

*Administration*, vol. 67, no. 4 (2019), pp. 49-56  
doi: 10.2478/admin-2019-0026

## **Public service capacity and the role of senior managers**

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### **Editor's introduction**

The late John Murray, Professor and Head of the Business School at Trinity College Dublin, was a long-time observer and supporter of reform in the Irish public service. He was a member of the Committee for Public Management Research and also served on a steering group overseeing organisation capacity reviews. John was also a good friend of the IPA, as a member of the board and subsequently as chairperson from 2004 to 2006.

In 2007 John delivered a paper at the IPA national conference. The paper was primarily about organisation capacity reviews. However, the introduction is a wonderful commentary on capacity in the public service. It is a paper I return to again and again for its eloquent and insightful comment on the role and responsibility of senior public servants. With the permission of John's family, this introduction is published here in order to bring it to a wider audience. The full paper is available from the editor.

What should we mean when we discuss 'capacity'? Why might we be concerned about it? How might one review and build it? These seem to be the three central questions that arise in relation to the current consideration and planning of capacity reviews.

Capacity, in popular discussion, relates above all to the ability or inability to deliver services to citizens in a manner that meets their expectations. But it also relates to the ability to provide effective advice to the political decision-making process. And, in a manner that

only those living in captured and corrupt systems can fully appreciate, it relates to a value base that owes unswerving allegiance to independence, probity and a commitment to speaking truth to power.

The reasons why anyone might be bothered to worry about, and actively build, capacity are several. It is 'obvious' that any system should be deeply concerned about reflecting on and developing its capacity. To do otherwise neglects a basic responsibility of stewardship for the present and future. Conditions in Ireland, as in many other countries, create a special contemporary concern about capacity, arising from the demand for a 'performing state' linked to high expectations, concern about value for money, resistance to any greater tax burden, and ambiguity in the link between allocated resources and realised consequences.

If we should indeed be concerned, then the matter of what to do and how to do it presents us with a third challenge. Assessing and building capacity is at once trivial – in the sense of being 'obvious' – but also infinitely complex. It is trivial in so far as it might be argued that the public performance of public duty stares everyone in the face: 'everyone knows' whether health services are delivered well and efficiently; 'everyone knows' whether public transport is available, effective and affordable; 'everyone knows' whether they feel safe on the streets and by-ways; and so on. And if there are shortcomings, the responsible people should deal with them and resources should be directed towards priorities. However, assessing capacity turns out to be a little more complex than that, and building it even more challenging, since it involves answering the question of 'capacity for what?' and the fact that the answer will change with time.

### **What is capacity?**

Public discussion of capacity most commonly focuses on the ability to deliver services. For most citizens, that is what the apparatus of state does. It is a feature of daily life, experienced through the delivery of traditional core activities of justice, education, health and defense but also through the provision of a vast array of public services and transfers ranging from the weather forecast to renewing motor tax or the collection of refuse. The difficulty for public service providers is that for many of these services, their provision earns no plaudits but delay, breakdown, inefficiency or high cost stirs immediate wrath (Hertzberg, 1968). As with so-called organisational 'hygiene' factors,

meeting these needs makes no one particularly satisfied – it merely prevents us from becoming dissatisfied. There are no thanks, but there is instant complaint.

Behind this most public aspect of capacity lies another equally important aspect, but one experienced in a very restricted forum: in the market for advice and wise counsel, particularly at the interface of the political and administrative systems. While the capacity to deliver public services exists in the realm of mass, if not universal, experience the delivery of advice inhabits a restricted domain occupied by those who must make decisions central to the country's well-being and by those appointed to provide them with counsel that is well judged, independent, evidence based and timely. This aspect of capacity is traditionally held and nurtured by the Mandarinate, shaped through formal learning, considerable experience, socialisation into a value system and by a system of appointment and succession planning. To state the obvious, the delivery of public services ultimately depends on the quality of policy decisions. No amount of capacity to deliver services efficiently will make the wrong service a good one.

And finally, but most fundamentally, is the capacity to act in a value-based, value-driven manner. The civil and public service is not a value-free, amoral, social mechanism of delivery. Its legitimacy and the security of civil society rests in its capacity to preserve and assert its independence, to never fail in its commitment to probity and in its skill in 'speaking truth to power'. If that capacity is lost, political advisors, consultants, outsourcers, and assorted charlatans and sorcerers quickly become the effective 'capacity'; 'spin' drives government and the legitimacy of state and government is undermined.

So, we have three vital dimensions of capacity: capacity to deliver services observable by all citizens as a feature of daily life; capacity to give effective advice, observed by few and reliant on fewer still; and capacity to deploy and renew basic values of good public management lying beneath the surface of action but fundamental to good government.

### **Why be bothered?**

It seems obvious that 'capacity' should be a central concern of public managers. Without the capacity to make good decisions and to implement them well, ineffective government is the best expectation one might have; the worst expectation is a failed state. The stewardship of capacity is therefore a central responsibility of management at

all levels. In a normative sense, every public manager must be bothered and should devote effort, as a priority, to understanding, building and deploying the capacity to perform effectively.

This is not an easy task. It often demands concentrated effort to allocate time towards assessing future needs and to shaping the capacity to respond when more immediate pressures demand response. In the context of public management, capacity is predominantly concerned with people – with understanding the future's demands on knowledge and intellectual assets; with acquiring, developing and sharing human capital. Given a background of classical bureaucracy and the ideal of the generalist civil servant, such thinking runs against the grain of some deeply embedded assumptions and practice. It may also conflict with practice in the selection and development of leaders who must take on the mantle of stewardship without a great deal of tailored preparation. Some of those newly arrived in leadership positions may not fully recognise the responsibility. Some may consider it someone else's responsibility.

Considered from the 'demand' side there is an equally pressing requirement. Citizens and politicians are far more demanding than was formerly the case with regard to performance. They expect capacity to be available, to match the best international standards, to be responsive, and to deliver performance in a manner that is fast, flexible, efficient and innovative – but also well considered, cost-effective, compliant with demanding governance and accountability requirements and true to values of an independent public service. Management, as most senior managers discover, deals in paradox and dilemma; public management a little more so than private.

General expectations are increasingly set by reference to the private sector and in Ireland to the standards of global corporations of which so many citizens are employees. In this context the citizen is consumer, setting commercial standards and expecting choice to solve problems of poor performance. This is the essence of the 'performing state' (Schick, 1999). Citizens and their public representatives expect high performance, calibrated in relation to private sector corporate standards and, when faced with underperforming monopoly state providers, see radical reform or competition and choice as the 'obvious' remedies. Audience democracy (Manin, 1997) adds to these pressures by pushing the related debate and decision-making into a very public arena whose landscape is significantly determined by media, interest groups and pundits. In an audience democracy the political decision-maker is drawn into a more public and 'instant'

process of deliberation and decision that may leave the pace and content of traditional political and administrative processes floundering or bypassed.

So capacity matters greatly, and those responsible for creating, managing and building it must have it as a central priority. But it is not stewardship of a settled resource. Contemporary Ireland demands a changed and changing resource base, much of which may only be achieved by radical reform or by conceding the impossibility of meeting some expectations from a public provider source. Additionally, future capacity needs are, in part, ambiguous and uncertain. Under such circumstances, the old adage of focusing on 'building arks rather than forecasting rain' may signal the kind of strategy required. The future we face unquestionably calls for a greater array of specialised and professional skills but it also calls for a reinvention of the civil servant as general manager, well versed in the design and leadership of organisational change.

Given these considerations, does Ireland need capacity reviews? The question is not easy to answer objectively. In terms of general national discourse one would say yes, in light of the general sense of frustration that is voiced about the perceived performance of the state and attribution of poor performance to various aspects of state incapacity 'to get the job done'. This critical commentary is commonplace among citizens, politicians and media commentators. However, it must be acknowledged that the absence of some level of such commentary would be extraordinary – and indeed perhaps impossible in a democracy – since one person's reason for satisfaction with the state may be another's cause for complaint: my successful planning application will commonly create a disgruntled neighbour. Demand for healthcare is infinite, so any limits will be rejected by some. It is of the essence of the state's duty to regulate conflict. It cannot be popular with everyone, all the time.

Surveys of attitude provide one thread of evidence as to generalised perceptions and satisfaction. International comparative data provide another means of calibrating performance on a relative basis. One might consider the incidence of inquiries, tribunals, commissions of investigation, special reports or EU complaints and fines as an indicator of the incidence of failure, in so far as they investigate the malfunctioning of public service organisations.

Three surveys (2006, 2003, 1997; see Department of Taoiseach, 2006) of civil service customers commissioned by the Taoiseach's department provide a sense of how individuals and businesses view the

apparatus of state and its performance. Overall, and over time, these indicate considerable satisfaction. There is a reported perception of acceptable efficiency (62 per cent see the civil service as very/fairly efficient), a willingness to recommend it (76 per cent of general public would recommend the civil service on the basis of service provided) and a perception of improvement (53 per cent believe it has become more customer focused in the three years to 2006). Business impressions are more positive than individual, and those with recent direct contact are more satisfied than those without.

The Central Statistics Office's reports on *Measuring Ireland's Progress* (Central Statistics Office, 2006) provide tracking comparative data that might be seen as mapping outcomes. The evidence is, for the most part, of achievement of good outcomes, among the top in a number of EU comparisons and above average for many, notably economic outcomes. There is evidence of bad outcomes and outputs too, such as in the numbers at risk of poverty (highest in EU at 20 per cent); pupil-teacher ratios (highest in EU for primary at 18.3); or greenhouse gas emissions (12 per cent over target).

Other evidence that provides international comparisons (Boyle, 2007; van de Walle, 2006) is limited and provided principally by the World Bank, the European Central Bank, the Global and World Competitiveness Reports and the Cultural Planning Office of the Netherlands. Summarising part of this evidence, Boyle notes some general points that emerge from cross-country analysis. Ireland may be seen as doing 'relatively well' in terms of the quality and efficiency of public administration. The measures available cluster Ireland with a group of north European and anglophone countries.

These limited sightings of comparative performance do not, in themselves, provide evidence of an urgent need for remedial action. It might therefore be argued that capacity reviews are not needed to 'fix' serious problems in relative performance. The argument, rather, hinges on the widespread demand within the country and within the public service for improved, and in some cases transformed, capacity to perform to increasingly high expectations. It hinges on a sense of needing enhanced capacity for an uncertain future in which the successes of the past decade do not guarantee continuing success. And on a more negative note, it turns on the failures recorded in various inquiries, commissions and reports on the way in which public affairs have sometimes been mismanaged. The country in a collective sense gets a 'good, with some excellent results and a number of weaknesses' report card. But like so many school reports of that nature, the

familiar comment ‘with application, could do even better’ might be appended. Perhaps that is what has changed over a decade: there is a desire to be best, not just good. If the SMI and ‘Delivering Better Government’ initiatives brought Ireland into the mainstream of modernised, reformed OECD administrations, this new phase is more about becoming a leader in public management. If capacity reviews can help make that difference they will be worth the effort.

### **How to review capacity**

The capacity to deliver, to give good advice and to do it in a value-based manner for a challenging future is our concern. It reflects a real and central responsibility of public management and a focus of public and political demand. So a need and desire to review and build capacity is hardly surprising. The challenge lies in how to do it well and effectively.

#### ***How to do it depends on the reasons for doing it***

In some ways capacity review is an obvious and almost trivial exercise: look around and see what is being delivered. I can tax my car on the Internet and get a tax disc for display virtually by return of hard-copy post. (From a performing state perspective I wonder, of course, why I can’t yet print my disc at home like I print my airline boarding pass.) Many can remember queuing for a motor tax renewal on the city’s footpaths and therefore say: ‘excellent performance – there is real capacity to deliver’. On the other hand, I may feel unsafe on the streets in certain locales; I may be anxious about access to world-class medical treatment in a timely manner; I may really want to move by public rail around the country rather than by car; or whatever else may concern me as a citizen. In areas where the citizen has concerns or is dissatisfied for reasonable cause, underperformance and the absence of appropriate capacity is usually ‘obvious’. What could be more obvious than the protracted inability to deliver driver testing while road deaths accumulate?

Who needs a capacity review if the need for more or different capacity stares everyone in the face? Responsible managers, it might be asserted, should grasp the issue and deal with it as their clear duty and accountability. In such situations a review may serve only to postpone the required remedial action and to rationalise the incapacity. Of course, a review may be essential to understanding the causes of poor performance and to legitimising the changes needed.

The many instances of inquiries, commissions, reports and investigations following on dramatic failures in performance give evidence of this. By contrast, where performance is outstanding, who needs a review unless it serves to stretch performance even further and to spread excellence around the system to where it is needed?

So, there may be a general reason to undertake capacity reviews because, as we have rehearsed, capacity is pivotally important and must be managed. But when considering how and when it might be done, further reasons emerge. A capacity review might be appropriate to understanding high performance and to spreading best practice by making tacit or 'sticky' knowledge readily transferable across the public service. It might be appropriate to understanding poor performance, to remedying a capacity failure, and to legitimising needed change. It might be relevant as a quality assurance process to provide evidence that capacity is adequate and that stewardship and management of capacity is being exercised. It might be deployed to identify capacity issues for the future and to provide an evidence base for anticipating change and rebuilding capacity proactively. Institutionalising high-performance capacity; remedying incapacity; supporting improvement and change to address new needs; providing a measure of quality assurance are all good reasons. But providing a basis for and the stimulus to building future capacity is the most productive of all.

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