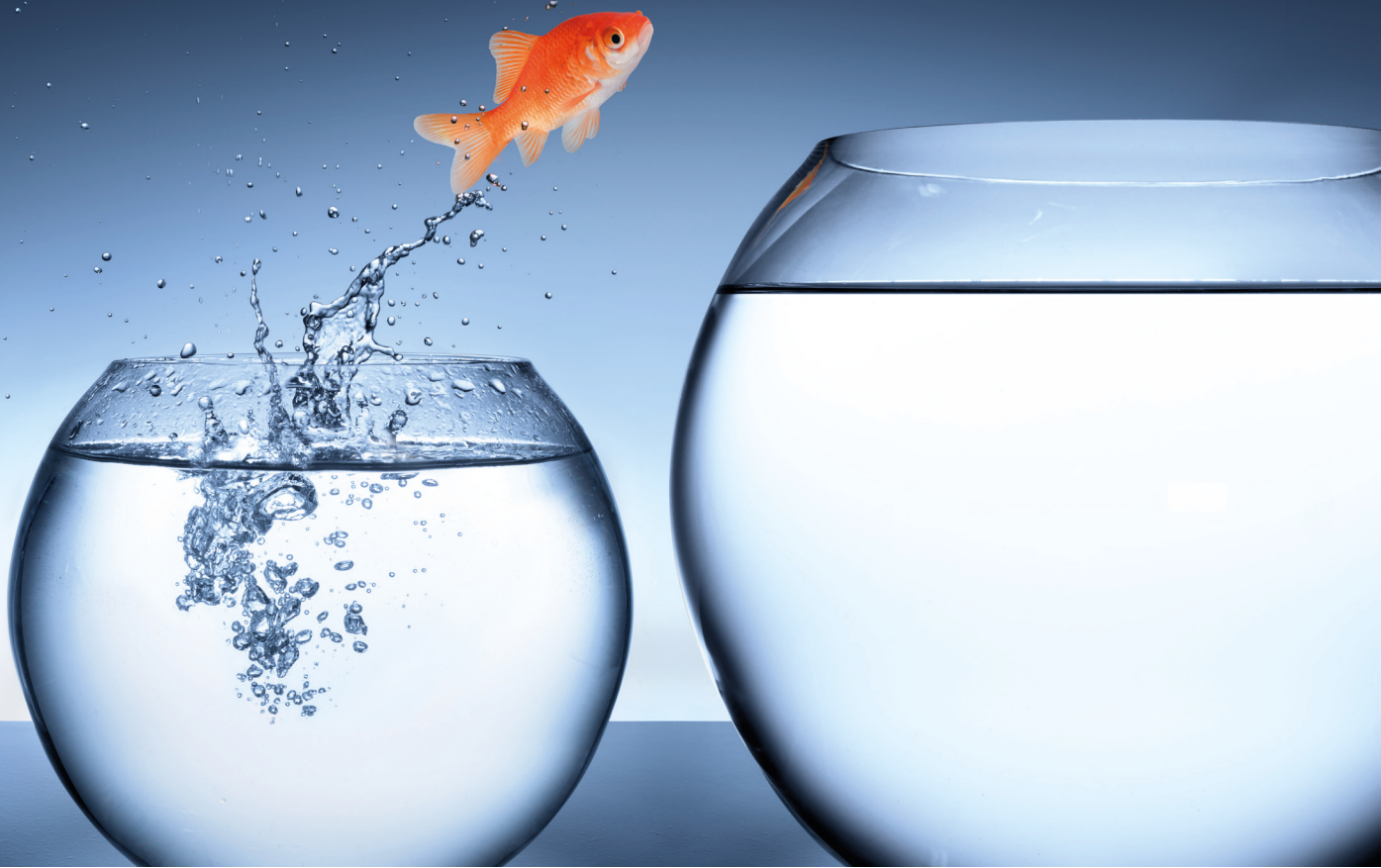


Quality of Public Administration A Toolbox for Practitioners



Theme 9: Public administration reform – making positive change happen

Reform is a process. Positive change should be the result. This theme is not about reviewing and revising specific public policies (e.g. education, energy, enterprise), but is focused solely on administrative reforms intended to achieve stronger governance, better policy decisions and higher quality services, with resulting benefits for citizens and businesses. How do we ensure reform is embedded and change is enduring, rather than fragile and fleeting? This chapter characterises resistance to reform and inertia as an impediment, and counters with 12 drivers that can give impetus to the change process. It then looks at alternative approaches, from large leaps forward (functional reviews and comprehensive ‘root and branch’ reforms) to more incremental steps, and explores the potential pathways that public administrations can take to make change sustainable.

The Quality of Public Administration “Toolbox” is developed on behalf of the European Commission’s Inter-service group on Public Administration Quality and Innovation.

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Previous chapters of the Toolbox set out many different dimensions to strengthening governance in EU Member States, covering principles and values, policy, structures, organisations, people, technology, finance, procurement, service delivery and stakeholders. They considered the functioning of civil and judicial administrations, and their interaction with citizens and businesses. They dwelt on timeless themes, such as the public interest in ensuring ethical behaviour and effectively managing funds, as well as more recent ‘hot topics’ like big data analytics, behavioural insights, co-creation, multi-level governance, performance and talent management.

This chapter:

- ✓ Explores how these tools can be introduced into public administrations, sometimes in the face of resistance and inertia;
- ✓ Describes the reasons for reform, its scope and sources, building the case for making positive change happen by looking at motivations and drivers;
- ✓ Examines the obstacles to reform - the barriers and constraints that must be overcome;
- ✓ Sets out three potential approaches, namely functional reviews, comprehensive ‘root and branch’ reforms, and incremental change;
- ✓ Summarises the ‘Kotter eight-step model’ for lasting organisational change, which is drawn from the business world;
- ✓ Focuses on the role of changing mindsets in the reform process; and
- ✓ Identifies learning points from past reforms, as a guide for practitioners on things to avoid and things to do.

Introduction

‘Reform’ is not the same as ‘change’, although one should lead to the other: **reform is a process, positive change should be the result.** This theme is about reform of the public administration, rather than reforms in policy fields (e.g. pensions, transport), including those that directly benefit citizens and businesses (e.g. regulatory reform, tax reform). Ultimately, administrative reform should lead to better policy decisions, a more conducive business environment and more customer-oriented service delivery.

“Governance reform is not an end in itself - it is a means to achieve public policy results for citizens and businesses efficiently and effectively... Good governance is about enhancing trust in government, its institutions, the quality of its services and decisions, because they are perceived to be made in the general public interest”, OECD, Public Governance Review Spain, 2013

As the OECD has highlighted¹, there are two ways to manage change: planned and systematic; or responding to events over which organisations have little direct control. In practice, of course, reality intervenes in even the best-made plans. In a continually altering world, public administrations must deal with conditions in the economy, environment and society as they arise, and the myriad expectations of citizens and enterprises.

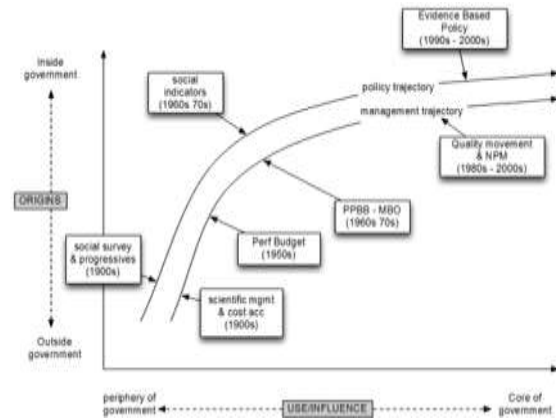
This theme is not about reactive change, but rather the **intentional process of reform** in which public administrations seek to address their weaknesses and improve their performance to achieve better societal outcomes. It is also specifically about **sustainable** reform – how do we ensure that positive change is internalised and embedded, rather than fragile and fleeting.

¹ O. Huerta Melchor (2008), *Managing Change in OECD Governments: An Introductory Framework*, OECD Working Papers on Public Governance, No. 12, OECD publishing.

It is also clear that reforming public administrations is often a difficult and complex challenge, culturally, technically and politically, typically involving fundamental changes in the ‘rules of the game’ for many public officials, but also private citizens².

Reforms take place within a **political, economic and financial context**, which continues to produce profound changes in the landscape of government across the EU.

Many of the main reform movements in Europe and globally, over the last century but especially recent decades, have aimed to improve the performance of public administrations (see [topic 4.1](#)).³ This takes us from the time when social reformers first turned to survey tools to understand society’s problems better, and governments started to adopt a more ‘scientific’ and cost-accounting approach to public administration (see graphic, right⁴). Later innovations included the introduction of performance budgeting, the use of social indicators, the advent of planning-programming-budgetary systems (PPBS) and management by objectives (MBO), the search for self-improvement through quality management, and the attempt to make decisions more robust through evidence-based policy-making.



There has also been a more fundamental shift in the **underlying model of public administration**, which has taken place and gathered pace over the last 30-40 years, and indeed has shaped these reforms. This has been characterised by commentators in two terms:

- ✚ The traditional model of organisation that prevailed for most of the 20th century is described as **Weberian bureaucracy**⁵, a legalistic, monolithic and hierarchical administration responsible for all aspects of both policy development and the delivery of public services.
- ✚ A new doctrine came to the fore from the 1980s onwards, which has been termed ‘**new public management**’ (**NPM**), involving a rethinking of the State’s role and size (in the aftermath of the expansion of the welfare state), and importing private sector disciplines and quasi-market mechanisms to try and make bureaucracies more ‘business-like’ and thereby more efficient.

In practice, these two models of public administration have **intertwined**. Hence, the following descriptions are idealised caricatures, simplified for the purposes of presentation, based on their key features.⁶

² See World Bank (2000), [Reforming public institutions and strengthening governance](#).

³ W. Van Dooren, G. Bouckaert and J. Halligan (2015), *Performance Management in the Public Sector*, 2nd edition, Routledge Masters in Public Management

⁴ Source: presentation by Wouter van Dooren.

⁵ Named after the essay *The Nature, Conditions, and Development of Bureaucratic Herrschaft*, by the renowned German sociologist, Max Weber, published in his 1922 book, “Economy and Society”.

Weberian bureaucracies and NPM

Max Weber saw 'bureaucracy' as an organisational form that constrains individual freedom in the cause of the common good. The **Weberian bureaucracy** is characterised by hierarchical and delineated structures, whose broad features are:

- ✓ Action taken on the bases of clear written rules and regulations, rather than personal discretion;
- ✓ Clear allocation of competences (division of labour);
- ✓ A formal hierarchical structure (clear lines of authority and a chain of command);
- ✓ Specific professional training for becoming an official; and
- ✓ Neutral officials, who can grow in their career, according to their qualifications and are subject to strict control.

In the context of public administration, Weberian bureaucracies can be characterised as paternalistic towards citizens, whose role is to elect the government of the day. As a counter-balance to the power vested within the institution, however, the essence of best practice is professionalism: competent officials operating within a highly procedural system which should be applied consistently, fairly and impartially, thereby blending rules with values (civil servants should always act in the public's best interests). In return, they enjoy secure employment and guaranteed salaries, and their careers would advance through seniority or merit.

New public management was coined as a term in response to neo-liberal politicians introducing market-type operations into the traditional administration, starting in the 'Anglo-Saxon' countries. Like Weberian bureaucracy, there is a wealth of literature analysing NPM (and sometimes disagreeing over its defining features). In broad terms, NPM can be characterised by:

- ✓ Lean and highly decentralised structures;
- ✓ The separation of policy design from its execution, reflected in the segregation of organisational structures (such as the creation of executive agencies, for example);
- ✓ A managerial role for the core administration, holding service providers to account against performance standards & measures (e.g. outputs) in a more contractual relationship than the traditional bureaucratic one;
- ✓ The use of privatisation, contracting-out and public-private partnerships, to bring managerial expertise (and investment) from the commercial to the public sector;
- ✓ The injection of competition into public service delivery to increase choice by 'customers';
- ✓ A shift from managing inputs towards outputs and outcomes and increased accountability.

In the NPM perspective, citizens are not just seen as voters, but service users, along with enterprises and other administrations.

As the NPM orthodoxy spread from its origins in the so-called Anglo-Saxon countries (UK, US, Australia and New Zealand) to continental Europe⁷, it crossed the boundaries of **legal traditions and administrative cultures**, which can be summarised as follows:⁸

- ✚ **The Anglo-Saxon model:** This is characterised as a 'public interest' culture, whereby the State is instrumental, but the common law⁹ tradition means no comprehensive codification

⁶ There is no suggestion that politicians and senior managers 'choose' to apply a model of public administration, or that administrations strictly adhere to their parameters. Administrations today are an amalgam of various practices.

⁷ Increasingly South America, Asia and Africa too, within the financial and technical assistance provided by of the IMF, World Bank and other international financing institutions (the so-called 'Washington consensus').

⁸ Based on S. Kuhlmann and H. Wollmann (2014), *Introduction to Comparative Public Administration: Administrative Systems and Reforms in Europe*, which makes further distinctions within the Continental European model (Napoleonic & federal) and introduces a 'Scandinavian model' among the Nordic countries which also centres on a 'rule of law' culture, but with a more open and highly decentralised administrative system.

of legal rules, and hence legislation is about enacting political programmes, and public administrations are characterised as pragmatic, flexible and concerned with reconciling different interests.

✚ **The Continental European model:** This is characterised as a ‘rule of law’ (*Rechtsstaat*) culture, which sees the State as an integrating force of society (*intérêt général*). There is a comprehensive codification of legal rules under the Roman tradition, and public administrations are characterised by implementing the law, equal treatment, neutrality of interests, etc.

✚ **The Central and South-Eastern Europe model:** This is also based on a ‘rule of law’ culture like the continental European model, but shaped by the legacy of the pre-1990 model of socialist State organisation during which the public administration at national and sub-national levels was subordinated to centralised party rule.

Many of the recent reform innovations within the NPM orthodoxy were either borrowed from business or introduced to replicate market mechanisms, such as MBO and performance agreements, metrics and payments. They sit more easily in an Anglo-Saxon ‘public interest’ system than the more rules-based culture of Continental European and Central / South-Eastern European administrations, and can fail to produce intended results if not adapted to the administrative context.¹⁰ In any case, administrations are confronted by more diverse objectives and audiences than their business counterparts, need the democratic consent of the public for major changes in direction, and face more operational constraints due to legal and procedural rigidities (often necessary for accountability and sometimes unnecessary).

Within this sophisticated environment, public administrations are increasingly having to adjust their *modus operandi* to new realities and concepts, summarised below:

Context	Issue
Recognising policy as an iterative process	While some administrative actions are relatively routine, the environment for public policy and its implementation is often characterised by difficult choices, complicated scenarios, and complex situations (see theme 1). Public administrations need to be nimble, to respond with resilience to changing circumstances and longstanding challenges, such as climate change, shifting trade and migration patterns, and the impact of automation on employment. Policy-making rarely follows an idealised ‘cycle’, with a chain of events from design to delivery to evaluation. It is often iterative, which places the emphasis on putting the ‘fundamental qualities’ in place to ensure robustness and resilience, including clear goals, evidence-based ideas and rigorous assessment. Increasingly, policy-makers are engaging directly with policy implementers, to ensure policy is fit for purpose, including through pilots and randomised control trials.

⁹ Law based upon societal customs, recognised and enforced by the judgments and decrees of the courts. <http://legal-dictionary.thefreedictionary.com/common+law>

¹⁰ For example, the EU-funded *Coordinating for Cohesion in the Public Sector of the Future (COCOPS)* research project found that “outsourcing was not associated with a reduction in the size of the public sector in regard to expenditure and employment, either in the short or long term. Even if outsourcing did not lead to a smaller public sector ... reforms were beneficial if they led to better public sector working conditions or improved service quality and/or social welfare. If, however, the increase in government spending was not accompanied by such improvement, this could suggest the existence of high transaction and coordination costs, or that the private provision of public goods does not necessarily entail efficiency gains.” ([Final Policy Brief](#)).

Context	Issue
Acknowledging the real ways people act and respond to policy	One of the reasons that policy execution can be unpredictable is that people are not automatons, acting rationally and independently of each other. We are emotional and social beings , each with our own cognitive biases and ‘rules of thumb’, and affected by the behaviour of those around us (see topic 1.2.2). The rise of units and networks specialising in behavioural insights and innovation e.g. JRC, Mind Lab, Nudge Unit, La 27e Region, etc.) is an attempt to operate outside traditional thinking, challenge mainstream orthodoxies and find innovative solutions. These units and networks contribute to evidence-based policy-making and testing, are typically multi-disciplinary in their make-up, and cross sectorial & institutional boundaries.
Working with many stakeholders	Increasingly, public bodies are relying on networking approaches to achieve their goals, rather than command and control, contracting and target-setting - dialogue not diktat. This places a premium on coordination capacity, vertically and horizontally, and hence the importance of Centres of Government as the hubs of the public administration, setting and applying standards across the administration (see topic 3.3).
Joining up institutions for seamless services	The widespread use of one-stop shops for external service delivery to citizens and enterprises, re-engineering the relationship between front and back offices of the administration, and shared service centres for internal service delivery to other parts of the administration, requires new organisational arrangements based on systems thinking (see topic 5.2). The increasing expectation of citizens and enterprises for customised services at a time and place of their convenience, especially online, with once-only registration and ‘clouds’ of public services, makes interoperability an essential element of systems thinking (see topic 5.4).
Dealing with demographic change and the digital agenda	With an ageing workforce (more than 1 in 3 public officials in the EU over 50), the small percentage of ‘millennials’ in the workforce can be expected to increase. Public administrations will need to engage in workforce planning and become more attractive to potential recruits , if they are to satisfy their staffing and skills requirements, through active employer branding, a stimulating environment and recognising growing diversity in the workforce. After training budgets were often cut in the fiscal crisis, employee-centric learning and development will be necessary to strengthen digital skills and other competencies, while also investing in knowledge transfer and management (including mentoring, coaching, learning networks, inter-generational transfer, etc.) to preserve institutional memory and enhance collective know-how (see topic 4.3).
Enabling accountability and civic activism	Social networks and constant media scrutiny have made society and governance more transparent (see topic 2.2). New mechanisms are emerging that allow the public to exercise their right to hold administrations accountable, including through open government and open data , which alters the environment for performance measurement, indicators and agreements. Moreover, the Dutch experience with accountable budgeting shows a greater reliance on qualitative intelligence over traditionally quantitative performance information.
Embracing co-responsibility	Citizens increasingly demand more open and participatory decision-making (see topics 1.1, 1.2, 5.6 and 8.1). The rise of co-creation , which gives citizens and businesses a much greater stake in the policy process (including co-design, co-budgeting, co-decision, co-production and co-evaluation), requires a paradigm shift from public administrations.

The latest movement and alternative approach to reforming public administrations has come forward under the guise of ‘**strategic agility**’, which reflects the pressure on accountable administrations to become robust, resilient and adaptive (and again originated as an idea in the private sector). It acknowledges that existing structures and systems, focusing primarily on effectiveness and efficiency, have created ‘silo thinking’ and often become too rigid or captured by organisational inertia to respond to changing society, environment and technology. In the past, the strategy has tended to be mitigation of risks, rather than adaptation to external challenges.

Principles of strategic agility

The concept of strategic agility comes from the private sector, where companies are finding new organisational solutions within a business environment, characterised by new technologies, globalisation, increasing specialisation, growing interdependencies, and evolving consumer preferences. A similar rapidly changing, uncertain and complex operating context is evident in the public sector.

The Finnish Innovation Fund (SITRA) and INSEAD Business School have conducted research on strategic agility which refers to *“the capacity of an organisation to proactively identify and respond to emerging policy challenges so as to avoid unnecessary crises and carry out strategic and structural changes in an orderly and timely manner”*. Their analysis identifies three elements that enable an organisation to be strategically agile:

- ✦ **Strategic sensitivity:** Recognising emerging issues early; high quality dialogue with internal and external key stakeholders; framing opportunities and threats in new, insightful ways, overcoming complacency and routine ways of thinking;
- ✦ **Collective commitment:** Developing a widely-shared vision and strategy as an open, participatory process with all interested parties; establishing cross-governmental priorities; developing shared incentives and a common agenda; open discussion within cabinet; and rotating responsibilities among ministers; and
- ✦ **Resource fluidity:** Mobilising and redeploying resources effectively to new opportunities and challenges; keeping part of public sector resources in a common pool to be used when new needs arise in different policy areas, thereby reducing path-dependence in public sector budgeting by breaking the link between past activities and the allocation of new resources; reallocating tasks among different units to improve resource utilisation; fostering the mobility of people (job rotation) to match the best people to the emerging challenges; conducting regular leadership reviews to obtain up-to-date information about the managerial pool; openly posting all new job openings; providing individual career counselling, honest performance feedback and long-term training opportunities; moving a whole team to a new task if appropriate, rather than just individual workers; and creating a ‘pool of senior managers’ directly under the leadership team.

As the COP RPM Sourcebook says *“the key levers of strategic agility are thus relational, cognitive and organisational, as well as emotional (commitment, pride, motivation). The concept of strategic agility has the potential to help governments act faster and more effectively, creating more openness in society and enhancing the mobility of people and knowledge.”*

Source: [T. Hämäläinen, M. Kosonen and Y.L. Doz \(2013\), “Strategic Agility in Public Management”, SITRA and INSEAD](#); and the [Sourcebook of the ESF-funded Community of Practitioners on Results Based Management \(COP RBM\)](#)

Finland’s SITRA has identified several **ingredients** to introducing strategic agility that can be summarised as follows:

- ✓ Shifting the emphasis from outputs to **outcomes**, to focus on the ultimate positive effects to be accomplished by policies, funding, regulations and services;
- ✓ Developing a big picture for the **whole of government** that recognises the increasing need to work across traditional boundaries to deliver outcomes and the importance of embedding shared values across the public administration;
- ✓ A **citizen-driven philosophy** to enable public access to government, improve consultation and provide a citizen-centric approach to policy-making, legislation and service delivery;

- ✓ An **innovative and risk-taking** spirit to devise solutions to complex and multi-dimensional policy challenges; and
- ✓ Ambitious **vision statements** that challenge conventional organisational practices and public services and can be reinforced by ‘bridge-burning’ public announcements, in which public leaders commit themselves and their organisations to major change.

This **evolution in thinking** from the traditional bureaucratic model to an outcome-oriented and user-centric one is summarised crudely by the following diagram:



As with NPM, putting ‘strategic agility’ into practice is less straightforward compared with the private sector from which the concept originally came. While new techniques are already taking root, and examples of innovation, citizen-centricity and co-creation are illustrated in the Toolbox, these experiences remain embryonic.

In practice, the **boundaries between these organisational models are blurry**. Administrations draw on aspects of all three. The essence of old-style Weberian bureaucracy is still relevant today, according to the EU-funded project ‘Coordinating for Cohesion in the Public Sector of the Future’ ([COCOPS](#)). Good governance continues to depend on firm Weberian foundations, such as values¹¹, “civil service laws, due process and the absence of corruption”¹². Reform does not happen in isolation, but is shaped by the administration’s prevailing principles & values, such as integrity, impartiality, accountability, sustainability, openness, inclusiveness, etc. In 2003, for example, a World Bank research paper found that a universal value for public sector performance is meritocracy in the civil service, underpinned by a well-functioning system of administrative procedures. It concluded that “*strengthening of both meritocratic civil service management systems and administrative systems should precede extensive efforts to build performance management systems*”.

In this context, this chapter looks at actions that public administrations and judiciaries can take to make reform a reality, and sets out ways and tools to address them.

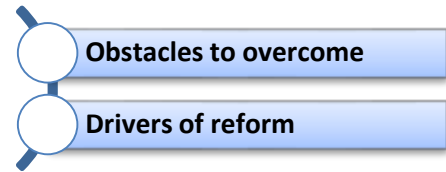
¹¹ B.G. Peters and J. Pierre (2017), *Two Roads to Nowhere: Appraising 30 Years of Public Administration Research*. Governance, 30: 11–16.

¹² S. Van de Walle (2016), [In Europe, Weber still rules](#)

Key questions	Ways and tools
9.1 What are the ingredients and impediments of reform?	<ul style="list-style-type: none">✦ Reasons to reform✦ Obstacles to reform
9.2 What are the potential approaches to reform?	<ul style="list-style-type: none">✦ Functional reviews✦ Comprehensive ‘root and branch’ reform✦ Incremental change
9.3 What possible paths to reform can administrations follow?	<ul style="list-style-type: none">✦ The Kotter ‘8 step model’ for sustainable organisational change✦ Changing mindsets✦ Learning points from past reforms

9.1 Reform ingredients and impediments

Reform does not happen in a vacuum. There are many factors that can inspire, enable or invite action – or in some circumstances, demand it. Equally, there can be countervailing forces which can act as a brake on progress, resisting reform or maintaining the *modus operandi* through simple inertia. This topic starts with the latter.



9.1.1 Obstacles to overcome

The OECD refers to ‘receptivity’ for reform: how ready are people and organisations to participate? To make positive change happen, it is important to understand the countervailing forces of resistance to change.



Public sector reforms are complex, in many cases unpopular, contested, fraught with risk, and require a long time to produce results and prove their benefits ... They can be supported or opposed by people depending on their point of view; may produce unintended results; may be difficult to implement; may generate the need for further reforms; or simply may not work at all endangering the survival and legitimacy of public organisations and its managerial and political leadership. OECD¹³.

The table below sets out some of the key impeding factors. These elements of resistance are not mutually exclusive. In many cases, more than one hurdle may be placed in the path, with the effect of reducing the likelihood that reforms will get off the ground or be carried through to their conclusion. The way in which these factors interplay will depend on the context.

Factor	Description
Legal constraints & complications	The reform agenda might not be feasible because the legal and regulatory framework either restricts or proscribes the proposed initiative (e.g. the provision in German law that prevents public administrations from sharing personal data and hence enacting the ‘once-only’ principle). In some cases, the solution will be simply to change the law, which might slow the pace of change, rather than stop it completely.
Lack of political will	The lead decision-makers on reform are often the politicians and top public officials. As the Urban Institute has remarked: “ <i>Evidence-based policy stops where politics and values start</i> ”. ¹⁴ If elected officials are not committed to reform, there could be a multitude of reasons, some of which are covered by other factors described below. Irrespective of individual motives, however, all politicians face a fundamental dilemma in a democracy, at least occasionally, especially in the context of the electoral cycle, as encapsulated by the Member of Parliament, Edmund Burke in 1774: <ul style="list-style-type: none"> • Are they, first and foremost, representatives of the people? If so, they will tend to do whatever is necessary to try to reflect voter preferences in the short-medium term. • Or are they entrusted with stewardship of the public good above all? If so, they will tend towards doing the right thing for society, and what is sustainable, even if this might <i>risk</i>

¹³ See O. Huerta Melchor, op. cit

¹⁴ Taken from National Research Council (2012), *Using Science as Evidence in Public Policy*, Committee on the Use of Social Science Knowledge in Public Policy, edited by K. Prewitt, T.A. Schwandt and M.L. Straf, Division of Behavioural and Social Sciences and Education. Washington, DC: The National Academies Press.

	<p>their re-election.</p> <p>In many cases, there is no significant conflict between what is immediately popular and the long-term public interest, but sometimes they diverge. If public opinion is polarised, for example, politicians may focus on ‘counting the votes’ at cost to the impact on minority views and needs and/or future generations.</p>
Weak political competition	Lack of political willpower can reflect poor political competition. This can occur, for example if the system favours large incumbent parties that have an interest in protecting (rather than challenging) the status quo, or because the party in power is controlling the media and/or manipulating the instruments of state in its own interests, such as through judicial appointments, or gerrymandered spending on communities in its power base. Reform rhetoric during election campaigns can dissipate after the vote is held, unless the party that takes power feels other pressures, such as from civil society.
Consensual political systems	The nature of the political process can also affect the initiation and implementation of change. In majoritarian and adversarial systems, radical reforms can be driven through and quickly, whereas more consensual set-ups - especially those involving coalition government - can take longer, and the aims or impact might be diluted or the process abandoned due to political ‘horse-trading’ or delays. It is more likely that the reforms will be revised through dialogue and negotiation. However, this does not necessarily mean that they will be any less effective in the end. Indeed, they might be more so, if they have been strength-tested and subjected to a wider spectrum of inputs and insights.
Endemic corruption	Employed officials take their lead from elected officials and senior management, as the OECD ¹⁵ has observed: <i>“Leadership is often identified as a key determinant of organisational culture. In fact, some research suggests that the behaviour of leaders and organisational supervisors is the primary influence on employees’ ethical behaviour. Employees will do what they see their supervisors do, rather than what the policy manual dictates.”</i> If the government is characterised by grand corruption, this will tend to cascade into lower level resistance to change (as captured by the expression ‘the fish rots from the head down’). This <i>modus operandi</i> can become systematised as ‘legal corruption’, if legislators (ab)use their power to slant the rules in their favour, so that contracts and jobs are awarded ‘legitimately’ based on favouritism, for example (see theme 2).
Influence of vested interests	In a democracy, interest groups should have a voice and be capable to ‘speak truth to power’. This principle lies behind encouragement of civil society and the process of consultation with citizens and businesses over policy intentions and instruments (legislation, spending, etc.). ¹⁶ However, at what point does legitimate representation cross the line into undue influence and, ultimately, state capture (see theme 2)?
The battle of ideas	Some voices speak louder than others. Incumbents and insiders tend to hold more sway than prospective entrants and outsiders. But their influence wins out when their worldview has become the ‘conventional wisdom’, accepted by most of society at large ¹⁷ . <i>“Powerful interests rarely get their way in a democracy by nakedly arguing for their powerful interests. Instead, they seek legitimacy for their arguments by saying these policies are in the public interest”</i> ¹⁸ ... <i>Taking ideas into account ... provides a way of bridging the sharp divide between policy analysis (what should be done) with political economy (what actually happens)”</i> .

¹⁵ OECD (2014), *Innovating the Public Sector: from Ideas to Impact*

¹⁶ Two recent studies from contrasting sources argue that power relationships and asymmetries within society are pivotal to reform. The World Bank’s 2017 World Development Report [Governance and the Law](#) defines power as “the ability of groups and individuals to make others act in the interest of those groups and individuals and to bring about specific outcomes”. Oxfam’s Duncan Green in 2016’s [How Change Happens](#) takes a broader view of power to shape change, both positively and negatively, citing a colleague, Jo Rowlands’s four-pronged typology: “power within - personal self-confidence and a sense of rights and entitlement; power with - collective power, through organisation, solidarity and joint action; power to - meaning effective choice, the capability to decide actions and carry them out; power over - the power of hierarchy and domination”.

¹⁷ D. Rodrik (2014), *When Ideas Trump Interests: Preferences, Worldviews, and Policy Innovations*, Journal of Economic Perspectives, Volume 28, Number 1, Winter 2014, pages 189–208

¹⁸ The quote continues with an example: “The argument in favour of financial deregulation was not that it was good for Wall Street, but that it was good for Main Street. Other observers have argued that the financial crisis was a result of excessive government intervention to support housing markets, especially for lower-income borrowers. These arguments were also grounded on certain ideas- about the social value of homeownership and the inattentiveness of the financial

Public apathy	The absence of reform activity can reflect a passive acceptance of the <i>status quo</i> in society. This may be due to an education system or media controls that discourage citizens from challenging conventions, or populaces that are ground down by the corrosive nature of systemic corruption ('nothing can be done').
Risk-averse administration	As the OECD ¹⁹ has observed: <i>"Reforms are not risk-free. They can be supported or opposed by people depending on their point of view; may produce unintended results; may be difficult to implement; may generate the need for further reforms; or simply may not work at all endangering the survival and legitimacy of public organisations and its managerial and political leadership"</i> . The Commission's Expert Group on Public Sector Innovation highlighted risk aversion as a constraint on creativity in the public administration. The OECD has reached the same conclusion: <i>"An Australian government report suggests that a risk-averse culture discourages employees from bringing forward innovative ideas to decision-makers with the power to move them forward. Structural and institutional factors reinforce an incentive structure that encourages risk-aversion, while innovation as a concept is not easily measured, and is therefore not well tracked or rewarded at the individual level."</i> This principle also applies to internal reforms. There can be a tendency to inertia without a countervailing force to push the administration in new directions.
Copying without the context	Some administrations have sought to improve themselves by borrowing practices from either other countries' administrations or from the private sector (see topic 4.1 on performance management and topic 4.3 on human resources management). This can happen, for example, if politicians are driven to emulate the comparator country's prosperity and higher ranking on an international benchmark (e.g. achieve a top 20 ranking) and sees the solution in improving their administrative performance. But context is everything, which can cause problems if the administration is trying to transplant practice from a very different politico-administrative culture (e.g. from a pragmatic Anglo-Saxon environment to a more legalistic and rules-based Continental or Central / South Eastern European one). This can lead to what is called isomorphic mimicry: <i>"the semblance of change, with little real progress achieved: a bureaucracy gets reorganised to look like those from advanced countries, but bureaucratic efficiency hardly improves"</i> . ²⁰
Over-simplification	Public administrations are complex systems, with multiple layers and units, organised vertically and horizontally (see theme 3 on MLG) and populated with public officials each with their own strengths and idiosyncrasies. As the US Academy of Sciences ²¹ has observed: <i>"Policy interventions unfold in large, complex, dynamic social systems. A systems perspective helps decision makers and researchers think broadly about the many effects a policy may produce and the ways in which a planned social intervention interacts with other existing interventions and institutional practices... There are systems effects on individual actors and the system as a whole, including emergent, indirect, and delayed effects, as well as unintended and unpredictable consequences from the interactivity of a system's elements."</i> There is a risk in performing piecemeal reforms that do not take account of the associations and interlinkages across the whole administrative system.
Over-reaction	In the words of Professor Christopher Pollitt ²² : <i>"There are more media and they are more aggressive/less respectful of governments than 50 years ago. Short term media and popular pressures on politicians to 'do something' are even more acute than previously. In the short term, a re-organisation may be the only thing, or at any rate the least difficult thing, that a minister can do. In some countries, the media have actually become significant reform advocates themselves, calling for particular types of solutions, and fiercely attacking types of reform they do not approve of"</i> .

sector to those with lower incomes. Again, ideas apparently shaped politicians' views of how the world works - and therefore their interest in acting in ways that precipitated the crisis".

¹⁹ Huerta Melchor, op. cit.

²⁰ M. Andrews (2013), *The Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions*, Cambridge University Press

²¹ National Research Council (2012), op. cit.

²² C. Pollitt (2010), *What can we learn from 30 years of public management reform?* Paper to support presentation at the SSPA-SDA Bocconi Conference 'Reforming the public sector: how to make a difference', Rome, 2-3 December 2010

Absence of vision	The reform process can be undermined, unless there is a clear view of the desired end-point in the eyes of decision-makers. This does not mean that reform must slavishly pursue a pre-determined path. The same principle of versatility (adopt-and-adapt) should apply whatever the policy arena (see theme 1 on policy-making). But there should be a purpose and goal to PAR which is coherent and compelling.
Top-down diktat	Vision should be matched by intelligent execution. The best-laid plans are unlikely to be effective, unless they are underpinned by an understanding of the <i>ex-ante</i> situation on the ground. As a minimum, this requires consultation with affected parties, and ideally, shared ownership of the administrative changes. If the reform is conceived and carried out without this level of evidential insight and dialogue, there is a higher risk of failure, especially if it is imposed on employees. This can lead to passive or even active resistance.
Inflexible governance	Most public administrations tend to follow a 'command & control' model internally, in the interests of political accountability. In implementing policy, however, they might also take a similar hierarchical approach, or have a proclivity for 'market mechanisms' (outsourcing, encouraging competition, and importing business-style management), or alternatively more consensual 'networking' approaches with stakeholders. The reform appetite of public administrations can be stifled if they are too wedded to one approach, and downplay the merits of employing others in the right circumstances (see topic 9.3.3 on meta-governance).
Group-think	Behavioural sciences have revealed that the reality of human behaviour is not always 'rational' as the textbooks teach us (especially in economics). Instead, we are prone to cognitive and emotional biases, and influence by others. People tend to subjugate their opinions to the dominant or average view of the group, rather than speak up and stand out from the crowd, risk losing face, or subordinating the group leader's expressed stance. This characterises administrations in all sectors. The most visible and tragic example was the NASA Space Shuttle 'Challenger' disaster, which the inquiry concluded was the result of institutional failings, as well as technological (see topic 1.2.2 on behavioural insights).
Insufficient capacity or resources	Public administrations are often fixated with managing performance when proposing reforms, but without fully considering the contribution of capacity (see theme 4). Inadequate resourcing can also constrain reform. Decentralisation of functions without the commensurate funding, for example, can be counter-productive (see theme 3 on MLG).
Weak coordination	As administrations are complex organisms on multiple levels, the reform process often requires a 'helicopter view' in both conception and implementation, which is where the centre of government (COG) has a role to play, assuming it has the powers and the people (see topic 3.3 on COG coordination).
Transition costs	Even if the change is fully justified and supported, and other hurdles have been jumped, the reform might fail on the simple matter of cost. This is more likely to be a show-stopper if the reform requires upfront investment (new ICT system, staff training, etc.), there will be a period of process or service disruption, and/or there will be an extended transition time before the benefits become apparent. Even the perception of cost can create inertia around established practices.
Winners and losers	The effects of reform are not always even, with the benefits accruing to some groups within the workforce or society, and the costs / losses falling on others. On its own, this can generate resistance, especially if the 'losers' identify and organise themselves, but especially if they perceive that they have been treated unfairly. The onus is on the reformers to communicate the reasons behind the change and convince on its equity.
Uncertainty	Whether there are some 'losers' or even 100% 'winners', reform resistance is likely to rise if affected parties are left unaware for a significant period about the potential effects, good or bad, building fear of the unknown. Again, communication is critical
Reform fatigue	A never-ending sequence of reform announcements can risk alienating the affected parties, who see process without purpose. This can be worsened by over-selling the potential benefits as 'revolutionising' the civil service, and generate scepticism around new initiatives.

These sources of resistance can lead the politico-administrative elite to **rein in their ambitions**, choosing what can be achieved over what might be optimal. As Professors Christopher Pollitt and

Geert Bouckaert put it²³: “Reformers are frequently in the position of desiring something more than what they actually propose, but ‘censoring’ their own aspirations in the interests of framing a lesser package that stands a better chance of being accepted.”

Inertia can also be an impediment in its own right. Once an institution, system or practice is in place, it tends to justify its own continued existence.

Turning the super-tanker

With management reform, staff must relinquish old ways and learn new. Well-oiled networks of information and influence are disturbed, and new, less certain ones put in their place. Politicians who were used to one configuration of authority within those state agencies that most interested them now have to get used to a new pattern, and possibly one that will be more difficult for them to influence or communicate through. And so on.

[Political structures and administrative systems] act jointly to temper the ardour of the reformers with the sober difficulties of shifting the status quo. Thus, we depict them as enclosing and surrounding the more specific and dynamic pressures of the moment. Administrative systems are often difficult to change in more-than-incremental ways. For example, the UK civil service is built around a core of generalists whereas many Continental civil services, including the French and German, consist mainly of staff trained in law. A cultural and disciplinary difference of this type cannot be eliminated overnight—it influences the way in which officials conceptualise and approach a wide variety of issues.

Structural differences can also be significant: in Sweden and Finland central government for long consisted of a group of modest-sized ministries surrounded by a circle of relatively independent administrative agencies, which had responsibility for most operational issues. This was a more decentralised system than that which obtained (until recently, at least) in France or the UK. Many of the issues for which local or municipal authorities in the UK would deal directly with a central ministry would be taken care of by agencies in Finland or Sweden. For the Nordic countries to change required new legislation and a reconsideration of the highly political issue of relations between central government and municipalities. It could be done (and to some extent has been), but not quickly or lightly.

[Personnel regulations] are clearly necessary to ensure that public servants behave with propriety and consistency. Yet they tend to develop a momentum of their own. Over the years, huge manuals are built up, with each unusual occurrence leading to more paragraphs or pages being added to the magnum opus. It can be very difficult fundamentally to reduce or revise this tangle of interlocking rules and regulations. When in 1993 the US Vice-President launched the National Performance Review (NPR), the federal personnel manual was ceremonially burned on the lawn of the White House. The reality was less impressive than this publicity stunt—a huge civil service could not really throw away all its internal rules, and most agencies seem to have continued to apply most of the rules as before. As one American colleague put it to us, ‘the copy that was burned cannot have been the only one’.

Source: Extracted from C. Pollitt and G. Bouckaert (2003), op cit.

²³ C. Pollitt and G. Bouckaert (2003), *Evaluating Public Management Reforms: An International Perspective* in ‘Evaluation in Public-Sector Reform’, edited by Hellmut Wollmann.

9.1.2 Drivers of reform

Given all the hurdles potentially in the way, what are the sources that can inspire and achieve change? Reform can come from the top, directed by politicians as elected officials anticipating societal demands or seeking a mandate for reform from the public. Alternatively, the initiative can come from within the administration itself, from senior or middle-ranking public servants, within the limits of their remits as advisers and implementers. Sometimes, it reflects an irresistible groundswell of pressure for change from civil society - citizens instructing politicians through the ballot box, or demanding reform between elections through popular pressure.

Obstacles to overcome

Drivers of reform

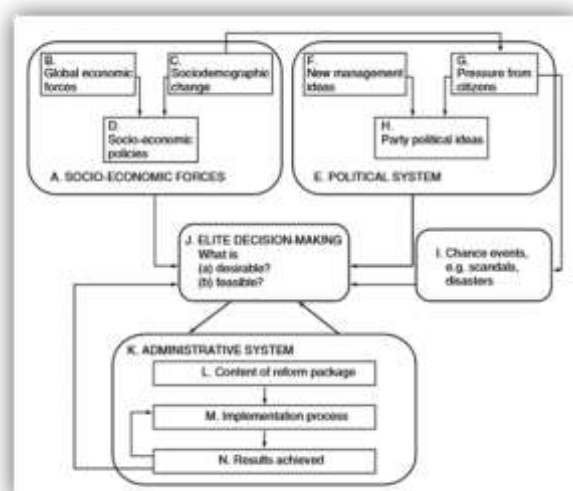
From their studies of public administration reform, Professors Christopher Pollitt and Geert Bouckaert observe that the motives “*have been fairly international, even if their relative priorities have varied over time and according to the particular starting points and circumstances of the jurisdictions concerned*”.²⁴ They present three main motivations:

- ✓ **Saving money** by cutting public expenditure or at least reducing its rate of growth;
- ✓ **Remedying the perceived under-performance** of parts of the public sector, by improving productivity and service quality, and thereby increasing citizen trust; and
- ✓ Searching for new mechanisms to **enhance public accountability and standards** in public life.

At the heart of all three rationales are principles and values – becoming more accountable, efficient, ethical, inclusive, connected, etc.

Pollitt and Bouckaert formulated a **model** of public administration reform (reproduced right), which is “*intended as a first approximation. Its purpose is to provide a framework for subsequent discussion by depicting the broad forces that have been at work in both driving and restraining change. A model such as this is a conceptual map, a diagram of forces, and a heuristic device*”.²⁵

The central feature of the model is the process of ‘**elite decision-making**’, which is a recognition that most reforms are initiated -



²⁴ C. Pollitt and G. Bouckaert (2003), op. cit.

²⁵ C. Pollitt and G. Bouckaert (2011), *Public Management Reform: A Comparative Analysis - New Public Management, Governance, and the Neo-Weberian State*, 3rd edition, Oxford University Press

or at least carried through - by executive politicians and/or senior civil servants, especially within central administrations. However, the model also acknowledges that these politico-administrative elites may be “*heavily influenced by ideas and pressures from elsewhere*”. In most cases, this involves selecting which instruments and techniques are chosen to take change forward. Hence, the model draws a distinction between those reforms that are desirable and those that are viable.

With respect to these influencers, 12 potential **drivers of change** can be identified within public administrations. This does not include socio-economic forces (the first box above) as this is more contextual, and includes: demographics (population movements, ageing society, increasing diversity); technological advances (the digital society); and the economic cycle and developments (patterns of production and trade), etc. These factors can dictate policy development and governments’ capacity to tax, borrow and spend, but are largely *exogenous*.²⁶ Where they have a direct effect on the administration itself (e.g. workforce and ICT), they are incorporated below as *endogenous* drivers.

The drivers below represent a mix of internal and external stimuli, which can trigger both reactive and pro-active behaviour, and act as a counter-weight to the obstacles to reform.

1. **Political competition:** Well-functioning, pluralist democracies enable out-of-power political parties to offer a competing vision to the public, including an enforced rule of law and more effective administration.
2. **Media scrutiny:** Among the most important checks and balances to political power is a free and independent media that can exercise the right to scrutinise government decisions, including the quality of public administration, and to use investigative journalism to shed light on government actions.
3. **Civic engagement and activism:** Civil society can exert powerful upward pressure to demand reform, as illustrated by the 2015 ‘corruption kills’ street protests in Romania which led to the resignation of the prime minister and replacement of the government (see [theme 2](#)). It can be prompted by the government’s ineffective response to a crisis, such as an economic crash, health epidemic, or natural disaster, which serves to fuel dissatisfaction and distrust. It can also arise more organically from public participation in policy-making (see [topic 1.1.4](#) on co-responsibility). The longstanding trend towards decentralisation reflects a perception that people trust decisions taken closer to their communities (see [theme 3](#) on multi-level governance). More mundanely, citizens (and businesses) are increasingly demanding a quality of public services, and hence administration, on a par with the private sector, especially online – at the user’s pace and place of convenience (see [theme 5](#) on service delivery).

²⁶ As Pollitt and Bouckaert observe, “*economic pressures do not themselves translate directly into some particular type of management reform. Reformers need ideas—models or patterns or plans or visions of how the public sector could be better organised. Markets may provide the pressure but they do not supply the ideas.*”

4. **New political leadership:** In their book, Leighton and López²⁷ place special emphasis on political entrepreneurship in making reform possible. For ideas to overcome vested interests, it must be the case that *“entrepreneurs notice and exploit those loose spots in the structure of ideas, institutions, and incentives ... [T]he public face of political change may be that of a madman, an intellectual, or an academic scribbler. But whatever form these leaders may take, they are political entrepreneurs—people whose ideas and actions are focused on producing change.”* Crises can be an example of such ‘loose spots’ (see 12. below).
5. **Professional and depoliticised civil service:** The public administration itself can be a counter-balance to abuse of power and an agent in driving forward change, if employees are not dependent on political patronage for appointment and advancement, but are selected according to merit instead. This makes it more likely that public servants will serve the public interest.
6. **Technology as enabler:** ICT is not merely an electronic tool for making processes more efficient and services more accessible. Its processing and networking capabilities make eGovernment a ‘game-changer’, with the potential to open-up: new methods of working within and across administrations through interoperability (see [topic 5.4](#) and [theme 3](#)); new sources of knowledge through so-called ‘big data’ (see [topic 1.1.2](#) on big data analytics); and ways to connect with citizens and enterprises to co-create policy and services (see [topic 1.1.4](#) on co-responsibility).
7. **Workforce demographics:** Public administrations are microcosms of society (or should be) and hence wider demographic trends can reveal themselves in the changing nature of the workforce, as it gets older and more diverse. This creates opportunities as staff bring a wider spectrum of experiences into the workplace, but also challenges in an era where digital skills are both demanded and scarce (see [theme 4](#) on human resources management).
8. **External sources of financial & technical support:** Public administrations at various levels have experience of receiving funds with conditions attached (e.g. public borrowing from international financial institutions such as EIB, EBRD and IMF at national level; appropriations to ministries under performance budgeting; and fiscal transfers from central to regional / municipal levels). At the EU level, 17 Member States currently receive ESIF under TO11, on the condition of adopting a strategic policy framework for reinforcing administrative efficiency including public administration reform (*ex-ante*) and demonstrating performance against output and results indicators (*ex-post*). The EU is also influential through its technical assistance (the Structural Reform Support Service and other Commission Services), while other bodies, such as the OECD, perform peer reviews to help strengthen public governance.
9. **External policy guidance:** More oblique in effect than direct sources of technical assistance, international sources of policy advice can also shape ideas and initiatives in Member States. In many cases, the guidance might be generic, rather than targeted at specific countries or institutions, but attains a high profile and hence impact. Sources include the EU (in specific fields), the Council of Europe (rule of law), the OECD, the IMF (finance management), and the World Bank.

²⁷ W. Leighton and E. López (2013), *Madmen, Intellectuals, and Academic Scribblers: The Economic Engine of Political Change*, Stanford University Press.

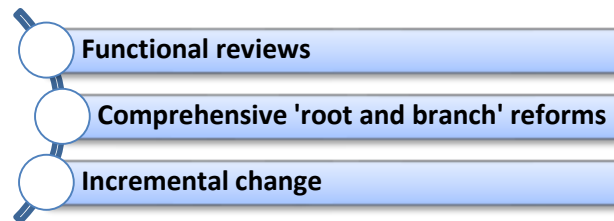
- 10. International benchmarks:** Still more oblique is the reference that some governments make to indicator-based comparators to define their own performance goals, such as the World Economic Forum's Global Competitiveness Index, the World Bank's Doing Business or Transparency International's Corruption Perception Index (see [topic 1.3](#)). These also frequently appear in the media, placing pressure on politicians to explain and justify their 'league position'. Benchmarks are sometimes also used at the sub-national level, for example to compare municipal performance, or the health outcomes in different regions, or examination results by school. These indicators can be helpful if they spark a positive debate about the reasons behind the performance and the lessons that can be drawn from 'successful' systems and practices, and understanding the context and causes (see [topic 4.1](#) on performance management).
- 11. Isomorphism:** Some public administrations seek to emulate other administrations - or copy aspects of them - that are perceived as (more) successful, either to meet donor demands (*coercive isomorphism*), or to try and replicate the structures and success factors, for example because the comparator is more highly ranked on international benchmarks (*mimetic isomorphism*), or because such reforms are being carried out by others which has effectively set a standard to follow (*normative isomorphism*).
- 12. Crisis response:** The emergence of a crisis - whether economic, financial, natural disaster or other cause - can provoke a fundamental re-think of how the public administration operates and is organised, in some cases out of pure necessity. *"Whether the crisis triggers larger public administration reforms or not, it is likely to cause changes in public management practices because of the need to adapt to changes both in the internal and the external environment."* ([COCOPS 2013, "Fiscal Consolidation in Europe: A Comparative Analysis"](#))

These drivers set the scene for the next topic: how do public administrations that are disposed to reform go about doing so?

9.2 Potential approaches to reform

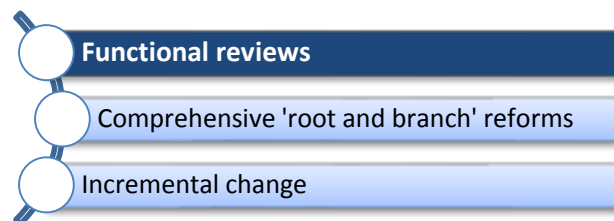
In the context of reform ingredients and impediments, how can administrations both seize the opportunities and circumvent the obstacles? Three scenarios are set out here, which draw on reform experiences over the past 20-30 years: functional reviews;

comprehensive 'root and branch' reforms; and the 'permanent evolution' of incremental change. The most appropriate scenario for any administration will depend in part on its political, legal and cultural context.



9.2.1 Functional reviews

An instrument which have been largely applied in a pre-accession context in the EU, functional reviews emerged as a reform instrument in the context of the Central Europe and South East-Europe model, which carried the legacy of the pre-1990 regime into the transition to a modern market economy:²⁸



- ✚ Public administration systems were **highly politicised**, with political reliability and loyalty a key criterion in recruiting and promoting process, prevailing over professional qualities.
- ✚ Public administrations were not responsible for channelling societal interests, which was the function of the party administration. Public administrations were machines for policy implementation and the **strict application of the law**, rather than public service delivery.
- ✚ Public administrations were designed on an economic branch model, each ministry being responsible for a specific sector. The public administration was oriented **vertically in silos**, and focused on control and enforcement, not policy-making. Coordination was the domain of the party administration, not the public administration.

These three features contrasted starkly with the expectation of quality public administration as **professional, policy-oriented, coherent and responsive** to the public and society in general. The immediate policy prescriptions post-1990 - characterised by the United Nations Development Programme (UNDP) as first 'reform-by-law' and then 'reform-by-across-the-board-cuts' - were ineffective and even counter-productive to weak structures.

²⁸ Drawn from the United Nations Development Programme (2001), *Rebuilding state structures: methods and approaches*, UNDP/RBEC Policy Advocacy Papers.

Functional reviews focus on systemic and institutional objectives and seek to establish conditions for modernising administrations to function more effectively in the longer term. The process of functional review always begins with an attempt to clarify the roles, missions and objectives of administrative bodies under study, and to derive from these relevant functional requirements.

Functional reviews represent a considered and holistic approach, not a ‘quick and dirty’ analysis, based on rigorous assessment and engaging with expert opinion. They take the form of either **vertical, horizontal or system reviews**, with four potential objectives:

- ✓ Remove redundant functions;
- ✓ Reduce duplication between and within institutions;
- ✓ Add missing functions; and/or
- ✓ Rationalise the distribution of functions

The streamlining of administrative systems by avoiding duplication and rationalising distribution of functions is established practice (see [theme 3](#) on multi-level governance). The removal of some functions and the addition of others might appear less obvious. One example would be the privatisation of utilities and infrastructure, such as water supply, electricity distribution or airport management, whereby the direct planning and control of a state enterprise would no longer be required as a function, and the regulation of market operations should be introduced.

The UNDP’s review of the use and usefulness of functional reviews highlights the importance of **motivation**:

- ✚ When reviews are solely **donor-driven**, their conduct tends to be tokenistic and their results often sub-optimal, as they are performed largely as a formality – part of the deal. To use an old phrase: to change, you must want to change.
- ✚ When they are driven by a **genuine desire by governments** *“to make a breakthrough in reforming public administration systems that had become an impediment to successful economic reform ... review processes have often helped to put reform measures that previously could not be considered on the political agenda, and stimulated a radical and much needed change in administrative organisation and practice.*

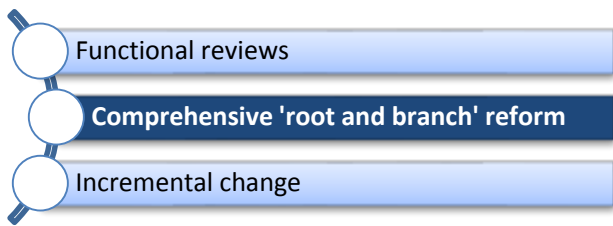
The 10 lessons learned from UNDP’s study, which included analysis of functional reviews in three countries that are now EU Member States (Bulgaria, Latvia and Slovakia) and three EU neighbourhood countries (Kazakhstan, Kyrgyzstan and Ukraine), are summarised below and stand the test of time:

Lesson	Explanation
1. Agree a clear goal between key players	Before starting, an agreement should exist between public structures (executive and individual ministries), civil society and the private sector on the basic directions and problems of public administration reform. While difficult to secure, a unifying philosophy and the willingness of government to carry out the reforms are key factors.
2. Assign ownership to a government body	The establishment of a government unit or body strictly responsible for public administration reform, or perhaps even strictly for the functional review process, ensures that the momentum of reform is maintained and may also serve as a dispute

	resolution mechanism throughout the process. The establishment of such a body allows for the possibility of a more flexible strategy that can be modified based on feedback and observed needs as they arise.
3. Establish and follow an action plan	The need for a clear implementation plan was emphasised in all the countries. This includes the need for a realistic assessment of the necessary time and resources to complete this plan. Clarification may be improved by the signing of an agreement of understanding on the roles and expectations between various bodies involved, i.e. between the ministry under review and the monitoring body, thus providing a benchmark for the review as it progresses.
4. Provide adequate training	Where government officials will be responsible for implementing the reform or heading working groups, sufficient attention must be paid to training with regards to the overall methodology of the functional review (objectives, tasks), as well as specific functional review approaches. Where a large gap exists between current and proposed systems of public administration, special effort is needed to foster awareness among all stakeholders. Ministries must receive relevant technical assistance and financial support to implement the results of the functional review.
5. Communicate regularly across government and with any functional review consultants	Communication should occur on a regular basis to ensure that all parties will buy into the project. This communication may take the form of the submission of a draft report with recommendations to ministry officials for review and comment, or through consultations with officials and politicians from other ministries. Throughout the process, the press may be used to communicate activities to the public and to sway public sentiment in favour of implementation of the reforms.
6. Take account of the specifics of the situation under review	This determines the type of functional review to be carried out. Factors to consider are the size of the country, levels of development, and the political and popular support for further reforms. This is especially true for certain types of reviews, the relationships between the various ministries, as well as the expected impact of the reform on other ministries. For example, privatisation of public services must be balanced with the consideration of the transaction costs of a market and contract-based relationships. Systems based on command and control principles require a less sophisticated set of institutions and management tools, and can therefore sometimes be preferable. Furthermore, distinctions should be made between long- and short-term possibilities for change, particularly with reference to such external factors as political business cycles.
7. Establish monitoring mechanisms and follow-up	There is the need for an ongoing monitoring mechanism to ensure the action plan is followed. Assigning the task of monitoring to a specific institution guarantees the focus of the review is maintained, targets set and methodology ensured (see point 2. above). The media may also serve an informal monitoring role for implementation of the desired reforms. With regards to the results themselves parties must be aware that results may not be what was expected and the ministries must receive relevant technical assistance and financial support to implement the results of the functional review.
8. Plan for using freed-up resources	Prior to beginning the review, involved parties should be aware of the likely outcome of budgetary alterations and provisions should be made on how to deal with them when the review is completed.
9. Recap regularly on purpose	During the implementation of the review, it is important to refer to the initial philosophy of the review, as well as to clearly define those tools available.
10. Place the review in a wider reform agenda	It is important to embed the functional review policy in overall public administration reform. It is important that the review is not seen as an initiative standing alone, but that it is widely recognised that its success is dependent upon its position among a larger commitment to reform.

9.2.2 Comprehensive ‘root and branch’ reform

Functional reviews can be the springboard for fundamental reforms. Extensive and far-reaching exercises can also arise out of a sense of ‘crisis’. The Government of Belgium’s Copernicus programme is a prime example of a comprehensive reform package emerging from a



period of public discontent with the state administration. In the specific context of Belgian political structures, Copernicus was concerned solely with the federal, not regional / community or municipal levels. Its official lifespan was 1999-2003, but as the case below shows, it continued to have an impact beyond its formal termination. Both its intentions and limitations can yield lessons for other administrations that are contemplating similar reorganisations.

Inspiring example: Reform programme ‘Copernicus’ (Belgium)

The Belgian federation today consists of three regions (Flanders, Walloon and the Brussels-Capital region), and three communities (Flemish, French-speaking and German-speaking), each of which has its own government, parliament and administration. As there are no longer any truly national parties that appeal to all regions and especially communities, the **federal government** is now always a coalition of community interests, which typically takes long and protracted negotiations to form.

During the 1990s, Belgium faced a **turbulent decade** that reflected citizens’ lack of confidence in the state, further eroded public trust in the political, judicial and official elite, and provoked protests. This included sequentially: the Agusta-Dassault affair, whereby the Socialist Party (PS) was found to be receiving illegal finance via defence contracts; the Dutroux arrest, which exposed major inefficiencies in the police and judicial systems; the ‘White March’ demonstration of 250-300,000 people in Brussels, which expressed the large dissatisfaction of the public with their government; and the discovery of toxic substances (dioxins) in Belgian chickens, presenting a danger to national health, adding to the already widespread feelings of national crisis and loss of legitimacy of governmental institutions.

In the aftermath of the ‘dioxin chickens’ scandal, a **new coalition government** was formed surprisingly quickly after the 1999 election, consisting of Liberals, Socialists and Greens. Given 10 years of incidents and lack of faith from the public, the incoming government aimed no lower than to make Belgium **“a model state”**. Consequently, the first chapter of the coalition agreement proposed the *“intense reform of the administration”*. To take this goal forward, a Minister for Administrative Reform was installed, having previously pursued a similar goal in the Flemish administration during the mid-1990s. The first reform blueprint was published in the so-called ‘Bouillon paper’, which was prepared by a combination of politicians and consultants on a retreat in the Belgian town of the same name. The Bouillon paper would prove to be the basis for the Copernicus programme. Unlike the 1980s, when financial problems dominated the reform agenda, Copernicus was not about financial tightening, it was the working of the state that was perceived to fall short.

The new government seized the opportunity to implement an ambitious reform program aimed at achieving **two goals**: making the federal administration a better service provider, and making it a better employer. The citizen should no longer serve politicians and the administration, but the other way around – in the same way that Nicolas Copernicus challenged the wisdom of the day and stated that the earth is circling the sun. In June 2000, the government sent a brochure containing their reform plans to every Belgian inhabitant aged 16 or older, along with a **survey questionnaire**. It attracted criticism from both opponents and media as a costly ‘PR stunt’, even though the reform plans themselves were not criticised. The vast majority of respondents agreed that the administration should be more customer-oriented, but just 9% of the population had replied to the survey. The response was taken by the government as signalling *“widespread approval”*.

The two Copernicus goals were to be achieved by **major changes in four domains**:

- ☑ **Designing a new organisation structure:** The outdated structure at the national level was replaced with 14 new ministries, called Federal Government Services (FGSs) were created – each with their own minister - in a “virtual matrix” construction, with 10 vertical FGSs (such as Internal Affairs, Social Security, Labour and Pensions, Economy, etc.) and four horizontal FGSs (Personnel and Organisation, ICT, Budget and the Services of the Prime Minister). In addition, some Programmatic Government Services (PGSs) were created, aimed at achieving some results in a limited period on a well-defined programme or action. This reshuffle was intended to increase the responsibility of managers and focus on results. Previously, Belgian ministers were always surrounded by their own cabinets helping them to formulate policy, but the reform reduced their role, shifting power for policy preparation to the FGS, leaving ministers with only a small political secretariat. A ‘policy board’ was installed between the minister and the top of the FGS administration (the chairman and the management committee), composed of the minister, the chairman of the administration, and members of the management committee, and supported by a policy preparation cell, aimed at replacing the ministerial cabinets.
- ☑ **Introducing a new vision of human resources management (HRM):** In line with HR modernisation in other countries, Belgium would evolve from the ‘classical’ personnel administration to a well-functioning, strategic HRM policy. The old system was very rigid, prescribing the number of staff and what they should do, any changes has to be processed politically and legally, and hence it was focused on filling numerical gaps not meeting departmental needs. The new staff policy ended this situation by creating competency-based personnel plans and a newly created selection organ called ‘Selor’ to recruit and reward civil servants on the basis of competencies. As a result, a lot of competency measurements were carried out in the first years of the reform. A career path was clearly shaped out of new HR instruments, such as development cycles, the design of functional families of jobs and weighting of these functions. In this modern strategic HRM policy, decision-taking was decentralised, giving more autonomy to the different FGSs and responsibility to line managers, facilitated and supported by the horizontal FGS of Personnel and Organisation.
- ☑ **Installing a new management culture:** The government sought to give greater autonomy and responsibility to senior management to manage, with a shift from *ex ante* to *ex post* controls. Top officials were expected to produce management plans that they would have to carry out and would be the subject of evaluation afterwards. To increase capacity within the government, external managers were also encouraged to apply for vacant functions, with again the emphasis on competencies. A mandate system was introduced for top civil servants, a contractual arrangement that meant top civil servants would no longer work under a system of permanent tenure, but instead would operate with an increased focus on results, rather than following rules-based and process-driven routines. Explicit targets and performance indicators agreed with politicians and legislators would help those managers prioritise and focus their activities. All top positions in the federal administration were declared vacant, and senior civil servants told that they could re-apply for their positions. The two highest positions in the federal bureaucracy were open for competition also to external applicants. All candidates were assessed by innovative techniques (assessments) from the private sector, with the expectation that this would lead to better management skills among the federal leaders.
- ☑ **Rethinking ways of working:** The new government wanted to inject a greater customer orientation and more efficiency into public administration, supported by modern ICT infrastructure, as well as employees that are aware of their FGS’s mission and strategic goals and have the competencies to reach them. To achieve this new approach, it was decided that Business Process Re-engineering (BPR) projects would be the instrument to radically redesign the processes to deliver added value for the government’s customers, with the emphasis on service simplification and improvement. The essential questions that the federal administration had to ask itself were: Why do we do what we do? What is the added value of what we do and who do we do it for? Is there a benefit for society to do what we do faster and better? Do our customers expect that we work faster and /or better?

Copernicus was set in motion in 2000. It was the intention to **start fast** by creating first the new organisational structures, with the super-structures at the top of each FGS and the streamlining of ministerial cabinets. At the

same time, work began on the new HRM policy by launching the new evaluation system (end-2000) and the new career system (mid-2001). The first BPRs were launched at the end of 2001, and in the meantime the new top managers were selected and appointed in two waves. By following this time frame, all the main parameters were put in place by end 2001 / start 2002, to **roll out** and implement the full reform across the entire administration over the following years.

In practice, however, the government started to face **resistance** to its reform package from an early stage. These can be summarised as follows:

- ☒ **Legal challenges:** The new procedure for selecting top manager received royal assent, was published in the law gazette on 8 May 2001, and the first group of top managers was selected and appointed. By the summer, however, it was being subjected to legal challenges at the Supreme Administrative Court, and was subsequently suspended, revised, challenged again, and suspended again. A new Royal decree was finally published on 15 June 2004. By this time, a lot of newly-created FGSs had been obliged to wait several years for their new top managers to be installed.
- ☒ **Marginalised top civil servants:** The reforms were intended to instigate a new management culture, but relations between the most senior civil servants and the minister of modernisation were strained from the outset, as it was clear that the former would have only a little influence on the reforms. The reforms saw them as part of the system that was the problem, not the solution. The new cadre of top civil servants (including outsiders) were expected to play a leading role in driving the change process, but their delayed appointment meant the dynamics of reform began to dissipate. Moreover, the time and energy absorbed by dealing with the small top layer of the administration reinforced the impression that Copernicus was only aimed at the highest level of the hierarchy.
- ☒ **Influential unions:** This response to Copernicus was not restricted to the top officials, but also reflected in the reaction of civil servants at large in a staff survey called Artemis, in which many expressed their worries about the outlook for them. Because the focus was still on the ‘big picture’, it was not yet possible at that early stage to provide clarity in detail about the future of each individual civil servant. Copernicus became quickly politicised, as the unions took up the employees’ concerns. While the Flemish Christian Democrat unions were more open to reform, the Walloon socialist union leveraged its strong links to the Walloon Socialist Party, which was part of the coalition. This made some of the reforms unfeasible and forced the government to diminish the pace of others.
- ☒ **Fragmented political support:** The dividing lines between the unions were replicated among the Flemish and Walloon politicians, the former being the main driving forces, the latter being far less enthusiastic. The political resistance enabled the top officials to strengthen their objections, gathering support to block (some of) the reforms by turning first to their own minister, then their union, politicians of their party, the press and finally the Supreme Administrative Court.
- ☒ **Critical media:** Copernicus started off with a large PR offensive via the survey of all adult Belgian citizens which attracted media coverage, but the low response rate and criticism of survey costs created ‘bad press’. Soon it became apparent that most citizens had lost their interest in the reforms, which was mirrored in the media. The ‘quality papers’ continued their coverage, but attacked Copernicus as the rhetoric often did not match reality, an inevitable result of the delays. The media strategy of major exposure backfired as it created attention and expectation, exposed failures, put pressure on the coalition, and diminished support for further reform.

In May 2003, new elections took place in Belgium. The Minister for PA announced before the election that he would not go for a second legislature, he did not return in office and his position was taken over by a new Minister (from the Walloon Socialist Party). After just one month in office, she declared **the end of Copernicus** via a press communiqué. In her statement, she underlined the urgent need for a social dialogue and communication. She declared that her predecessor had too much confidence in the private sector and the competencies of the people working in it. Consequently, one of her actions was to stop the (expensive) contracts with the consultancy firms. The coalition agreement of the new government stated that civil servant should be more directly involved at the reforms. The new minister summarised her change of course by saying that “... *change can only take place when everyone is able to give his opinion, be proud on the administration*”

and on himself. The political government should also be implied with the aim of creating consensus for the proposed changes. And this for one of the most beautiful matters: the common good and the spirit of public”.

Officially, the Copernicus reform ended in 2003. Administrative reform became a less media-covered and more internal affair. The new Minister took a more traditional ‘Weberian’ approach towards the administrative system with equity and objectivity as core themes, rather than the New Public Management (NPM) style of Copernicus (see [theme 4](#) on performance management). The HR policy moved back to a more centralized and uniform system. In practice, however, a lot of elements were **irreversible** and could not be wound back. Others, sometimes in a changed way, also moved forward in the following years. The BPR project continued, for example, yet with a far greater role for civil servants.

- ✚ **New organisational structures:** The matrix structure continued, all the FGSs were in place by 2002, and several PGSs were established as “temporary” structures, but became a permanent fixture of the organisational system. The main break from the initial plan concerns the new relations between the political level and the administration. During the time of the 1999 government, just two policy boards were set up and just two ministers tried to slim down their ministerial cabinets and replace them with policy cells; under the 2003 government, even these two cabinets were restored.
- ✚ **New HRM policy:** Many of the modernisation reforms were introduced, including recruitment, staff planning, development cycles, and career development. Regarding competencies, the further the reform evolved, the more the initial plans were changed. The emphasis on competency measurement and linking it to remuneration could be seen as a case of ‘too much, too soon’, and hence it was soon replaced by a system of certified training.
- ✚ **Installation of a new management culture:** The top management positions were indeed opened to external candidates, and selected using assessment procedures. However, most of the new managers are coming from the federal government itself, partly because the selection procedure weighted technical expertise higher than management capacities. The legal delays and procedural modifications did slow down the process, so that just 105 of the initial 400 offered positions had been filled by 2005. While the transformation of the policy and management cycle, including administrative and budgetary control, proved difficult beyond legislative change, the culture of strategic and operational objectives and taking resources into account did take hold.
- ✚ **New ways of working (BPR and ICT):** This pillar of the Copernicus reform can be considered as a relative success. By the end of 2005, 22 BPR projects had been launched. Civil servants are engaged at the heart of them, promoted by the 2003 government’s emphasis on staff participation. The projects have given the chance to (young) promising civil servants of thinking and working for a new administration. Initially knowledge and expertise came especially from external consultants, but later knowledge transfer and an increase in officials’ expertise could be seen. In 2003, a major Belgian newspaper (De Standaard) wrote that *“when the Copernicus reform would be undone, e-government will perhaps remain as the most important achievement”* Prior to Copernicus, every ministry or federal governmental service had their own approach to ICT, which led to the creation of many ‘islands’ – the reforms lifted ICT policy from this distributed level to a federal model. More significantly, it allowed the federal government to implement the once-only principle (see [topic 5.4](#)) and introduce online service delivery.

Source: Thijs, N. (2004), Modernising the Belgian Federal Public Administration: Points of attentions and lessons from an ambitious and large scale “Copernican” reform programme.

As well as ‘root and branch’, comprehensive reforms can be **top-to-bottom**, reaching into every territorial level of the country’s structures, vertically and horizontally (see [theme 3](#) on multi-level governance).

Perhaps the best contemporary exemplar is the Government of Spain’s decision to launch the Commission for the Reform of the Public Administration (CORA) in 2012, as a whole-of-government approach. It could be characterised as ‘zero-based’ in that it asked deep-seated existential questions

about the current set-up, and nothing was off the agenda in recalibrating its structures and strengthening its systems. CORA has been described by the OECD's Public Governance Review as "one of the most ambitious processes of governance reform" among its members. The reform package is "substantial, evidence-based and consistent with the ongoing process of modernisation" and "the result of a rigorous process of data collection, dialogue among practitioners, and diagnosis about the weaknesses of Spain's public administrations".

Inspiring example: Comprehensive reform of the public administration (Spain)

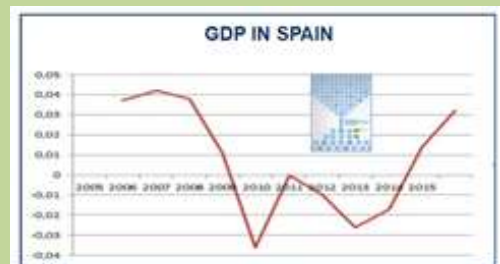
"A competitive economy demands modern, transparent and agile public administrations. It demands a public sector free of overlapping, duplicate functions and unnecessary expenditures. It requires public administrations that are devoted to the service of citizens and businesses, on par with the most efficient systems in our context. It is upon these assumptions that CORA was established". Report of the Commission for the Reform of the Public Administration (CORA).

Since 2012, Spain has subjected itself to a far-reaching reform programme that touches **every tier and element of the administration**. To put this into context, government in Spain operates at three levels:

- ✚ **Central:** The State comprises 12 departments & 139 autonomous organisations.
- ✚ **Regional:** There are 17 autonomous communities (ACs) & two autonomous cities.
- ✚ **Local:** There are 8 108 municipalities, 41 county councils & 10 island councils.

Data from OECD's 2015 Government at a Glance shows that Spain has one of the most **highly decentralised** administrations, measured by the distribution of general government expenditure across all levels. This important process of decentralisation had brought many positive benefits, but also increased complexity. Spain needed to reduce or avoid the inefficiencies that arise from a highly decentralised, multi-level administration, namely the inflation of different regulations and increased administrative burdens for businesses in some cases, and the accumulation of duplicate and redundant agencies which was too costly for the budget and contributed to the overall deficit.

The motivation for administrative reform was the conviction that a competitive economy requires a **transparent, agile (active & sharp) administration** and a focus on efficient services to citizens and businesses. In the second half of the 2000s, Spain had undergone a mass proliferation of public entities, from 3 228 (2005) to 4 036 (2011), an increase of 808, and had created 285 000 additional jobs in the public sector (2007-2011), mostly in administrative posts and senior positions in public companies and foundations, rather than priority sectors such as health and education, which accounted for less than 10% of the increase. Although the crisis began in late 2007 (see GDP chart, right), public employees and structures continued to grow until 2010. The government tried to execute an expansionary policy with the contribution of public resources, to try to generate economic activity and work.



The need to take urgent high-impact measures in 2012-2013 (along with other structural ones) and the conviction that the administration itself had an extensive knowledge of its strengths and weaknesses led to the creation of a high-level, multi-disciplinary commission composed mainly of senior officials (experts in technical, organisational and legal matters) belonging to the general administration. As a country within the Napoleonic legal tradition, an important package of policy and legal measures needed to be developed to undertake the necessary reforms.



When the Council of Ministers adopted an agreement on 26 October 2012 to establish the **Commission for the Reform of the Public Administration (CORA)**, Spain was still experiencing the fall-out from the financial, economic and fiscal crisis in falling GDP and high unemployment and debt. The response was a wide-ranging

package of reforms affecting the financial sector, labour markets, tax policy, budgetary stability and fiscal sustainability²⁹, transparency and access to public information, and rationalisation and reorganisation of the public sector. The framework of austerity meant both budget and staff reductions.

With a deadline to complete its work by 30 June 2013, CORA was created under the auspices of the Ministry for Finance and Public Administration, through the State Secretary for Public Administration, and chaired (as CORA president) by the Under-Secretary of the Ministry for the Presidency, with the Under-Secretary of the Ministry of Finance and Public Administration (as CORA vice-president). The **CORA Secretariat** was provided by the Director General for the Coordination of Competences with the Autonomous Communities (regions). Other members of CORA comprised one representative from the following:

- ✚ Each ministerial department (minimum rank of Director General);
- ✚ The Economic Office of the Presidency of the Government;
- ✚ The Cabinet of the Presidency of the Government;
- ✚ The Vice-President of Government and Minister for the Presidency.

Given the nature of the subjects on the agenda, CORA's president was also permitted to invite heads of other bodies and administrative units from the State General Administration to take part in CORA's meetings, who could express their points of view but without voting power.

CORA could also establish **sub-committees**, and define their responsibilities and membership, as needed. Each could invite authorities from the public administration and members of the private sector to express their points of view and ideas, and reported to CORA on a regular basis. The following four sub-committees formed the core, established from the outset and on a permanent basis for the duration of CORA:

- ✚ **Avoiding administrative duplication:** Its goals were to identify and eliminate overlaps across the administrations of the Spanish government and the autonomous communities (regions), and to strengthen cooperation mechanisms to bring down the cost of administrative activities, in line with the draft bill on Basic Regulation for Local Administrations, which embraces amendments to the powers of local administrations to avoid duplication.
- ✚ **Administrative simplification:** Its task was to review bureaucratic barriers, eliminate red tape and simplify procedures (especially those handled by various administrations) for the benefit of citizens and enterprises. This sub-committee embraced the ongoing work of the Directorate General for Modernisation of Public Administrations.
- ✚ **Management of common services and resources:** Its purpose was to centralise the management of specific activities that could be unified or coordinated to bring about a more efficient use of public means.
- ✚ **Institutional administration:** It analysed the different types of public entities, reviewed their regulatory framework, and proposed changes and integrations to achieve a better organisational model. It will suggest changes in the list of public institutions.

Many of the proposed measures were agreed with the ACs in the meetings of these sectoral commissions, where coordination between the central and regional administrations was carried out.

On completion of its work in 2013, CORA published a **comprehensive study with concrete proposals** (which can be found in English [here](#)), which was presented to the Ministry for Finance and Public Administration, and in turn submitted it to the Council of Ministers for its consideration. The Council shared it with two special working groups created by the Conference of Autonomous Communities Presidents:

²⁹ Constitutional Law on Budget Stability and Financial Sustainability (Ley Organica de Estabilidad Presupuestaria y Sostenibilidad Financiera)

- ✦ A **Working Group for Public Administration Reform** was created under the auspices of the Conference of Autonomous Communities for Collaboration on Public Administration Affairs (*Conferencia Sectorial para Administraciones Públicas*), to produce a programme of administrative rationalisation to eliminate bureaucratic formalities, simplify regulation, administrative procedures and avoid duplicities.
- ✦ The Programme for implementing the Liquidity Fund for Autonomous Communities gave birth to a special **Working Group on Public Spending**, to conceive a code of good practices to rationalise public expenditure and save money.

The CORA analysis led to the recommendation of initially 217 **measures**, with a maximum timespan of 3 years, and included proposals from both senior civil servants across the administration and drawn from 2 239 contributions to the **citizen's participation** suggestion box. As CORA is a living process, updated on an ongoing basis, this has since expanded to 222 measures.

One of the key initial recommendations was the creation of a dedicated body to take forward the reform process. Consequently, Royal Decree 479/2013 was passed on 21 June 2013 establishing the **Office for the Execution of the Reform of the Administration (OPERA)**, with the aim of ensuring the implementation of the measures contained in the CORA report, to take forward its promotion, coordination, monitoring, and where appropriate, to propose new actions. Subsequently, on 1 August 2014, the original decree was repealed and replaced by Royal Decree 671/2014, which granted permanent status to OPERA and assigned additional functions relating to the Transparency Portal under the Ministry of the Presidency, which will facilitate access of citizens to all information to which the Act refers concerning transparency. OPERA reported to the Under-Secretary of the Government (an administrative level between Secretary of State and General Director in Spain), and was small in staff but wide in experience, pragmatic, cooperative, and open minded. Its mandate centres around cooperation, simplification, innovation and ICT (please see [theme 5](#) on service delivery for a complimentary case study on eGovernment).



Through its strategic leadership and planning, the ambition of OPERA was to achieve a range of **outcomes**: strengthened public policy, improved public services, simplified procedures, a citizen-centric vision, more efficient use of resources, and environmental care.

The work to strengthen governance in Spain is a continuous process. In 2015, the Government adopted the **National Reform Plan**, which established the need to promote measures to streamline administrative action, improve efficiency in the use of public resources, and increase productivity. The goals are to:

- ✦ Improve administrative efficiency through a **fully paperless eGovernment**, interconnected in its internal and external relations, with interoperable systems between administrations;
- ✦ Increase **transparency** in the functioning of the public administrations, by adopting new public records;
- ✦ Streamline the **administrative structure** at State level, by strict rules governing the establishment, evaluation and dissolution of public entities;
- ✦ *Improve the **quality of regulations***, by reforming the process of their preparation.

These goals are linked. The replacement of manual and paper-based processes with electronic processes in government administration will generate electronic records as evidence in policy-making, casework and service delivery area.

The Plan is being enacted through **two legislative acts**, processed in parallel:

- ✦ The Common Administrative Procedure Bill of Public Administrations regulates the **external relationships** of the administration with citizens and businesses;

- ✚ The Bill on Legal Procedure of the Public Sector regulates the **organisation and internal relationships** within each administration and between administrations.

The two draft bills have been subject to widespread **consultation**, centrally, regionally and locally. This included public information, sessions at the Academy of Jurisprudence and Legislation and Foundations of the legal and administrative fields, and reports from the following authorities: The Autonomous Communities; the Spanish Federation of Municipalities and Provinces (FEMP); the General Council of the Judiciary (CGPJ); and the Personal Data Protection Agency. The process culminated in an Opinion of the State Council.

The **major developments** arising from these reforms fall into five categories:

- ✚ **For citizens:** The changes will reduce administrative burdens on the public. Simplification of the identification and signature means that any citizen can use e-signatures and e-certificates to perform administrative procedures electronically, at the time they want. The administration can also alert the citizen via SMS to his/her mobile phone that a notification may be consulted on its website. As a general rule, the submission of original documents (such as income tax or registration certificates) that are already held by the administration will not be required. In addition, citizens will not have to submit photocopies of documents after electronic registration, as the administration shall prepare the copies needed. An "express" administrative procedure will be established for cases of lesser complexity gaining in sharpness and reducing deadlines. For those citizens that are not accustomed to the use of electronic means, officials will provide personal assistance. Moreover, an annual regulatory plan will be published with major reforms to pass in that year, which will reveal *a priori* initiatives that affect citizens' rights and interests, providing greater certainty about changes in the regulatory environment.
- ✚ **For businesses:** Companies and entrepreneurs will be able to communicate electronically with all levels of government, as they already do with the Tax Agency and Social Security System. Administrative burdens will be simplified and reduced as with the citizen's right not to submit documents that are already held by the administration (i.e. licenses or authorisations issued). Empowerments of representation (power of attorney) shall be granted to individuals and companies to engage in electronic communication with the administration, and an electronic record of empowerments which can be consulted. There will also be a move to common commencement dates for regulations, so that rules imposing obligations on professionals and companies regarding the development of their economic or professional activities must enter into force on the closest of January 2 or July 1 following their approval.
- ✚ **For greater transparency and improved procedures:** Communications between administrations will be entirely electronic in all their procedures. A public consultation will be held prior to the drafting of each legislative proposal to seek the views of those who will be affected by the regulation. Ex post control will be reinforced by evaluating approved regulations, to verify compliance with its objectives and, if that is necessary, make proposals for amendment or repeal. The scope of "the liability of the State" for any harm suffered by individuals in their property and rights arising from laws declared unconstitutional or contrary to European Union law will be regulated. It will feature a unique inventory of all public agencies and entities linked or dependent of all administrations. Agencies and state entities, irrespective of their denomination, have added the acronym identifying their legal nature, for better visibility. There will be a state record with all bodies of cooperation in which the State administration takes part as well as the agreements it has signed with third parties. Sectorial Conferences (between the State and the Autonomous Regions) will be informed when draft legislation affecting the competences of other authorities is involved.
- ✚ **For greater control, discipline and fiscal consolidation:** The institutional architecture has been streamlined to rationalise all types of organisations and public bodies that exist at the state level based on simplicity. A complete and sharper system of transformations, mergers, dissolution, liquidation and abolition of state entities and public bodies has been established. New grounds for dissolution of entities are being fixed, such as unfitness to serve the purpose for which they were created. A system of continuous monitoring of state agencies is established to periodically assess

compliance with the plan of action and an effectiveness to assess the achievement of objectives entrusted. It shall be more demanding of the creation of any state agency as it will require an initial plan of action and a mandatory report of the Ministry of Finance and Public Administration to prevent unjustified proliferation, to ensure the sustainability of the new entity and the absence of duplication with the existing ones. The minimum content of the agreements between administrations is now clearer, following criteria from the Court of Auditors.

- ✚ **For better performance, cooperation and coordination between administrations:** For the first time, the law will regulate the basic elements of the composition and operation of the Conference of Presidents (President of the Government and regional Presidents and of the autonomous cities of Ceuta and Melilla). It regulates more precisely sectorial conferences as organs of cooperation between the State and the Autonomous Regions and mechanisms to preventing overlapping activities. The procedures of the General State Administration are also improved: Members of the Government, Secretaries of State, Undersecretaries, General Secretaries, Government delegates and General Directors must meet the eligibility requirements under the regulations of the senior officials of the General State Administration, and the duties of the government support bodies are specified and completed.

The OECD was invited to perform a [Public Governance Review](#) of the Spanish reforms in 2014, assessing the CORA agenda against good practices in OECD countries.³⁰ This looked specifically at different fields, namely: public finance, the management of ICTs, multi-level governance, transparency, better regulation, and human resources management. The review presented a series of specific recommendations within the frame of the following conclusion:

*“The CORA reform package is the result of a rigorous process of data collection, dialogue among practitioners and diagnosis about the weaknesses of Spain’s public administrations. **The reform package is substantial, evidence-based and consistent with the ongoing process of modernisation.** The number of policy issues included in the CORA reform, together with parallel initiatives in areas such as budget stability, transparency or democratic regeneration, talk about **one of the most ambitious processes of governance reform in OECD countries.** Indeed, Spain is not the only OECD country in search of new sources of growth, fiscal consolidation and competitiveness, but few countries have articulated such a broad public administration reform plan. Indeed, the CORA reform agenda aims at serving as a means to **achieve long-term results for the country based on a strategic vision for its growth**, including a framework for the role of government in implementing it and going further than short-term ends (i.e. cost-savings, downsizing). The review indicates that, despite the richness of the reform agenda, the CORA could be strengthened through a whole-of-government approach that gets away from the silos structure usually privileged by governments. Furthermore, it recommends the Spanish government to persevere in its continuous efforts to consult and establish a genuine dialogue with civil society, as a way to mitigate side impacts of reforms and achieve buy in from critical stakeholders, such as the ACs.”*

The OECD subsequently returned and prepared a further [Progress Report](#) in May 2016, which observed that 76% of the CORA measures had been fully implemented by the end of July 2015, leading to accumulated total savings of €21.8 billion according to reports on the [transparency portal](#) (mainly in Spanish). The OECD highlighted the role of OPERA as “worthy of special mention and could be retained as an OECD best practice when it comes to the follow up and monitoring of horizontal policy assessment.”. The OECD also proposed:

*“Several strategic actions could reinforce the **sustainability of the reform effort in the long term**: the setting out of a long-term vision for the Spanish public sector; the introduction of mechanisms for adjusting the reform measures during their implementation; and the role of the civil service in ensuring continuous improvement”. Furthermore, “As a new legislature starts, efforts must focus on the implementation of the remaining reforms. The CORA reform has been a driving force that has also inspired and fuelled reforms at the regional and local level. Autonomous communities contributed to the implementation of the CORA’s measures and have made major efforts in streamlining and*

³⁰ OECD (2014), *Spain: From Administrative Reform to Continuous Improvement*, GOV/PGC(2014)4/ANN1

*rationalising their activities. The economic crisis has also revealed regional disparities and differing approaches to the same problems. Spain will have to **continue to improve its co-ordination mechanisms** to make the most of its decentralised model and deliver better services to citizens”.*

A key point to highlight is that there was no special budget designated for the work of CORA and its Sub-Committees, or for the functioning of the office created to implement the measures. All work has been done without cost or using the regular budget of the ministries. The main **overall results** over the period 2012-2016 must be seen in this light:

- ✓ Achieving total savings of more than €30 billion in three years;
- ✓ Reducing the number of public bodies at all levels of administration by 2,364 (returning to 2002 levels) with savings of €4.6 billion;
- ✓ Maintaining the quality of public services while reducing the number of public employees by 130,000;
- ✓ Implementing the Transparency Law and the Transparency Portal containing more than 1.5 million records of information;
- ✓ Creating 28 Internet sites to provide information or direct processing with businesses and citizens;
- ✓ Reducing processing times, with huge increases in electronic channel use, etc.;
- ✓ Achieving a reduction in administrative burdens on citizens and businesses worth € 5 billion

The election of a new national government in 2016 has led to the role of OPERA being taken over by a new General Directorate of Public Governance – but most importantly, the work and momentum continues.

The CORA reforms and resulting developments, which are only partially completed and ongoing, already lead to several **learning points from the implementation process**, as follows:

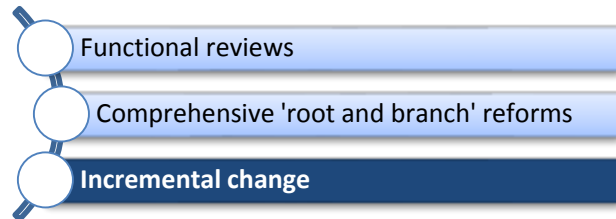
1. **Cooperation is an obligation, especially in countries with a highly decentralised administrative organisation.** Cooperation among public administrations is the only way to provide joined-up services to citizens and enterprises. Systems need to be coordinated, common where possible, and interoperable.
2. **Prioritisation is important with wide-ranging reforms.** CORA defined 222 measures, so it was necessary to prioritise the implementation of some measures according to some key indicators, such as internal savings, administrative burden reductions, social impact, etc.
3. **Involve citizens in the reform process to regain trust.** It was clear that citizens’ trust was in a downward trend. Communication policy is required to demonstrate reforms have not a rhetoric basis but it is a requirement to generate social benefits. ICT-enabled channels have an important role in the implementation of this policy.
4. **Engage public employees in reforms to accelerate the implementation of measures.** Public employees must have continuous information about the final objectives of every measure proposed and the progress being made in the reform process.
5. **Develop and reinforce multi-level dialogue, co-operation and commitment between sub-national and national governments.** Since the ACs are the main stakeholders of reform in Spain, and the key actors to ensure its effective implementation (for example, embedding transparency as a basic principle of public administrations) multi-level dialogue should be continuously strengthened.

Ultimately, the most important message is: be ambitious, but use common sense. The goal is *not* to simply look good in a report. **Have the will to do concrete things, be pragmatic about the process, and don’t look for perfection, but for continuous improvements.**

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9.2.3 Incremental change

‘Big bang’ reforms tend to be the exception, rather than the rule.³¹ Much more typical are smaller-scale initiatives, some of which have been highlighted as inspiring examples elsewhere in the Toolbox, such as:



- ✓ The **merger of two county authorities** in Ireland (North and South Tipperary Councils), within a tight timeframe, while maintaining delivery of services and maximising resource deployment and savings, and involving extensive communication with affected parties (see [topic 3.2.2](#) on reorganisation and regionalisation);
- ✓ The execution of the ‘Room for the River’ programme of flood defences in the Netherlands, which exemplifies an inclusive, rigorous planning and decision-making process, involving **coordination and cooperation across all administrative boundaries** - local, provincial, national and international - as well as with local citizens and enterprises (see [topic 3.2.3](#) within reconfiguring government);
- ✓ The **transformation of the working culture** in Belgium’s Federal Office (FOD) of Social Security, by empowering the workforce, which *inter alia* has lifted the FOD’s status of least attractive employer in the Belgian public sector to the most attractive (see [topic 4.3](#) on managing, motivating and developing staff);
- ✓ The introduction of **peer learning networks** and mentoring into Belgium’s Federal Ministry of Finance, and the ‘Change Makers Network’ across the public administration in Finland, both of which make the concept of knowledge management a reality (also [topic 4.3](#));
- ✓ The application of **behavioural sciences in policy-making** in France, which is helping to protect consumers, improve road safety, and increase online tax declaration and payment, *inter alia* (see [topic 1.2.2](#) on applying behavioural insights);
- ✓ The creation and expansion of a **shared services centre** in Estonia, which has not only delivered efficiency savings, but also developed a customer-centred model for internal clients across the administration (see [topic 5.6.3](#)).

There is a case for **permanent evolution** in public administration reform, which can be more effective in the long run. As the OECD has observed: “An incremental approach, with provision for feedback and adjustment along the way, may reduce uncertainty and thus opposition”. This process of continual change tallies with the concept of ‘obliquity’ (see [topic 4.1](#) on results-based management), which recognises that goals are often achieved indirectly, not as intended. Senior public servants, either elected or appointed, set out the reform objectives as the overall direction of

³¹ As Pollitt and Bouckaert (2011) put it: “Reformers try to improve an institution or a programme, or sometimes a whole sector (health, education), but they seldom attempt to remodel the entire sweep of public sector institutions in one go”.

travel, the administration makes steps towards the desired destination, and takes the most appropriate paths on the way, learning from experience: there is no precise road map to the future.

The experience from OECD member countries is that administrative reform *“is successful when it is not perceived as a one-off exercise, but rather as a process of continuous improvement to constantly identify waste, shortcomings and opportunities to do things better ... international experiences suggest that political support weakens with time, calling for a concentration of resources and political leadership. Prioritisation is also due to make the best use of political, financial and human resources and to concentrate them on those reforms that deliver the best cost-benefit balance”*, OECD, 2014 Spain Public Governance Review³²

As the above examples demonstrate, reform can take many forms. It can also happen at **varying speeds, including too quick and too slow**. Public administrations can be sluggish in adapting to society’s changing expectations (such as retaining paper-based systems and long queues at counters, requiring repeat evidence of basic personal information), or can rush headlong into radical changes without fully reflecting on the ramifications (such as across-the-boards cuts in staff, or abolishing whole tiers of sub-national government). Sometimes, reform is driven solely by electoral timetables and political appointments. For example, an incoming government, minister or mayor looks to put their stamp on the administration by cancelling the established *modus operandi* and replacing them with new ones. There is always the risk of reform for reform’s sake. Equally, some reforms are rhetorical only, announcements that never become reality.

In principle, the interaction of ‘politician – public administration – civil society’ in a thriving democracy should act as a **safety-check on change**, accelerating the slow march of progress when required, while acting as a brake against overly aggressive and inappropriate reform.

In practice, this safeguard relies on **all three parties being fully capable of playing their parts**:

- ✓ **Politicians** need to be focused on policy decisions and strategy, rather than the minutiae of daily operations, and fully appraised of what options are available, which requires robust advice from their officials.
- ✓ Within **administrations**, senior and middle-ranking officers need the knowledge and expertise to implement the politician’s instructions, but also sufficient independence to feel able to offer impartial advice.
- ✓ The **public** need to be able to articulate their interests, access the channels to their elected representatives to enable them to express their expectations, and trust that elected and appointed public servants will act in the public interest.

What is clear is that **context is critical**: each country’s legal tradition, administrative structures and system and its cultural traits contribute significantly to both the instigation and impact of reforms. For example, abolishing the ‘civil service’ status of a job for life could have two contrasting

³² OECD Public Governance Reviews (2014), *Spain: From Administrative Reform to Continuous Improvement*, GOV/PGC (2014)4/ANN1

outcomes, according to circumstances: it might liberate the administration to bring in new, talented staff at a senior level, with diverse life experience and fresh perspectives; or it might trigger instability by removing job security, and encourage favouritism with party-political appointments and nepotism in recruitment and promotion.

The extent to which civil society engages with politicians and public administrations is influenced by **cultural dimensions**, which were famously captured in the Hofstede model, which assesses country characteristics using six indices:

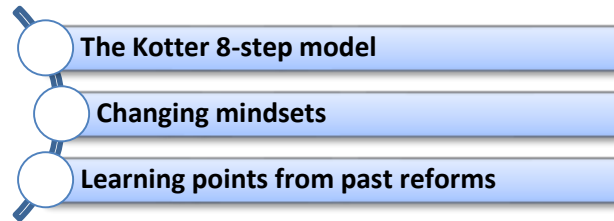
Index	Explanation
Power distance	The extent to which the less powerful members of society and institutions accept and expect that power is distributed unequally. A higher score indicates that hierarchy is clearly established and executed in society (e.g. France), while a lower score signifies that people question authority and attempt to distribute power (e.g. Finland)
Individualism vs. collectivism	The degree to which people in a society are integrated into groups, and whether they are 'individualist' with loose ties (e.g. the Netherlands) or 'collectivist' with tightly-knit communities that expect loyalty (e.g. Portugal)
Uncertainty avoidance	The extent to which society tolerates ambiguity - something unexpected, unknown, or away from the status quo (e.g. Greece) or opts for laws, guidelines and codes of behaviour (e.g. Belgium), which can also be seen as a measure of risk-taking or risk-aversion
Masculinity vs. femininity	In which 'masculinity' is defined as a preference in society for achievement, heroism, assertiveness and material rewards for success (e.g. Hungary), and 'femininity', as a preference for cooperation, modesty, caring for the weak and quality of life (e.g. Sweden).
Long-term vs. short-term orientation	In which 'short-term' is expressed in terms of traditions being honoured and steadfastness (e.g. Germany), and 'long-term' is reflected in adaptation and pragmatic problem-solving being perceived as necessary (e.g. Denmark)
Indulgence vs. restraint	In which 'indulgence' is defined as a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun (e.g. Sweden), and 'restraint' is defined as a society that controls gratification of needs and regulates it by means of strict social norms (e.g. Bulgaria).

These cultural traits indicate the extent to which citizens tend to accept or reject the authority of politicians and trust public administrations, and respond to the reform instruments they use (e.g. laws and regulations, outsourcing, etc.). It also signals the extent to which they expect to be consulted in decision-making or even to co-create their solutions, and their willingness to lobby for change. While cultures can evolve over time, these tendencies are **useful guides to the extent to which reform will be encouraged and embedded**, and an indicator of the most fruitful approaches.

9.3 Possible paths to reform

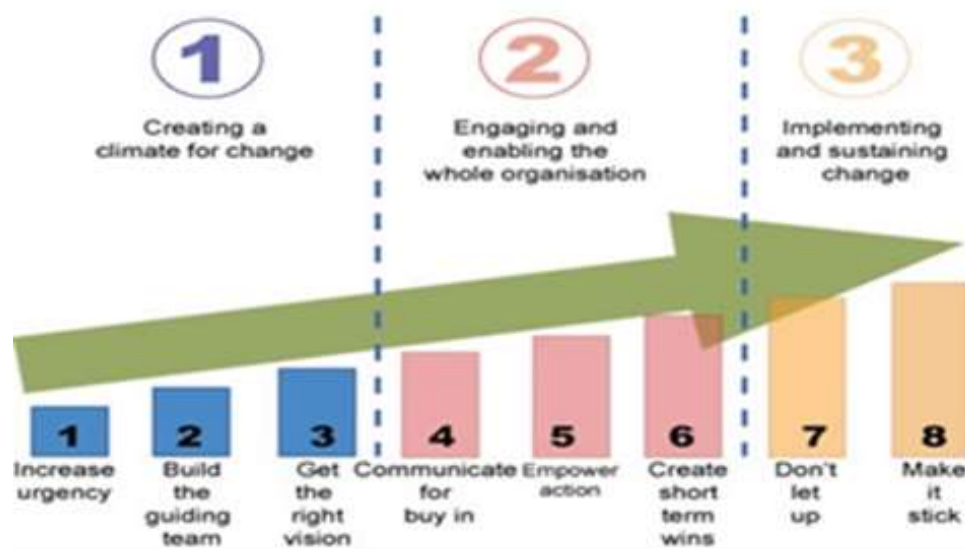
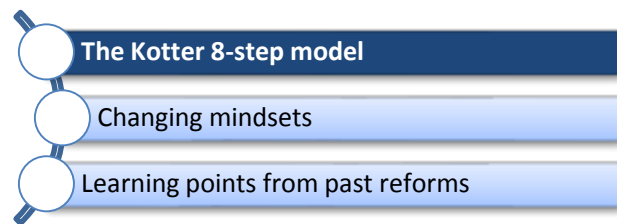
Public administration reform can take many forms. It can seek to improve rules, routines, procedures, processes, people and practices. It can aim to influence policies and priorities. It can look to shift mindsets, shape attitudes and steer behaviour. More fundamentally, it

can define or refine values. It can aspire to alter the administrative culture. Depending on the goal, reform can aim to achieve any, or all, of these changes. What is clear, and commands a broad consensus, is that there is no ‘one size fits all’ solution to reform, no silver bullet, no magic wand. Experience shows that public administration reform is a ‘black box’ that contains many different actions, motivations and results. There is not just one entry point to public administration reform, there are many. The question is: what suits the situation? Across the EU, there is a wide diversity of legal traditions, administrative systems and cultural climates, which have a huge influence on the chances of success. This topic sets out some of the ways forward, based on accumulated knowledge.



9.3.1 The Kotter model for sustainable organisational change

Reform can happen at all levels, the lowest one being individual organisations. Professor John Kotter of Harvard Business School proposed an eight-step model for lasting change, based on reviewing experience from the private sector, described and presented graphically below.³³



³³ From materials prepared by Sylvia Archmann (then Seconded National Expert to EIPA) and Jens Qvesel, (Senior Advisor in the Management Secretariat, Danish Regions) for the EIPA seminar ‘Managing Change in Public Administration’, which ran regularly from 2006 to 2013.

Kotter stressed that the most successful cases progress through all eight steps, which can take considerable time, but that “*skipping steps creates only the illusion of speed and never produces a satisfying result*”. Moreover, critical mistakes in any phase can have a “*devastating effect, slowing momentum and negating hard-won gains*”.³⁴ Each step is elaborated below, and placed in the context of public administration reform.³⁵

Step 1: Establish a sense of urgency

The argument is that complacency is the enemy of change, whereas urgency stimulates efforts to reform.

- ✓ This urgency can come from **within** – from an analysis of the situation facing the administration, by drawing on available data and analysing the evidence. In the words of Kotter, change is sparked when someone (either an individual or group) “*facilitates a frank discussion of potentially unpleasant facts*”. In the business world, this would be the threat from a new competitor, shrinking margins, falling sales or market share, etc. In public administration, such existential metrics are less readily available. Performance can be assessed in other ways, and is ultimately about societal outcomes (see [topic 4.1](#)), but intermediate measures to desired outcomes can stimulate debate, such as user feedback on service delivery, analysis of administrative burdens, reported corruption, etc.
- ✓ Due to the tendency to ‘shoot the messenger’, it is often easier for the ‘bearer of negative news’ to come from **outside**, whether media, civil society organisations, think tanks, international comparators, new political leadership / change in government (without the predecessor’s baggage) or crisis.

Whether internal or external, the aim should be to take decision-makers (top public servants) out of their ‘comfort zones’, widen their horizons, especially if they are too focused on narrow goals, and encourage them to face the reality of their operating environment.

At this point, administrations need leaders (to drive change and overcome indifference) - not managers (to mitigate risk) - who should be wary of becoming paralysed by downsides, such as concern about falling morale, attracting blame for the crisis, the plan for change spinning out of control, etc. Leaders, potentially at various levels, will need to overcome both fear and indifference, and speak honestly about what is and is not possible. The *status quo* should feel riskier than reform.

³⁴ J. P. Kotter (1995), *Leading Change: Why Transformation Efforts Fail*, Harvard Business Review, March - April 1995

³⁵ In their article, [Managing Successful Organisational Change in the Public Sector: An Agenda for Research and Practice](#), *Public Administration Review*, 66/2, Sergio Fernandez and Hal G. Rainey set out an alternative but similar perspective with many shared elements, based on 8 factors: ensure the need; provide a plan; build internal support and overcome resistance; ensure top management support and commitment; build external support; provide resources; institutionalise change; and pursue comprehensive change.

Step 2: Form a coalition for change

To avoid key decision-makers becoming isolated, it is important that they are supported by a strong team that can guide them. In the business world, this would be drawn from top executives, plus managers in the relevant units (production, sales, procurement, accounting, etc.). In public administrations, this team should also involve the most appropriate mix of skills and knowledges, but this internal competence could be supplemented (where suitable) by a wider coalition of interests from civil society, service users and other stakeholders. This support team can feed in information and insights, spread the message, keep the momentum, and in some cases (the wider coalition) 'hold the feet to the fire' to ensure that reform is carried through.

In Kotter's words: *"Efforts that don't have a powerful enough guiding coalition can make apparent progress for a while. But sooner or later, the opposition gathers itself together and stops the change"*.

Concerning composition, the team should be credible and reputable, bring the right blend of expertise and experience for the subject of change, and their collective contribution should produce synergies. The risks of 'group-think' (see [topic 1.2.2](#) on behavioural insights) can be mitigated by assembling contrasting personalities, to avoid the phenomenon of everybody thinking the same way that results in nobody thinking at all. To reduce potential conflicts and clashes, it is necessary to generate enthusiasm, commitment and trust. Leaders will need to coordinate and moderate, be mindful of power struggles, and use structured discussions and dialogue to build a team ethic. This might necessitate off-site retreats, or other techniques to create space and time away from daily pressures. To keep the impetus going, leaders will need to feedback regularly on progress to the group and presents results as they occur.

Step 3: Develop a vision

Without a compelling vision, it is hard to achieve transformation. The guiding team should develop a bold and optimistic picture of the future – the destination that the administration is seeking to reach. The vision is about direction (not budgets and targets), should be easy to communicate, and appeal widely to staff and stakeholders. This emerges from addressing questions such as: What change is needed? What needs to be altered? The initial outline of the vision may be blurry, and may need time and several iterations to sharpen the focus, before it reaches its final form that can be signed off. This will involve *"tough analytical thinking and a little dreaming"*, in Kotter's words.

If the administration lacks a reforming vision, and relies instead on procedures, instructions and directives to instigate change, the impetus is likely to peter out in the face of interpretation and confusion. A vision for the change process sets out the desired state, contains ambitious but achievable goals, can be readily shared, motivates employees to take initiative, and helps to coordinate their actions. What is needed is a clear and compelling statement, that is not over-complicated. In Kotter's words: *"As a useful rule of thumb, if you cannot communicate the vision to someone in five minutes or less, and get a reaction that signifies both understanding and interest, you are not get done with this phase of the transformation process"*.

This is also the phase in which to develop strategies to achieve the vision. What is the best way to make it a reality? Which change strategies are realistic and which are unacceptably risky? The approach to this step should be thorough, even if it takes time.

Step 4: Communicate the vision to get buy-in

Having envisaged the future and translated it into a strategy, the next step is sharing it widely across the administration. It is essential not to underestimate the importance of communication. Putting the vision and strategy into practice will require the active participation of many public servants, potentially hundreds or thousands. They must feel a sense of ownership and inclusion, especially if the vision has some elements that affect, for example, jobs or roles. *“Employees will not make sacrifices, even if they are unhappy with the status quo, unless they think that useful change is possible”*.

Many forums can be utilised to create a debate about the vision, including online media. The main messages merit repeating. Mistakes are made when communication is one-way and left to a single mass meeting, or one staff memo. All available channels should be used creatively, with straightforward and jargon-free language, stories, metaphors and examples where helpful.

Even if the campaign involves multiple speeches, newsletters, message boards and blogs, time will also need to be invested in conveying messages *directly* to staff. The coalition will need particularly to address head-on any scepticism or obstructive behaviour, especially if it involves management themselves. Employees will need to feel that any downsides will be approached equitably and staff treated fairly. If senior executives are found to be pursuing exceptions to the vision, the reasons why should be explained to staff to avoid cynicism setting in.

To be most successful, communication should be integrated into daily operations, so that putting the vision into practice is the topic of one-to-one discussions with supervisors, team meetings, performance appraisals, training workshops, mentoring and coaching, learning networks etc. (see [topic 4.3](#) on human resources management). When managers start to ‘walk the talk’ and become living embodiments of the change being sought, they become examples to other employees. As Kotter points out: *“Communication comes in both words and deeds, and the latter are often the most powerful form. Nothing undermines change more than behaviour by important individuals that is inconsistent with their words.”*

Step 5: Empower action to realise the vision

Once the vision is agreed and shared, increasing numbers of people should become involved in the process of transformation as it rolls out. At this stage, employees should be encouraged to show initiative and to innovate, subject to staying within the parameters of the vision itself.

This will necessitate more than just energising the staff, it also means removing barriers. These might include, for example, over-cautious mindsets, rigid organisational structures, officious procedures, narrow job classifications, de-motivating HRM practices, insufficient training or inadequate information systems.

Worst of all, in Kotter's perspective, are bosses who block change through their behaviour, only paying 'lip service' to the process. Employees are less likely to engage if their immediate line managers are disparaging or dismissive about the proposed reform, whether explicitly or implicitly, and hence shut down the efforts of their subordinates. This can happen when managers are unconvinced by the initiative or feel threatened by it. Either way, it needs to be confronted before it becomes fatal to the reform and to maintain the credibility of the change process.

Step 6: Plan for short-term wins

As Kotter puts it: *"Real transformation takes time and a renewal effort risks losing momentum if there are no short-term goals to meet and celebrate"*. To maintain the urgency, management and staff need to see the benefits of change emerging in a relatively short timescale, so 'early wins' should be planned by the guiding team. People should start to see visible results within 1-2 years (or sooner, ideally 6 months), depending on the size and the complexity of the change process. This feedback would encourage change leaders that the vision is valid and the strategy is on the right track, and send a signal to employees - whether supporters or opponents of the reforms – as well as other stakeholders.

This requires conscious effort – an active plan, not a passive expectation. In other words, the strategy to realise the vision (step 3) should incorporate short-term actions that aim to secure 'scheduled' successes, subject to the inevitable uncertainties of the environment in which public administrations operate. These achievements should be heavily promoted as part of the communication campaign. It also helps to recognise those employees who contributed to the success, to encourage the others.

Step 7: Don't let up

With the quick wins, it is important to celebrate success, but not to declare 'victory' too early, before the reforms have fully taken root in the administrative culture. In the business world, Kotter assesses that this can take five to ten years. During this time, new ways can be fragile, 'traditional' perspectives can too easily take over again, and progress can be potentially reversed.

Kotter uses a military metaphor: *"Ironically, it is often a combination of change initiators and change resisters that creates the premature victory celebration. In their enthusiasm over a clear sign of progress, the initiators go overboard. They are then joined by resisters, who are quick to spot any opportunity to stop change. After the celebration is over, the resisters point to the victory as a sign that the war has been won and the troops should be sent home. Weary troops allow themselves to be convinced that they won. Once home, the foot soldiers are reluctant to climb back on the ships. Soon thereafter, change comes to a halt, and tradition creeps back in."*

He proposes an alternative way: use the credibility of early wins to address even bigger problems. Short term successes provide the cover to take stock, consolidate, eliminate unnecessary systems and structures, remove demoralising activities, and keep the momentum going.

Step 8: Anchoring change

The final phase is to achieve cultural change, so that the reform is embedded in shared values and, in Kotter's phrase: *"the way we do things around here"*. To institutionalise the change, Kotter identifies two factors:

- ✓ Make a conscious effort to show staff that the approaches, behaviours and attitudes have helped improve performance. Don't leave them on their own to **make the connections**, as people can sometimes look for links in the actions of individual charismatic leaders, rather than seeing a systemic change. Again, this requires effective communication.
- ✓ Taking enough time to ensure that the **next generation** of top management personifies the change, otherwise the risk remains of regressing to past practices.

Values and habits (patterns of behaviour) tend to be deeply ingrained in people, so are likely to be the last thing to change. Nevertheless, it is important that the changes are anchored in the culture, which might involve changes in personnel, if individuals find they cannot adapt.

The comprehensive CHANGE² reform project in the German city of Mannheim is a prime example of an inclusive initiative, with strong employee participation, which illustrates many aspects of the Kotter model in operation. An impending fiscal crisis was the trigger for looking anew at the ways in which the city authority managed its resources, with the mayor setting out a vision of transformation based on seven strategic objectives, opening dialogue with employees and emphasising two-way communication, achieving a culture shift towards working together, breaking down internal administrative silos, and developing a partnership with the participation of citizens, businesses and universities. The initial 5-year transformative phase has now migrated to a further 5-year consolidation phase.

Inspiring example: CHANGE² in the City of Mannheim - achieving more together (Germany)

Since 2008, the City of Mannheim has embarked on a comprehensive and multi-dimensional reform project under the name of CHANGE², to make it one of the most modern administrations in Germany. Initiated by the mayor, Dr. Peter Kurz, the aim was to improve the delivery of public services and to develop a better model for shaping the city by improving democracy in the City Council, promoting participatory approaches with citizens, and developing the city in partnership with universities and businesses. The intention was to achieve outcomes-oriented management, while also ensuring sustainable finances through fiscal management and strategy-based budgeting. (The effect of the global financial and economic crisis left Mannheim facing a budget shortfall of €350 million in fiscal years 2010-2013). CHANGE² pursues a holistic, strategic approach. The first phase lasted from 2008 to 2013, and has since moved to a consolidation phase, which is again scheduled for five years to 2019.

Phase I (2008 - 2013)

In the first phase, the **master plan** 'Modernization of the City of Mannheim 2008-2013' was adopted, which set out the following seven objectives:

- ✚ A model citizen-friendly and business-oriented city administration;
- ✚ Increased quality and effectiveness of management;
- ✚ Improved visibility and enhanced transparency;

- ✚ Introduction of flexible, goal-oriented management of the administration;
- ✚ Decentralisation of technical and resource responsibility;
- ✚ Consideration of the needs of the staff (higher employee satisfaction, modern management structures, and strengthening the motivation of employees);
- ✚ Consideration of the principles of economics.

To achieve these strategic objectives, the master plan contained **36 projects**. These covered many topics, including *inter alia* strategic management, inter-municipal cooperation, a new approach to economic development (cluster formation, labour markets for qualified workers, science partnerships with the private sector, etc), implementing the EU Services Directive, the city's work in neighbourhoods and communities, citizens' services, citizens' participation, housing and urban renewal, real estate management, applying for European Capital of Culture status, public procurement, IT re-orientation and optimisation, quality management, diversity management, personnel management and financial management.

At the same time, operational objectives were set for all administrative and service units of the city, introducing a new culture of results. The 2010-11 budget framework followed the prioritisation of the seven strategic objectives. A new 'traffic light' budget monitoring tool was put into place, covering approximately €36 million in projected revenue increases and savings. For the first time, the 2012-13 budget was explicitly based on strategic and operational objectives.

Most master plan projects were inter-linked, cross-departmental and/or involved external partners. In this context, cooperation between administrative units is essential (breaking the silos). Hence, the second strand of the modernisation initiative was equally important. The City Administration looked to pursue a fundamental **cultural change**, captured in the motto "achieving more together" (*Gemeinsam mehr bewirken*). These two strands – results-orientation ("achieving") and cooperation ("together") - underlie all aspects of the reform process. The intention was to shift employees' mindsets away from focusing only narrowly on the problem at hand, and to raise sights to the strategic goals of the entire city administration. Everything being tackled should be viewed in terms of its impact, not merely as a process or continuous task.

This created a challenge for leadership and communication. The main instruments for this culture change were **direct discussion**, involving new dialogue formats between managers and employees:

- ✚ The mayor introduced **leadership circles** for regular direct exchanges with executives on the modernisation process, as well as current management themes;
- ✚ In the so-called **extended management group**, executives are integrated into the process right down to the level of department heads.
- ✚ The mayor also met a **randomly-selected group of employees** every quarter for an open discussion about the objectives and background of CHANGE², and to exchange ideas about the process and their experiences.
- ✚ Strategic and operational objectives were presented and discussed with **all City employees** in more than 45 events.

However, centralised direct communication is not practicable with every one of around 7,000 employees. By means of **indirect communication**, however, regular surveys are effective instruments to reach the entire workforce, to involve them in the process and obtain feedback. Within the scope of CHANGE², two questionnaires were introduced, both in collaboration with the University of Mannheim and in close consultation with the staff council:

- ✚ An **employee survey** based on 100 questions about the change process, divided into various categories such as information, expectation and benefits, objective clarity, participation in the process of change, management and management, or implementation of the process. Four surveys were conducted, each with an interval of approximately one and a half years, which provided valuable information and insights for the modernisation process (November / December 2008, February 2010, November / December 2011, and June / July 2013);

- ✦ In contrast to the broad-based employee survey, the Klima-Check is a brief "pulse survey". It measures at regular intervals (approximately every 4 months) the extent to which the guidelines for leadership, communication and cooperation play a role in everyday life.

A guarantee of no compulsory redundancies for the life of the budget cycle was given to secure **employee engagement** in return for acceptance of flexibility in tasks, processes and location of employment. The process was driven by a central steering unit of 10 staff reporting to the mayor. In parallel to this dedicated unit, many organisational changes and new processes were defined across the municipality, such as a new Bureau for International and European Affairs and a core Strategic Steering Unit in the Mayor's Office.

Phase II (2014 - 2019)

The reform process CHANGE² entered a new phase in 2014, in which the implementation of projects is increasingly 'mainstreamed' by transferring responsibility from the project structure to the line organisations. The former master plan has been replaced by a new action programme. The **thematic focus** of phase II is:

- ✦ Promotion and strengthening of cultural change and communication;
- ✦ Optimisation of the organisation, with greater emphasis on process consideration and the clear allocation of responsibilities;
- ✦ Strengthening of the employer function;
- ✦ Targeted human resources development based on future personnel requirements;
- ✦ The establishment of an 'internal labour market' for employees;
- ✦ Further steering according to strategic objectives and their relationship with the City's budget.

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In a similar vein, the Hessian Administration for Land Management and Geo-informatics (in German, HVBG) has undergone an extensive transformation over the last two decades (see below) – concentrating only on its core activities, consolidating its offices and cutting its headcount. Over this time, it has been able to raise its productivity through ICT and knowledge management. Throughout this reform period, HVBG has continued to invest in staff development, promoted work-life balance and employed quality management to imbue a culture of continuous improvement.

Inspiring example: Continuous transformation and quality management (Germany)

Based in Wiesbaden, the Hessian Administration for Land Management and Geo-informatics (HVBG) is the government agency responsible for holding all relevant and comprehensive information on land and the landscape within the State of Hessen, processing and providing spatial data (geo-informatics), and integrating data sources from state administrations and municipalities. Spatial data has become increasingly important for state administrations, municipal management, energy suppliers, environment protection (solar-/wind energy), flood control/climate change etc. HVBG's core tasks are land surveying, real estate cadastre, Geo-data infrastructure, reorganisation of land/rural development, building land apportionment and real estate evaluation. HVBG has been undergoing a **far-reaching transformation process since 1999**, most notably:

- ✦ Privatising many of HVBG's public services, leaving the agency to concentrate on its core and trying to offer good products and services to its core clients (state administration, municipal management, energy companies etc.) in different sales channels;
- ✦ Introducing the Common Assessment Framework (CAF) to improve performance;
- ✦ Implementing cost cutting and productivity improvements;

- ✚ Investing in leadership and staff development;
- ✚ Instigating a new strategy since 2011.

HVBG has been confronted since 2005 with the pressure of cutting costs and rationalising the workforce – a challenging context for pursuing continuous improvement.

- ✚ First, HVBG has been required to consolidate the number of **offices** from 56 (2005), to just 15 in 2016 (eight main locations and seven branches), with a further streamlining to 12 by 2022 (seven plus five). The agency's rental area has fallen in recent years by 17% (2010 to 2015), and is planned to reach 79% of the 2010 area by 2022. Consequently, expenditure on facilities (rent, services, utilities, additional costs etc.) was cut by €350,000 (2011 to 2015), even though rent per square metre had increased by at least 15% over this time.



- ✚ Second, HVBG's **workforce** has also contracted considerably. Since 2005, an employment freeze has led to a 30% staff reduction. HVBG now has approximately 1440 employees, of which 670 are civil servants. It is estimated that the agency will lose nearly 200 more employees by 2022 due to retirement.

Despite the reduced headcount, **orders and turnover have remained relatively stable**. HVBG generates its revenue by selling its products and services to customers in both the public and private sectors, although several public administrations are entitled to access products and services for free. HVBG runs the biggest online shop of Hessen's state administrations. Since 2011, visits to the online shop have grown by nearly 80% and turnover generated by 44%.

This reflects in part HVBG's success in **raising its productivity** by improving processes and technology (e.g. new ICT solutions for geo-data), as well as knowledge management. As a result, treatment / process times in its core duties have fallen by up to 30% over the period 2010-2015 (see chart, below). Cost coverage in core duties has also improved over the same timescale. Between them, the sectors "Liegenschaftvermessung" (surveying) and "Liegenschaftsdaten" (real estate data) generate more than 90% of orders and turnover, and have enjoyed improvements in cost coverage of over 20% and 11% respectively. Process costs in the sales & distribution division have been cut by €100,000 per year and complaints on products & services fell to less than 1.5%. Political leadership appreciates the improvement activities of HVBG. In 2014-2015, HVBG was rewarded with a management dividend of €1 million.



In 2003, HVBG decided to employ an easy-to-use **total quality management (TQM)** tool to evaluate 30 change projects, which had the objective to introduce performance management throughout the agency. CAF was considered the most effective instrument to respond to these demands. The CAF self-assessment was piloted in 2003 and repeated in 2006 and 2008. In 2011, HVBG made self-assessments mandatory for the whole agency, and they have subsequently also been performed in 2013 and 2016. In total, about 250 CAF-based activities were launched and implemented over 2003-2016, and the agency has seen the benefit in improving CAF scores. By building an understanding of TQM within the organisation, HVBG has pursued continuous improvement, to produce a high quantity and quality of positive outputs and outcomes. Most importantly, the introduction of CAF has meant that the reform process has involved strong staff participation.

Looking forward:

- ✚ HVBG is faced with an increasing demand for its work, e.g. in land consolidation processes across farms, transport planning, environmental protection and climate change projects.
- ✚ New ICT solutions for geo-data and the EU's INSPIRE Directive mean that the Agency must advise local government and state agencies on these issues.
- ✚ Continuous ICT investments are required to keep up with rapid technological developments.



Throughout the transformation period, HVBG has continued to **invest in its workforce**. Spending on staff development activities and programmes has been a consistent feature since 1998, but leadership development programmes are a more recent innovation, being introduced for all hierarchical management levels since 2011. Appraisals of line managers by subordinates since 2005 reveal positive average scores. On a score of 1-5, in which 1 is best, the average scores ranged from 2.14 (2011) to 2.11 (2016). About 93% of interviewees in 2016 are satisfied with cooperative leadership of their line manager. The average age of staff is currently about 49 years. The HVBG has done a lot for work-life balance, by increasing flexibility in the organisation of working time and teleworking, and increasing managers' awareness about the issue, to embed it in the culture. In 2016, the agency received the quality label "Family Friendly Employer" (right). The organisation also invests in workplace health and rehabilitation management. In recent years, the sickness absence rate has fallen from 6% (2011) to 5.1% (2016), lower than the average of public sector organisations in Germany and close to the level for private sector employees.

Since 2010, this philosophy of continuous improvement has found a fresh impetus in the development and implementation of a **new organisational concept and change strategies**. Senior managers/steering board have developed HVBG's mission and vision, which is now being implemented. Shared values have been defined, and a cooperative culture and leadership have been developed and communicated to staff. To drive the initiative forward, an executive Department of Strategy and Control was established in 2010, tasked with strategic steering, quality management, organisational development, project management and process management *inter alia*, which is supervising and supporting all activities and every actor. Strategic and impact-oriented concepts were developed for the periods 2011-2016 (already implemented) and 2017-2022, and agreed with the responsible government department of the State of Hessen. These cover demographic ageing, the influence of stakeholders (politicians, core customers and citizens), customer relationships, costs, infrastructure (ICT, buildings etc.), rental area, products and services, innovation, staff recruitment, and cultural aspects - cooperative culture, leadership, shared values/company core values, and code of ethics/role models etc.

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Leadership plays a crucial role in designing, implementing, monitoring and maintaining change processes. In the context of the public sector, leadership is mostly regarded as an exclusive activity of the head of the organisation agency, but reform also draws on distributed, shared and team leadership.

Organisational change is ultimately about people – the **public officials** themselves. On the one hand, employees need to stay in stride with their organisations as they undergo their process of reform. On the other, many are tasked with the actual responsibility for making change happen. Changes might involve, for example:

- ✚ Reassigning responsibilities *across* organisations (see [theme 3](#)) or through outsourcing;
- ✚ *Internal* re-orientation, for example when re-engineering service delivery (see [topic 5.2](#));
- ✚ The establishment of new HRM practices (see [topic 4.3](#)); and/or
- ✚ Interaction with online systems (see [topic 5.4](#)).

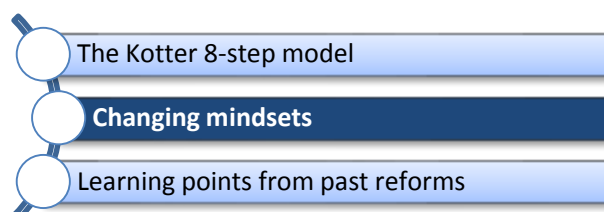
As step 4 of the Kotter model highlights, successful transformation cannot be 'enforced' from the top level down, but needs to be understood and adopted by all involved to maximise buy-in and minimise resistance. To introduce and implement reform, organisations need to fulfil some basic pre-conditions, such as a management policy which fosters communication and dialogue. We must not forget that, to the individual, change might represent more than a transition and can pose a threat to his or her status or even means of income, especially if it results in the loss of jobs. Every

process of change tends to undergo a series of phases linked directly to the reactions of the organisation's members. This is a process during which we slowly begin to readjust our perceptions and behaviours to the new situation and to the changed reality with which we are confronted. Below is a description of the 'change curve'³⁶: the seven emotional or psychological phases that people tend to go through³⁷, and which has also been extended by some analysts to organisations too.

Phase	Meaning	Response
1. Shock	A huge discrepancy between our own expectations and outside expectations plus the new situation.	People tend to feel threatened by the perceived changes. They may be resistant to changes because their expectations strongly differ from the expectations posed by those promoting the changes.
2. Denial	A false sense of safety and security, exaggerated perception of the procedures and behavioural competencies.	During this phase, people overestimate their capability to deal with the new situation.
3. Realisation	Realising the need for new procedures and approaches.	At this point, the idea of taking some risks becomes more bearable; people begin to explore pros & cons of the changes at hand.
4. Acceptance	Accepting the new situation: rejecting the procedures and approaches from the previous phase.	Entering the phase of acceptance requires the rejection of the old situation and the ability to recognise the present requirements
5. Experimentation	Searching for new procedures and approaches. Success – failure, problems – frustration.	During this phase, the institution can prove its ability to explore change.
6. Understanding	Understanding why certain procedures and approaches are successful and why others fail.	People understand that the quality standards serve as an indicator for the institution's, as well as for the individual's, success
7. Integration	Integrating the successful new procedures and approaches into the regular routines.	Ultimately, the integration phase signifies that the process has been completed. This is a creative phase during which past and present procedures merge. Depending on the extent to which integration is consolidated, the application of the required procedures and approaches does not originate in the outside of the organisation but derives from the individual contributions of each person who adopts them and turns them into his or her own.

9.3.2 Changing mindsets

As the Kotter model indicates, achieving change is not merely a matter of practicalities, such as re-organising administrative structures and systems, revising processes and procedures, or investing in people and technology. It is often about modifying the



³⁶ Based on the personal 'grief curve' originally conceived as 5 stages by Swiss psychiatrist Elisabeth Kübler-Ross in 1969

³⁷ There are variants of this model. See also, for example, UK Cabinet Office, [Government Communication Service](#), which is based on John Fisher's Process of Personal Transition

mindsets of public officials, whether elected or employed. This takes time, but also frequently involves embedding new concepts - especially principles and values, such as integrity, efficiency, openness, citizen-centricity, etc.

Public sector **innovation** is often inhibited by risk aversion, in other words an administrative culture that equates accountability of officials to the public with ‘safety first’ (see [topic 1.3](#)). In reality, most reforms are not reckless. They are about opening the mind to alternative options and scenarios.

For example, a change in mindset is essential in eGovernment, to both see and seize the opportunities that ICT offers - to make work simpler for administrations, life easier for citizens, and business better for enterprises. It can be captured in the phrase: **think data, not paper** (see [theme 5](#) on service delivery and digitalisation).

Equally, it is integral to **thinking strategically about the potential of public procurement**. Purchasing has been seen for a long time as simply a technocratic instrument of policy implementation, in which the decision to order supplies, buy services or commission works is processed through rather dull procedures, to select the right tenderer that offers the best value for money. But times are changing:

- ✓ Increasingly, public administrations are recognising what private companies have understood for several decades: these contractors are an integral element of the ‘**value chain**’ that contributes to achieving results. They have their own expertise and insights into possible policy solutions, which should be optimised (see [topic 5.6.4](#) on creative commissioning).
- ✓ Moreover, public administrations have an important **public policy imperative** for engaging with contractors in a way which private buyers do not. Public purchasing accounts for 20% of GDP across the EU on average, which means the leverage effect is potentially huge. In this light, it is almost an *obligation* on public administrations to engage in strategic procurement to deliver better societal outcomes, including sustainability (‘green procurement’) and innovation (see [topic 8.2](#)).

Similarly, officials need to be open-minded about how they interact with each other and external stakeholders. The term **meta-governance**³⁸ encapsulates the concept of public servants being able and encouraged to select, blend or switch between the most suitable governance style, according to the circumstances at hand. The choice is captured in the following framework, each specific style having its own pros and cons:

- ✚ **Hierarchies (H)**: The command & control, rules-based approach to problem-solving can be best suited to situations when stability and order is needed, and especially in times of both

³⁸ For more information on meta-governance, see: L. Meuleman (2008), *Public Management and the Metagovernance of Hierarchies, Networks and Markets*; L. Meuleman (2010), *The Cultural Dimension of Metagovernance. Why Governance Doctrines May Fail*, Public Organization Review, Volume 10, Number 1 / March 2010, pp 49-70.; and L. Meuleman (2015), [Owl meets beehive: how impact assessment and governance relate](#), Impact Assessment and Project Appraisal, Vol. 33, No. 1, pp 4–15.

clearly-defined problems and crisis situations (such as disaster management). Politicians tend towards hierarchical solutions, as they remain ultimately accountable for the administration's actions, and hence they typically prefer command structures. However, command and control can be less effective in the face of complexity and uncertainty. The perception of political control over policy-making and implementation can be illusory. Co-responsibility with affected parties can be more effective, especially in handling 'wicked problems', by constructing an alliance of interests and building ownership of the issue.

- ✚ **Markets (M):** The use of competition and contracts, based on incentives and indicators, can be efficient in dealing with routine and mechanistic matters, but are less appropriate when collaboration is called for, and where there is a natural monopoly (a 'public good'). With market-based solutions, the risks of contractual failure can rebound on the contracting administration.
- ✚ **Networks (N):** The inclusive approach to problem-solving, involving cross-government working and reaching-out to non-state stakeholders can be valuable in constructing trust relationships and reaching consensus solutions on complicated matters, but is rarely viable in crisis situations when rapid decisions must be reached. With networks, the solutions are spread across many stakeholders and hence accountability is hard to pin down.

Administrative cultures have a propensity towards one of the three governance styles, and hence it can require a conscious and decisive act to adopt an **alternative** stance to the preferred model in the face of natural resistance.

A **mix** of styles that reflect the situation might be more appropriate, although the convergence can also create conflicts, for example: reliability (H) v flexibility (M); competition (M) v cooperation (N), and decisiveness (H) v debate (N).

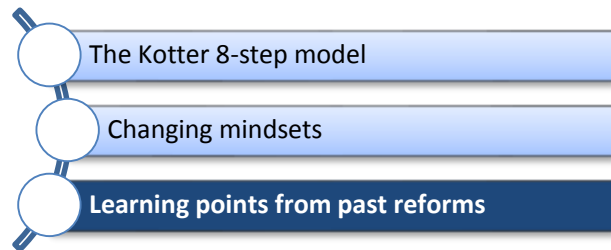


As an example of meta-governance in motion, the coalition for change under step 2 of the Kotter model (see [topic 9.3.1](#)) will typically operate outside regular 'command and control' structures, even in a normally hierarchical organisation. Hence, for this phase of the reform, the organisation should typically follow more closely the network (N) mode of meta-governance, at least before decision-making is required, at which point hierarchy (H) is likely to dominate. Eventually, the reform process moves to implementation, when all modes - H, M and N - should be on the table, depending on the measures being adopted and executed.

Finally, this capacity to step back and see the whole picture is illustrative of **systems thinking**, which challenges the conventional way of looking at a snapshot of policy problems (see [topic 1.1](#)), organisations (see [topic 3.2](#)) and service delivery (see [topic 5.2](#)) in isolation. Instead, it demands we take account of all the dynamics within a policy, organisation or service, and the interplay with external factors. Irrespective of specific tools and techniques, systems thinking is a valuable discipline for considering public administration reform from all angles.

9.3.3. Learning points from past reforms

The evidence base on the success or failure of past reforms is unfortunately very thin. Few countries have commissioned evaluations or audits of their reform activities. Nevertheless, Pollitt's review³⁹, along with the experiences from the Copernicus programme, the Kotter model, the OECD's extensive work on reform and innovation⁴⁰, the European Commission / OECD's three 2014 Peer2Peer workshops and the Commission's two *Toolbox* seminars⁴¹, offer a handy guide to lessons from reform experience that are summarised below as 10 learning points.



A. Diagnose before prescribing

Whether the reform is 'big bang' or incremental, limited to one organisation or extended to the entire administration, focused on a 'narrow' field (e.g. HRM, administrative simplification) or aiming for comprehensive coverage, the most important lesson is: **understand what you are doing and why, before embarking on change**. Reform is not risk-free, and there is no guarantee that change will be positive. It should not be based on broad impressions.

- ✓ This starts with a clear understanding and statement of the problems to be remedied and the challenges to be met. What needs to be changed? Laws, structures, processes, procedures, people (competences, motivation, mindsets, management), values and/or cultures? Any proposed reform should be tested against this analysis – how exactly will it make a difference? **Do not reform for reform's sake.**
- ✓ Wherever possible, this analysis should be backed up with intelligence, the interpretation of facts and figures. This is not easy to achieve, as the difficulties of evaluating the quality of public administration make it hard to make an evidence-based case for change. Nevertheless, the information that is available should be used to build up a picture. As this evidence will feed into other success factors (vision, leadership, building a coalition, communication), it should be presented in a way which is easy to understand for non-experts and not overwhelming (be strategic and economical in the use of data).
- ✓ If the reform process involves an impact assessment (IA), this should not be treated as a box-ticking exercise, but performed rigorously (see [topic 1.2](#)). If the Centre of Government (COG) is tasked with setting standards and vetting IAs (see [topic 3.3](#)), it should have power to send impact evaluation reports submitted as part of the decision-making process back to the

³⁹ See C. Pollitt (2010) op. cit. and C. Pollitt (2013), *What do we know about public management reform? Concepts, models and some approximate guidelines*. Paper supporting a presentation to the conference and workshop, 'Towards a Comprehensive Reform of Public Governance', Lisbon, 28-30 January 2013.

⁴⁰ See earlier references, plus OECD (2010), [Making Reform Happen: Structural Priorities in Times of Crisis](#)

⁴¹ 'Modernising Public Administration - Working Together to Achieve Results, A Policy Discussion with Member States' (Brussels, 1-2 October 2014) and 'Making Positive Change Happen' (Brussels, 21-22 September 2016)

originating line ministry if it does not provide relevant information and/or does not follow identified procedures and practices.

B. See reform as a window of opportunity

The Kotter model recommends ‘establishing a sense of urgency’ for organisational change. But is it always necessary or feasible in the wider context of administrative reform?

Certainly, **big bang reforms** tend to be triggered by crises, scandals or disasters, which enable the (often incoming) government to purpose radical and ground-breaking measures, as exemplified by Belgium’s Copernicus (the White March, ‘chicken dioxins’, etc.) and Spain’s CORA (the 2007 financial crisis), also at the organisational level, as evidenced by CHANGE² in Germany (the fall-out from the financial crisis, again). They can even bring down governments, as Romania’s ‘corruption kills’ campaign illustrates. Reform leaders can use crisis language to strengthen their claim. Belgian Minister Van den Bossche, who initiated the Copernicus programme, stated: *“Announce the apocalypse, make the unthinkable thinkable, question the general agreed principles of the organisation, bring the abyss closer. Or in other words, define the burning platform for the reform”*. Care should be taken to avoid raising expectations too highly, however, as sober administrative reforms are typically a lot less revolutionary in impact than this type of sabre-rattling rhetoric.

This is still less appropriate with **incremental change**. Administrative reform is simply not as exciting to the public as policy reforms such as schooling and healthcare. As the OECD points out, *“there is rarely much social demand for public administration reform; while citizens are often dissatisfied with public sector inefficiency or the quality of public services, the issue of “internal” changes in public administrations usually tends to be of low political salience; generating public demand for reform may itself be one of the first challenges that would-be reformers have to tackle”*.⁴²

Nevertheless, some public administrations might be able to engineer internal urgency, by employing evidence-based analysis to flag failings to decision-makers in their performance and hence impact on citizens and businesses (societal outcomes), or spotting changing circumstances before or as they arise. In other cases, it may be more realistic for administrations to respond with urgency to external events, encourage decisiveness and the necessity to reform at all levels of management and staff. In which case, the mantra ‘do not waste a good crisis’ applies.

Ultimately, it is probably more helpful for practitioners to think in terms of a ‘window of opportunity’, as the impetus for change. Such a situation, when the barriers to reform have been lowered temporarily or permanently, is the moment to be seized by ‘administrative entrepreneurs’, which could be politicians, but also other officials or outside actors.

C. Ensure leadership – from the centre ... and everywhere

To be realised, reform cannot be an abstract concept, it must be articulated and implemented by the public servants themselves, even if it is initiated by external agents. Commentary on successful

⁴² OECD (2010), *Making Reform Happen*, op. cit.

change processes tends to refer to ‘leaders’, but where do they emerge from? Certainly, the spark and stimulus can come from the ‘administrative entrepreneurs’, who see the open window and seize the moment. But beyond that, how does reform gain traction? In their review of the CORA plans, the OECD posited that a strong Centre of Government can play an important steering role.

Leadership from the centre of government

OECD experience suggests that strong political leadership from the centre is often about winning consent and building alliances among key actors across the government, rather than securing their compliance. Leadership is also about illustrating solidarity among key government players with a sound communication strategy that focuses on a small number of strategic objectives to be achieved over the medium and long term, aimed both internally at all levels of the bureaucracy, and externally, to the wider public. Hence, the Centre of Government (COG) institutions should define clear roles and responsibilities to facilitate co-ordination and avoid communication gaps between ministries. On top of that, whole-of-government performance monitoring can help COG institutions steer reform effectively and correct course, if and when required.

Source: OECD (2014), Spain Public Governance Reform

In the case of big bang reforms, an effective centre is almost essential, but leaders are needed at all levels, especially as reforms roll out. By its nature, incremental change can be a protracted process. In the OECD’s words: “... *sustaining an incremental reform over an extended period requires consistent leadership. Given the likelihood of government turnover, this points to the need for independent, permanent organisations for steering reform*”. If the reform process requires a series of smaller improvements, they will need to be made voluntarily – management (individual leadership) can stimulate change, but each employee also needs to participate, engage and own it, empowered to make decisions.

D. Start and stick to a holistic vision

The Kotter model (step 3) emphasises the importance of vision for change. This is equally the case if the reform is comprehensive and ‘all at once’ or if it’s intended to build up over time. Both the Copernicus and CORA reforms had, at their heart, an intellectually coherent view of both the direction and destination, with all the individual components forming a cohesive whole. This interdependence raises the risk of ‘failure’ in implementation or at least sub-optimal outcomes, but this clarity of vision is valuable for the next learning point - building a consensus around reform and carrying all affected parties along the journey.

E. Build a coalition around reform

Again, mirroring the Kotter model (step 2), reform cannot be left to ‘leaders’ alone, even if it is driven by a Centre of Government that is staffed by the brightest and best. In the case of big bang reforms especially, success requires a coalition of support, among politicians, officials and other affected stakeholders. In the words of Professor Pollitt: “... *work needs to be done, in advance of reform announcements, to build the strongest and widest possible supportive network. Reforms which are not embedded in such networks are frail flowers, likely to shrivel at the first touch of frost.*”

As an illustration, the fragility of the Copernicus programme was exposed when it started to face its first challenges, as it lacked any consensus beyond a small core. It was both conceived and carried out as a top-down process, which was designed to be elitist, from the preparation of the Bouillon paper onwards (the work of the Minister plus private consultants). Rather than being viewed as capable of contributing to constructive change, the senior officials saw the strategy and its execution as centred on distrust in them. Almost inevitably, the response was indifference at best, resistance at worst.

With comprehensive reforms, extensive consultation with the officials affected by reform co-opts them in its planning and execution. Similarly, public participation in reforms helps to build a broad consensus of necessity and brings in the service users' perspective and valuable insights as outsiders (as was illustrated by CORA's engagement with citizens so they could feed in their ideas). If the plan involves costs / losses to some parties, these are easier to bear if the process itself is perceived as equitable and fair. The space and time should be created to allow for proper interaction, if the intention is to generate a genuine partnership for change.

F. Ensure reform has solid legal foundations

As noted under 'obstacles' and experienced under Copernicus, reforms must be rooted in the legal base. In transposing the change concept into its legislative form, there is little room for error to avoid challenge by any malcontents who have stayed outside the coalition for change. This point is especially pertinent in the context of administrative cultures across the EU. Most Member States operate under so-called 'Rechtsstaat' / rule of law traditions that are highly rules-based, and hence legislation is a minimum requirement for reforms to be enacted at all.

However, legal underpinning is just a *necessary but insufficient* condition for the implementation of actual change. For example, creating a professional civil service that is capable to advise ministers expertly and impartially requires a law to state that public servants are neutral, but that does not mean it will happen unless followed up with codes, guidelines, awareness-raising, training, etc. and translated into practice in competency frameworks, management behaviour, etc. Legislation should not be over-prescriptive and place constraints on implementation that run counter to the spirit of the reform.

G. Don't overcomplicate

Just as the vision should be clear and easy to share, the strategy that emerges from it should be similarly straightforward. There is a risk if the proposed reforms are unnecessarily complex, with over-engineered structures and systems to cover all eventualities.

For example, the Copernicus 'virtual matrix' is a compelling concept in theory for breaking down silos within government, but setting up horizontal FSGs and at the same time devolving functions such as HRM within virtual FSGs can lead to confusion about who is precisely responsible for what, and prompt unproductive interference.

The creation of new bodies can be merited, but if they are not soundly conceptualised, they can become a burden, as they seek to justify their own existence. Abolishing institutions is much harder than establishing them. Ultimately, one of the goals of reform should be streamlined and user-centred systems (see [theme 3](#) on multi-level governance), which is where functional reviews are a useful instrument.

H. Anticipate the negatives

As already noted, reform can have unexpected consequences – or even intended ones that are likely to meet resistance. The change leaders need to strength-test their plans, and consider all the potential downsides, especially any erosion of trust among officials, citizens or businesses, and any weakening of internal capacity that might take the administration below its critical mass to analyse, implement, regulate, procure, etc.

Negatives can also come from unmet expectations. Building a coalition of support requires communication, but there is a danger in going ‘too big, too soon’ on claims of future impact. There are risks in major media exposure upfront, which are well illustrated by the Copernicus experience. As one minister put it, it would be better to work in silence and wait to present something to the press when most of the work is done.

I. Ensure enough implementation capacity

Sufficient capacity to implement the vision is perhaps the most obvious learning point, but it is easy to overlook and failing to plan can be expensive to overcome. This touches on many aspects of public administration, especially resource planning and budgeting (see [theme 8.1](#)), and ensuring the right people with the right skills at the right time (see [topic 4.3](#) on managing, motivating and developing staff), whether leadership, digital competences, tendering or contracting or whatever is suitable. If the administration does not yet possess the skills, how can they be acquired quickly?

When administrations lack in-house capacity, the tendency is to look outside to consultants to fill the gap. External experts can play a valuable role if they bring in specialist knowledge that is needed immediately, and/or if they help organisations cope with short-term upsurges in activity. They can also bring a fresh pair of eyes to introduce new perspectives, as well as relevant experience from elsewhere.

However, administrations also need to build on their own knowledge base and avoid becoming over-reliant on outsiders. The people who know most about the organisation are already within it. Using experts can create a ‘dependency culture’, if administrations contract-out their know-how and lose internal capacity. The balance can be struck by combining imported expertise with the administration’s own learning (see [topic 8.3](#) on managing consultants). The learning process should be ongoing, and requires special attention and the provision of feedback loops.

J. Less haste, more sustainability

Reforms need time to come to fruition, especially if the aim is a change in mindsets, values and cultures. This implies realistic expectations about the timeframe, which are communicated to all affected parties when building the support coalition. It also means a feedback mechanism that can enable the administration to take a new direction, as the reform rolls out, especially if the plan is incremental change. Reform should be a learning process, which will usually involve assembling the experiences of an array of stakeholders.

This might involve more than one electoral cycle, so the reform process must be able to survive a change of legislature and executive. Depending on the reform's nature, this might argue for a coalition of support that crosses political boundaries, so that the process is not jeopardised or jettisoned by an incoming government. This is easier to achieve if the changes are viewed as technocratic and/or beneficial to a wide community of interests (e.g. introducing e-Services for citizens and businesses).

Administrative reforms might start with rallying cries from officials, such as 'reinvent government', 'bring power closer to the people', 'reduce bureaucratic burdens', etc. However, as the OECD has pointed out, the impetus tends to dissipate over time. The reform agenda can quickly lose the support of politicians that are subject to competing demands, citizens and enterprise expecting rapid results, and public servants suffering from reform fatigue. Initial warm rhetoric is soon confronted with the **cool reality** that most changes take time to implement, involve detailed analysis, discussions and decisions, carry upfront costs to secure medium-long term returns, and can involve tough choices over alternative options and their resourcing. How to sustain the momentum of change?

There is no substitute for rigorous planning, but the public servants that are tasked with taking forward reforms should also look, where possible, for 'quick wins' – intermediate milestones to demonstrate to politicians, colleagues and the public that the journey is worth continuing. But perhaps the most important success factor in managing change is **patience**. The OECD's Making Reform Happen secretariat has concluded that successful structural reform takes time: generally, several years to prepare and adopt, and often much longer to implement. Moreover, successful reform often requires several attempts. Don't give up.

"Many of the biggest reform successes analysed in the secretariat's work followed earlier setbacks, and less successful reform attempts can often be seen in hindsight to have helped set the stage for subsequent, sometimes far-reaching, reform initiatives, often by deepening policy makers' understanding of the problems involved", OECD 'Making Change Happen', 2010.

9.4 Conclusions, key messages and inspiration for future action

The institutional arrangement of every country is the product of political choices within the constitutional framework: decisions about the right constellation of organisations at each level to achieve policy goals (see [theme 3](#)). Certain functions will always be carried out (such as defence, policing, tax collection, justice, etc.), others are discretionary. Today, many functions across Europe are performed by private or non-profit providers on the administration's behalf. **Few public administrations or individual organisations remain untouched by change over time**, especially when roles are re-assigned across public bodies, service delivery is outsourced and savings are sought.

The message throughout the Toolbox is that the transferability of lessons from other administrations must be treated with caution, which is why the case studies are presented as illustrative examples for inspiration, not 'good' or 'best' practice for replication. Even within the same country, **the success (or otherwise) of experiences elsewhere is typically context-specific**. The philosopher and statistician, Nassim Nicholas Taleb, introduced the concept of the narrative fallacy⁴³. This refers to people's predilection for stories⁴⁴, and hence our tendency to look at a sequence of facts and concoct an explanation in our minds, with the benefit of the hindsight, that sees them as following a logical path – from event to consequence – which suggests a clear cause and effect.⁴⁵ This also triggers a behavioural trait that tends to ignore the 99 failures out of 100, and focus on the one success as 'inevitable' (see also [topic 1.2.2](#) on behavioural insights). The same principle applies to reform stories. Lessons can be learned, but the conditions under which they occurred will never be identical. All the Toolbox inspiring examples should be interpreted in this light.

Nevertheless, there are patterns which emerge from the evidence of public administration reform over the years, presented here. The factors and forces *against* reform ([topic 9.1.1](#)) might appear overwhelming, especially when listed, but positive change *does* continue - as the many examples in the Toolbox indicate - because the **desire and drivers for positive change are equally, if not more, strong over time**. Ultimately, above all else, to repeat the quote from the Flemish Integrity Coordinator ([theme 2](#)): *"things change when people have had enough"*.

There are **many roads to reform** (see [topic 9.2](#)). The major packages, such as Spain's CORA reforms at the country level or Mannheim's CHANGE² project at the city level, are both eye-catching and encouraging, as they become a beacon for administrations elsewhere. Most of the time, however, reform is about 'marginal' changes – of which there are many examples in the Toolbox - that might appear minor and isolated incidences, but can be equally important in impact to their beneficiaries.

⁴³ N.N Taleb (2007), *The Black Swan: The Impact of the Highly Improbable*, Random House

⁴⁴ See also G. A. Akerlof and R. F. Schiller (2009), *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism*, Princeton University Press

⁴⁵ One of Taleb's illustrations of this point is the response to the 9/11 airplane hijackings and attacks. This resulted in cockpit doors being locked, plain-clothed armed guards accompanying flights in the US, and globally security checks at airports being significantly stepped up. With hindsight, these appear the obvious steps that should have been taken in advance of the atrocity, but if the authorities had in fact had the foresight to anticipate this was going to happen, and had instigated these measures beforehand, the complaints of fare-paying passengers about the inconvenience and additional cost would probably have led to their removal.

Within this context, the **European Commission** provides various streams of support to assist Member States in their reform activities, from many perspectives. Most obviously, this includes financial assistance from the European Structural and Investment Funds (ESIF) under thematic objectives 2 and 11, and technical assistance from the Structural Reform Support Service (SRSS). But it also comprises the initiatives of individual Commission Services in specific policy fields, such as the digital agenda and connectivity (CNECT), the interoperability framework and ICT tools (DIGIT), budgeting and budget management (ECFIN), regulatory reform, public procurement and business environment (GROW), anti-corruption (HOME) and a quality judicial system (JUST). These are all opportunities for administrations across the EU - at all levels - to seize to achieve their reform ambitions.



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