	<i>20.41</i>	<i>11.69</i>	<i>14.25</i>	<i>36.90</i>

The major focus of each department’s report is highlighted.

Twenty-four of the departments provided information in respect of all five of the dimensions of organisational management discussed further above. The Canterbury Earthquake Recovery Authority provided no comments in respect of the management of ‘information and knowledge’ and ‘leadership’. The Ministry of Pacific Island Affairs and the Treasury, surprisingly, also provided no information in respect of ‘information and knowledge’; and the Ministry of Transport lacked information in respect of the management of its ‘financial and physical assets’.

Eighteen of the departments focused the majority of their reporting of organisational management on factors relating to public capital. This may reflect an increased

emphasis on whole-of-government initiatives following the Better Public Services report (SSC, 2011) and 2013 amendments to the accounting and reporting provisions of the Public Finance 1989. But, again, this should be noted with the caution that what is reported in external accountability documents (or at least given emphasis there) is not necessarily the same as what is managed within the reporting organisations.

Conclusions

It is arguable that the institutional economic models that underpinned the public sector reforms at the end of the last century continue to shape current policies and practice. As such the accountability framework that shapes the behaviour of public officials casts them as agents rather than stewards. They are required to reduce costs, improve efficiency, do more for less, and do so transparently. Their success is defined in terms of the economy, efficiency and effectiveness with which goods and services are delivered.

Thus while the idea that managers have a stewardship responsibility to manage the organisation – and its ability to function effectively both now and in the future – is not new, the results of the State Service Commission’s PIF reviews suggest that this responsibility has not received the attention that it warrants. Similarly, although what is reported in external accountability documents is not necessarily a good indication of management practice, a review of the annual reports of New Zealand’s central government departments does not provide an encouraging picture and appears to generally reflect the findings of the PIF reviews.

Whilst New Zealand government departments have undergone a significant amount of change and as a result may have become more economical, efficient and effective, concern should exist as to the ongoing nature of that change (particularly in times

of economic pressure). Public managers and their Ministers are not only responsible for the efficient and effective delivery of services today (or in the current electoral term), but also for the ability of government to deliver the required services in the future. The fiscal responsibility provisions of New Zealand's Public Finance Act 1989 require Governments to explicitly consider and report the balance between the benefits of current service provision and the future burden of the related expenditure and debt. So responsible management should also require consideration and transparent reporting of the extent to which the capability and capacity of public organisations to function effectively in the future is being maintained or eroded. Arguably, such a requirement should be part of an integrated and consistently applied reporting framework that would more meaningfully support decisions in respect of public organisations':

- efficiency and effectiveness in meeting today's operating objectives;
- ability to do so in relation to future strategic objectives; and
- need for more, or impact of less, resources in the future.

That requirement should not only exist in legislation, as it briefly does in section 45(2)(c) of New Zealand's Public Finance Act 1989, but also in the standards and guidance material of Generally Accepted Accounting Practice. That might then guide both the production and reporting of more meaningful performance information. It is to be hoped that it will also influence the focus of managerial practice.

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Appendix I – Central Government PIF Reviews 2010 to 2014

	Leadership Direction and Delivery				People Development				Financial and Resource Management				External Relations					
	S	WP	ND	W	S	WP	ND	W	S	WP	ND	W	S	WP	ND	W		
Business, Innovation & Employment			3	1				2	1		1	1	3			1	3	2014
Canterbury Earthquake Recovery																		2014
Conservation			3	2				3				4	1					2014
Corrections	1	2	2				1	1	1		4	1		1	1	2		2012
Crown Law		1	3	1			1	2			1	2	1			1	2	2011
Culture & Heritage		1	4					3			2	3		1	2	1		2014
Defence		1	2	2			1	1	1			4	1		2	1		2012
Education		1	4					3			2	2		1	1	2		2011
Education Review Office	1	2	2				2	1			3	1		2	1	1		2012
Environment	1	2	2				1	2				5			2		2	2012
Foreign Affairs & Trade																		2010
New Zealand Intelligence Community																		2014
Health			3	2				2	1		1	4				2	1	2012
Inland Revenue	1	2	2				3			2	1	2		1	3			2011
Internal Affairs			5				5					5		1	3			2012
Justice			4	1			1	2			2	2	1		2	1	1	2012
Land Information	1	1	3				3			1	2	2			2	2		2013
Maori Development	1	2	2		1		2			2	1	2			4			2010
Customs	1	3	1			1	2			1	3	1		2	2			2012
Pacific Island Affairs			2	3			2	1			1	2	1		1	2		2011
Primary Industries			3	2			2	1			1	4		2	1	1		2013
Prime Minister & Cabinet		1	4				2	1				4	1		2	2		2103
Serious Fraud Office		1	4				3					5		1	1	2		2104
Social Development	1	1	3		1	1	1			2	3			2	2			2012
State Services		1	4				3					5			2	2		2013
Statistics		1	3	1			3					3	2		1	3		2014
Transport		2	2	1			2	1			2	3			2	2		2013
Treasury		4	1			1	2				2	3		1	1	2		2014
Women's Affairs		2	3				3				1	2	1		1	2		2011
	8	34	73	14	2	19	51	8	6	32	75	12	15	39	37	4		
				129				80				125				95		
	6%	26%	57%	11%	3%	24%	64%	10%	5%	26%	60%	10%	16%	41%	39%	4%		

S = strong

WP = well placed

ND = needs development

W = weak