



IBM Center for
The Business of Government

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Collaborating Across
Boundaries Series

Interagency Performance Targets

A Case Study of New Zealand's Results Programme



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Foreword

On behalf of the IBM Center for The Business of Government, we are pleased to present this report, *Interagency Performance Targets: A Case Study of New Zealand's Better Public Services Results Programme*, by Rodney Scott and Ross Boyd.

Nearly three decades ago, New Zealand pioneered government reforms to make individual single-purpose agencies more accountable and effective. While successful, it highlighted another challenge facing government agencies: addressing societal problems that span traditional agency boundaries. New Zealand undertook a new round of reform in 2012 to address a handful of persistent societal problems by creating cross-agency performance goals, which include measurable targets and new governance approaches to address them.

In this report, Rodney Scott and Ross Boyd, who both are on the ground in New Zealand helping the government assess the progress of its five-year-old reform initiative, describe the approach, framework, and results of the initiative. They also offer “practice insights” that can be helpful to other governments pursuing similar objectives.

This report builds on the IBM Center's long interest in the broader field of cross-agency collaborative governance, including:

- *The Next Government of the United States: Challenge for Performance in the 21st Century*, by Donald F. Kettl
- *A Guide to Data-Driven Performance Reviews*, by Harry Hatry and Elizabeth Davies
- *Implementing Cross-Agency Collaboration: A Guide for Federal Managers*, by Jane Fountain

The report concludes with a series of practice insights on implementing cross-agency targets: selecting the right results to focus on; developing a governance structure to ensure implementation; managing cross-agency collaboration; and reporting on progress.



Daniel J. Chenok



Julia Glidden



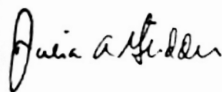
Matt Christie

We think that these practice insights have a broader applicability for government leaders in other countries, as well, especially when they find themselves facing persistent social problems that require cross-agency collaboration in order to make progress. While the authors' insights may need to be adapted to fit local context, New Zealand found success by creating collective responsibility to improve specific, intermediate outcomes, such as reducing crime rates and raising high school graduation rates.

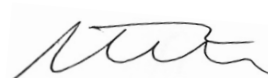
Both New Zealand and the United States have new leaders. We see this as an opportune time to reflect on how best to move forward in achieving cross-agency results. We hope that this report will both inspire and provide guideposts for government leaders in these and other nations.



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Executive Summary

Around the world, governments divide their operations into smaller administrative units (agencies). Each agency has a narrower focus and is therefore thought to be easier to manage. However, some problems cross agency boundaries, and addressing these problems requires agencies to work together. Most governments struggle to do this effectively. New Zealand is a good case study for exploring this phenomenon, as it has a large number of single-purpose agencies, which have historically found it difficult to work effectively together.

Governments also look for different ways to improve the performance of each agency. Performance targets have been shown to be effective at improving performance in a variety of contexts; however, they are also criticized for promoting siloed working and discouraging cooperation with others. Helping others often doesn't help achieve an agency's own targets, and agencies respond by turning inward.

In 2012, the New Zealand government tried something new and different. The aftereffects of the 2008 global financial crisis constrained government spending and New Zealand's government needed to find ways to make public services more effective without spending any more money. Government leaders were frustrated by cross-agency problems that persisted, and they wanted to push public servants to purposively and creatively overcome the challenges of collaboration.

The New Zealand government created a system of interagency performance targets. Ministers chose 10 crosscutting problems that were important to New Zealanders and set a challenging five-year target for each. Then they held the leaders of relevant agencies collectively responsible for achieving the targets. Local newspapers described this as the most significant change to how government services are delivered in New Zealand in 20 years.

The changes that the government was looking for became known as the 10 "Results":

1. Reduce the number of people continuously receiving Jobseeker Support benefits for more than 12 months.
2. Increase participation in early childhood education.
3. Increase infant immunisation rates and reduce the incidence of rheumatic fever.
4. Reduce the number of assaults on children.
5. Increase the proportion of 18-year-olds with high school diploma or equivalent qualification.
6. Increase the proportion of 25- to 34-year-olds with advanced trade qualifications, diplomas, and degrees.
7. Reduce the rates of total crime, violent crime, and youth crime.
8. Reduce the criminal reoffending rate.

9. New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their business.
10. New Zealanders can complete their transactions with government easily in a digital environment.

The original targets would be achieved by 2017, with progress reported publicly every six months. This new approach proved remarkably successful, with dramatic improvements in all 10 areas. Several evaluations revealed the programme's successful design features and several management innovations and adaptations by the public servants responsible for achieving the targets. This report describes these practice insights, organized into four categories:

- Selecting results
- Designing accountability
- Managing collaboration
- Reporting on progress

Insights on Selecting Results. The attention of senior leaders is finite, and greater progress therefore can be made when governments focus on a small number of priorities that the public and public servants alike see as important. This also increases the relative consequence of failure in any one problem, which makes public servants more committed to ensuring each succeeds. While the problems were ultimately chosen by the cabinet, these selections were the result of lengthy dialogues with agencies. As a result, agencies felt more committed to solving problems they were involved in selecting. Additionally, the best progress was made in those problems where agencies had already built trusting relationships with each other.

Setting effective targets is a fraught endeavour. The New Zealand targets were most effective when they were set at an intermediate-outcome level, balancing intrinsic value with minimizing the delay between actions and observed effects. The results desired, the target, and the method of measurement all needed to be carefully aligned in order to focus effort.

The New Zealand government then declared the targets publicly and committed to reporting on them every six months. Public programmes are frequently discontinued, which can discourage public servants from fully committing to anything new. But New Zealand's method of public reporting increased the potential exit costs from the programme, and it therefore sent the message to public servants that the targets were there to stay.

Insights on Designing Accountability. New Zealand has experimented with various methods of holding leaders responsible for shared work; strategies include appointing a group leader and holding the person responsible for influencing peers, as well as attempting to assess individual contributions. Through trial and error, New Zealand now uses a system of "blind" collective responsibility—when problems span multiple agencies, a small group of leaders will be collectively held responsible for solving them. This system is not "fair" in that it does not distinguish between the contributions of individuals, but it does seem to result in the best outcomes, as committed individuals do whatever it takes to ensure the group achieves something of value.

The New Zealand government generally let each group of agencies determine how best to achieve its target, with the exception of requiring all agencies to prepare and submit an initial action plan. The action plans, covering intended activity in the first six months of the programme, were mandatory because previous attempts at collaboration had struggled to get started.

Insights on Managing Collaboration. One benefit of the measurement system was that agencies could see the consequences of their actions and adapt if necessary. As agencies made progress, often initially through small and simple changes, this built a sense of momentum that fueled further working together.

Commitment appears to decline as group size increases, so the most successful groups limited the core participants to two or three agencies. Other agencies were kept informed and involved as needed without forming part of the core group.

These core groups then worked to carefully engineer a sense of equal responsibility. This included jointly resourcing secretariat groups.

Agencies also faced trade-offs between the commitments that they could make to each other and the commitments they made to their political leaders. The most successful cases established new ways of communicating with ministers, including jointly reporting to informal ministerial groups.

Insights on Reporting on Progress. The methods used to publicly describe the programme appear to have contributed significantly to its success. Reporting consisted of trend data—presented as line graphs—showing progress over time. In target regimes in other jurisdictions, targets tended to be seen as a passing grade; achieving above the target is good and below the target is bad. Public servants viewed such schemes negatively. In New Zealand, progress tended to be described relative to the baseline rather than the target. A huge improvement that just fell short of the target was a reason for celebration rather than punishment.

At the end of each six-month reporting period, New Zealand highlighted small changes and how they had made a difference to New Zealanders; highlighting successes in human terms proved strongly motivating for public servants.

Lessons for Other Governments. The New Zealand experience described in this report is intended to help government executives elsewhere around the globe understand how New Zealand addressed persistent crosscutting problems. The practice insights developed in this report offer tested steps for selecting results, designing accountability, managing collaboration, and reporting on progress. While these practices may need to be adapted to fit local context, they offer useful and practical guideposts for others to follow.

The Road Ahead. At the time of writing, many of the 10 results will soon be achieved. The New Zealand government is considering which to continue and what new results should be introduced to solve other difficult problems over the next five years. Further work is underway to explore how the approach may be duplicated for solving regional or local problems.

Part I: Evolution of Public Management Reforms in New Zealand

New Zealand has been a beacon for government reformers for at least three decades. In the late 1980s, the country faced severe economic and fiscal pressures. In fact, the World Bank threatened to cut access to loans if the country did not take drastic action. It did, and the economy recovered.

The country is comprised of two large islands and several smaller islands, with a total land mass of more than 268,000 square kilometres (103,000 square miles)—roughly the size of Colorado, with a slightly smaller population of about 4.7 million. It has an elected Westminster parliamentary form of government, but a unicameral legislative body. It ranks high in international comparisons of health, education, and other measures of economic well-being, and it has a GDP of about \$173 billion USD.

Like many countries, New Zealand historically struggled to address problems when responsibility fell to multiple agencies. From 2012 to 2017, the New Zealand government tried a new management approach for 10 important problems that had proven intractable despite significant prior effort. This management approach became known in New Zealand as the “Results Programme,” as it focussed accountability on the results achieved rather than the methods used. Efforts to address these 10 problems were known as “Result #1” through “Result #10.”

The impact was startling. For example, the number of infants not receiving vaccinations fell by two-thirds. Other problems were cut in half, such as the number of children not enrolled in early childhood education and the number suffering from an important disease (rheumatic fever). There were dramatic improvements for all 10 Results.

In late 2016, the New Zealand government concluded that the programme had been so successful that a second round of results with five-year targets will be developed to address a new set of problems. Further, the government is exploring ways that a similar approach could be applied elsewhere in the New Zealand public sector.

This report describes the New Zealand approach for holding senior public servants collectively responsible for achieving jointly-measured outcome targets. It is the authors' hope that this report helps public managers around the world to learn from the New Zealand experience and to carefully and cleverly adapt these practices for use in their jurisdictions to address important crosscutting problems.

New Public Management Reforms (1990s)

Prior to 1989, New Zealand had a highly centralised and bureaucratic government. Senior public servants were responsible for managing inputs (like time allocation and public spending) and following centrally-developed rules (on everything from hiring practices to stationery procurement).

During a fiscal crisis, New Zealand undertook radical public sector reform, including substantial changes to the two major laws that govern the actions of public servants: the State Sector Act (1989 Amendment) and the Public Finance Act (1992 Amendment). Government was split into many small single-purpose agencies that would be led by “chief executives.” Following similar efforts in the United Kingdom, the focus was on increasing accountability for individual agencies.

Most of the bureaucratic rules were eliminated, and the chief executives of these agencies were given enormous autonomy to be enterprising in how they deployed the resources they controlled. In return for this autonomy, they were held accountable for outputs—the quantity and quality of the goods and services that they produced. These outputs were reported annually to the New Zealand Parliament.

The chief executives are nonpartisan employees of the State Services Commissioner on a fixed five-year term (with the possibility of re-appointment for a further three years, or eight years in total). In the early 1990s, chief executives signed detailed quasi-contractual agreements with their responsible minister(s) on what outputs they would deliver during that financial year, with performance assessed by the State Services Commissioner. This practice waned over time and was replaced with common performance expectations for all chief executives, both set and appraised by the State Services Commissioner.

The changes to the New Zealand public sector in the late 1980s and early 1990s were retrospectively named “New Public Management” and other countries mirrored the changes. New Zealand is generally regarded as having gone first and farthest in implementing New Public Management, and it reaped substantial praise and interest from other nations.

During the era of New Public Management, the New Zealand public sector became significantly more efficient in delivering outputs that were the responsibility of a single agency and more responsive to changes in direction by the elected government. Although these reforms were largely successful in achieving their aims, they also created new problems.

Complex social problems persisted in areas where responsibility fell through the gaps between departments or, more commonly, was split across multiple departments. Leaders were innovative in how they responded to problems under their direct control, but they were less effective at joining up with others. Problems of fragmentation affected all countries that attempted some version of the New Public Management, and it is now an area of ongoing attention in public administration literature. As the country that moved first and farthest in its reforms, New Zealand's subsequent experiences with addressing the challenge of working across boundaries is of interest to public servants in other countries who face similar problems.

Working Across Agency Boundaries (2000s)

In the initial period following the New Public Management reforms, the New Zealand system drew a line between the responsibility of public servants for the outputs they produce and the responsibility of ministers for the outcomes they achieve. Other countries did not draw this distinction so starkly. The focus on outputs arguably resulted in agencies becoming very efficient at delivering things, although some of those things were of questionable value.

In 2001, the New Zealand government's “Review of the Centre”¹ recommended changes to the way public servants thought about their responsibilities. The resulting “Managing for

1. See “Report of the Advisory Group on the Review of the Centre,” November 2001, available at: http://www.ssc.govt.nz/upload/downloadable_files/review_of_centre.pdf

Outcomes” programme required public servants to describe not only the outputs they produced, but also their value to society through the articulation of an intervention logic. Societal outcomes are rarely the responsibility of a single agency, so the Managing for Outcomes initiative required agencies to group themselves together to describe their collective impact.

Between 2002 and 2004, agencies worked to demonstrate how they were collaborating with others. Over time, however, interest in Managing for Outcomes faded, such that there were few mentions of the programme in official documents after 2004. The interagency groups were seen as ineffective—in part because outcomes tend to change slowly—and there was often no obvious link between the actions the group agreed to and any observed change in the desired outcome. Long delays and difficult attribution between actions and a change in outcomes meant that participants could not see the fruits of the efforts, nor could they improve their decisions on the basis of feedback. Further, the reports created were delivered to Parliament and audited, which drove managers to be conservative and defensive in their ambitions. There has been debate in New Zealand on whether such programmes should report to the executive (cabinet and ministers) or legislative branch (Parliament).²

While Managing for Outcomes was never officially cancelled, it was gradually replaced with an amorphous “sectoral approach.” Agencies grouped themselves into clusters or “sectors” responsible for overlapping outcomes—the “natural resources sector,” the “justice sector,” etc. The sectors were never mandated or even strongly encouraged by central agencies; instead, the sectors emerged organically. As the Managing for Outcomes initiative waned, agency leaders could see that they still required structures to deliver on outcomes that crossed organisational boundaries. In some cases, these were the same groups of agencies as in Managing for Outcomes, and in others, new sectors formed where overlapping interests were found. The sectors did not perfectly group the agencies, and membership of different groups overlapped. For example, the agency responsible for mining was in both the natural resources sector and the economic development sector.

The sectors created their own governance groups, supporting secretariats, aspirational statements, dedicated websites, and branded products. To the extent that the performance of sectors was judged at all, it was on the basis of process measures. Ministers chided agencies for not “joining up” when they could, and agencies responded by providing evidence that they were indeed working together. When the sectors were discussed in performance meetings between the State Services Commission and the leaders of agencies, agencies were praised for demonstrating process successes, such as a joint strategy or a new governance arrangement. The sectors seen as high performing were the ones with the most active governance groups, a proliferation of subcommittees, and the greatest number of joint statements.

Process measures address the shortcomings of end-outcome measures. They can be achieved quickly, and they therefore provide rapid feedback for making changes. They also provide opportunities for celebration and the potential to generate momentum as they are completed. Process measure delivery often is within the direct control of the participants and they therefore don't suffer from the attribution problems of end-outcome measures. But there is one significant disadvantage to using process measures: They have no intrinsic value to society. In some cases the sectors became more focussed on working together than on creating public value.

2. For a fuller discussion of the limitations of the Managing for Outcomes programme, see “Better Public Services: Draft Issues Paper: Results: November 2011,” available at: <http://www.ssc.govt.nz/sites/all/files/bps-2256063.pdf>. This was one of several papers written by public servants in 2011 that reflected on the challenges that had been faced in New Zealand public management. These papers were prepared for the Better Public Services Advisory Group to help them develop advice to the government. The full collection of papers is available at: <http://www.ssc.govt.nz/bps-background-material>

Managing Crosscutting Problems (2010s)

The global financial crisis of 2008 did not impact New Zealand as severely as some other countries, but the government still faced declining revenues and the need to limit public spending. Ministers were looking for ways to increase the effectiveness of public services within the constraint of fixed nominal baseline budgets. In 2011, ministers requested advice on improving the collective impact of the public sector. They appointed an advisory group—called the Better Public Services Advisory Group—of leaders from the public, private, and nonprofit sectors. The advisory group found that the sectoral approach was useful for getting agencies to talk to each other, but it too frequently lacked driving purpose. Instead, the advisory group recommended “a new *modus operandi* for state agencies—where sectors mobilise around specified results.”³

In response to the Better Public Services Advisory Group report, the New Zealand government created a new programme where groups of agencies would be held collectively responsible for achieving results. The cabinet, a committee of senior ministers, selected 10 problems that were important to the public and public servants alike (listed in Table 1). Each problem’s responsibility spanned several agencies and would likely require those agencies to work together if their efforts were to be successful. Work to address these 10 problems became collectively known as the “Better Public Services Results Programme” (sometimes shortened to “the Results”).

Table 1: The Ten Results	
Result #1	Reduce the number of people continuously receiving Jobseeker Support benefits for more than 12 months
Result #2	Increase participation in early childhood education
Result #3	Increase infant immunisation rates and reduce the incidence of rheumatic fever
Result #4	Reduce the number of assaults on children
Result #5	Increase the proportion of 18-year-olds with high school diploma or equivalent qualification
Result #6	Increase the proportion of 25- to 34-year-olds with advanced trade qualifications, diplomas, and degrees
Result #7	Reduce the rates of total crime, violent crime, and youth crime
Result #8	Reduce the criminal reoffending rate
Result #9	New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their business
Result #10	New Zealanders can complete their transactions with government easily in a digital environment

For each problem, the cabinet chose a result (the desired outcome), a target (the degree of change to be achieved over five years, from 2012 to 2017), and a measure (how that change would be assessed). Statistics New Zealand, the government’s official statistician, provided advice on the measures for assessing progress. Many of these were “Tier 1” official statistics (New Zealand’s highest level of statistical integrity⁴). Progress on each of these measures is reported to the cabinet and released to the public every six months.⁵ The reports (including examples) are described further in Part III of this report.

3. Better Public Services Advisory Group, “Better Public Services Advisory Group Report,” November 2011, p. 6, available at: https://www.ssc.govt.nz/sites/all/files/bps-report-nov2011_0.pdf

4. For further information on Tier 1 and official statistics in New Zealand, see Statistics New Zealand, *Official Statistics and the Official Statistics System*, available at: <http://www.statisphere.govt.nz/about-official-statistics-oss.aspx>

5. See State Services Commission’s Better Public Services: Cabinet Papers and Minutes, available at: <http://www.ssc.govt.nz/bps-cab-papers-minutes>

The Evolution of Cross-Agency Priority Goals in the U.S. Federal Government

By John M. Kamensky

Like New Zealand, the U.S. federal government was influenced by the successes of the British Prime Minister's Delivery Unit to achieve large-scale goals requiring cross-agency collaboration. The federal government was also influenced by the "PerformanceStat" efforts undertaken by a number of U.S. cities and states.

Congress passed the Government Performance and Results Modernization Act in 2010, requiring the Office of Management and Budget to work with agencies to develop "outcome-oriented goals covering a limited number of crosscutting policy areas ... updated or revised every 4 years ..." Progress reviews toward these goals must be conducted quarterly by the director of OMB, and the results of these reviews must be made publicly available on a central website, performance.gov.

The goals are to be revisited at the beginning of each administration, along with the revisions to agency strategic plans. The Obama Administration developed interim goals after the act was passed, using this as an opportunity to pilot the approach. Professor Jane Fountain examined the implementation efforts of several of these interim goals in her report for the IBM Center in 2013, *Implementing Cross-Agency Collaboration: A Guide for Federal Managers*. Based on her observations, she recommended the development of shared operations and shared resources in supporting these goals.

In President Obama's second term, the administration announced 15 cross-agency priority (CAP) goals in early 2014 (adding a 16th in 2016). These goals were evenly split between mission-oriented goals and mission-support goals:

Mission-Oriented Goals

- Strengthen federal cybersecurity
- Improve the Freedom of Information Act (FOIA) processes
- Improve mental health outcomes for service members, veterans, and their families
- Reduce federal government greenhouse gas emissions by 40 percent by 2025
- Job-creating investments
- Cut red tape for the infrastructure project permitting process
- Improve science, technology, engineering, and math education
- Insider threat and security clearance reform

Mission-Support Goals

- Deliver world-class customer service
- Promote smarter IT delivery
- Improve buying power and reduce contract duplication through category management
- Expand shared services to increase performance and efficiency
- Benchmark and improve Mission-Support Operations
- Open data to spark innovation
- Fuel the economy by bridging the barriers between laboratories and the marketplace
- Unlock the full potential of the workforce

Each CAP goal had designated goal leaders, who were often White House or OMB officials and were paired with a deputy or co-leader from an agency. Most CAP goal leaders developed a cross-agency steering group or governance council as well as an executive secretariat or a program management office to support their efforts. These central groups provided policy and oversight; the actual implementation work occurred within the agencies involved.

The administration's approach was to focus on progress, not necessarily reaching specific, quantitative targets. A 2016 report by the Government Accountability Office assessed the administration's progress in meeting the statutory requirements for managing these goals and found the process was sound.⁶

As part of the implementation efforts for these goals, OMB and the White House created a training program to develop a cadre of federal career executives who had skills in working in a cross-agency environment. The White House Leadership Development Program launched in late 2015, with an initial cohort of 15 participants nominated by their agency deputy secretaries. These participants served a one-year developmental assignment and provided crucial staff support for the implementation of a number of the cross-agency goals. In addition, in early 2016 Congress authorized agencies to contribute up to \$15 million to a central fund to support the implementation of these goals.

The goals are scheduled to be completed or revisited by September 30, 2017, which is nine months into the Trump Administration. New or revised goals are required to be submitted to Congress, along with the president's fiscal year 2019 budget proposal, in February 2018.

Informal assessments of the first round of cross-agency priority goals (covering Obama's second term) suggest similarities to the lessons learned reflected in this report on New Zealand's experience with a similar approach to achieving cross-agency results. However, the U.S. approach tended to be broader in scope for each goal, with multiple sub-objectives and strategies. For example, the cybersecurity CAP goal encompassed three distinct initiatives (i.e., information security continuous monitoring mitigations; identify, credential, and access management; and anti-phishing and malware defense) with different strategies and multiple indicators and targets.

Typically, there was not a distinct outcome target to be achieved, such as was the case in the New Zealand Results Programme. The CAP goals tended to demonstrate top-level commitment, provided higher visibility to those working on implementation, and tended to focus on a qualitative assessment of progress on outcomes over time. This emphasis on qualitative narratives of progress was noted in GAO's report, which characterized it as a "lack of transparency about measuring progress."

However, there are trade-offs for setting specific targets to be achieved, as reflected in the New Zealand model, as opposed to setting broader, interrelated goals, as reflected in the U.S. model. These trade-offs tend to be related to the scale and complexity of an initiative and the degree of accountability for quantitative outcomes expected of the goal owners.

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6. U.S. Government Accountability Office, "Managing for Results: OMB Improved Implementation of Cross Agency Priority Goals, But Could Be More Transparent About Measuring Progress," GAO-16-509 (May 2016). <http://www.gao.gov/assets/680/677368.pdf>

At the same time, the cabinet appointed a lead minister for groups of related problems (there are five lead ministers for the 10 Results). This is a common arrangement in many other jurisdictions,⁷ but it was relatively novel in New Zealand, where ministers tend to only have responsibilities related to resources under their direct control.⁸ Nevertheless, there was also an understanding among ministers that all were expected to support and contribute to achieving the targets.

Similarly, the State Services Commissioner appointed a lead chief executive, with the intent to use subsequent performance appraisals to hold that individual responsible for the success or failures of the group of agencies responsible for meeting a specific result's target. As described on page 38, this system gradually evolved such that the chief executives of the group of agencies accountable for a specific result were held collectively responsible for meeting the target.

Neither the cabinet nor central agencies specified how these chief executives should organise themselves to achieve the target. Practices varied between each of the 10 Results; these are described briefly in the following section of this report, with key practice insights presented in Section III.

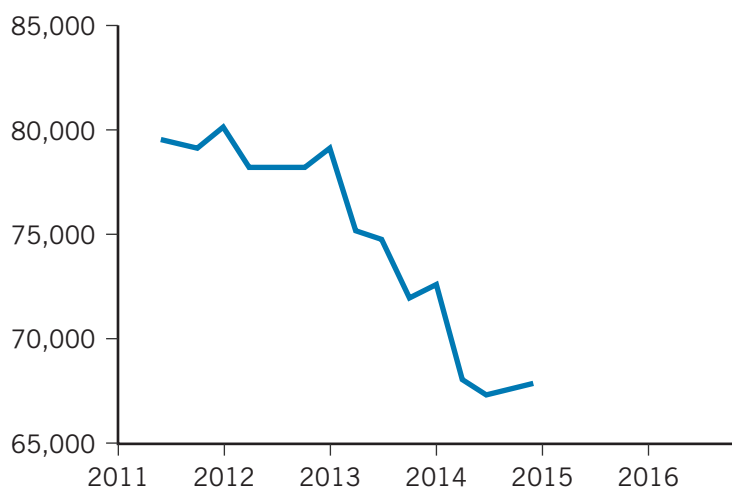
7. For example, a "lead minister" would be similar to a "secretary of state" in the United Kingdom: <http://www.parliament.uk/mps-lords-and-offices/government-and-opposition1/her-majestys-government/>

8. As reflected in the budget appropriations system. An appropriation provides a minister with the authority from Parliament to spend public money or incur expenses or liabilities on behalf of the Crown. For more details on appropriations in New Zealand, visit: <http://www.treasury.govt.nz/publications/guidance/planning/appropriations/guide>

Part II: Understanding New Zealand's 10 Results Initiatives

The following paragraphs describe each of the 10 Results, why they were chosen, and how agencies have organised to address them. In each case, progress was achieved by doing many small things, but one or two actions are highlighted as examples of successful practice.

Result #1: Reduce the number of people continuously receiving Jobseeker Support benefits for more than 12 months



Target: Reduce the number of people continuously receiving Jobseeker Support benefits for more than 12 months by 30 percent, from 78,000 to 55,000 by 2017.

Why chosen: The New Zealand government has an extensive social safety net to provide financial support to those in need. “Jobseeker Support” benefit payments are intended to support individuals through a crisis and get them back into the workforce. However, some people remain dependent on Jobseeker Support benefit payments for an extended period. These people subsequently find it more difficult to re-enter the workforce and fully participate in society.

The target went considerably beyond forecast reductions of long-term benefit numbers due to improved economic conditions and current policy settings. It was at the edge of what international evidence suggested was possible. As of April 2012, more than 135,000 people were receiving Jobseeker Support benefits. Of this number, more than 78,000 had been receiving a benefit for more than 12 months.

Organisations involved: Ministry of Social Development, Ministry of Health, Ministry of Education

Why solutions required cross-agency collaboration: In 2012, the Ministry of Social Development largely acted alone in trying to improve outcomes for long-term Jobseeker Support benefit recipients. However, many clients faced real barriers to getting back into paid employment, often due to physical or mental health problems or a lack of relevant skills or training. To help these clients, the Ministry of Social Development needed to work with the Ministry of Health (to address health-related barriers to employment) and the Ministry of Education (to address education-related barriers).

How agencies worked to achieve the target: The target helped the Ministry of Social Development to clarify the outcomes it was trying to achieve. Long-term Jobseeker Support benefit recipients received more intensive and individualised case management,⁹ and the ministry encouraged frontline staff to be enterprising in developing partnerships with local businesses. In one case, when a new Kmart store was opening in the regional town of Richmond, staff from the Ministry of Social Development offered to manage the recruitment process for staffing the new store. Over half of the new appointments made at the new store were Jobseeker Support beneficiaries.¹⁰

Changes in targets: Initial progress in Result #1 was so significant and so rapid that the target was expected to be achieved in 2015. However, at the same time, the Ministry of Social Development was developing a new model for determining where to prioritise their efforts—using an “Investment Approach.” The Investment Approach consisted of an actuarial valuation of the lifetime fiscal liability for each client. The Investment Approach showed that it was possible to predict which clients would likely be on benefit payments for a long time, and it could be used to prioritise resources toward changing the trajectory of these individuals.

Ultimately the two models were not compatible. The original target prioritised those who had already been receiving a Jobseeker Support benefit payment for some time; the Investment Approach prioritised those who would be expected to be receiving a benefit payment for a long time in the future.

With the original target on track to be achieved ahead of time, the government had an opportunity. It could leave the target as it was and mark this case as a success, or it could reset the target based on the Investment Approach. The government chose the latter, which suggests that the ministers were more interested in using targets to drive improved outcomes than in direct electoral benefits.¹¹ In 2014, the government set a new and more ambitious target to reduce the projected future cost of welfare benefits by \$13 billion by 2018 (using the actuarial forecast). This is one of three targets revised to be more difficult, and to be achieved by 2018.

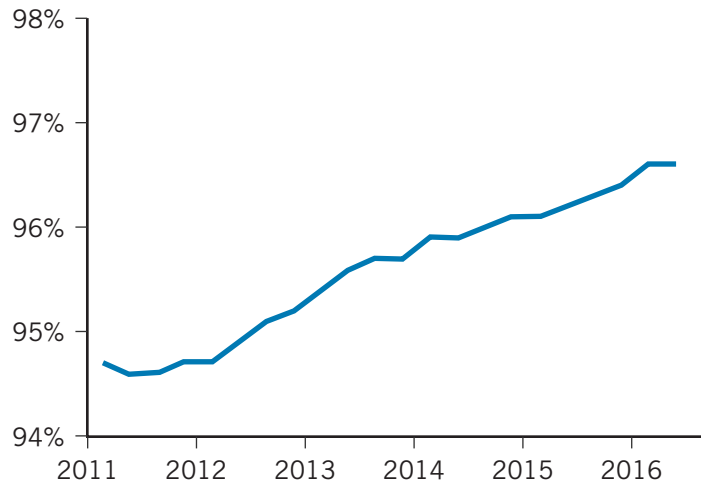
The new target had the advantage that it more appropriately focussed effort where it would make the greatest difference. The downside was that the new target was less easily understood by the New Zealand public. It is easy to understand a change in the number of people receiving social welfare benefit payments. It is more difficult to understand an accumulated actuarial release. When targets are not easily understood, they tend to be less trusted. The selection of targets involves trade-offs, and this particular choice was the topic of much debate. In the end, two targets were set: one based on actuarial release (to drive policy interventions) and the other numerical (so that the target made sense to the public).

9. See an example of the new case management approach at: <https://www.ssc.govt.nz/bps-result1-cs4>

10. For more information on the partnership with Kmart in Richmond, see: <https://www.ssc.govt.nz/bps-result1-cs3>

11. Christopher Hood and Ruth Dixon describe different political consequences to target-based regimes, including direct electoral benefits, symbolic benefits, and policy or ideological benefits. See Hood, C., and Dixon, R. “The political payoff from performance target systems: no-brainer or no-gainer?” *Journal of Public Administration Research and Theory* 20(suppl 2) (2010): i281-i298.

Result #2: Increase participation in early childhood education



Target: By 2017, 98 percent of children starting school will have participated in quality early childhood education (up from 94.7 percent in 2012).

Why chosen: Participation in high-quality early childhood education is a good predictor of life-time educational achievement. Despite considerable effort by agencies over decades, many New Zealand children never enrolled or participated in early childhood education. Most of those missing out on early childhood education were children who would benefit the most from early learning. Based upon trends between 2000 and 2012, participation was expected to rise to 95.8 percent by 2017.

Organisations involved: Ministry of Education, Te Puni Kōkiri (Ministry for Māori Affairs), Ministry for Pacific People

Why solutions required cross-agency collaboration: New Zealand is a multicultural society with significant Māori and Pacific Island (Pasifika) populations. These two ethnic groups were underrepresented in early childhood education. Among the groups, 97.8 percent of ethnic Europeans attended early childhood education, but only 90 percent of Māori, and 86.1 percent of Pasifika. Reaching these populations would require close relationships and intimate knowledge of cultural differences. Two smaller agencies, Te Puni Kōkiri and the Ministry for Pacific People, were able to help the Ministry of Education to connect with these groups.

How agencies worked to achieve the target: The use of administrative data was instrumental in identifying and reaching families who were not participating. The Early Learning Taskforce was a team created within the Ministry of Education to identify the commonalities between families who didn't participate.

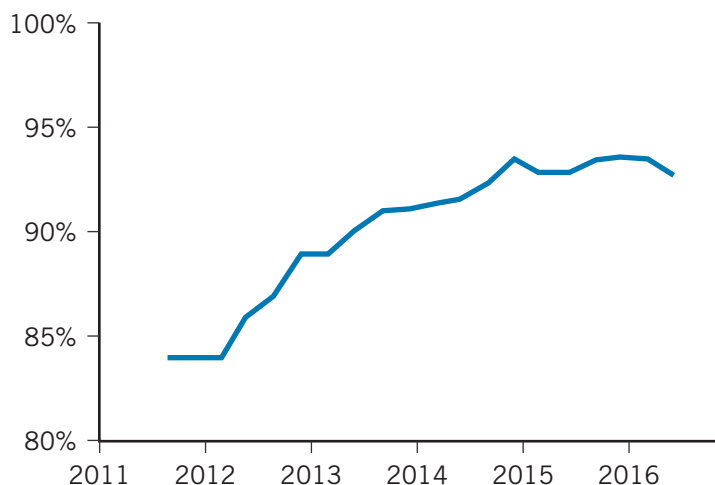
One group that was underrepresented in early childhood education were Pasifika in the southern suburbs of the city of Auckland, with connections to several local rugby league clubs.

The Early Learning Taskforce worked with the Ministry for Pacific People to approach the New Zealand Rugby League (the governing body of the rugby league clubs) about how they could help reach these families. The original intention was that these groups could be important in promoting early learning to their patrons. However, the final arrangements went even further; the New Zealand Rugby League helped local clubs to set up early childhood learning facilities within their clubrooms, which are typically underutilised during weekday mornings. A recur-

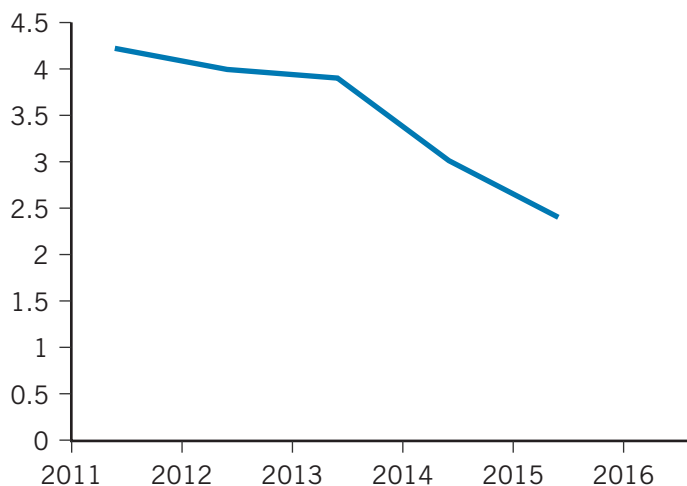
ring theme in early childhood education (and several other areas) was providing services where the target groups already visited. These playgroups have been very popular, and other government agencies and the New Zealand Rugby League are now looking for other opportunities to connect high needs clients with the services they require.¹²

Having a target helped the Early Learning Taskforce to focus its efforts. The use of administrative data helped it identify key population groups. A clear measure of success made it easier to test and verify unorthodox tactics, and innovations were celebrated.

Result #3: Increase infant immunisation rates and reduce the incidence of rheumatic fever



Target 1: Increase infant immunisation rates to achieve and maintain 95 percent coverage of eight-month-olds fully immunised with the scheduled vaccinations by 2017, up from 83 percent in 2012.



Target 2: Reduce the incidence of rheumatic fever by two-thirds to 1.4 cases per 100,000 people by June 2017, down from 4.3 cases per 100,000 people in 2012.

12. For more information on the partnership with the New Zealand Rugby League, see: <https://www.youtube.com/watch?v=0uWj5raxGGI>

Why chosen: Childhood vaccinations provide important protection against a range of often serious communicable diseases. At 83 percent, New Zealand's immunisation rates compared well to most other developed nations. However, despite significant effort, immunisation rates had not changed significantly from 2005 to 2012.

Rheumatic fever is an acute respiratory disease most commonly occurring in childhood, but it is also associated with long-term damage to the heart in some cases (particularly following multiple attacks). Compared to other developed nations, New Zealand had a high rate of rheumatic fever, which had been steadily rising since 1995. The incidence of rheumatic fever was projected to rise to five cases per 100,000 people by 2017.

This was the only Result that was split into two different targets of equal importance, and progress toward the targets was assessed separately. Among public servants there has been some debate about whether it is more appropriate to describe the programme as consisting of 11 Results, with "Result #3i" relating to infant immunisation and "Result #3r" relating to rheumatic fever.

Organisations involved: Ministry of Health, Ministry of Social Development, Ministry for Pacific People

Why solutions required cross-agency collaboration: To begin with, the Ministry of Health worked from the assumption that rheumatic fever could be addressed as a detection problem, and it worked to improve health screening; when the governance group reconvened six months later, there had been a very small reduction in the incidence of rheumatic fever but nowhere near the two-thirds reduction targeted. Subsequently, the governance group adapted its tactics and instead focused on awareness of the disease through health promotion activities; again there was a small reduction in the incidence of rheumatic fever.

It had been known for some time that the risk of rheumatic fever was increased in certain housing conditions, particularly overcrowding. However, health and housing services were delivered separately, and the administrative data for housing and health were unconnected. The governance group knew that the progress it had been making was not sufficient to reach the target, and this realisation provided sufficient impetus to do something it knew would be very difficult: combining health and housing information so decisions on the provision of social housing could be informed by rheumatic fever risk.

How agencies worked to achieve the targets: In Auckland, a partnership was created with two non-governmental organisations: National Hauora Coalition and Alliance Health Plus. These formed the Auckland Wide Healthy Housing Initiative.¹³ Children at risk of rheumatic fever were identified from combined school, housing, and hospital data, and they were helped into government-supported housing. Following the launch of this programme, new incidences of rheumatic fever dropped by 45 percent in six months.

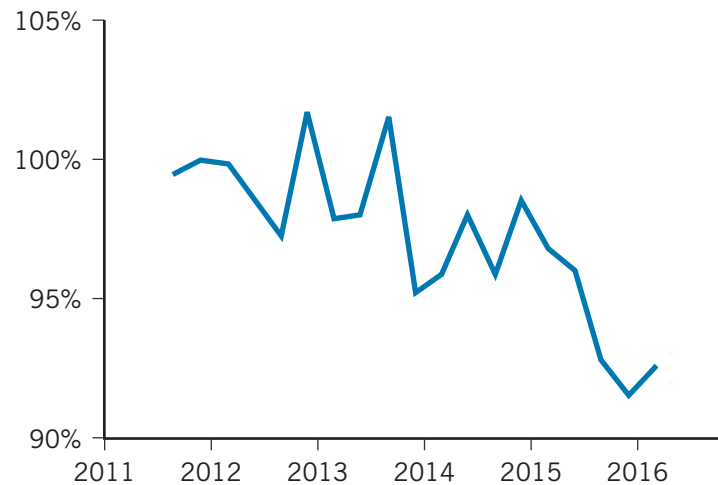
A separate action involved using young people to inform other young people about the risk of rheumatic fever. Students from four secondary schools and two community youth groups have been involved with the Rheumatic Fever Film Project, developing a range of storylines to deliver rheumatic fever prevention messages through youth-appropriate language and scenes. The project has been led by the Ministry of Pacific People in partnership with the Ministry of Health. The project aims to raise rheumatic fever awareness among 13- to 19-year-old Māori

13. Find out more about the Auckland Wide Healthy Housing Initiative at: <http://www.alliancehealth.org.nz/news/50/awhi-places-vulnerable-families-in-safe-warm-dry-homes>

and Pacific youth living in areas with high rates of rheumatic fever. Ministry for Pacific People's Pauline Winter explained: "We know that kids listen to kids and youth listen to youth, so that's one of the magic ingredients that makes this project such a success. It's really handing over control to young people."

Crucially, the films raise awareness of rheumatic fever among young people and the communities most at risk of the disease. The students involved have also had the opportunity to claim National Certificate of Educational Achievement credits for their films, contributing to the achievement of Result #5.¹⁴

Result #4: Reduce the number of assaults on children



Target: By 2017, halt the 10-year rise in children experiencing physical abuse and reduce current numbers by five percent.

Why chosen: It is difficult to compare rates of assaults against children across countries due to variations in reporting and, therefore, to know how New Zealand compared. All data relies to some extent on reported incidence of assaults, which is likely to be less than the actual incidence. The government chose to focus on physical abuse that had been reported to the authorities and verified by a social worker. Although this represented a smaller set of cases than other possible measures, it was thought to represent the best and most reliable source of data least affected by surges in reporting following public awareness campaigns. Nonetheless, it was anticipated that increased efforts to address assaults against children would see the measure rise further.

The number of children who were the subject of a substantiated finding of physical abuse had grown significantly between 2007 and 2011. In 2011, the number was more than 3,000 and was expected to rise to more than 4,000 by 2017. Halting the rising trend was expected to be extremely ambitious. However, the government felt that aiming for a reduction in assaults on children provided a more inspirational message for the public and public servants. The target was set at a little more than 2,900 by 2017, more than 1,000 less than the projected figure.

Organisations involved: Ministry of Social Development, Ministry of Justice, Ministry of Education, Ministry of Health

14. For more information about the Rheumatic Fever Film Project, see: <https://www.ssc.govt.nz/bps-result3-cs11> and watch the films at: <https://www.youtube.com/channel/UCC7u3w3ouGoDhgbNnvHEizQ>

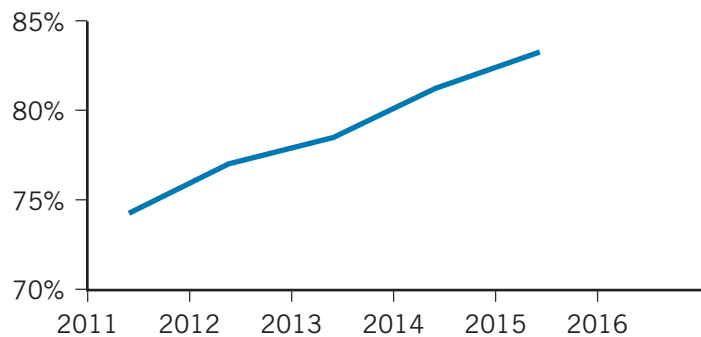
Why solutions required cross-agency collaboration: The Ministry of Social Development historically had lead responsibility for protecting vulnerable children from physical assaults. The Ministry of Social Development conducts investigations into suspected abuse and has the power to place children in statutory care to remove them from dangerous situations. However, by the time an investigation has been opened by the Ministry of Social Development, it is likely that significant harm has already taken place. Staff from the Ministry of Justice, Ministry of Education, and Ministry of Health (among others) are likely to be in contact with these families, have the opportunity to spread positive parenting messages, and often are the first to notice possible signs of abuse.

Children suffering from physical abuse are frequently found in families who have other problems, and providing a safe and positive environment for these children often involves a holistic approach to improving family well-being. For example, physical abuse often occurs alongside substance abuse, which is recognised and treated by the justice and health agencies.

How agencies worked to achieve the targets: Ten locations around New Zealand were identified as disproportionately contributing to the number of assaults on children. In each location, the government set up a “Children’s Team,” a multi-disciplinary approach to supporting vulnerable children.¹⁵ Children’s Teams are an example of a goal-directed network, a group of practitioners from different organisations who work together to achieve a collective goal.¹⁶ New Zealand is piloting different models of Children’s Teams around the country, but these generally include bringing together the family and all the relevant practitioners to co-design an intervention plan for improving the long-term outcomes for that child.¹⁷

Following the development of Children’s Teams, the rate of assaults against children continued to rise for 12 months before peaking in December 2012. The rate has fallen ever since, and it is now expected to meet the 2017 target.

Result #5: Increase the proportion of 18-year-olds with high school diploma or equivalent qualification



Target: By 2017, 85 percent of 18-year-olds will have achieved the National Certificate of Educational Achievement (NCEA) Level 2 or an equivalent qualification, up from 74 percent in 2011.

15. Learn more about New Zealand’s Children’s Teams at: <http://childrensactionplan.govt.nz/about/our-approach/> or watch a short video at: <https://vimeo.com/193500776>

16. For more information about goal directed networks, see Provan, K. G., and Kenis, P. “Modes of network governance: Structure, management, and effectiveness.” *Journal of Public Administration Research and Theory* 18(2) (2008): 229-252.

17. New Zealand is increasingly interested in the use of goal-directed networks and multidisciplinary teams to address complex social problems. See Productivity Commission of New Zealand, “More Effective Social Services,” (2014).

Why chosen: NCEA Level 2 is an education qualification approximately equivalent to a high school diploma in other countries. NCEA Level 2 is considered the baseline qualification for many jobs and for entry into many tertiary education programmes.

Organisations involved: Ministry of Education, Education Review Office, New Zealand Qualifications Authority

Why solutions required cross-agency collaboration: New Zealand employs particularly complicated institutional arrangements for delivering public education:

- The Ministry of Education sets education policy.
- The New Zealand Qualifications Authority checks the quality of assessment tools and materials used in secondary schools, including achievement standards and unit standards.
- The Education Review Office checks the quality of education and student support in secondary schools, primary schools, and early childhood education centres.
- Secondary schooling is delivered by a combination of state, state-integrated, and private schools.
- NCEA Level 2 equivalent training programmes (toward trade qualifications) are administered by a range of public and private education providers.

Improving the achievement rate of students would require all parts of the education system to work together.

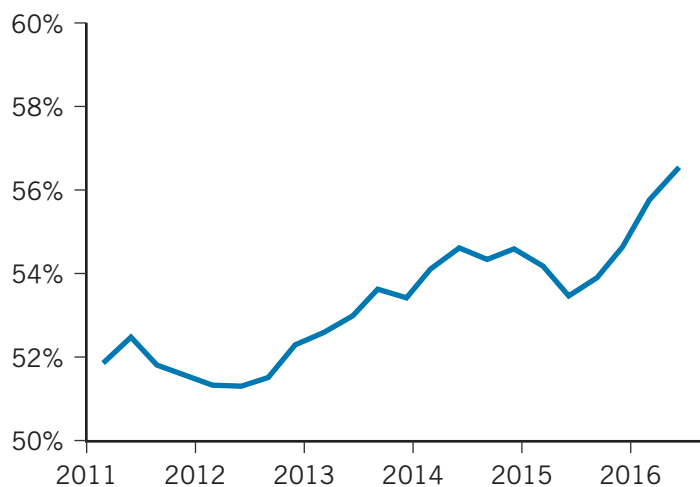
How agencies worked to achieve the target: The Ministry of Education worked with secondary schools to help provide better access to education data. Schools used this data to identify students who were at risk of not achieving NCEA Level 2 qualifications, and they were encouraged to set their own school-specific achievement targets. More than 270 schools used this data to identify 7,400 young people at risk of dropping out and targeted them with extra assistance. Additionally, the “Count Me In” programme sought to re-engage Māori and Pacific young people who had previously left school.¹⁸

Extra assistance included one-on-one meetings with students and their families to identify and plan how they would maximise their education achievement. Some achieved this at school, with the New Zealand Qualifications Authority working with schools to ensure the availability of classes relevant to particular students’ interests and needs. Some achieved this outside of school, with a tenfold increase in the use of the Trades Academies programme and greater effort to coordinate between schools and trade education providers.¹⁹ Result #5 is on track to achieve its target of raising the proportion of 18 year olds with NCEA level 2 or equivalent qualifications to 85 percent.

18. For more information on the Count Me In programme, see: <http://www.education.govt.nz/ministry-of-education/specific-initiatives/count-me-in/>

19. Find out more about New Zealand’s Trades Academies programme at: <http://www.education.govt.nz/ministry-of-education/specific-initiatives/trades-academies/>

Result 6: Increase the proportion of 25- to 34-year-olds with advanced trade qualifications, diplomas, and degrees



Target: By 2017, 55 percent of 25- to 34-year-olds will have a qualification at level 4 or above, up from 52 percent in 2011.

Why chosen: Advanced qualifications are important for building a highly skilled workforce to contribute to New Zealand's economy. In 2007, the rate of advanced qualifications peaked at 53 percent and has stayed relatively stable ever since, despite multiple programmes designed to increase education achievement. The proportional increase required by the target is smaller for Result #6 than for many other Results. This is because the measure covers a large age range, and therefore interventions aimed at a specific age take a long time to permeate the group.

Organisations involved: Ministry of Education, Ministry of Business Innovation and Employment, Tertiary Education Commission, Education Review Office, New Zealand Qualifications Authority

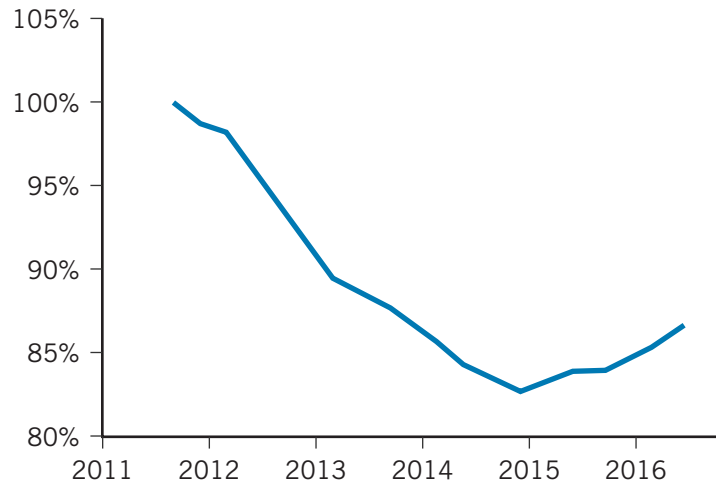
Why solutions required cross-agency collaboration: New Zealand has a high rate of inward and outward migration, which affects the composition of the domestic workforce. Changing the proportion of 25- to 34-year-olds with advanced qualifications would therefore require actions by the education system to improve educational attainment and immigration policies (by the Ministry of Business Innovation and Employment) to attract and admit highly skilled immigrants and to encourage New Zealanders with advanced qualifications to stay in New Zealand.

How agencies worked to achieve the target: The "Find My Path" website was developed by the Ministry of Education in partnership with the various education providers. It helps young people to make informed choices about their study and employment pathways. In particular, it helps potential students to understand what they can do if they are interested in further study or careers in particular pathways. Find My Path is linked to the Youth Guarantee, a network of educational advisors around the country.²⁰ The Tertiary Education Commission has increased programmes to improve careers information available at tertiary institutions and to better connect these institutions to potential employers.

20. For more information about Find My Path and the Youth Guarantee, see: <http://www.youthguarantee.net.nz/vocational-pathways/findmypath/>

Changes in targets: From 2007 to 2012, there was no progress in improving qualifications among 25- to 34-year-olds. From 2012 to 2016, the proportion with advanced qualifications leapt from 52 percent to 56.5 percent, exceeding the 55 percent target. As a result of the rapid progress, in 2014 the government decided to revise the target upward to 60 percent. Rather than rest on the success that had been achieved, the government wanted to set public servants' ambitions even higher.

Result #7: Reduce the rates of total crime, violent crime, and youth crime



Target: Reduce the crime rate by 15 percent by 2017.

Supporting targets: Reduce the violent crime rate by 20 percent and the youth crime rate by five percent, also by 2017.

Why chosen: While New Zealand has a generally low crime rate, the social and economic costs of crime are still significant. The total crime rate had been slowly declining in New Zealand by about one percent per year. A reduction of 15 percent therefore marked a tripling of previous progress. Violent crime, while infrequent, is of particular concern to citizens, so it was included as a “supporting” target. When young people commit crimes, this tends to be associated with poor social outcomes over their entire lifetime, so another target was added to focus effort on reducing youth crime. In contrast with the total crime rate, youth crime had remained stable or increased, so the target was set at a more modest five-percent reduction.

Organisations involved: Ministry of Justice, New Zealand Police, Department of Corrections, Crown Law Office, Serious Fraud Office, Ministry of Social Development

Why solutions required cross-agency collaboration: Agencies in the justice sector have long seen the need for prevention activities to reduce the flow into the criminal “pipeline.” Police arrest offenders, and they therefore have the most obvious and direct relationship to the crime rate; but the other agencies that form the justice sector all contribute to the conditions under which crime occurs and can take preventative action.

How agencies worked to achieve the target: The Ministry of Justice, New Zealand Police, and the Department of Corrections have procedural and rules-based cultures. These organisational cultures likely contributed to the very structured and formalised approach taken to achieving

this target. The various agencies formed formal governance groups at chief executive and deputy chief executive levels, invested in a secretariat function to be based in the Ministry of Justice, and developed detailed rules and procedures for making collective decisions. One such procedure concerned the funding of joint initiatives.

In New Zealand, agencies administer individual appropriations for specific purposes. This made it difficult to fund new ideas that spanned multiple agencies or activities by one agency that would contribute to an outcome associated with another agency. The three agencies agreed to put aside a portion of their respective budgets and pool this into a "Justice Sector Fund" (rising to approximately NZ\$100 million in 2016). The Justice Sector Fund was used as start-up or seed funding to test the effectiveness of new solutions that contributed to the shared crime targets.

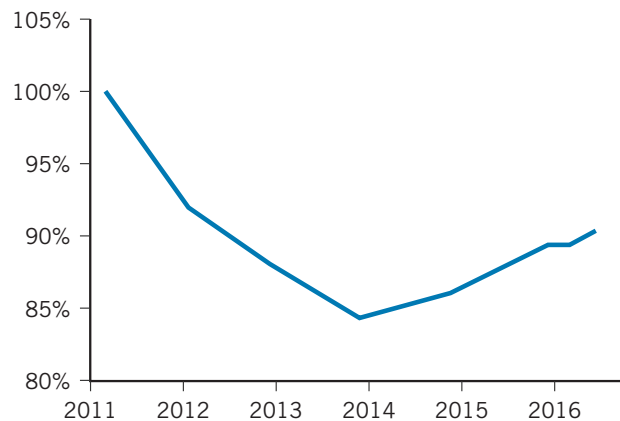
One project approved by the justice sector board was the Hutt Valley Innovation Project. The project involved bringing together a working group of operational managers from the Ministry of Justice, New Zealand Police, Department of Corrections, and Ministry of Social Development with strong local knowledge; the managers would identify small operational changes that they believed would reduce crime. They identified 10 changes, including:

- Introducing audio-visual link facilities at the Hutt Valley Court
- End-to-end case management from arrest to administering sentences
- A review of the Family Violence Court
- A community outreach mobile office van

Each recommendation was implemented and the project was so successful that in 2013 the workshop approach was expanded nationally.²¹

Changes in targets: Due to rapid progress, in 2014 the youth crime supporting target was revised to be more difficult. The target was changed from a five-percent reduction to a 25-percent reduction. Progress is currently ahead of even the revised target, with a 34-percent reduction in youth crime at the end of 2016.

Result #8: Reduce the criminal reoffending rate



Target: Reduce the criminal reoffending rate by 25 percent by 2017.

21. Watch a short video on the Hutt Valley Innovation Project at: <https://www.youtube.com/watch?v=QML901CI-0Y>

Why chosen: A significant portion of crime is committed by reoffenders. More than one-third of offenders commit additional crimes within 12 months of completing their original sentences. These people are known to the agencies that work with them, providing an opportunity to create lasting change in the lives of the offenders and their families. Breaking the cycle of reoffending will help to reduce the financial and social cost of crime in our society.

Organisations involved: Ministry of Justice, New Zealand Police, Department of Corrections, Ministry of Social Development, Ministry of Health, Ministry of Education

Why solutions required cross-agency collaboration: Reducing the reoffending rate involves many agencies in the justice and social sectors. The Department of Corrections, Ministry of Justice (through the courts), and the New Zealand Police play the most direct roles in working with those who have committed crimes, but other agencies also contribute. The Ministry of Health has a role to play in treating health problems that contribute to crime, particularly mental health and substance abuse; the Ministry of Social Development and the Ministry of Education help to put released offenders back into meaningful work or study.

How agencies worked to achieve the target: Reducing the reoffending rate by 25 percent ("RR25") has become a rallying call among staff involved with people who have committed crimes.²² Various new programmes have sprouted across the justice sector.

The Release to Work programme allows offenders to be temporarily released from prison during the day to work in jobs in the community. Regular employment is considered to be one of the key factors in helping people who have been convicted of an offence turn their lives around. People who go to work in a regular job after they've been to prison or served a community sentence are less likely to reoffend. Over half of the prisoners who take part in the programme continue working for the same employer on release.²³

A new sentencing programme (the Alcohol and Other Drug Treatment Court) was introduced to provide an intensive addiction treatment programme, including random drug testing, as an alternative to jail. Those who complete the programme are dramatically less likely to commit further crimes.²⁴

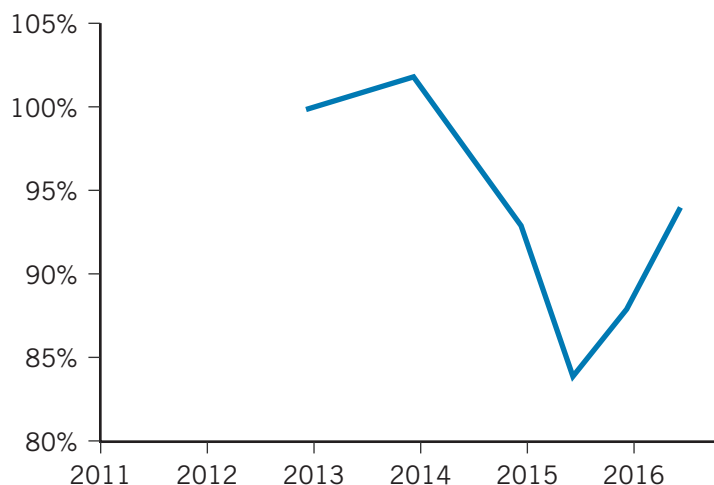
Result #8 initially made good progress and was on track to reach its target. More recently, the total number of reoffenders has continued to fall, but the rate of reoffending has risen. This is because of a change in the make-up of offenders, driven in part by the successes of Result #7. There is a smaller proportion of first-time and lower-risk offenders, with a correspondingly larger proportion of serious offenders who are more likely to reoffend (e.g., an increased proportion with multiple prior convictions/sentences and an increased proportion of gang-affiliated). The current reoffending measure has been redeveloped to measure the number of reoffenders as a rate relative to the New Zealand population.

22. For an example of how "RR25" is used in internal communications, see: http://corrections.govt.nz/resources/strategic_reports/rr25_reducing_re-offending.html

23. For more information on Release to Work, see: <https://www.ssc.govt.nz/bps-result8-cs1>

24. Find out more on the Alcohol and Other Drug Treatment court at: <https://www.ssc.govt.nz/bps-result8-cs5>

Result #9: New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their business



Target: Businesses' costs of dealing with the government will reduce by 25 percent by 2017, through a year-on-year reduction in effort required to work with agencies.

Why chosen: Businesses told the New Zealand government that they found government services complex and fragmented, and that dealing with government took more cost and effort than it should.

Organisations involved: Ministry for Business Innovation and Employment, Accident Compensation Corporation, Callaghan Innovation, Inland Revenue Department, New Zealand Customs Service, New Zealand Trade and Enterprise, New Zealand Transport Agency, Ministry for Primary Industries, Statistics New Zealand, WorkSafe

Why solutions required cross-agency collaboration: Businesses told the government that one of their main frustrations was providing the same information to multiple agencies.

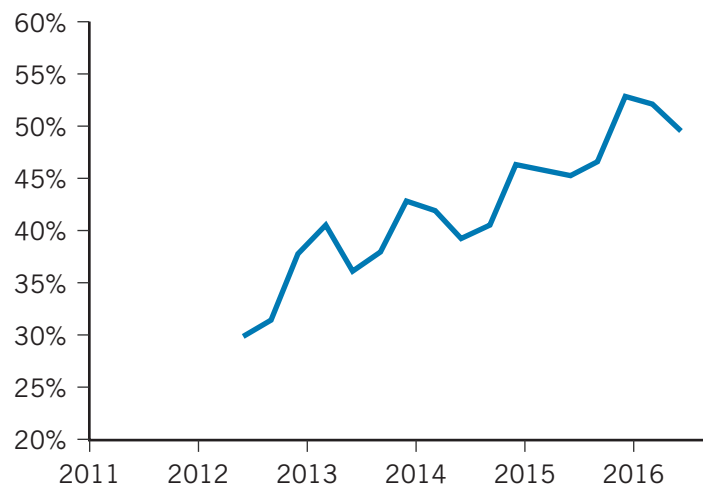
How agencies worked to achieve the target: Result #9 faced several early setbacks. There were a large number of agencies involved and often they had not previously worked closely together. Agencies were initially confused by the mismatch of the Result (a one-stop online shop), the target (reduced cost), and the measure (a survey of perceived difficulty in interacting with government). Agencies typically saw costs to businesses as a secondary concern to other outcomes. For example, the Accident Compensation Corporation is primarily concerned with providing compulsory personal injury insurance to New Zealand residents and visitors. Several participating agencies were not used to working in a collaborative way, and they were not able to establish appropriate delegations to allow meaningful participating in working groups; most decisions were referred back up to the chief executive group. All of these factors made working together difficult and initial progress was slow.

There were some flagship projects that the group as a whole agreed to. The group agreed to use a single identifying number for New Zealand businesses—the New Zealand Business

Number²⁵—which replaced the various customer numbers of each agency. This made it easier for businesses to remember their customer numbers and for agencies to share data. More recently, a programme has been introduced to test how the private sector can work with government on challenges that impact business. The “Result 9 Accelerator”²⁶ pulls together government agencies, businesses, and entrepreneurs for intensive work over a short period to accelerate the development and implementation of innovative ideas to help address major pain points for New Zealand businesses.

Other innovations occurred as smaller partnerships within the wide group. For example, the Ministry for Business Innovation and Employment worked with the Inland Revenue Department on the Employer Registration Project, which allowed new businesses to register as a business and as an employer at the same time. Result #9 was tracking toward the target until the government passed new health and safety legislation that increased compliance costs for businesses. This prompted efforts to reduce regulatory burden through increased involvement of businesses in the design of new regulations.

Result #10: New Zealanders can complete their transactions with government easily in a digital environment



Target: By 2017, an average of 70 percent of New Zealanders' most common transactions with government will be completed in a digital environment, up from 24 percent in 2011.

Why chosen: Many public services still required paper forms, and the digital services that existed were often difficult to use. The New Zealand public had an expectation that accessing public services should be as easy as accessing services in the private sector.

Organisations involved: Department of Internal Affairs, New Zealand Customs Service, Department of Conservation, Ministry of Business Innovation & Employment, Inland Revenue Department, Ministry of Social Development, New Zealand Police, and the New Zealand Transport Agency

25. Find out more about the New Zealand Business Number at: <http://www.mbie.govt.nz/info-services/business/better-for-business/nzbn>

26. Read about the Result 9 Accelerator at: <http://www.r9accelerator.co.nz>

Why solutions required cross-agency collaboration: One reason digital services were difficult to access was that each agency required different information to verify a customer's identity. A second problem was that (as with Result #9) New Zealanders were frustrated that they had to provide the same information to multiple agencies regarding a single event.

How agencies worked to achieve the target: One of the main barriers to digital services was identity verification. The agencies agreed to invest in and use a single identity verification service, called "RealMe."²⁷ Once customers had set up a RealMe account, they could use this to access a wide range of government services with a single login.

The agencies collectively funded customer research to understand how New Zealanders experienced public services. This research²⁸ concluded that there were several "pain points"—life events where New Zealanders had to interact with multiple agencies in confusing ways. The group committed to investigating and improving these life events one by one, beginning with interactions with government immediately after the birth of a child.²⁹ Result #10 is tracking toward achieving its target.

27. Find out more about RealMe at: <https://www.realme.govt.nz/>

28. Read the government's research on how New Zealanders experience public services at: <https://www.ict.govt.nz/programmes-and-initiatives/government-service-innovation/result-10/research-exec-intro-methodology-concl/>

29. More about the Life Events programme, and particularly the Birth of A Child Life Event, at: <https://www.ict.govt.nz/programmes-and-initiatives/government-service-innovation/easier-access-to-government-services/birth-of-a-child-life-event/#experiences>

Part III: Practice Insights on Implementing a Results Programme

This part describes practice insights derived by the authors based on their observations of the implementation efforts undertaken by the New Zealand government and its public service when addressing the 10 problems. The report organizes its 13 practice insights around the following four major areas:

- Selecting Results
- Designing Accountability
- Managing Collaboration
- Reporting on Progress

The box below lists the 13 practice insights discussed in this part.

Practice Insights on Addressing Crosscutting Problems Using Interagency Performance Targets

Selecting Results

- Focus on a few problems
- Involve other agencies in selecting problems to be addressed
- Build on existing relationships when selecting results to pursue
- Measure intermediate outcomes
- Align results, targets, and measures
- Commit publicly

Designing Accountability

- Hold leaders collectively responsible
- Get started and learn by doing

Managing Collaboration

- Start simply
- Limit group size
- Signal shared responsibility

Reporting on Progress

- Report on trends
- Share success stories

Insights on Selecting Results

In contrast to the comprehensive list of programmes and policy areas encompassed by the government's Managing for Outcomes initiative in the early 2000s (see Part II), the new approach focuses attention on only 10 well-defined problems. Additionally, the problems selected were relatively narrow in scope. For example, one problem area chosen was the incidence of the disease rheumatic fever, which hospitalises fewer than 200 New Zealand children per year. However, the intention was that achieving the targets associated with improving this problem would require changes in services that would benefit a greater number of citizens. In practice, efforts to reduce rheumatic fever would require agencies to improve housing conditions for many of the nation's most disadvantaged families.

Governments have historically been reluctant to publicly commit to specific, measurable priorities with deadlines, preferring instead to keep their goals vague and undefined for several political reasons, including being able to claim that the achieved state was the desired one. Since the early 2000s, governments in several jurisdictions have bucked this trend, committing to a small number of priorities in order to focus their efforts. Notable examples include the States of Virginia³⁰ and Washington³¹ (in the United States), the State of Victoria³² (in Australia), and the government of Scotland.³³ However, in these other prioritisation schemes, there has been an effort to group all existing activities as contributing to the priorities. In effect, they became an exercise in categorising rather than prioritising, and the stated priorities were very broad.

These prioritisation activities usually stopped short of setting performance targets, on the basis that the government would be punished (electorally) for failing to achieve these targets more than it would be rewarded for succeeding. As one U.S. state's governor reportedly instructed his staff: "Never put a number and a date in the same sentence."³⁴ However, without targets, public servants can feel content with any progress that shows performance moving in the right direction. In contrast, target regimes, like the service delivery priorities overseen by the Prime Minister's Delivery Unit in the United Kingdom under Tony Blair, were not particularly prioritised. The Blair targets were applied primarily to four policy areas (healthcare, schools, crime, and transport), but they set a large number of narrow targets and measures for each.

Not only were the chosen problems in the United Kingdom fewer and narrower than had been used in New Zealand, they were also fewer and narrower than those most commonly used elsewhere. Figure 1 contrasts New Zealand's Results, with a typical government prioritisation scheme (Australia's "Growing Victoria Together") and a typical target scheme (the UK's "Delivery Unit").

Practice Insight 1: Focus on a few problems. The Results Programme differed from previous collaboration efforts in New Zealand by selecting a small number of clearly defined intermediate outcomes or results. Limiting the number and breadth of the problems appeared to increase focus by limiting the number of problems competing for the attention of ministers and senior public servants.

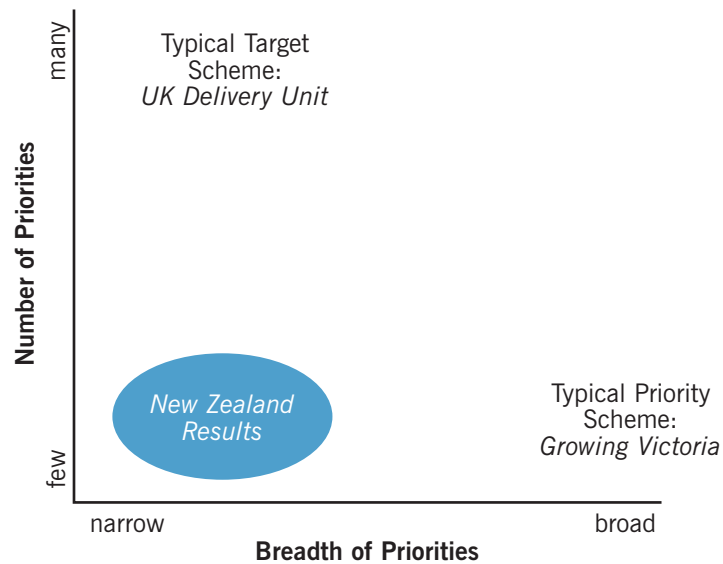
30. Commonwealth of Virginia, "Scorecard at a glance" (2016). Accessed at: <http://vaperforms.virginia.gov/Scorecard/ScorecardatGlance.php>

31. State of Washington, "Priorities of Government," Office of Financial Management (2002). Accessed at: <http://www.ofm.wa.gov/budget/pog>

32. State of Victoria, "A vision for Victoria to 2010 and beyond: Growing Victoria together" (2005).

33. Government of Scotland, "Scottish Budget Spending Review 2007" (2007). Accessed at: <http://www.scotland.gov.uk/Resource/Doc/203078/0054106.pdf>

34. As described by Robert Behn, in Behn, R. D., *Rethinking democratic accountability*. Brookings Institution Press (2001): 15.

Figure 1. Number and breadth—comparison of target and prioritisation schemes

Practice Insight 2: Involve other agencies in selecting the problems to be addressed. The problems were ultimately chosen by the cabinet, a committee of senior ministers. However, the final selections were the result of lengthy dialogue between ministers, central agencies (the State Services Commission, the Treasury, the Department of the Prime Minister, and the cabinet), the official statistical agency (Statistics New Zealand), and those policy and service delivery agencies that would be responsible for achieving the target. Agencies feel more committed to achieving a target if they have been involved in its selection. Additionally, agencies were better placed to provide technical advice on what problems were important and what targets would be achievable. That said, setting targets is essentially a political activity, as a target represents the level of government ambition.

Practice Insight 3: Build on existing relationships when selecting results to pursue. One benefit of being selective was that the government could choose the problems that were best suited to being managed in this way. The best problems were those that had persisted despite prolonged government effort, as they merited trying a new approach, and those that built on existing relationships, as they made collaboration easier.

Collaboration appeared more successful when the parties involved had built trusting relationships through succeeding together on smaller practical projects. This is likely to be due to a combination of two factors:

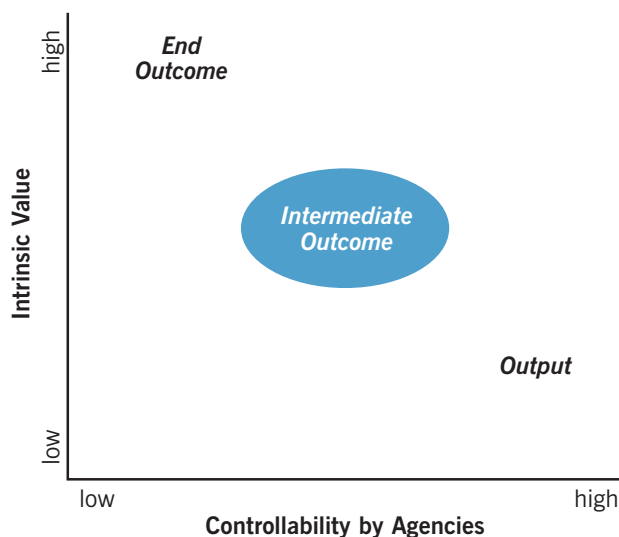
- Trust reduces transaction costs associated with monitoring performance.
- Agencies are more likely to commit their own time and resources if they have confidence that their partners will do the same.

Practice Insight 4: Measure “intermediate outcomes.” For each problem, the government had to choose how progress would be measured. Each measure was chosen at an “intermediate-outcome” level. Intermediate outcomes are any in a series of causal steps between the delivery of an output (good or service) and the achievement of an end outcome (see Figure 2). Intermediate outcomes trade the benefits of outcome measures, which are intrinsically valuable to society, with output measures, which respond rapidly and predictably to changes.

The selection of measures involves many trade-offs. While the least possible delay is best, managers must ultimately consider how much delay is acceptable. There are few absolute rules in public administration, but the experience in New Zealand suggests that adaptive management was most meaningful when the impacts of new actions could be observed within six months.

The use of intermediate outcome measures with intrinsic value to society also has a motivational effect. Public servants are more committed to activities that improve the lives of ordinary people, especially those who are disadvantaged.³⁵ Selecting results with intrinsic value appeared to cause a greater sense of ownership and effort by public servants.

Figure 2. Outputs, intermediate outcomes, and end outcomes



Reaching this balance was one of the programme's most difficult challenges, and the one that drew the most debate. For example, "Result #1: Reduce the number of people continuously receiving Jobseeker Support benefits for more than 12 months" was criticised for focussing effort relatively more toward outputs (reductions in the provision of social welfare payments) than outcomes (such as employment or quality of life). Some examples of outputs and outcomes are shown in Table 2.

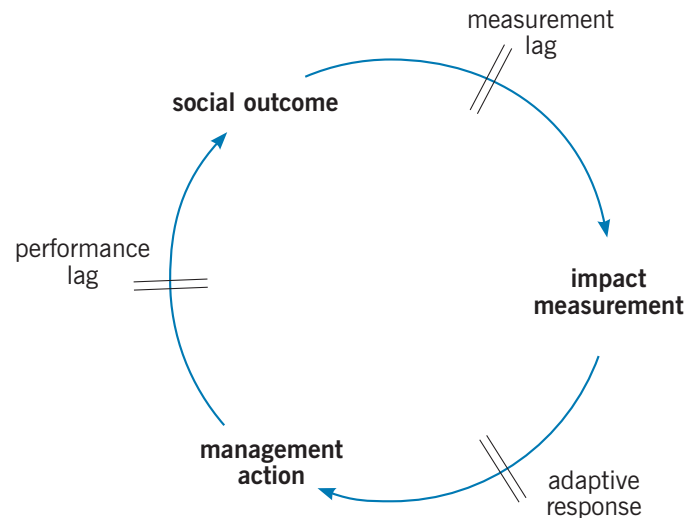
Using intermediate outcomes proved particularly useful in supporting adaptive management. The 10 problems in New Zealand's Results Programme had each persisted over many years. No one could confidently claim to have all the answers. An agreed measure provided performance data on which to make management decisions.

Table 2: Illustrative examples of outputs versus intermediate outcomes versus end outcomes			
Result name	Example Output	Example Intermediate Outcome	Example End Outcome
#2. Increase participation in early childhood education	Provision of early childhood education at more locations	Proportion of children participating in early childhood education	Lifetime educational achievement and adult employment
#3. Increase infant immunisation rates	Promotion of the importance of vaccinations	Proportion of children receiving vaccinations	Health consequences of vaccine-preventable illnesses

35. For further discussion on public service motivation and mission valence, see Perry, J. L., and Hondeghem, A., *Motivation in public management: The call of public service*, Oxford University Press (2008).

The most effective measures had only short lags between actions and observed effects. Measurement lags can cause many problems: cancelling successful programmes because they haven't yet produced measurable results, continuing with unsuccessful programmes because their impact is not yet known, and demotivating public servants and ministers because the impacts of recent actions cannot yet be seen. These lags can occur either between the action and its impact on societal outcomes, or between the change in outcome and its measurement (see Figure 3).

Figure 3. Delays between action and measurement



An instrumental factor supporting effective conversations about learning and adapting was that multiple agencies shared a common measure. The most successful groups went further and pooled their administrative data to create a shared measurement system that provided further insight into the problem. This appeared particularly important in targeting priority population groups, as described earlier in relation to early childhood education (page 19) and rheumatic fever (page 20).

Practice Insight 5: Align results, targets, and measures. It was not enough to choose problems to solve and agree how they would be measured. While these actions clarified the purpose of the collaboration, they did not specify the magnitude of the change required. In the absence of targets, any positive change may be considered adequate. The management of rheumatic fever shows how targets create a sense of urgency and ambition among public servants.

Trend data was particularly important in setting targets. For example, crime in New Zealand had been falling gradually for many years, so the targets on crime were set to accelerate this decline. In contrast, reported assaults against children had been rising, so the associated target was set to first halt and then slightly reduce this rate.

For a first attempt at setting targets for collective responsibility, New Zealand's efforts were surprisingly proficient, but not perfect. Most were set at an appropriate intermediate-outcome level, were easily understood, and provided goal clarity for those involved. Some worked better than others; Result #9 faced particular challenges. The intended result was originally described as "New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their business." The target for the Result was defined as: "Businesses' costs from dealing with government will reduce by 25 percent." And, a measure was developed that was based on perceived effort required by businesses. However, the

misalignment among the three metrics caused confusion and delay, as public servants debated whether they were responsible for implementing a proposed solution (a one-stop online shop), reducing cost, or reducing required effort.

Clearly distinguishing between the result, the target, and how it will be measured allows each to be kept relatively short, simple, and precise. However, separating these three components brings some risk if they become misaligned. Misalignment can muddy the clarity and shared purpose of a target-based approach.

Practice Insight 6: Commit publicly. Targets are useful as a management device. They clarify purpose and ambition. But the public declaration of targets can have additional symbolic effects that drive commitment. High-profile targets are difficult to change or abandon, and this means ministers and public servants are compelled to deliver on their promises. The New Zealand government bravely told the world what it would achieve and how its own performance should be assessed.

The government decided on targets in 2012 and announced them publicly. This required something of a leap of faith by ministers, and this may be a limiting factor in some jurisdictions. Programmes in the New Zealand public sector are frequently announced and then quietly disappear, which may act as a disincentive for public servants to feel fully invested in achieving something for which their leaders may no longer be committed to achieving.

By publicly committing to regularly report on progress toward the target, ministers had intentionally tied their hands; the media and opposite parties would continue to remind them of what they had promised. Here, New Zealand's Results Programme also caught something of a lucky break: The 2014 election took place during the five-year target period, and a change of government could have led to the programme being replaced. However, it became clear a long time before the election that the incumbent party would very likely return to power. It would therefore be difficult for the government to walk away from the programme, and public servants knew that it would survive long enough for them to be held responsible for what was—or wasn't—achieved.

Insights on Designing Accountability

New Zealand's Results Programme combines top-down governance and bottom-up service innovation. The centralised and top-down functions can be grouped as the setting of targets, the reporting of progress, the performance assessment of chief executives, and assisting to overcome bureaucratic barriers. From an external perspective, the most obvious aspects of the management approach are the setting of targets and the reporting of progress to ministers and the public. These are indeed important, as noted earlier. The “assess” and “assist” functions are less obvious but equally important.

The performance of chief executives is assessed and managed by the State Services Commission, which previously had been accustomed to holding individuals accountable for outputs they control.³⁶ The collaborative effort required for achieving the 10 crosscutting targets presented a challenge with this approach. This was an area where New Zealand learned by trial and error, in three phases:

36. The system for managing the performance of chief executives is currently under review. For more information on the current approach, see Scott, R.J., “Theoretical foundations of chief executive performance appraisals in the public sector.” State Sector Performance Hub working paper 2016-4 (2016). DOI: 10.13140/RG.2.1.4702.1049 and Scott, R.J., “The performance relationship between department chief executives and the State Services Commission in New Zealand.” State Sector Performance Hub working paper 2016-3 (2016). DOI: 10.13140/RG.2.1.4299.4162/1

- Individual responsibility for outcomes
- Individual responsibility for behaviours
- Collective responsibility for outcomes

Practice Insight 7: Hold leaders collectively responsible. After experimenting with assigning responsibility to a lead individual, and assessing contributions to collective action, New Zealand now generally prefers a system of joint collective responsibility for outcomes. In this model, contributing chief executives are held jointly and equally responsible for what happens, regardless of individual contribution. This system is undoubtedly unfair—freeloaders may be rewarded for the efforts of others and overachievers punished because of their peers' failures. Yet it seems to produce the best outcomes. The State Services Commission is still experimenting with the limits to this approach.

As described in Part I, the State Services Commissioner initially appointed a lead chief executive for each group of related results (there are five lead chief executives for the 10 Results). This chief executive was effectively a “first amongst equals,” responsible for influencing peers to achieve the target. Some public servants involved in the programme believe that this was an important step in breaking tradition and signalling a change in the responsibilities of chief executives. The limitation of this approach was that it placed too much emphasis on the nominal “lead” and resulted in weaker feelings of commitment by the other chief executives.

This gradually changed such that in 2014, all contributing chief executives were appraised based on their perceived contribution to the collaborative effort. Due to the asymmetry of information between the State Services Commission and the agencies, the State Services Commission was forced to rely on the assessment of behaviours to support collaboration. However, judgement based on behaviours was unpopular with chief executives, who felt that their full contributions were not being appreciated.

By 2016, another shift had occurred, toward collective responsibility. Chief executives were either rewarded or sanctioned based on the collective performance of the interagency group in addressing the nominated problem. Performance bonuses for chief executives were awarded on the basis of collective (group) achievement.

One final caution on accountability: Collective responsibility helped counteract some of the vertical ties that usually impede agencies working together, but on their own they likely would not have been enough. At least as important in motivating public servants was that the Results mattered to New Zealanders. The Results were seen as improving the lives of ordinary people and they took on a life of their own. Public servants across the country talk about “reaching 85 percent” (the percentage of 18-year-olds graduating from high school) or “RR25” (reducing criminal reoffending by 25 percent), not because their bosses will be held collectively responsible by ministers and the State Services Commission, but because they feel a duty to the public.

Practice Insight 8: Get started and learn by doing. A contribution of central agencies is to assist responsible agencies in overcoming the barriers they face. One observation in previous attempts at cross-agency work was that agencies found it difficult to get started. Groups were reluctant to make decisions until they were working well together; they couldn't work well together until they were willing to undertake decisions to start. While central agencies generally allowed groups to develop their own ways of working, one requirement was that chief executives would prepare and submit an initial action plan for how they would first address the problem. This was done to kick-start the process and to ensure that effort began without delay. The action plan guidance is included as Appendix 2.

The New Zealand government has a relatively weak “centre,” with the three central agencies usually reluctant to interfere in the internal management of policy and delivery agencies. However, New Zealand’s Results Programme saw central agencies take comparatively more active interest in how the agencies were working to overcome the challenges of collaboration. The central agencies agreed amongst themselves on a named individual to be responsible for liaising between the centre and the relevant policy and delivery agencies that were the responsible for solving groups of related results. This individual was an observer in various inter-agency governance groups and aimed to remove bureaucratic barriers to the agencies working together as they arose. One example was to establish new mechanisms for agencies to more effectively pool a portion of their funding for collective use³⁷ (including changes to the Public Finance Act in 2013).

Central agencies organised representatives working on each of the 10 targets into a “community of practice,” to share their experiences of successes and failures. The community of practice met several times over the first year of the programme. After this, central agencies actively tried to connect individuals facing problems with others who had previously faced and subsequently had overcome comparable problems. For example, for groups that appeared to face similar problems regarding the delegation of decision-rights to lower-level governance groups, central agencies encouraged the two groups to discuss their experiences with central agency representatives on hand to provide expertise on public management arrangements and ideas on what has worked in other governance arrangements.

Insights on Managing Collaboration

Achieving each target would require groups of agencies to work together. The first eight problems built on the “sectors” used from 2004 to 2011. The sectors, comprised of clusters of related agencies, had served as a clearinghouse for discussing any areas of mutual interest but were repurposed in 2012 to focus on achieving the targets. In the case of the ninth and 10th problem, there was little prior history of the contributing agencies working together in a systematic way, and new governance groups were established. As noted above, collaboration appears easier when there is a pre-existing history of trusting relationships.

Practice Insight 9: Start simply. Where trusting relationships did not already exist, a partial solution to building trust developed over time. Some cases took the time to first practice working together in simpler arrangements—such as information sharing, cooperation, and coordination—in order to build mutual trust before attempting more complex collaboration. These tended to be more successful than those that leapt straight to the most involved and interconnected solutions. Achieving quick wins was also important to secure group commitment to solving the problem, particularly for newly formed groups, and reinforced the need to collaborate.

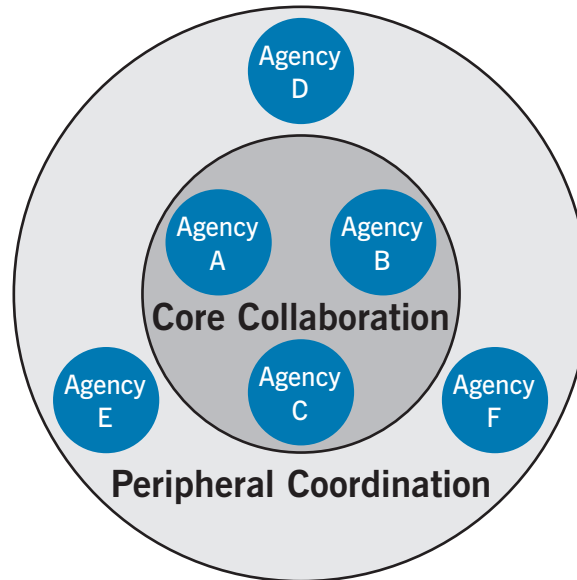
Practice Insight 10: Limit group size. Achieving each target involved contributions from many agencies, but the most successful cases limited core decision-making to two or three agencies, utilising tiers of involvement when necessary. In some cases, more than three agencies had an interest in the outcome, but greater progress was made when two or three critical partners formed a core group and involved others on an as-needed basis for information sharing and coordination (see Figure 4). This is in contrast to advice offered elsewhere that emphasises the importance of inclusion of all potentially interested parties.³⁸ As group size increases, the

37. For further information about how New Zealand funds activities that cross agency boundaries, see: <http://www.treasury.govt.nz/statesector/betterpublicservices/crossagencyfunding>

38. See Skrtic, T. M., Sailor, W., and Gee, K., “Voice, collaboration, and inclusion democratic themes in educational and social reform

transaction costs of coordinating the group increase, while the responsibility felt by each agency decreases. Diminishing effort in larger groups is described as the Ringelmann effect.³⁹

Figure 4. An example of tiered involvement in interagency work



Best Practice 11: Signal shared accountability. Most public servants are familiar with working in hierarchies. In a collaborative context, they may look for signals that demonstrate who is really “in charge,” and who will be responsible for success or failure. The most successful groups carefully orchestrated equal commitment at all levels through cascading governance groups.

Results teams experimented with different governance arrangements over time. The most successful examples used cascading levels of governance at the ministerial, chief executive, policy, operational, and secretariat level. Ministerial groups proved particularly important; the New Zealand system has strong vertical accountabilities between chief executives and ministerial portfolios, and conflicting interests between the priorities of individual ministers had previously hampered the commitments that chief executives could make to each other.

The most successful cases overcame this challenge by using dedicated ministerial groups, including each minister with portfolio responsibility related to the target in question. In this way, ministers resolved conflicting interests in a single forum, and their chief executives are then able to work to implement shared priorities. It is unclear whether this is a peculiarity of the New Zealand system or whether management of the political authorising environment is an overlooked area in interagency literature.

Lower in agency hierarchies, technical and operational groups were frequently required to resolve technical barriers to implementation. In cases with insufficient or uneven delegation,

initiatives." *Remedial and Special Education* 17(3) (1996): 142-157.

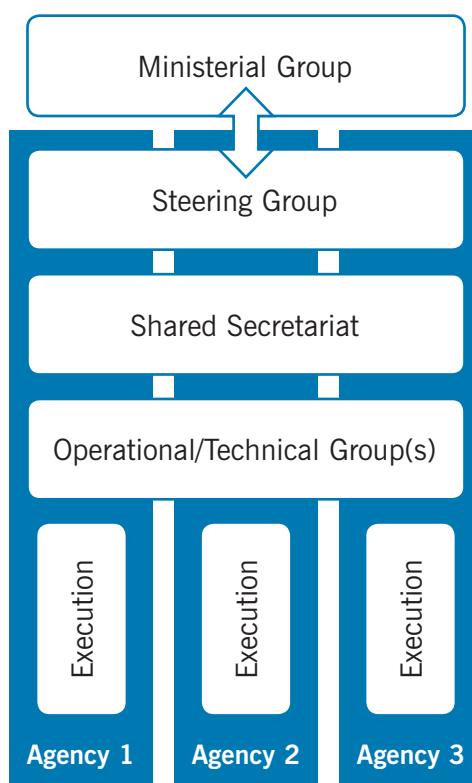
39. The Ringelmann effect describes the tendency of individuals to become less productive as group size increases. Empirical support for the Ringelmann effect can be found in Ingham, A. G., Levinger, G., Graves, J., and Peckham, V., "The Ringelmann effect: Studies of group size and group performance." *Journal of Experimental Social Psychology* 10(4) (1974): 371-384.

these groups were not able to make decisions, and this reduced their sense of commitment to the desired outcome. Such situations often resulted in stalled action due to technical barriers that no one felt invested in solving.

Jointly resourced secretariats proved important symbolically in creating a sense of collective commitment and ownership. In contrast, when a secretariat was resourced by a single agency, it appeared to signal to other agencies that they would be held less responsible for the outcome, resulting in those agencies feeling less committed.

Implementation was typically done by individual agencies completing tasks that had been agreed collectively. An example combining each of these recommendations is shown in Figure 5 below.

Figure 5: Cascading levels of collaboration



Insights on Reporting on Progress

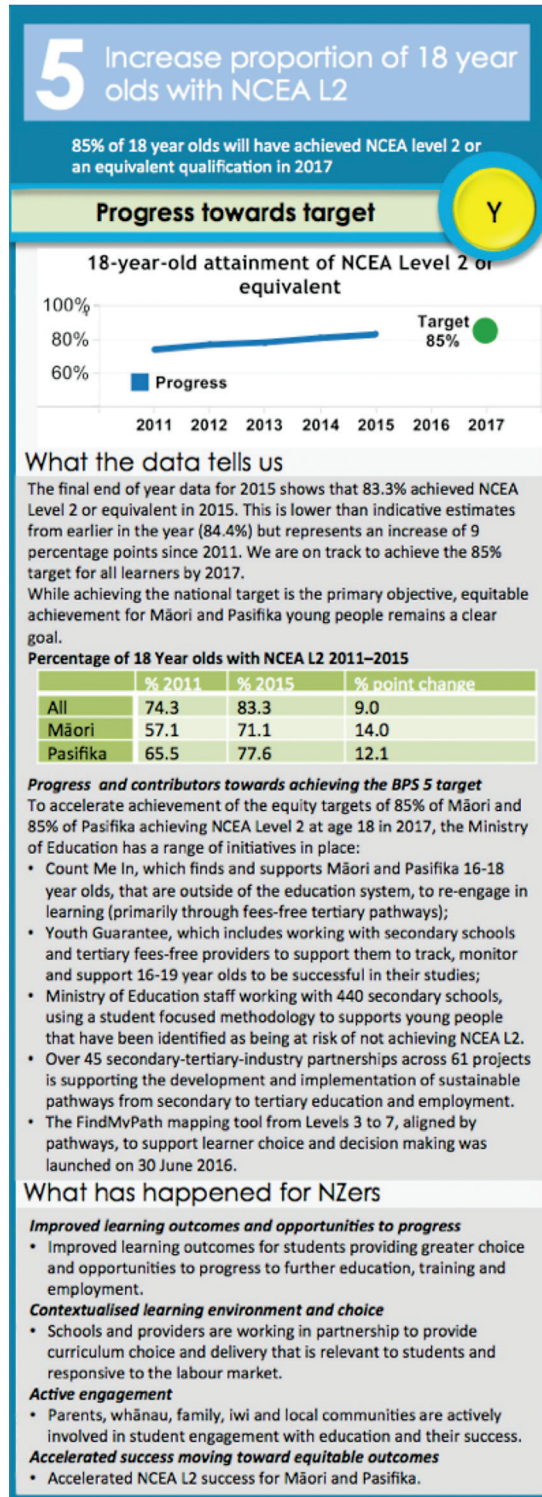
One of the biggest differences between New Zealand’s Results approach and previous attempts at interagency work in New Zealand is how progress is reported to ministers and to the public. Two reporting documents are released every six months, the “Dashboard” (three pages) and the “Snapshot” (one page).⁴⁰ Both include a colour-coded progress assessment and a line graph, with the Dashboard also including explanatory text. An excerpt of the June 2016 Results Dashboard, showing reporting against one target, is offered in Figure 6 as an example.

On top of the Dashboard is a colour-coded progress assessment. Progress toward each target is rated on a four-point scale (i.e. green, yellow, amber, or red) based on a judgement of how well

40. All previous “Dashboards,” “Snapshots,” and advice to the cabinet are available at: <http://www.ssc.govt.nz/bps-cab-papers-minutes>

the measure is progressing toward the target. The colour assessment is proposed by a group of agency chief executives and confirmed (or amended) by ministers. The colour assessments are useful as a management tool because not all measures are expected to follow a linear path.

Figure 6: Result Dashboard June 2016, high school graduation



In determining the colour ratings, public servants must take into consideration the actions that have been taken, and any expected delays between those actions and a measurable change in the desired outcome. This provides a very quick indicator of which of the 10 problems require the most urgent attention or additional support. However, the lack of transparency in how these colours are assessed makes them less meaningful to the public; prior experience in New Zealand suggests that such subjective assessments should not replace the reporting of more objective and quantitative data.

Practice Insight 12: Report on Trends. Below the colour assessment, the quantitative data is reported in the form of a line graph. The line graph shows how the measure has changed over time, and how much further change is required to achieve the target.

New Zealand was fortunate that media reporting of the programme generally focussed on trends and not numbers. Consider the case of immunisation rates, which rose after years of stagnation from 75 percent of one-year-old children (in 2012) to 84 percent (in 2016). This is likely to fall just short of the 85 percent target. Such progress can either be reported as a success—as in improving immunisation rates—or a failure—as in missing the target. Most media outlets have described it as the former.

The reporting format may have played a role, with a focus on line graphs rather than raw numbers. Line graphs are important for contextualising change, as it is easy for the reader to determine whether overall performance has improved from the historical trend.

The final component of the Dashboard is a short description that provides examples of important actions taken to address that problem in the past six months, frequently written from the perspective of how that has changed the lives of citizens. While performance data is important for demonstrating change, such narrative helps ministers, media, and the public to make sense of that change. With the release of each six-month report, there is a wave of media coverage describing successes and failures of the programme.

Practice Insight 13: Share Success Stories. Public servants typically dislike public reporting against targets because of risks to reputation. Central agencies in New Zealand intentionally followed an approach of positive reinforcement by celebrating success. Consequently, reporting of the Results Programme was generally well received by agencies and proved to be a strong motivating factor. Celebrating successes provided a positive incentive for public servants to try new things.

Beginning in 2013, agencies began to submit short text or video descriptions, showing innovations that had a positive impact on individuals and groups in New Zealand. The most notable of these from the previous six months were included (in brief) in the Dashboards and advice to cabinet.⁴¹ More detailed case studies were shared through the State Services Commission website.

The individual Results teams exhibited healthy competition with each other. For example, when one Results team produced a video, the others each produced videos for the next update. The State Services Commission website now includes 89 written case studies⁴² and 12 videos.⁴³ The different teams lobbied for inclusion of their success stories in the cabinet papers and press releases.

41. <http://www.ssc.govt.nz/bps-cab-papers-minutes>

42. <https://www.ssc.govt.nz/bps-results-for-nzers>

43. <http://www.ssc.govt.nz/bps-videos>

Conclusion

Many important social problems cross agency boundaries, and working effectively to solve these problems is not easy. After almost 30 years of trial and error (since 1989), the change to New Zealand's Results Programme has been a remarkable success in this regard. However, in discussing the programme with various public sector leaders, one theme has become clear: This success has not come easily. These leaders note that many of the obstacles they faced in working across boundaries remain.

Much of the literature on working across agency boundaries focusses on transaction costs associated with coordinating multiple parties. These costs largely remain. In prior efforts, these costs were sufficient to derail a cross-agency initiative. When public servants ran into obstacles, they stopped.

The recent New Zealand experience differs from previous efforts in that collaborative efforts forged ahead despite the obstacles. The programme has had sufficient impetus to jump over obstacles or to smash through them. Providing this impetus has been a sustained joint commitment of all participating parties.

The New Zealand Results Programme was evaluated by a team consisting of both public servants and academics. Key findings from the evaluation were:

- Results were few and specific, so their relative importance was greater. They were also seen as worthwhile, which appealed to the public service ethic.
- Targets created a sense of urgency.
- Public reporting created a sense of irreversibility.
- Narrowing participation to the core agencies meant greater responsibility for each party.
- Collective responsibility drove a focus on achieving results rather than avoiding blame.
- Cascading collaboration meant collective responsibility was felt down through agency hierarchies.
- Participants felt committed to improving each of these programmes, seeing them as important priorities for government and for New Zealanders, and this joint commitment has persisted over four years without any sign of decline.

The New Zealand experience described in this report is intended to help government executives in governments elsewhere around the globe understand how New Zealand addressed persistent social problems through collective responsibility for improving intermediate outcomes. The 13 practice insights offer tested steps for selecting results, designing accountability, managing collaboration, and reporting on progress. While each may need to be adapted to fit local context, these practice insights are presented as suggestions for addressing persistent crosscutting problems by governments elsewhere.

Next Steps

At the time of writing, the original 10 Results are nearing completion. The programme exceeded the government's hopes, and it has committed to launching a new set of 10 results and targets in 2017. Work is currently underway to identify what these results and targets will be.

The new results and targets are being selected on the basis that they:

- Be restricted in number to 10 results if possible
- Be top priorities for ministers
- Be meaningful, important to, and easily understood by New Zealanders
- Have proven difficult to achieve to date using usual government processes
- Require cross-agency work to achieve success

Epilogue: How Do We Know the Results Programme Has Been Successful?

In the 1990s, critics of David Osborne and Ted Gaebler's best-selling book on government reform, *Reinventing Government*, claimed that the success stories they described were "painting bullseyes around bullet holes" and that they were selective in their case studies.

Is that the case here? We think not. Measuring the success of the Results Programme was aided by the nature of the programme, specifically the use of agreed quantitative measures. The government picked 10 important problems, agreed how progress would be measured, and committed to challenging outcome targets. For each of the 10 problems, public agencies began from different levels of readiness to take up the challenge. Some made rapid progress, visible from the first six months, whereas others took two full years to stop downward trends and exceed even their baseline measure. Nonetheless, at the time of writing and four years into the programme, all 10 problems have achieved substantial progress above their baseline measures and their historic trend data.

It is certainly difficult, and perhaps impossible, to definitively attribute the improvements to the management approach used. In all social or organisational changes, there are many different influences acting at the same time. For any given effect, there are multiple possible explanations. We argue that there is *likely* to be a connection between the management approach described in this report and the improvements reported in all 10 problems, by excluding the other most obvious explanations. The following paragraphs consider and then exclude six alternate explanations for the reported improvements.

Alternative Explanation One: Improvements represent some sort of natural progression. In this explanation, the problems would have reduced in time due to background factors (for example, the crime rate has been slowly declining globally and within New Zealand for some time). This is not a good explanation for what happened in New Zealand, as all cases outperformed historical trends where this data was available. The measures for eight of the problems had been used for some time before the beginning of the programme in 2012, and this provided a historical basis for comparison. The measures used in the remaining two problem areas had not been collected previously and so progress could not be compared against past trends.

Alternative Explanation Two: Improvements were a result of increased attention. Government can only focus its attention on a limited number of problems, and it is possible that these 10 problems improved purely because they were selected as important. This does not explain the New Zealand experience; each of the problems was chosen because it had previously proven to be intractable despite significant prior attention and action. If these problems could have been solved simply through trying harder (using the old management styles), then they wouldn't have still been problems in 2012.

Alternative Explanation Three: Problems were going to improve as a result of the delayed effects of prior actions. The New Zealand government had been trying to improve outcomes in these 10 areas for some time, and it is possible that some actions prior to 2012 had a positive impact in the period from 2012-17. In discussion with the managers and practitioners involved, there is anecdotal evidence to support this explanation as it pertained to the immunisation portion of Result #3. However, it is unlikely that this explains the improvements in all 10 Results initiatives; correctly predicting positive delayed effects in 10 of 10 initiatives would represent an extraordinary level of foresight. Even in the case of increasing immunisation rates for children, those that claimed some impact from prior actions acknowledged that this likely explained only a small change in the measured outcome, and only in the initial stages of the five-year programme.

Alternative Explanation Four: Measures are imperfect and may not be good reflections of the underlying problem. Most of the Results initiatives rely on a full count of the actual incidences of the problem, with three exceptions:

- Assaults against children
- Workforce qualifications
- Ease of doing business with government

The measure of violence against children relies on substantiated cases, which reflects a combination of the underlying incidence of violence and the likelihood of those assaults being reported. However, this is likely to cause error in the opposite direction; more attention and effort to address family violence is likely to increase rather than decrease the rate of reporting. Workforce qualifications and ease of doing business with government are both assessed through a survey and therefore represent a random sample of the population. These measures tend to vary slightly between successive surveys due to sampling error. However, there is no reason to believe that this error predictably or consistently inflates the reported outcome.

Alternative Explanation Five: Measures were “gamed,” or intentionally manipulated, such that the measure improved without an underlying improvement in the problem. This is possible for some measures, but difficult or impossible for others. For example, diverting minor offences away from the criminal justice system (without formal charges) may act to reduce the measured crime rate. Similarly, the criminal recidivism rate can be reduced by focussing resources on preventing reoffending among those who have committed minor offences (where progress is easier), and away from more serious offences that are associated with greater social harm. In these cases, gaming may be possible, but that is not to say that gaming actually occurred; the authors could not find evidence of gaming at a systematic level. However, in other cases it is difficult to even imagine how one would manipulate the measures, such as the enrollment rate in early childhood education, the rate of childhood immunisation, or the incidence of rheumatic fever.

Alternative Explanation Six: Measures improved due to additional resources provided. In the case of the New Zealand Results, the programme was put in place against a backdrop of flat nominal baselines (i.e. budgets that were declining in real terms, due to the after-effects of the global financial crisis), and leaders were expected to make better use of the money that was already applied to those policy problems. More money cannot explain the improvement of the 10 cases because no additional money was provided.

Summary

By rejecting these alternate explanations, we are left with the conclusion that the management approach contributed to the improvement in the 10 Results initiatives. While other explanations may explain part of the observed changes in some of the results, none could be found that explained all of the improvements.

Indeed, in some cases the improvements were so rapid that a new issue emerged: The targets would be achieved too early. In 2014, three of the 10 Results teams had made such rapid initial progress that their targets were revised to be more difficult. The revised targets were set for achievement by 2018.

Results teams responsible for the remaining seven problems are expected to meet or nearly meet their targets by 2017. Those that don't quite meet their targets will still have impressive stories to tell. For example, after years of stagnation, immunisation rates for one-year-old children have risen from 83 percent to 93.5 percent. While this is slightly less than the target of 95 percent, it represents huge progress that will prevent many cases of serious infectious diseases.

After many years of struggling to address problems that cross agency boundaries, New Zealand is making progress. It has developed a promising method for addressing what have historically been among the most difficult challenges.

Appendix 1: Report Methodology

The 10 targets were set in 2012 to be achieved by June 2017. As the initial targets came close to achievement, the government was faced with the question of what to do next. The authors conducted four evaluations of the original programme on behalf of the New Zealand government, to inform advice on how the programme could be improved, including recommendations on selecting new problems and new targets.

The evaluations conducted by the authors were:

- A comparative study on how the 10 groups differed in their approaches to achieving their target
- A normative study, comparing practices with theory from collaboration literature
- A review of 89 case vignettes from the State Services Commission website, to look for common elements across the most successful innovations
- A review of behavioural consequences of different target types

These four evaluations subsequently were combined in a mixed methods synthesis, triangulating findings from evaluations that had used different methods.

Additionally, further study has been conducted in partnership with other researchers to compare and contrast New Zealand's Results approach to interagency work with that used in other jurisdictions, including target regimes in the United Kingdom, interagency work in the United States, and examples of collaboration for results in Australia. The practice insights and recommendations presented in this report are made on the basis of this research programme. Published studies are listed on page 54.

Appendix 2: Guidance for Preparing Result Action Plans (2012)

The following guidance was issued by central agencies (State Services Commission, Treasury, Department of Prime Minister, and Cabinet) to aid each of the 10 Results in the preparation of their Result Action Plan. This guidance was issued in March 2012.

RESULT ACTION PLAN: GUIDELINES

1. Introduction

- 1.1. This guidance should assist with the development of draft Result Action Plans (RAPs).

Expectations

- 1.2. Given the diversity of the results and the different stages of associated policy development, there is no standard template for RAPs and uniformity is not expected.
- 1.3. This guidance proposes several common features and base requirements that should help us to deliver a recognisable and credible set of RAPs to ministers. In some places, the guidance offers specific pointers to assist result teams in considering what to include.
- 1.4. To ensure an immediate focus on delivering results, draft RAPs are to be developed by 30 March for sign-off by responsible ministers. Drafts can build on the initial material on results produced for the 7 February cabinet paper. Then, over the next three months to 30 June, result teams will have an opportunity to further strengthen their RAPs and firm up certain aspects, such as the precise formulation of targets and stakeholder engagement. RAPs will continue to evolve thereafter as “living” documents.
- 1.5. Result leaders and their teams are expected to seek advice from Statistics New Zealand as they develop indicators and targets, to ensure performance information is robust, meaningful, and reliable. Result teams should also consider the role that the population agencies could play in supporting the development of RAPs.

Purpose of Result Action Plans

- 1.6. The purpose of RAPs is to determine the actions needed to achieve the Government's 10 Better Public Services (BPS) Results, establish contributions, and assign responsibilities.
- 1.7. RAPs will be strategic documents that express a shared vision for success, set a high bar on ambition, and provide a focus for aligning resources and improvement effort across agencies. Each result relates to a difficult area in which it has proven challenging to improve outcomes for New Zealanders for some time. Ministers are clear

that results therefore represent areas needing new thinking and transformation—*business as usual* will not suffice.

- 1.8. By their very nature, the results will require collaboration between agencies, the sharing of knowledge and expertise, and varying degrees of re-prioritisation. Preparing RAPs provides an opportunity to shape a coherent vision of priorities, review the effectiveness of current approaches, and consider ways to marshal resources for maximum impact.
- 1.9. This exercise should help to foster a results-focussed approach across clusters of agencies that aims to:
 - Focus agencies on delivering the government results that are important to citizens and businesses.
 - Ensure collaboration and alignment of resources around results that cross agency boundaries.
 - Stimulate innovation and new approaches to achieve results in difficult areas, based on evidence of what works in practice.
 - Enhance system capability and effectiveness, and reduce duplication of effort.
 - Increase transparency, inform continuous improvement, and bolster public confidence through open reporting of results.
- 1.10. To ensure RAPs accomplish their intended purpose of supporting the new results-focussed approach, each plan will be:
 - Owned – by all contributors and led by one result leader chief executive, who is accountable for cross-agency performance; each RAP will be signed-off by responsible ministers
 - Clear and simple – expressed in concise and straight-forward language, avoiding unnecessary use of technical terms and jargon
 - Dynamic – plans will be “living” documents; reviewed and updated regularly as evidence of progress and programme evaluations becomes available, and as new approaches are adopted
 - Informed by a range of perspectives – drawing on the known views of key stakeholders (using best available knowledge rather than new consultations)
 - Credible – robust and open to potential external challenge and underpinned by high quality evidence, research findings, and sound analysis

2. Suggested Content

- 2.1. As a minimum, the base content of RAPs should cover the six elements listed below. Under each of these headings are listed several pointers that are illustrative of the kind of issues you may wish to consider in formulating RAPs.

Leadership and governance

- How will the lead and contributing agencies create a unified and coherent focus on results, promote collaboration, and promote closer alignment of activity?
- What governance arrangements or decision rights are needed to support effective delivery?

Result clarity and context

- Why is this result important to the government and New Zealanders? How would success contribute to the government's overall priorities?
- How are we doing at present? In what direction are trends headed and what factors explain current performance (e.g. what drives demand and/or costs)? The annex of the 7 February cabinet paper, *Better Public Services: Results*, is a starting point.
- Is the issue concentrated geographically or among certain sections of the population?

Strategy

- Explain briefly the overarching strategy to improve performance.
- What are the major strengths of our current approaches and which areas are priorities for improvement (e.g. barriers that may impede better performance)?
- How will the strengths/resources of contributing agencies be aligned or combined to achieve the result?

Actions

- What are the key actions needed to achieve the result? Which agency is responsible for these actions and what are the related timeframes? A detailed work programme is not required, but rather the focus is on a handful of actions with critical milestones.
- Are there clear lines-of-sight between resources, priority actions, or programmes and results?

Resourcing

- Are the actions costed for future years and financially sustainable? What are the sources of funding?
- Are prioritised actions consistent with four-year budget plans?

Performance indicators

- How will result performance be quantified? What indicators will be used and in what way will they be reported (for example, as trends against baseline or targets)?
- How regularly will performance information be updated? How will you provide assurance to ministers about the pace of progress?
- How will the data be used to tell the performance story in a way that is accessible to ministers and the public?
- Is the performance information valid/credible (i.e. shows actual performance shifts) and sustainable/reliable over time?
- Is the performance information consistent with Official Statistics (where relevant)?

3. Milestones and Timeline

- 3.1. The main phases of activity to produce and update the RAPs are:

By 30 March	Result leader chief executives to prepare draft Result Action Plans (RAPs) for sign-off by responsible ministers
April	Engagement with ministers and refinement of RAPs
May	Engagement with ministers and refinement of RAPs State Sector Reform Ministerial Group develops proposals for cabinet on arrangements for communicating progress on BPS results to the public
June	First quarterly report on results to SSRMG ministers First report to cabinet on progress on results (half yearly report) Specific and measurable targets for each result agreed and made public
Mid to late 2012	Public communication of progress of results and associated actions
Late 2012	Result Action Plans updated Develop new actions and test them with key stakeholders Adjust organisational arrangements, anticipating legislative change in 2013

3.2. The expectation is that RAPs will continue to evolve over time as live documents, particularly through new and adjusted actions being added and costed as part of budget 2013-14.

For Further Reading

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- Dr. Mark Kramer (Harvard University)
- Dr. Heather Lovell (University of Tasmania)
- Dr. Hallie Preskill (University of Illinois)

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Dr. Rodney Scott is currently a visiting fellow at the Ash Center For Democratic Governance and Innovation at Harvard University, where he is completing a research project exploring methods for managing (and improving) the performance of senior public servants. Dr. Scott is the Principal Research Fellow for New Zealand's State Services Commission, where he leads the public management research programme and provides advice on public sector design and evaluation. Dr. Scott also holds adjunct positions at the Australia and New Zealand School of Government and at the University of New South Wales.



Dr. Scott completed PhD studies in system dynamics and public management at the University of Queensland, including the dissertation "Group model building and mental model change," which was awarded best doctoral thesis by the Australia and New Zealand Academy of Management. He is widely published in system dynamics, operations research, group decision, public policy, and public administration. Dr. Scott's current research interests include interagency collaboration, governance, and performance management.

Dr. Scott has previously worked as Principal Advisor to several central government departments, and he has held senior and executive management positions in the public, private, and non-profit sectors in Australia and New Zealand.

Ross Boyd (BA Hons, NZTC, MEdAdmin) is a Principal Policy Analyst in New Zealand's State Services Commission. Over the last six years Boyd has applied his previous public policy experience in Education, Treasury, and the Prime Minister's department to develop a public management initiative that has successfully joined effort in a fragmented system. Boyd takes a pragmatic approach: bringing together principles from the public management literature, applying them to the situation in New Zealand, and designing new ways of operating.



As a member of New Zealand's public sector reform team from 2011 to date, Boyd used design thinking to develop and communicate a more joined and effective future state sector system; used rapid prototyping to turn this into a practical operational

model; secured government support for the approach; implemented the new way of operating; reported on progress; and continuously developed and adjusted the process based on evidence of what worked. More recently he has teamed up with a colleague, Dr. Rodney Scott, to evaluate the initiative and compare and contrast it with similar public management approaches internationally. What they have learned from their research, together with the application of New Zealand's "social investment" approach, is being incorporated into a refresh of the programme in 2017.

In earlier work that has attracted international interest, Boyd led teams to develop and implement New Zealand's Performance Improvement Framework (2009-2011) and to develop and implement New Zealand's Early Childhood Education Strategy (2000-2004).

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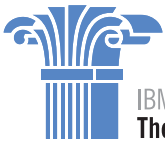
Managing Risk, Improving Results: Lessons for Improving Government Management from GAO's High-Risk List by Donald F. Kettl

Using Technology

The Social Intranet: Insights on Managing and Sharing Knowledge Internally by Dr. Ines Mergel

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