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New Zealand Public Sector Leadership in the 21st Century – Challenges and Opportunities

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New Zealand Public Leadership in the 21st Century – Challenges and Opportunities

KEY POINTS

New Zealand's future requires finding solutions to a range of 'wicked' problems, which contain elements of ambiguity, uncertainty and substantive complexity. **Table 1** (below) from the 2019 *Wellbeing Budget*, provides a synopsis of the wider environmental, social, and economic outcomes that have emerged as areas of concern for public policy. They all represent wicked problems. They will persist for the foreseeable future in evolving forms and will require a different type of leadership than we have had in the last thirty years or so.

Table 1 – Examples of evidence behind the Wellbeing Budget priorities¹

Taking Mental Health Seriously	Improving Child Wellbeing	Supporting Māori and Pasifika Aspirations	Building a Productive Nation	Transforming the Economy
Mental health – In any year, one in five New Zealanders will have a diagnosable mental illness, with three-quarters of lifetime cases starting by the age of 25	Material hardship – Around 150,000 children in New Zealand live in households experiencing material hardship	Living standards – Māori and Pacific people rank low in most measures of wellbeing relative to the rest of the population	R&D expenditure – New Zealand has low research and development (R&D) expenditure relative to OECD countries	Greenhouse gas emissions – New Zealand has one of the highest per capita rates of greenhouse gas emissions in the OECD
Suicide rates – New Zealand's suicide rate for young people is amongst the worst in the OECD	Health outcomes – 41,000 children are hospitalised each year for conditions associated with deprivation	Income level disparities – Māori and Pacific people have lower income levels, on average, than other groups	Future of work and automation – 21 per cent of current workforce tasks may be automated by 2030	Quality of waterways – Waterways in our farming areas have markedly higher pollution than in catchments dominated by native vegetation
Homelessness – One in 100 New Zealanders are homeless, based on the 2013 Census	Family violence – New Zealand has high rates of family violence	Educational attainment – Māori and Pacific people are less likely to attain higher educational qualifications than other groups	Productivity – New Zealand's productivity is low relative to other OECD countries	Soil erosion – Annual soil erosion of 720 tonnes per square kilometre is reducing our land's productivity and harming aquatic ecosystems
Young people in employment – 12 per cent of young people aged 15-24 years are not in education, employment or training	Crowded housing – Over 40 per cent of Pacific children and roughly 25 per cent of Māori children live in crowded homes	Disparities in health status – Māori and Pacific people are less likely to report good, very good or excellent health than other groups	Incomes – New Zealand's incomes are in the bottom half of the OECD as measured by per capita Gross Domestic Product (GDP)	Waste – New Zealand's level of waste per capita has increased substantially since 2013

Wicked problems require multiple perspectives for gaining insight into aspects of their tractability, requiring the formation of multi-organisational structures or networks. In essence, new forms of leadership are needed for socially complex and wicked problems. In particular, 21st century leaders need to be cognisant of the complexity and inter-connectedness of many of the problems that need solutions. They will need to be willing to engage with advisors and ‘experts’ outside their own operating environment, including in the private sector and in communities.

Leaders will need to recognise that citizens in the communities that they serve increasingly wish to be not merely consulted, but to be active participants in the design and delivery of services. As an example, the information technology sector provides abundant evidence of the value of including end-users and clients in the design of solutions to problems. Recent examples from education¹ and environmental management² provide clear evidence that the solution of multi-faceted problems that involve a range of stakeholders with competing interests can be addressed if the starting positions and ethical concerns of those stakeholders are acknowledged, and the end-goal of a compromise is recognised as the appropriate solution.

Enhancement of current leadership practice involves the achievement of results through marshalling of the skills and knowledge of others, rather than direction through ‘heroic leadership’. Achieving results through networks will require leaders to develop models of ‘distributed leadership’ and to foster ‘followership’ in those they work with, as well as in themselves. This involves an ability to work with and through others, including, ‘experts’, community groups, and Māori organisations, in many and diverse ways.

It would be naïve to downplay the effect of the digital environment in the future design and delivery of services to citizens. While artificial intelligence may not be particularly disruptive of public sector leadership functions *per se*, it is likely to be highly disruptive of some types of employment - those who will need to access services provided by or managed by government. Equally important, information technology developments are as likely to be both empowering and disempowering of particular communities, depending on their location, socio-economic circumstances and educational achievement. Unless addressed, these disparities will result in variable effectiveness of the engagement of the public sector with and by community groups.


Information technology will continue to be conflicted between issues of access and privacy, and between issues related to freedom of communication and adherence to agreed ethical standards. There is no evidence that ‘hacking’ of data and its implications for national security will diminish, nor that social media will be any more responsible than at present. The 21st century leader will need to be much better informed of these issues and be actively involved in their solution than is currently common practice.

21st century public service leaders will need professional development in order to attain the skills referred to above, but also in order to be supportive of and foster resilience among their ‘followership’ – those through whom they will need to scope the problem, recognise and evaluate expert knowledge, co-design a solution, and co-implement and monitor the effectiveness of the implementation of processes or services that are provided or mandated by the public sector.

¹ See Section A3 in this report

² See Section C in this report

IMPLICATIONS FOR PUBLIC SECTOR LEADERSHIP IN THE 21ST CENTURY

A. Uncertainty, complexity and ‘wicked’ problems	
A	<p>■ While not all problems are ‘wicked’, those problems that are wicked have a complexity and associated uncertainty which means that no one person or organisation is likely to have the skills and knowledge to understand the problem and design and implement a solution. The type of leadership to address wicked problems, which are a feature of the pillars of well-being (viz., cultural, environmental, economic, and social), will need to be collaborative and draw on multiple diverse perspectives and values – both within and outside the public sector (see also Section B, B1), distributed (see also Section B2), focused on the co-design of solutions by individuals and organisations (e.g., see Section C), and accepting of mutual accountability. This change in leadership will see a shift from internally focused and controlled processes towards flexible, creative and externally focused approaches to solving wicked problems, along the pathway to which collaboration will feature strongly (see Figure 1 at right).</p> <p>Figure 1. The Cynefin Framework (Snowden). Leaders need to develop their sensemaking skills by drawing on the knowledge of many diverse perspectives so that can effectively know the difference between the simple, complicated and complex problems they face and how best to respond to them.</p>  <p>The diagram illustrates the Cynefin Framework, a 2x2 matrix. The top-left quadrant is labeled 'Complex' in red, with the process 'Probe Sense Respond' in red and the outcome 'Emergent' in green. The top-right quadrant is labeled 'Complicated' in red, with the process 'Sense Analyze Respond' in red and the outcome 'Good Practice' in green. The bottom-left quadrant is labeled 'Chaotic' in red, with the process 'Act Sense Respond' in red and the outcome 'Novel' in green. The bottom-right quadrant is labeled 'Simple' in red, with the process 'Sense Categorize Respond' in red and the outcome 'Best Practice' in green. A central black dot is labeled 'Disorder' in black.</p>
B. Leading organisations that operate as part of ecosystems	
B	<p>■ Organisations are part of an interconnected ‘ecosystem’ – a network of actors with relevant information and resources for policy development and decision-making; agencies (both within government and external to it) which deliver services; and those citizens who receive services; and the wider community. Their leaders need to recognise this interdependency in their leadership practices and learn the skills of ‘working with’ them rather than exercising ‘power over’ them.</p>
B1	<p>■ Leaders will increasingly need to participate in authentic engagement with citizens and form genuine power-sharing and responsibility-sharing partnerships; in addition, collaboration across sectors of central government, and between central government agencies and local government, will be required; this is to ensure that services are user-centric, delivered where needed and increasingly in partnership with community-based agencies (see also Section E3(a)). Shared governance arrangements between councils and iwi; and contracts between District Health Boards and private health service providers are current examples of this practice.</p>
B1.1	<p>■ Consistent with Section B1, leaders will need to recognise the importance of ‘place’, so that policy interventions are co-designed with the input of local knowledge and resources, and they can be better targeted where they are needed, based on local evidence, and respond to locally expressed needs and values.</p> <p>● Discussion question: How might local government be reformed so that it could more readily access the resources of the public sector to enhance the quality and effectiveness of decision-making by councils in their ‘place-based’ governance and management roles?</p>

B2	<p>■ Leaders will need to adopt a distributed leadership approach - i.e., working with and through others, rather than adopting either a 'command and control' or a heroic style of leadership (see also Sections A, E3(a)).</p> <p>● <i>Discussion question: How willing is the public sector to adopt such a change in leadership style?</i></p>
B3	<p>■ All leadership needs to be purposeful: professional development for Māori with leadership potential needs to focus on being purposeful and recognise the necessity of compromise between potentially competing values (see also Section F1). To ensure that Pasifika are represented in public sector leaderships, candidates and aspirants need opportunities to participate in mentoring and professional development in a more supportive working environment than is currently perceived to prevail.</p>
C. Stewardship	
C	<p>■ There is evidence of successful co-design of solutions to environmental issues, and in the co-management and co-governance of selected resources in New Zealand. This approach with its attendant and necessary compromises (i.e., recognition of accommodations that 'work for us here') provides a model for leadership, not only in terms of the environment, but also in terms of policy and implementation in the other 'pillars' of well-being (viz., cultural, social and economic).</p>
D. Managerial effectiveness	
D	<p>■ The State Services Commission's current Leadership Success Profile may need to be broadened, away from the current focus on discrete accountabilities* to recognise complexity (See Section A) and include greater alignment of motivation and values. This is required to ensure that policies and their implementation/delivery have the desired impact.</p> <p>● <i>Discussion question: How might effective distributed leadership and 'followership' by those leadership roles be required, recognised and rewarded in a Leadership Success Profile?</i></p>
D1	<p>■ Leaders will need to be more sensitive to the knowledge of others and be better informed about the matters on which policy is developed and implemented. They will need to recognise that the public servant 'expert' is not necessarily the only or the best source of good advice.</p>
D2	<p>■ Leaders will need a combination of an ethos of publicness with an understanding of commerciality, and – in an era of more delivery of services by external providers – an awareness of the appropriateness and limitations of contracts; and, where contracts are used, an improved understanding of when and how to allow flexibility in their design, implementation and management.</p>
D3	<p>■ Leaders will need to read widely to be sensitised to emerging trends, and to learn from others; they will need professional development to enable them to be resilient in their role, and competent in fostering resilience and agility in those they lead and work with.</p>
E. Technology and the changing nature of work	
E1, E2	<p>■ Although artificial intelligence (AI) is projected to have little direct impact on leadership roles, leaders need to be aware of the disruption by AI on their organisations, their staff and those they serve.</p>
E3	<p>■ The failure of many information technology (IT) projects has been linked to poor leadership and inadequate attention to the desired outcome (what the technology will do rather than what it is) and the needs and capabilities of users.</p>

	<p>The attributes of success in IT projects are:</p> <p>(a) strengthened – and probably distributed – leadership, and</p> <p>(b) improved engagement with stakeholders during design and implementation in order to (i) better understand the business processes and (ii) how those processes might be altered through the use of technology and implementation of the project so that they are transferable to other projects and activities (see also Sections B1, B2).</p> <p>In essence, ‘integrative leadership’ is required: this involves not only facilitating the exchange of perspectives and the exploration of mutual interests and concerns between the various stakeholders (involved in digital government initiatives), but also, more specifically, in establishing the contextual integrity of the technology-and data-enabled collaborative processes by ensuring that all stakeholders involved abide by the ‘contextual rules of the game’.[†]</p> <p>■ Leaders will need to be aware that there will continue to be citizens who through economic circumstances, or by their place of residence or work, will be limited in the extent of their digital participation, and this will constrain the development and delivery of online services, including participation in national and local elections, census, etc.</p>
E4	<p>■ Leaders will need to be aware of the continued likelihood of accidental or deliberate breaches of information technology systems and their actual and potential effects on the security of citizen identity, on democracy and on national security, and therefore trust. They need to be informed of and be capable of implementing appropriate strategies to ameliorate the adverse effect of such breaches.</p>
F. Implications of the changing nature of citizenry	
F1	<p>■ Increasing diversity of citizenship brings a widening range of behaviours, not all of which are ethical. Leaders will need to be participants in the identification of and adherence to a nationally agreed compromise between Māori and Eurocentric values, and to thereafter champion those values in the face of other perspectives, both nationally and internationally (see also Section B3).</p>
F1.1	<p>■ Public sector leadership needs greater focus on ‘safe-haven creator’ and ‘boundaries setter’ models of ethical leadership, in order to ensure a safe environment for disclosure of unethical behaviour, and to ensure clarity on norms of ethical conduct and the willingness to impose sanctions for integrity violations.</p>
F2	<p>See Section E4</p>
F3	<p>■ The need for leaders to be aware of the positive and negative influences of social media on citizen behaviour and the potentially negative influences on democracy and individual rights is likely to increase in the future.</p>
<p>* “In today’s diverse dynamic and connected world, how well the public sector tells its story and assures the public it is meeting its expectations is as important as how well the public sector manages itself and delivers services”. From: Ryan, J. (2019). Does public accountability even matter if the public sector is performing well? <i>Policy Quarterly</i> 15 (4, November): 8-13.</p> <p>† Lips, M. (2020). <i>Digital Government: Managing Public Sector Reform in the Digital Era</i>. Abingdon, United Kingdom: Routledge.</p>	

INTRODUCTION TO THE RESEARCH EVIDENCE

The challenges and opportunities for leadership development in the New Zealand public sector lie in:

- (i) the public sector context, which is often referred to as ambiguous and uncertain, and
- (ii) the complex nature of many problems faced by public sector organisations, which are described as 'wicked'.

It is important to realize that complexity, uncertainty and the notion of 'wicked problems' are related to each other in their nature and causality and require a different type of leadership.

It has become increasingly common to draw on the notion of complex adaptive systems to explain the non-linear dynamism which is responsible for the interdependence of the public sector and its governance processes with the world it is trying to influence and govern. The public sector setting/context faces complexity in terms of socially, environmentally and technologically difficult problems it needs to work with, such as climate change, child poverty, the response to a disaster or an epidemic. These problems are difficult to define with a start and end-point because of their multi-actor, multi-factor nature and endogenous, self-organising dynamism. They are branded as 'wicked problems' because they arise from the interactions between people, public and private institutions and are constantly undergoing changes which are socially created, complicated by the ongoing effects of past decisions or actions, and bedevil easy understanding and solution. The multi-jurisdictional and pan-national nature of the scale of some problems further adds to their complexity or wickedness.

Fundamental uncertainty and substantive complexity are also created for the public sector by the contingency of what the future holds because of the unknow-ability of what will emerge from ongoing iterative interactions of people with each other and with institutions. Complexity, uncertainty and wicked problems create specific demands on the requirements for public sector leadership.

Complexity implies that no one person or organization can ever have enough knowledge to understand what is or will become. Complexity and uncertainty create a need for multi-organizational collaborative networks to source the information and resources needed to act on wicked problems. Complexity calls for repeated iterations of 'probe-sense-respond/act' to enable emergent trajectories of positive or helpful behaviours from the interactions of actors. It requires leadership that recognises the existence of complexity and has new sets of skills for working with it and as a part of it. This requires making multi- and diverse-perspective sense-making a necessary step for gaining some understanding of a wicked problem and determining what actions might be helpful for dealing with it. Further, there is an interdependency between organisations in a sector which means that the performance of any one organization depends on other organizations in the ecosystem.

Yet contrast this picture with the leadership status quo we have come to accept in the public sector. The typical leadership model is a hierarchical structure of discrete organisations which concentrate leadership at the apex in a chief executive (or its equivalent), to whom managers with narrower leadership scope and responsibility (thematic or geographical), report. Recruitment and promotion are an intra-organisational responsibility. It is generally based on the effectiveness of managers' performance in guiding the staff who report to them to undertake well specified delegated tasks.

It has become increasingly evident in the last three decades that public governance is not the business of employees of public sector organisations alone. Public services are performed by third parties, contracted either to central government or local authorities, either in combinations

with each other or with one or more public sector organisations. Working with third parties has been justified on the grounds that third-party service providers are generally 'closer' to the recipients of services (i.e., they may be resident in the same or an adjacent community, and they have more contextually informed understandings of a problem, and empathy with those who engage or who are envisaged to engage with the service). For social and health-related services, in particular, it may be claimed that local providers are better able to understand the needs of those to whom the services are targeted, and thus to deliver the services in a timely, efficient and cost-effective way that is responsive to clients and potentially innovative.

To leverage the local knowledge of these community-based organisations requires a shift in mindset and practices for leadership by public sector organisations: from a pure linear principal-agent one, to governance networks with new forms of relationships and accountabilities. This change in service delivery mode embodies some subtle shifts. On the one hand, it requires public employees and their managers – whether in central or local government – to be appropriately knowledgeable and skilled to negotiate, implement, monitor, and – where necessary or appropriate – terminate such relational contracts in circumstances where their own knowledge is limited. In addition, it requires that people and organisations delivering on local contracts need to be aware of the intentions of policies that cannot be fully specified. Furthermore, an assumption that the public sector values and expectations for their implementation, which are likely to include safeguarding client privacy, transparency of the contract-granting and implementation process, and postcode equity, can be delivered. This shift requires a relationship between the contracting parties that provides for respectful ongoing exchanges of information and new ways of ensuring mutual accountability. In addition, working in and through networks requires 'guardian angels' whose most important role is to maintain the political, organisational and stakeholder authorising environment to allow the network the scope and time to develop innovative and durable solutions.

A further complexity in respect of the public sector working with others is the ongoing evolution of the Crown-Māori relationship, and the need for a partnership that recognises the Treaty of Waitangi and allows for means for advancing the desire of Māori "to introduce kaupapa Māori ways of thinking and doing" into the public sector.

The leadership required to successfully achieve outcomes in such multi-actor circumstances is very different from our current dominant model. Firstly, it involves a distribution of responsibility for leadership at different points in time and place across many actors and organizations. Leadership requires process catalysis and strategic leveraging to activate recognition of a shared problem, frame the problem in ways that leverage commitment to solving, mobilize distributed information and resources, and synthesize joint and separate actions which will have a positive effect on the problem. Through repeated iterations of actions, sense-making and complexity translation, a positive trajectory will be created that moves a problem from its current state to a more positive adjacent possible and nearer to an end goal.

Such processes require distributed and facilitative leadership. Researchers identify the need for agility, adaptiveness and ambidexterity³ for leading and charting progress in these sorts of

³ Bryson, J. M., Page, S.; Stone, M. M.; Crosby, B.; Seo, D. (2019). *Ambidexterity in cross-sector collaborations*. Paper presented at the 23rd annual conference of the International Research Society for Public Management (IRSPM), Wellington, NZ, 16-19 April 2019.

circumstances. Embedded in these calls is an assumption of a different mindset and understanding required for appreciating how to work in and with complex systems, and the limits of control that can be exercised over them.

In the detailed evidence summary that follows, we highlight a number of issues and caveats. Attending to the importance of 'place', both in the delivery and in the leadership of services, has the associated risk of providers being less aware of the policy framework through which the service was mandated, and the funding approved. To reduce this risk, it may be tempting to complement local management with central governance, but this may lead to confused responsibility and duplication of effort. Although overseas jurisdictions provide examples of local authorities competently providing or contracting educational, social, and health services under delegated authority from a central government for many years, some commentators posit that New Zealand's track record in local government generally, and in providing health services through district health boards, does not give confidence in the probable effectiveness of 'localism' were councils or other similar entities to be empowered to provide such services. Whether or not responsibility for delivery of public services is devolved locally, partnership is a persistent theme in the rethinking of public sector leadership: both between government agencies and between central government and communities.

In recent years many social, environmental, and technological (especially information and communications technology) problems have been cast as wicked. As an example, the failures of information technology projects have been attributed to one or more of: a lack of understanding of the business process which the technology is expected to replace, a lack of understanding of some of the limitations of the technology by project sponsors and commissioning managers, and a lack of attention to the requirements of end-users and understanding what would constitute a successful implementation. Prevention of project failures is more likely if there is a team approach to the project, where effectively the sponsor, project leader, technical experts, and end-users co-design and implement the project, in a mutually communicative and supportive environment. The leadership needed for project success is distributed across all of these aspects of the project and not limited to the sponsor or governance level alone.

On the continuing fast evolution of information technologies, there is agreement that there will be impacts on the nature of work from artificial intelligence. Although there is no unanimity on the specific effects on employment, or its economic and social effects, one optimistic commentator suggests that changes driven by information technology are less likely to affect leadership roles. There remain a significant number of New Zealanders who do not have access to the internet or the facilities and knowledge needed to participate in an increasingly digital world, and there seems little evidence that 'digital inclusiveness' will become pervasive in the immediate future.

Rather more significant than information technology's effect on public sector leadership, failure to enhance the proportion of the 'digitally inclusive' in the community has implications for the current and future extent to which government services can be offered or promoted online, as well as public participation in democracy through online voting, census, and consultation activities, and even financial transactions.

In summary, a kind of leadership, different from the traditional 'heroic' stereotype, which is invested in only a few people, is implicit in addressing wicked problems: leadership that is more distributed and exercised by many at different points and times. Several recent representations of distributed leadership include the identification of a number of roles (e.g., commissioner, reticulator, foresighter, story-teller, navigator, resource weaver, networker, municipal entrepreneur, etc.). These roles have been portrayed as 'flat' management structures in cartoon depictions, and the activities of the roles have been promoted among public sectors and local authorities in a card game. In fact, the names of the roles are probably less important than the recognition that each member of a team brings knowledge and perspectives and contributes both those and a suite of skills to co-designing the solution to the 'wicked' problem. Significant here is joint commitment to individual and collective changes that will shift a problem state to a better state. The actions taken are neither best nor ideal but represent what there is a collective will and resources to do at a particular point in time.

Of the many capabilities featured in the government's current Leadership Success Profile, 'engaging others' and 'working with others' are particularly needed in the co-design of solutions to wicked problems. Increased resilience and agility will be required of all staff, and better support will be required to manage the expected increase in workplace stress caused in at least the initial stages of these changes. Research suggests that the skill set that marks a competent manager of this type of problem can also ameliorate the adverse effects of the staff involved in the solution. We note however that the current components of the Leadership Success Profile, when viewed against the leadership demands of complexity, ambiguity and uncertainty, appear as a set of necessary, but not sufficient parts to make a whole leader.

EVIDENCE

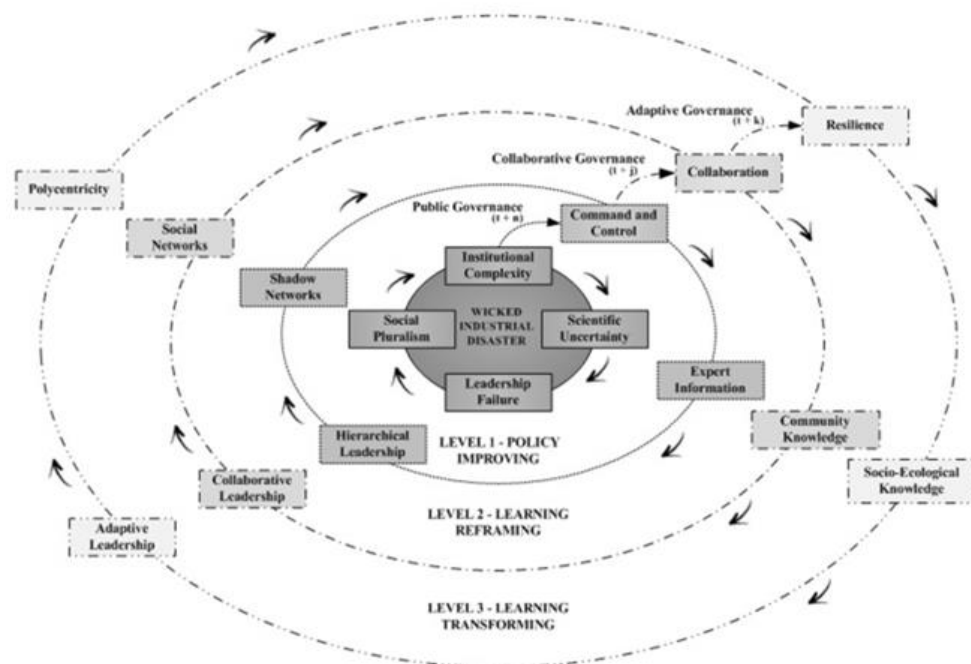
A. Uncertainty, complexity and 'wicked' problems

It has become increasingly common to draw on the notion of complex adaptive systems to explain the non-linear dynamism which is responsible for the interdependence of the public sector and its governance processes with the world it is trying to influence and govern⁴. So-called 'wicked' problems involve a complex interplay between affected citizens, the public sector and private institutions; their starting- and end-points are difficult to define, and the problem is -evolving as it proceeds. As an example:

An industrial disaster can be transformed into a wicked problem when organizations face institutional complexity, and multiple interests emerge during the damage-recovery phase whenever the available information is confusing. Mitigation actions are associated with incomplete knowledge of the various interests involved and with different perspectives on values. In this context, approaches to public, collaborative, and adaptive governance can help show how to proceed in the face of industrial disasters that turn into wicked problems.

These governance regimes operate at multiple levels, consider interdependencies, integrate adjacent policies, promote innovation and social learning, and recognize that solutions are not unique but require continuous adjustments [see **Figure A.0.1**].⁵

Figure A-0.1.
Possible
responses to
a 'wicked'
industrial
disaster



⁴ Eppel, E.; Rhodes, M. L. (2017). Complexity theory and public management: A 'becoming' field. *Public Management Review*. doi:<http://dx.doi.org/10.1080/14719037.2017.1364414>

⁵ De Abreu, M.C.S.; De Andrade, R.D.J.C. (2019). Dealing with wicked problems in socio-ecological systems affected by industrial disasters: A framework for collaborative and adaptive governance. *Science of the Total Environment* 694: 133700.

A diagram similar to *Figure A-0.1* could be constructed for problems such as climate change or child poverty, which include – to a variable extent – historical, social, environmental, and technological dimensions.

The public sector setting/context faces complexity in terms of socially, environmentally and technologically difficult problems it needs to work with such as climate change, child poverty or a measles epidemic. These problems are difficult to define with a starting and end-point because of their multi-actor, multi-factor nature and endogenous, self-organising dynamism and have been branded as ‘wicked problems’ because they arise from the interactions between people, public and private institutions and are constantly undergoing changes which are socially created and bedevil easy understanding and solution.

A1. Implications of complexity – I: The need for participatory processes

Complexity implies that no one person or organization can ever have enough knowledge to understand completely what the problem is or might become. This implies that collaboration between public and private sectors in multi-organisational networks (which route around hierarchy, enabling work to be done collaboratively, especially when that work is complex and there are no simple answers, best practices or case studies to fall back on)⁶ is necessary and that the involvement of citizens is generally essential, both to understand the wicked problem and to determine helpful actions which need to draw on local context knowledge of existing interactions and what it will take to change them and local resources. This collaboration usually takes the form of repeated iterations of ‘probe-sense-respond/act’⁷ to enable emergent trajectories of positive or helpful behaviours to emerge from the interactions of ‘actors’ (see also *Figure A-1.1*).⁸ It requires a different mindset that is sensitive to small indicators that something is not fitting an expected pattern. Helpful feedback loops which begin to create a trajectory of changes moving in a desired direction can be encouraged. Equally, feedback loops that are generating unhelpful change directions can be disrupted.⁹

⁶ Jarcho, H. (2011). Emergent value. <https://jarcho.com/2011/03/emergent-value/>

⁷ This is analogous to beta releases in information technology developments;

⁸ Snowden, D. J. (Producer). (2010, 3 July 2014). *The Cynefin Framework*. Retrieved from <http://www.youtube.com/watch?v=N7oz366X0-8>

⁹ For practical examples of the types of distributed leadership practices that have been shown to be effective at doing this see: Eppel, E.; Karacaoglu, G.; Provoost, D. (2018). *From complexity to collaboration: Creating the New Zealand we want for ourselves and enabling future generations to do the same for themselves*. Institute for Governance and Policy Studies, Victoria University of Wellington. https://www.victoria.ac.nz/__data/assets/pdf_file/0007/1656340/WP18-01-Complexity-to-collaboration.pdf.

Figure A-1.1. The Cynefin Framework (Snowden). Although there is currently a strong research interest in complex problems, it is noteworthy that ‘simple’ and ‘complicated’ problems continue to be posed and that these too need solutions.



A2. Implications of complexity – II: The need for a different type of leadership

Complexity requires a different form of leadership; indeed, it has been suggested that “different forms of leadership may be required for ‘wicked’ (technical) problems than for ‘tame’ (adaptive) problems”.¹⁰ Wicked problems make particular demands on the requirements for public sector leadership;¹¹ leadership in these situations is characterised by recognition that:

- Complexity cannot be controlled or fully known
- Making sense of perspectives from many and diverse sources is a precursor for agile action;¹²
- Participating organisations are interdependent, i.e. they constitute an ecosystem;¹⁴
- The usual organisational controls and accountabilities might not be appropriate;¹⁵ and

¹⁰ Heifetz, R. (1994). *Leadership Without Easy Answers*. Cambridge (MA): Harvard University Press.

¹¹ Keast, R.; Mandell, M. (2014). A composite theory of leadership and management: Process catalyst and strategic leveraging - theory of deliberate action in collaborative networks. In Keast, R.; Mandell, M.; Agranoff, R.(Eds.), *Network theory in the public sector: Building new theoretical frameworks* (pp. 33-50). London: Routledge.

¹² Snowden, D. J.; Boone, M. E. (2007). A leader's framework for decision making. *Harvard Business Review* (November 2007): 69-76.

Snowden, D. J. (Producer). (2010, 3 July 2014). *The Cynefin Framework*. Retrieved from <http://www.youtube.com/watch?v=N7oz366X0-8>

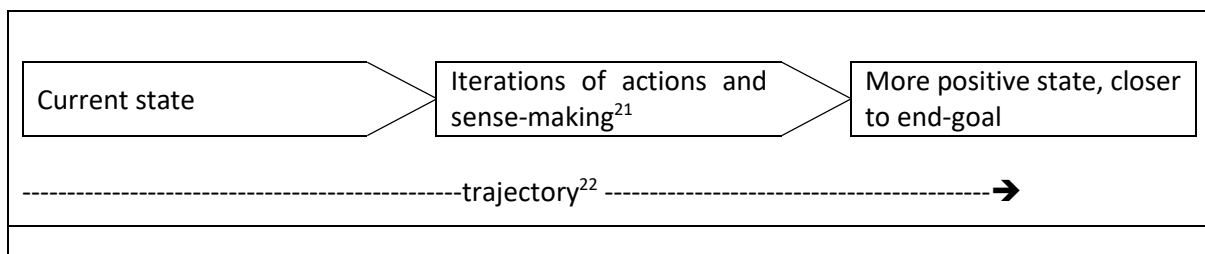
¹³ Room, G. (2016). *Agile actors on complex terrains. Transformative realism and public policy*. London: Routledge.

¹⁴ Osborne, S. P.; Radnor, Z.; Kinder, T.; Vidal, I. (2015). The SERVICE Framework: A Public-service-dominant approach to sustainable public services. *British Journal of Management*, 26, 424–438. doi:10.1111/1467-8551.12094

¹⁵ Boulton, J.G.; Allen, P.M.; Bowman, C. (2015). *Embracing complexity: Strategic perspectives for an age of turbulence*. Oxford (United Kingdom): Oxford University Press.

- The problem is shared and needs to be framed to leverage commitment to solving, mobilize distributed information and resources and synthesize joint and separate actions which will have a positive effect on the problem¹⁶.
- Collaborative networks need guardian angels who act as complexity translators to maintain the authorising environment to enable the network to have scope and permission to take risks and develop innovative solutions. Guardian angels work is to ensure maintenance of the political, organisational and stakeholder trust and confidence in what is being created by the collaboration¹⁷.

Progressing the process towards the end goal (**Figure A-2.1**) requires distributed and facilitative leadership, which researchers have identified needs agility¹⁸, adaptiveness¹⁹ and ambidexterity.²⁰



¹⁶McGuire, M.; Agranoff, R. (2014). Network management behaviours: Closing the theoretical gap. In Keast, R.; Mandell, M.; Agranoff, R. (Eds.), *Network theory in the public sector: Building new theoretical frameworks* (pp. 137-156). London: Routledge.

Keast, R.; Mandell, M. (2014). A composite theory of leadership and management: Process catalyst and strategic leveraging - theory of deliberate action in collaborative networks. In Keast, R.; Mandell, M.; Agranoff, R. (Eds.), *Network theory in the public sector: Building new theoretical frameworks* (pp. 33-50). London: Routledge.

¹⁷Eppel, E., Gill, D., Lips, M., & Ryan, B. (2008). *Better connected services for Kiwis: A discussion document for managers and front line staff on better joining up the horizontal and the vertical*. Wellington: Institute of Policy Studies, School of Government, Victoria University of Wellington.

Eppel, E., Gill, D., Lips, A. M. B.; Ryan, B. (2013). The cross-organisational collaboration solution? Conditions, roles and dynamics in New Zealand. In O'Flynn, J.; Blackman, D.; Halligan, J. (Eds.), *Crossing boundaries in public management and policy: The international experience* (pp. 47-63). Abingdon, UK: Routledge.

Eppel, E., & Lips, M. (2016). Unpacking the black box of successful ICT-enabled service transformation: how to join up the vertical, the horizontal and the technical. *Public money and management*, 36(1), 39-46. doi:10.1080/09540962.2016.1103417

¹⁸Room, G. (2016). *Agile actors on complex terrains. Transformative realism and public policy*. London: Routledge.

¹⁹Uhl-Bien, M.; Arena, M. (2018). Leadership for organizational adaptability: A theoretical synthesis and integrative framework. *Leadership Quarterly*, 29 (1).

Alford, J.; Head, B. W. (2017). Wicked and less wicked problems: a typology and a contingency framework. *Policy and Society*. doi:http://dx.doi.org/10.1080/14494035.2017.1361634

²⁰Bryson, J. M., Page, S.; Stone, M. M.; Crosby, B.; Seo, D. (2019). *Ambidexterity in cross-sector collaborations*. Paper presented at the 23rd annual conference of the International Research Society for Public Management (IRSPM), Wellington, NZ, 16-19 April 2019.

²¹Eppel, E.; Lips, M. (2016). Unpacking the black box of successful ICT-enabled service transformation: how to join up the vertical, the horizontal and the technical. *Public Money and Management*, 36 (1): 39-46. doi:10.1080/09540962.2016.1103417

²²Cynefin Centre. (2016). Engage, empower, enact network. Cynefin Centre, University of Bangor, Wales: <http://cynefin.bangor.ac.uk/public-good.php.en>.

A3: Harnessing the power of networks and collaboration to nudge the system and the actions of many towards the adjacent better

Networks of interdependent actors whose actions cannot be controlled can nevertheless be nudged in ways that allow the collective actions of the many to contribute to a desirable macro change for the better.

An illustrative case looked at how principals in low socioeconomic schools enact leadership to achieve the success of their students²³. These principals worked with three sets of networks to nudge the actions of these network actors in ways that would contribute to student success.

The first of these networks were intra-school and focused on the technical and specialist business of teaching, learning and assessment. The principals used their membership of these networks to nudge all intra-school processes and activities towards reinforcing the educational success of the students. The principals also had a second set of networks made up of professional educators, researchers and policy makers from outside their school.

The principals worked with the members of these networks to understand the latest research, and influence future research agendas and policy settings to ensure that these adequately took account of the challenges of the low socioeconomic schools in achieving educational success for all of their students.

The principals also had a third set of networks with members of the parents and immediate community, and also with businesses and other organisations that operated in the vicinity of their school. They worked with these networks to gain their understanding, support and resources for contributing to the educational success of the schools' students.

These principals were tireless in the way that they constantly nudged these networks towards greater reinforcement of the schools' efforts toward student success and also connecting up isolated actions of some in ways that reinforced the trajectory of the whole towards educational success. Alone, none of the actions taken appears like much, or sufficient, but collectively they nudge the system towards greater educational success for all students.

²³ Millar, A. B. A. (2019). *Bringing life to leadership: the emergence of principal leadership practice for educational success in low socio-economic schools*. (Doctor of Philosophy). Victoria University of Wellington,

B. Leading organisations that operate as part of ecosystems

Public sector organisations do not function independently and their ability to perform effectively and innovate depends on how they operate as part of an interdependent ecosystem of organisations working in and with other organisations and individuals their sector²⁴ An ecosystem approach to government “reflects an intuitive understanding that policies and incentives are mutually inter-linked in more than just the structured interdependence of an engineering system: they also need to be dynamic and agile, akin to how ecologies are both inter-connected and constantly evolving,”²⁵ as evident from **Table B-0.1**.

Table B-0.1. Changing management styles within the Singapore Public Service in response to growing complexity

SIMPLE (1960s to 1980s)		COMPLEX (1990s onwards)
Analyse	→	Probe, sense, respond
Identify the risks and opportunities	→	Create environments and experiments for innovative patterns to emerge
Set corporate objectives	→	Increase levels of interaction and communication
Make a plan to achieve the objectives	→	Generate ideas, options
Execute the plan	→	Set the right boundaries, barriers and incentives to encourage patterns to grow into coherence and general acceptance
Sometimes call in the experts	→	Adverse effects management (what doesn't fit)

B1. Working effectively with an expanding and active range of stakeholders, including the interface between national and local regional government

A central question is “How should public affairs scholars build on the recent work on public leadership to gain insights into the ways that diverse people in formal and informal leadership positions can help each other and fellow citizens productively tackle the pressing shared problems and opportunities of our time? We strongly encourage our colleagues to emphasize publicness and public value, to expand and deepen attention to leadership theories, and broaden their methodological repertoire.”²⁶

Partnership is a persistent theme of recent research in this area, and is particularly applied to local government, in which interviewees in a research project considered that the ideal 21st century public servant:

²⁴ Osborne, S. P.; Radnor, Z.; Kinder, T.; Vidal, I. (2015). The SERVICE Framework: A Public-service-dominant approach to sustainable public services. *British Journal of Management*, 26, 424–438. doi:10.1111/1467-8551.12094

Osborne, S. P. (2018). From public service-dominant logic to public service logic: are public service organizations capable of co-production and value co-creation? *Public Management Review*, 20(2), 225-231. doi:10.1080/14719037.2017.1350461

²⁵ Ho, P.; Pakir, S. (2019). *Navigating a complex world: A Simple guide for public officers*. Singapore: Civil Service College.

²⁶ Crosby, B.C.; Bryson, J.M. 2017. Why leadership of public leadership research matters: and what to do about it. *Public Management Review* 20, 9, 1265-1286.

“engages with citizens in a way that expresses their shared humanity and pooled expertise. The notion of working co-productively, or in partnership, with citizens was the preferred approach of most interviewees: ‘Valued outcomes in public services are not things that can be delivered, they are always co-produced’, as one put it. One of the suggested approaches was alluringly simple: ‘It’s about being human, that’s what we need to do’. One clear finding from the research was that the widespread calls for whole person approaches to care and support necessitate working practices in which staff are also able to be ‘whole people’”, and “is rooted in a locality which frames a sense of loyalty and identity”.²⁷

Similarly,

“Cross-sector collaborations form to address public problems that individual organizations have difficulty solving by themselves, often after organizations acting alone have failed repeatedly to address the problems. Collaborations therefore are frequently charged to devise or implement innovative solutions to longstanding issues. Innovation requires developing new knowledge, adapting existing knowledge to new demands and circumstances, or some combination of the two. Put another way, innovation requires either exploring or exploiting knowledge, depending on the circumstances and capabilities at hand. Research on private firms reveals that the ability to both explore and exploit knowledge – a capability dubbed organizational ambidexterity – is an important feature of long-term business effectiveness.”²⁸

In New Zealand requests for increased stakeholder involvement have been most strongly expressed in the provision of targeted health services for Māori and Pacific clients, for which purpose there are now numerous providers contracted to District Health Boards;²⁹ and by Māori in respect of the management and/or governance of land and water resources. Some examples of the latter have been achieved through Treaty of Waitangi settlements and others through arrangements agreed between local councils and iwi. Also of note in this regard are partnerships between Māori and science interests in local environmental protection.³⁰ In other areas such as the education and justice sectors there are calls for greater involvement of Maori and Pasifica to help address the persistent underperformance of these sectors for Māori and Pasifica.

There are continual suggestions that local government should have an increased mandate for the provision of services such as social housing, education, and services to senior citizens,³¹ but the Productivity Commission is currently unconvinced that this is appropriate for New Zealand.³² Despite this, although there is a persistent lack of engagement of citizens with local bodies,³³ with digital ‘fixes’

²⁷ Needham, and Mangan (2014), *op. cit.*, finding 9.

<https://www.birmingham.ac.uk/schools/public-service-academy/about/twentyfirst-century-ps.aspx>

²⁸ Bryson, J.M.; Page, S.B.; Stone, M.M.; Crosby, B.C.; Seo, D. (2019, April.) Ambidexterity in cross-sector collaborations. Paper presented at the 2019 annual conference of the International Research Society for Public Management, Wellington, New Zealand, pp. 16-19.

²⁹ Whanau Ora is one such example.

³⁰ Jenkins, K. (2019). Remember the flicking tail of the lizard: How mātauranga Māori is being woven into-placed based regulatory decisions in Aotearoa. *Policy Quarterly* 15 (2): 55-61.

³¹ Reid, M. (2019). Examining the case for decentralization. *Policy Quarterly* 15 (2): 3-9.

McKinlay, P. (2019). Localism: let’s do this. *Policy Quarterly* 15 (2): 38-43.

³² New Zealand Productivity Commission (2019, July). *Local Government Funding and Financing. Draft Report.* https://www.productivity.govt.nz/assets/Documents/21e9d8fde3/ProdCom_Draft-report_Local-government-funding-and-financing-v5.pdf

³³ Hodder, P. (2019). Measuring the effectiveness of local government. *Policy Quarterly* 15 (3): 75-83.

sometimes being proposed,³⁴ a community-led transformation of services from central to local provision of services has been proposed as both possible and desirable.³⁵

Similar to antecedents elsewhere, particularly in the United Kingdom, the argument for localism has received some recent impetus with the re-introduction of the requirement for local government ‘to promote the social, economic, environmental and cultural well-being of communities’. While this has prompted some analysis of the quality of life in selected urban areas,³⁶ “currently ... many central government officials appear to relegate the four well-beings to a subsidiary – indeed almost invisible role.”³⁷ That said, the local body environment would be a good candidate for considering the concept of place-based leadership (see *Section B1.1*)

B1.1 The importance of place³⁸

A place-based approach to leadership requires thinking “of organisations not only as strategic enterprises in a global economy, but as buildings and grounds peopled by humans with bodies who live in communities that have complex , ecological, social and political histories.”³⁹

There has been a recent growth in interest in place leadership, for which advantages and disadvantages are summarized in **Table B-1.1**.

Table B-1.1. Advantages and disadvantages in place-based leadership initiatives	
Advantages	Disadvantages
<ul style="list-style-type: none"> ● Policy interventions can be better targeted, based on local evidence; ● Potential for communities have a greater say in how issues are identified, and services are provided; ● Can help to promote innovation⁴⁰ in service delivery that might yield increased effectiveness and efficiency <p>➔ All these might lead to improved social cohesion and resilience and enhanced trust in government.</p>	<ul style="list-style-type: none"> ● Potential for duplication of effort and inefficient allocation of resources; ● Not suitable as an immediate response to a crisis; Confused co-ordination between central and local government can derail process. ● If an extra layer of governance is added, this can dissipate effort, resources and support; ● Difficult transition from PBL state to ‘business as usual’ ● ‘reverse NIMBYism, others may be aggrieved by not being a focus

“Place leadership highlights the role of urban and rural public value co-creation to deal with wicked and/or societal challenges. It also emphasises how better integrated public and political leaders can engage members

³⁴ James, C. (2019). Where are the locals? *Policy Quarterly* 15 (2): 10-12.

³⁵ Courtney, M. A focus on the how not the who: Localism in Aotearoa through a community-led lens. *Policy Quarterly* 15 (2): 33-43

³⁶ Morrison, P.S. (2019). Measuring local well-being: reflections on the Local Government (Community Well-Being) Amendment Bill. *Policy Quarterly* 15 (2): 51-54.

³⁷ Grimes, A. (2019). Well-being at the local level. *Policy Quarterly* 15 (2): 44-49.

³⁸ This section draws on: Jackson, B. (2019). The power of place in public leadership research and development. *Public Leadership Research and Development*: www.emeraldinsight.com/2056-4929.htm

³⁹ Guthey, G.T.; Whiteman, G.; Elmes, M. (2014). Place and sense of place: implications for organizational studies of sustainability. *Journal of Management Inquiry* 23 (3): 254-265. [Cited in Jackson (2019), *op.cit.*].

⁴⁰ Levers for achieving innovation by adopting design logics and practices associated with inclusive, experimentalist governance are offered by Crosby, B.C.; Hart, P.’t.; Torfing, J. (2017). Public value creation through collaborative innovation. *Public Management Review* 19 (5) 655-669.

of society in interactive policy and public management processes that can result in the co-creation of public value through new arenas such as living labs, collaborative platforms and participatory processes both online and in real places.” Experience in New Zealand suggests the approach works best with “emergent leaders from business, government, NGO and indigenous sectors who work on important place-base problems over ... 12-18 months”.

The ECan water project (see Section C) is one such example.

B2. Working effectively across the system

Ten propositions that serve to clarify public leadership are listed and highlights briefly described in **Table B-2.1**.⁴¹

Table B-2.1. Highlights of the ten propositions about public leadership	
Proposition	Comment
1, A shift from public leadership and public services leadership	A focus on “state actors and state processes is insufficient to understand public leadership, which is better described as “mobilising individuals, organisations and networks to formulate and/or enact purposes, values and actions which aim or claim to create valued outcomes for the public sphere.”
2, The highly dynamic context of public leadership	Some research suggests that different forms of leadership may be needed for ‘wicked’ (i.e., technical) problems from ‘tame’ (i.e., adaptive) problems ⁴²
3, Clarity of purpose	Public leadership “has to grapple ... with the issue of purpose because different stakeholders may hold radically different views of purpose themselves (see Sections B1, B3 , and the water case study in Section C)
4, Conflict and context lie at the heart of public leadership	“politics, both formal and informal, surround and infuse it “
5, Leadership requires political astuteness	Research suggests that political astuteness, ‘nous’ or acumen requires “personal skills, interpersonal skills, reading people and contexts, building alignment and alliances, and strategic direction and scanning”
6, The value of thinking about dual leadership	Little research has been done on either distributed leadership (the ‘why, ‘how’ and extent to which leadership roles are shared and shaped over time) or dual leadership (e.g., government minister and permanent secretary; local government mayor and chief executive ⁴³)
7, Leadership may include projections* from others	There has been limited research into the processes of connection between leaders and those they interact with – not simply the “followers” (see Section F), but also of citizens, partner leaders, and peers. A note of caution is sounded: “At a time of populist leadership where demagoguery is on the rise, we ignore these issues about projection at our peril”.
<i>This table continues on following page</i>	

⁴¹ Hartley, J. (2018). Ten propositions about public leadership. *International Journal of Public Leadership* 14 (4): 202-217.

⁴² Heifetz, R. (1994). *Leadership Without Easy Answers*. Cambridge (MA): Harvard University Press. [Cited in Hartley (2018), *op. cit.*]

⁴³ In New Zealand, the variability in the nature and effectiveness of the relationship between mayors and chief executives is apparent from comparison of the CouncilMARK reports; see: <https://www.lgnz.co.nz/about-councilmark/results/>

Table B-2.1 (continued). Highlights of the ten propositions about public leadership

Proposition	Comment
8, The need to foster personal resilience in public leaders	Pressure is compounded by Proposition 4. Research suggests that personality and learned skills contribute to resilience and that stress can be prevented or ameliorated by support systems inside or outside the workplace (see Sections B3, D1)
9, Leadership, authority and legitimacy	Research would benefit by disentangling the process of leadership from those of formal authority derived from positional power and institution; particularly “as trust in politicians, public servants, and ‘experts’ wanes”.
10, Research designs and methods reflect complexity and dynamism	Limited if researchers are not situationally or contextually involved in public leadership
<p>Notes to Table B-2.1</p> <p>*Based in the idea that public servants and – by implication – public leaders “have to handle the projections of citizens and clients about the public service being a psychological ‘container’ for the mad, the bad and the sad, so that citizens and clients can deny problems and difficulties in their lives or in society by projecting those anxieties and concerns onto private services”.⁴⁴</p>	

As problems become more complex (see **Section A**) a more dynamic approach that depends less on heroic leadership and more on collaboration is indicated.⁴⁵ Such “cross-sector collaborations form to address public problems that individual organizations have difficulty solving by themselves, often after organizations acting alone have failed repeatedly to address the problems. Collaborations therefore are frequently charged to devise or implement innovative solutions to longstanding issues.”⁴⁶ Although these collaborations are established to address particular issues; as such they may not be permanent and are best suited to “organisations which are fluid and supportive, rather than siloed and controlling [as implicit in the Leadership Profile of **Section D**],”⁴⁷ Taken a little further, these authors “envisage a trend to ‘portfolio’ and ‘project’ -based work, rather than working in a ‘role’ [and] “they recognise that leadership is becoming more political, appointments are often short-term contracts rather than from career progression .” Such changes would need to be accommodated in the Leadership Success Profile described in Section D, or its equivalent.⁴⁸

B3. Challenges to current institutional arrangements such as kawanatanga

There remain inequalities in the appointment of Māori and Pasifika to senior roles in the public sector. Because of the emphasis in fulfilling the obligations associated with the principles of the Treaty of Waitangi, the employment of Māori within the public sector has increased in recent years. However, Māori are not necessarily well prepared for public sector roles by working with iwi organisations because the public sector has nothing that resonates with Māori, including their values

⁴⁴ Hoggett, P. (2006). Conflict ambivalence and the contested purpose of public organizations. *Human Relations* 59 (2): 175-194. [Cited in Hartley (2018), *op. cit.*]

⁴⁵ Needham, C.; Mangan, C. (2014). *The 21st Century Public Servant*. University of Birmingham, Public service Academy, finding 8.

⁴⁶ Bryson, J.M.; Page, S.B.; Stone, M.M.; Crosby, B.C.; Seo, D. (2019, April). ‘Ambidexterity in cross-sector collaborations’. 2019 annual conference of the International Research Society for Public Management, Wellington, pp. 16-19

⁴⁷ Needham and Mangan (2014), *op. cit.*, finding 7.

⁴⁸ Dickinson and Sullivan (2014), *op. cit.*, Chapters 3 and 4.

and the Treaty of Waitangi. In essence, Māori public servants – like others – want to make a difference but needs to be purposeful. That said, a significant development in the public sector could reflect the following perspective:

“No longer are the Māori leadership roles just about traditional Māori cultural practices. The cultural responsive executive leadership model is an operating model that is still underpinned by cultural practices and competencies, but it also involves four inter-disciplinary dimensions of leadership that are dynamic and inter-related depending on the context.”⁴⁹

This perspective envisages four dimensions: Transforming leadership – the rangatiratanga dimension; Leader-follower relations – the whanaungatanga dimension; Active stewardship – the manaakitanga dimension and Critical guardianship – the kaitiakitanga dimension, leading to a desire “to introduce kaupapa Māori ways of thinking and doing within other environments continues to be a focus for Māori, and there is a growing body of research literature to advocate for greater attention in these areas”.⁵⁰

Within the public sector Takapau Wharanui is being developed to give effect to a learning-as-practice framework⁵¹ – Manurau – which recognises and legitimates the lived experience of Māori in the public sector and aims to uphold and advance Māori leadership in the sector. Central to Manurau recognises a ‘two-worlds context’ (**Figure B-3.1**),⁵² associated with Māori, Crown and two-world principles (**Table B-3.1**).⁵³

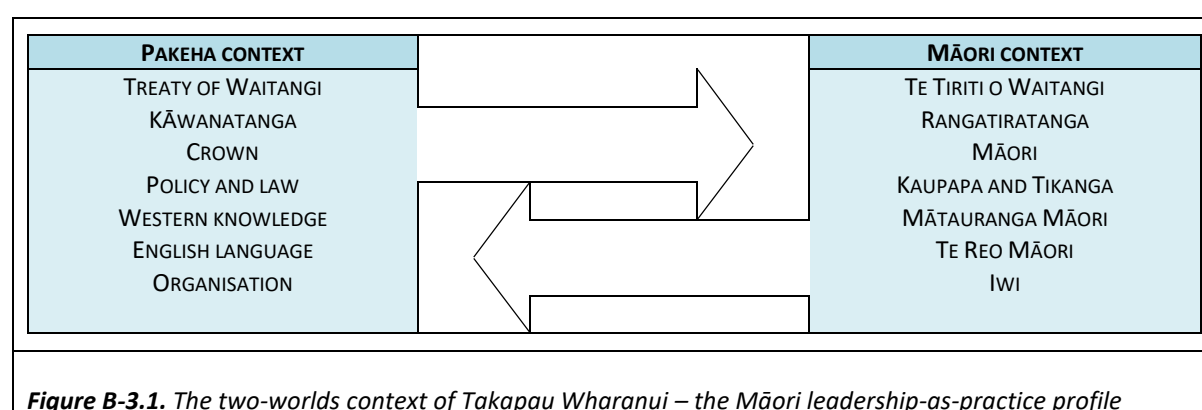


Table B-3.1. Two-worlds principles for the New Zealand public sector		
Crown principles	Two-world principles	Māori principles
Fairness Impartiality Responsibility Trustworthiness Integrity	Good governance Biculturalism Stewardship Collectivism Manaakitanga	Kaitiakitanga Wairuatanga Tapu Māuri Tiro rangatiratanga

⁴⁹ Bean, D. (2018). *Manurau: A conceptual framework of Māori leadership practice in the New Zealand public sector*. PhD thesis, Victoria University Wellington, Wellington

⁵⁰ Bean, D. (2018), *op. cit.*, pp. 29-240.

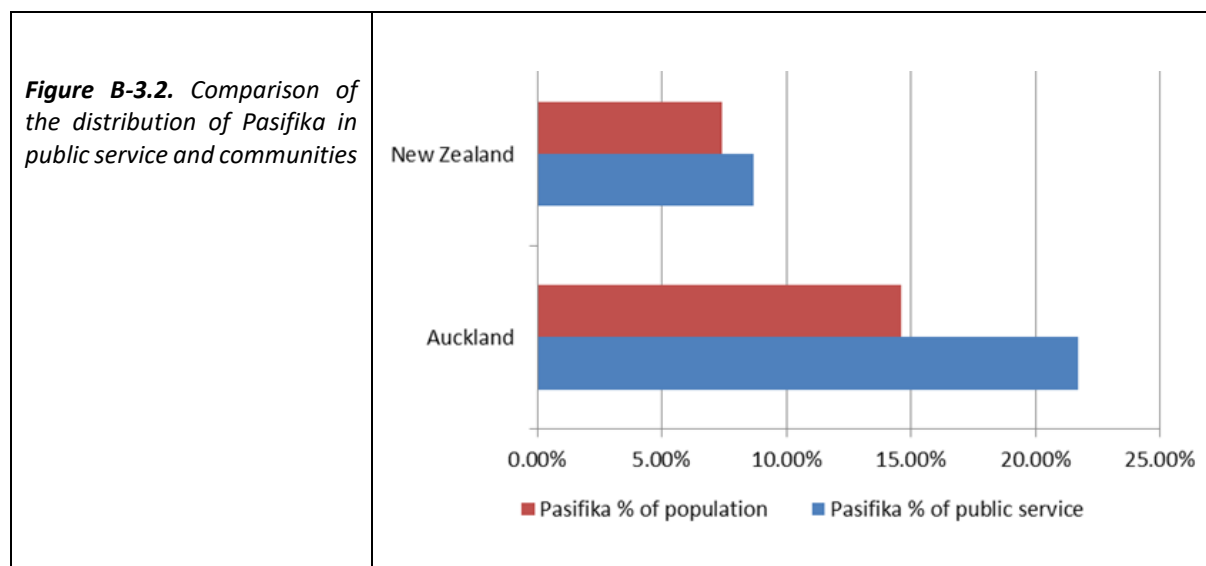
⁵¹ There are similarities of this concept to that advanced by Raelin, J. A. (2011). From leadership-as-practice to leaderful practice. *Leadership*, 7 (2), 195–211.

⁵² *Takapau Wharenui – Public sector Leader4ship in Aotearoa New Zealand*, DRAFT

⁵³ Bean, D. (2018), *op. cit.*, p. 229, table 7.

Although Pacific staff are well represented compared to the overall labour force (they make up 5.9%), and constitute a greater proportion of the public service than they do of the population (**Figure B-3.2**), they are:

“still under-represented in the top three tiers of Public Service management. This will take time and deliberate effort to increase as non-European ethnicities are also under-represented at lower levels of management. The lack of ethnic diversity in management is a key challenge. There are other ethnic differences in terms of Public Service occupations. European staff are over-represented as Managers and Policy Analysts. Māori and Pacific staff are well represented as Inspectors and Regulatory Officers, and as Social, Health and Education Workers but less so in other professions. Pacific and Asian staff are highly represented as Contact Centre Workers and Asian staff as ICT Professionals and Technicians.”⁵⁴



Frustration with this situation, particularly in Auckland, is captured by the comment of a senior Pasifika leader:

“People have the same qualifications, length of service, better insight into Auckland’s diverse community make up: and yet there are virtually none at Tier Two... A person from overseas with no understanding of New Zealand will leap frog over Pasifika applicants, who will inevitably end up having to support the person who did get the job as they don’t understand our communities or challenges.”

There is no equivalent of the Treaty of Waitangi for Pasifika, so other methods are required to ensure Pasifika people comes to the attention of those making appointments. This includes talent recognition strategies and the provision of professional development and mentoring for those aspiring to advancement in the public sector. Opportunities also need to be provided and taken for ‘story-telling’ to build ‘cultural intelligence among public sector chief executives and senior staff of government ministries, departments and agencies, especially those where Pasifika people form a significant proportion of their clients.

⁵⁴ *Public Service Workforce Data. Human Resource Capability Survey* (2017). Wellington: State Services Commission, pp. 29-30. (<http://www.ssc.govt.nz/sites/all/files/public-service-workforce-data-2017-v2.pdf>)

C. Stewardship

Although “most public servants consider they are ‘custodians of the public good’”,⁵⁵ much activity in the public sector is focused on short-term management rather than long-term stewardship. Although a role of “municipal entrepreneur, a steward of scarce public resources” could be envisaged that complements other new roles that have been suggested may be performed by the public servants of the future include story-teller, resource weaver, systems architect and navigator,⁵⁶ similar results might be achieved by public sector staff co-designing solutions with relevant external agencies and organisations, and then co-managing the resources involved.

For New Zealand the implementation of such co-design is not new; several national parks are managed in this way, involving governance arrangements between iwi and government agencies or local authorities. Not all such collaborative arrangements have been immediately successful, in part because they inevitably involve complex multi-faceted issues and may require compromises from established positions. In order to achieve such co-design and co-management, better and more holistic understanding of natural resources,⁵⁷ (and freshwater resources, in particular⁵⁸) are required, coupled with making better use of scientific advice.⁵⁹

A current example of this approach is the Canterbury Water Management Strategy, selected perspectives of which were sought and published in a recent issue of *Policy Quarterly*. Although not presented this way in *Policy Quarterly*, the authors’ perceptions of the strategy’s meeting the four aspects of well-being are compared semi-quantitatively on **Figure C-0.1**.⁶⁰

Pham’s critique considers that the strategy is too farmer-centric, raising the question, “At what point do we decide to broaden our economic considerations to include the whole community and transfer the ‘risk’ burden – which currently rests with the environment and society – onto the commercial activity that is utilizing and/or abusing a public resource for private profit?” Lambie’s position is more generous than Pham in its recognition of the compromise between the ‘aspects’, while Taiuru asserts that little has changed during the implementation of the strategy and maintains a preference for a re-imagined Ngāi Tahu heritage of virtuous environmental stewardship.

⁵⁵ Dickinson, H.; Sullivan, H. (2014). *Imagining the 21st Century Public Service Workforce*. Melbourne: Melbourne School of Government, chapter 3

⁵⁶ Needham and Mangan (2014), *op. cit.*, finding 1

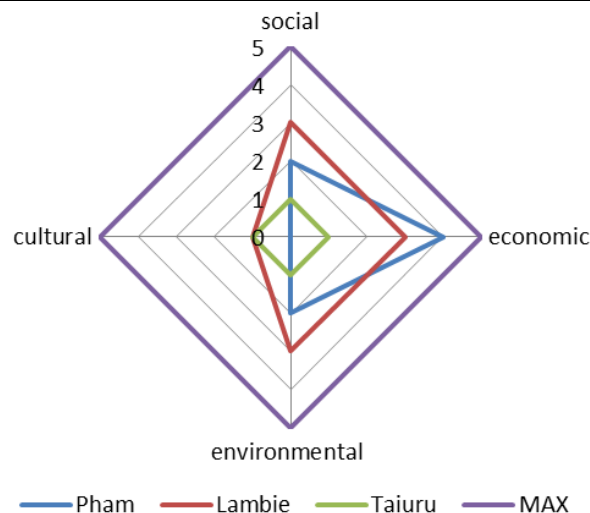
⁵⁷ Jenkins, K. (2019). Remember the flicking tail of the lizard: how mātauranga Māori is being woven into-placed based regulatory decisions in Aotearoa. *Policy Quarterly* 15 (2): 55-61.

⁵⁸ Salmond, A.; Brierley, G.; Hikura, D. (2019). Let the rivers speak; thinking about waterways in Aotearoa New Zealand. *Policy Quarterly* 15 (3): 45-54. See also: Gregory, R.; Maynard, K. (2019). Weber vs wairua: towards a more humane bureaucracy in Aotearoa New Zealand. *Policy Quarterly* 15 (4): 35-41.

⁵⁹ Jeffares, B.; Boston, J.; Gerrard, J.; Hendy, S.; Larner, W. (2019). Science advice in New Zealand: opportunities for development. *Policy Quarterly* 15 (2): 62-71.

⁶⁰ *Figure C-0.1* is compiled from three perspectives on Canterbury freshwater management: Pham, L. (2019). The Ecan water management strategy experiment: the good the bad and the tipping – what has the last decade of collaborative planning delivered to Waitaha/Canterbury communities? *Policy Quarterly* 15(3): 37-39; Lambie, T. (2019). The success of the Canterbury water management strategy. *Policy Quarterly* 15(3): 39-49; Taiuru, K. (2019). Ngāi Tahu perspectives on freshwater. *Policy Quarterly* 15 (3): 41-44.

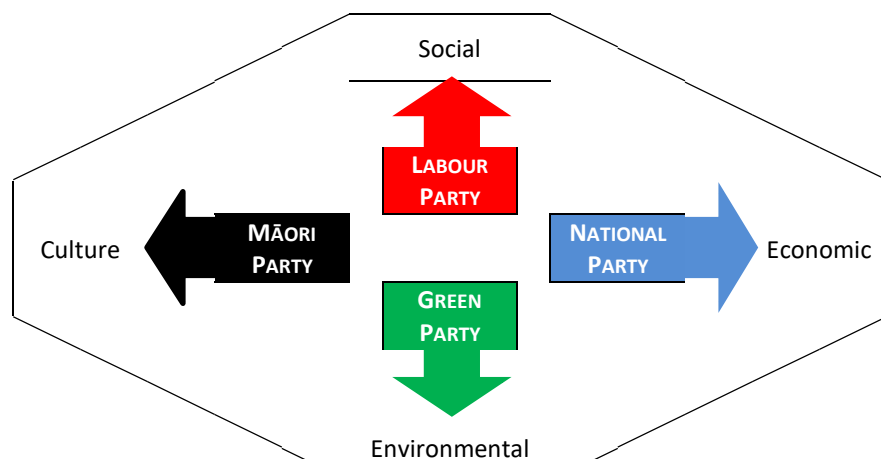
Figure C-0.1. Inferred position of commentators on the effectiveness of the Canterbury Water Management Strategy on a grid of the four aspects of well-being (viz., social, economic, environmental, cultural). Both the Pham (2019) and Lambie (2019) essays consider a compromise has been reached but differ in their assessment on the extent of changes either made or needing to be made to regional agricultural practice in order to improve water quality. Taiuru's (2019) essay is inferred as concluding progress has been minimal on all four aspects



In fact, most settler groups adapt and exploit their new environment;⁶¹ Ngāi Tahu was no exception. Shortly after their arrival in Canterbury between 1350 and 1450 AD, Ngāi Tahu set fire to the Canterbury plains "to clear land for cultivation" and "to flush out moa from dense forest and scrub", being unaware of the very different consequences for burning lush tropical forests in their Pacific island homelands compared with dry grassland.⁶² The scientific legacy of the "fires of Tamatea" is the charcoal layers and remains of micro-organisms in the sediments of the region's lakes;⁶³ while the environmental legacy is the extinction of the moa.

Compromise between and probably within the well-being 'aspects' is clearly necessary for effective environmental management: if for no other reason than that each of the four 'aspects' correlate with a competing political sympathy (**Figure C-0.2**).

Figure C-0.2. Association of well-being 'aspects' with political sympathies in New Zealand



⁶¹ Dartnell, L. (2018). *Origins: How the Earth Made Us*. London: Bodley Head.

⁶² Berentson, Q. (2012). *Moa: The Life and Death of New Zealand's Legendary Bird*, pp. 261-264. Nelson: Craig Potton.

⁶³ Wilmhurst, T. (2010). High-precision radiocarbon dating shows recent and rapid initial human colonization of East Polynesia. *Journal of the Royal Society of New Zealand* 48: 67-162; Anderson, A. (2016). The making of the Māori middle ages – J.D. Stout Lecture 2016. *Journal of New Zealand Studies* NS23: 2-18.

Environmental issues have been considered to constitute wicked problems,⁶⁴ and their complexity is compounded if decisions are required to be made in respect of associated aspects of well-being. This suggests that the mechanism for the solution of ‘wicked’ problems needs to transcend partisan preferences. Replacing adversarial behaviour between affected parties (specifically in this example between farmers and environmentalists) with a collaborative approach will undoubtedly require re-thinking of attitudes to water use,⁶⁵ and a forfeiture of entrenched positions. Resolution may require a measure of external advice and control, which the Government has signalled in its proposed arrangement for the stewardship and management of freshwater.⁶⁶ This approach is consistent with the Productivity Commission’s recent consideration of adaptations to the effects of climate change, for which it found:

“Considerable guidance for councils on climate-change adaptation already exists. But more is needed, and providing it through central specialized sources of knowledge will be more cost-effective than each council inventing its own solution. Most councils will welcome guidance and find it helpful not only as advice but as backing for taking the difficult and unpopular decisions that will sometimes be necessary.”⁶⁷

... and its recommendation, which advocated for both collaboration and the provision of independent advice to enhance evidence-based decision-making:

“The government and local government should work together to establish centres of knowledge and guidance about climate-change adaptations for councils. One centre should be an authoritative and up-to-date source of advice and scientific data, [68] while another should be a source of specialist advice on policy, risk management, legal issues and community engagement.”⁶⁹

⁶⁴ de Almeida, A.C.; Coughlan, P. (2018). Wicked problems and how to solve them. *The Conversation*. <https://theconversation.com/wicked-problems-and-how-to-solve-them-100047>.

⁶⁵ Salmon, G. (2019). Freshwater decline: the need for precaution and polluter pays in agriculture. *Policy Quarterly* 15 (3): 8-16; Chakravarthy, K.; Charters, F.; Cochrane, T.A. (2019). The impact of urbanization on New Zealand freshwater quality. *Policy Quarterly* 15 (3): 17-21.

⁶⁶ *Essential freshwater: Healthy water, fairly allocated* (<https://www.mfe.govt.nz/publications/fresh-water/essential-freshwater-healthy-water-fairly-allocated>)

⁶⁷ New Zealand Productivity Commission (2019, July). *Local Government Funding and Financing. Draft Report*. https://www.productivity.govt.nz/assets/Documents/21e9d8fde3/ProdCom_Draft-report_Local-government-funding-and-financing-v5.pdf, Finding 8.1.

⁶⁸ Such advice and data may be derived either from government agencies or independent external sources, as suggested by Dickinson, H.; Sullivan, H. (2014), *op. cit.*, Chapter 5.

⁶⁹ New Zealand Productivity Commission (2019, July). *Local Government Funding and Financing. Draft Report*. https://www.productivity.govt.nz/assets/Documents/21e9d8fde3/ProdCom_Draft-report_Local-government-funding-and-financing-v5.pdf, Recommendation 8.2.

D. Managerial effectiveness

A critique of the public sector reforms of recent decades “emanating from the ‘core agencies of the SSC, Treasury and the Department of the Prime Minister and Cabinet” describes:

“... the new public management reforms of the late 1980s-2000s led by the Treasury that restructured ministries (creating more agencies that are single purpose), rewrote policy rules (e.g., the same laws for public and private sector employees) and created accountability from agency heads to ministers as well as SSC [State Services Commission] who evaluate and reappoint agency heads... They describe in detail two reform processes led or administered by SSC since the mid-2000s to increase accountability for the mid-term policy of the ministry and organizational capability targets (PIF) [Performance Improvement Framework] as well as cross-ministry goals (better public services. These efforts have been evaluated as being quite effective and are noted for their sustainability and improvement over time.”⁷⁰

Consistent with the ‘policy rules’ referred to above, the State Services Commission currently uses a Leadership Success Profile to “assist with a range of talent management activities including recruitment and selection, performance and development”, across five ‘core dimensions’, for each of which the overall capability and outcomes are identified in **Table D-0.1**.⁷¹ The capabilities and expectations are further expanded for each of the five ‘levels of focus’, ‘span of control’, and ‘size of group’ being managed or led, applicable to a ‘people-leader’ at capability level of 2-4; a ‘manager of managers’, at level 4-6; a ‘senior leader’, at level 6-8; and a ‘chief executive’ at level 8-10.

Table D-0.1. Features of the Leadership Success Profile		
Core dimension	Capability	Outcomes
Navigating for the future	Leading strategically	Think, plan and act strategically to engage others (see note 1) in the vision and position team, organisations and sectors to meet customer and future needs
	Leading with influence	Lead and communicate in a clear, persuasive, impactful and inspiring way; to convince others (see note 1) to embrace change and take action
	Engaging others	Connect with people, to build trust (see note 2) and become a leader that people want to work with and for.
Stewardship – of people, functions, organisations and systems	Enhancing organisational performance	Drive innovation and continuous improvement (see note 2) to sustainably strengthen long-term organisational performance and improve outcomes for customers (see note 3)
	Enhancing system performance	Work collectively across boundaries (see note 4); to deliver sustainable and long-term improvements to system and customer outcomes
	Leading at the political interface	Bridge the interface between government and the public sector; to engage political representatives and shape and implement the government’s policy priorities (see note 5)
Making it happen – with and through others	Achieving ambitious goals	Demonstrate achievement, drive, ambition, optimism, and delivery focus; to make things happen and achieve ambitious outcomes
	Managing work priorities	Plan, prioritise and organise work; to deliver on short- and long-term objectives across the breadth of the role
	Achieving through others	Effectively delegate and maintain oversight of work responsibilities; to leverage the capability of direct reports and staff to deliver outcomes for customers
<i>This table continues on following page</i>		

⁷⁰ Rennie, C.; Berman, E. (2018). ‘Leadership and public sector reform in New Zealand.’ In Berman, E. and E. Prasojo (eds). *Leadership and Public Sector Reform in Asian Countries*, pp. 255-284. Bingley, United Kingdom: Emerald.

⁷¹ *Expanded Guide to the Leadership Success Profile* (2016). www.wssc.govt.nz/leadershipandtalent

Table D-0.1 (continued). Features of the Leadership Success Profile

Core dimension	Capability	Outcomes
Identifying and developing our talent	Ensuring people performance	Manage people performance and bring out the best in managers and staff; to deliver high quality results for customers
	Developing talent	Coach and develop diverse talent; to build the people capability required to deliver outcomes
	Enhancing team performance	Build cohesive and high performing teams to deliver collective results that are more than the sum of individual efforts
Leadership character	Curious	Show curiosity, flexibility, and openness in analysing and integrating ideas, information, and differing perspectives; to make fit-for purpose decisions
	Honest and courageous	Delivers the hard messages and makes unpopular decisions in a timely manner; to advance the longer-term interests of customers and New Zealand
	Resilient	Show composure, grit and a sense of perspective when the going gets tough; to help others maintain optimism and focus
	Self-aware and agile	Leverage self-awareness to improve skills and adapt approach; to strengthen personal capability over time and optimise effectiveness with different situations and people
<p>Notes to Table D-0.1</p> <p>1, It is not clear who 'others' are in this context</p> <p>2, See also <i>Figure D-0.1</i></p> <p>3, Commentary elsewhere in this report indicates that in the future more public services will be provided by third parties under contract to government, rather than by government agencies, making effective contract management a more significant outcome than customer relations.</p> <p>4, Collaboration is a theme of <i>Figure D-0.1</i>; working across boundaries is a pervasive theme in the solution of 'wicked' problems, as discussed in Section A.</p> <p>5, Rennie and Berman (2018) observe, "It should be noted that in this Westminster system, ministers provide policy leadership but not executive leadership of the ministries."</p>		

A cross-sector leadership framework (**Figure D-0.1**),⁷² which "provides examples of the skill sets that cross sector leaders need⁷³ and which may also be helpful for leaders who are already deep in the collaborative process, and who want to continue to diagnose the challenges in their current efforts and think strategically about using diverse resources to scale their impact", includes elements of *Table D-1*, as demonstrated in the correlation matrix **Figure D-0.2**. This comparison is noteworthy for the absence of elements of the framework for cross-sector leadership that are associated with *Table D-0.1*'s 'Leading at the political interface' (shown as the green horizontal stripe on *Figure D-0.2*) and a similar absence of elements of the Leadership Success Profile that are associated with *Figure D-0.1*'s 'Aligning motivation and values' (shown as the grey vertical stripe on *Figure D-0.2*). The former omission is significant because 'wicked' problems tend to be politicized (see [Section A](#)), and giving due attention to the values of clients and stakeholders is inferred from [Section F](#) to be an increasingly important aspect of design and implementation of public services

⁷² Compiled from Smith, D.B.; Becker, J. (2018). 'Essential skills of cross-sector leadership'. *Cross Sector Leadership 2010* (Winter): 4-6.

⁷³ This is also relevant to [Section E](#)

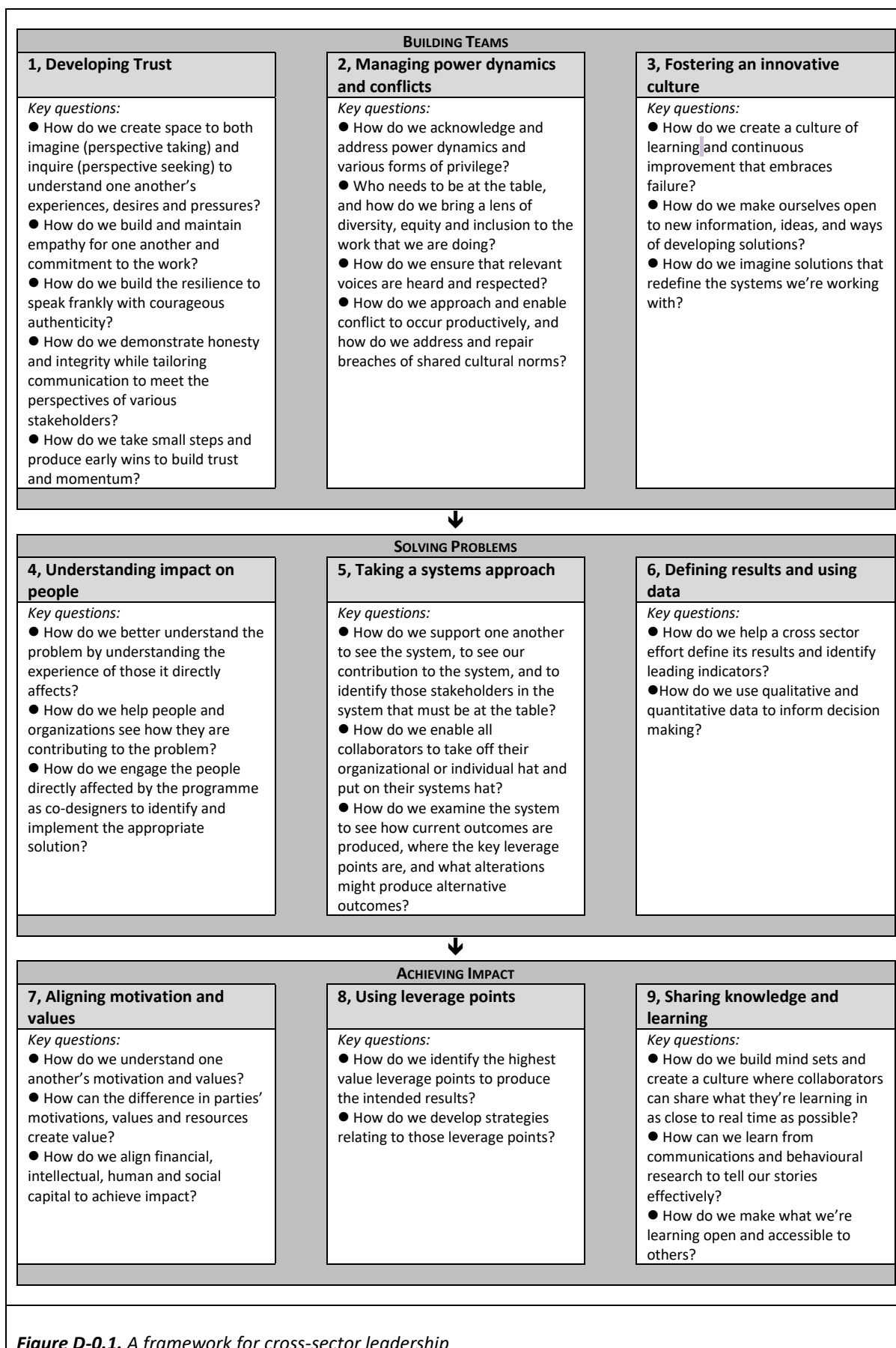


Figure D-0.1. A framework for cross-sector leadership

Elements of the Leadership Success Profile (Table D-0.1)		Elements of Framework for Cross-Sector Leadership (Figure D-0.1)								
Core dimension	Capability	BUILDING TEAMS			SOLVING PROBLEMS			ACHIEVING IMPACT		
		1	2	3	4	5	6	7	8	9
Navigating for the future	Leading strategically		●							
	Leading with influence								●	
	Engaging others	●								
Stewardship – of people, functions, organisations and systems	Enhancing organisational performance			●						●
	Enhancing system performance					●	●			
	Leading at the political interface									
Making it happen – with and through others	Achieving ambitious goals								●	
	Managing work priorities									
	Achieving through others				●				●	
Identifying and developing our talent	Ensuring people performance		●							
	Developing talent				●					
	Enhancing team performance		●			●				
Leadership character	Curious				●					
	Honest and courageous	●								
	Resilient	●								
	Self-aware and agile									

Figure D-0.2. Correlation matrix between elements of Table D-0.1 and Figure D-0.1.

D1. Failure of effective implementation

It is not difficult to find literature references to governmental failures overseas, examples in the United States range from inadequate or inappropriate responses to natural disasters ‘at home’ (e.g., Hurricane Katrina, 2005, Hurricane Maria in Puerto Rica, 2017), mishandled military incidents overseas (e.g., the non-existent weapons of mass destruction in Iraq; the Abu Gharib prison abuses); civilian terrorism incidents (e.g., the Boston Marathon bombing, 2013); and responses to international issues and incidents that were poorer than expected by the international community (e.g., the Ebola crisis, 2014-2016; and the Volkswagen air pollution cheating scandal, 2015).⁷⁴

New Zealand has not been spared from such failures. Recent examples include:

⁷⁴ Berman, E.M.; Bowman, J.S.; West, J.P.; Van Wart, M.R. (2020). *Human Resource Management in Public Service. Paradoxes, Processes and Problems*, 6th edition. Los Angeles: Sage, p. 496.

- the slow, inadequate and ineffective response to the Christchurch earthquakes,⁷⁵ including the response still being plagued by inter-agency conflicts and unethical practices;⁷⁶
- continued issues with Civil Defence responses to natural events,⁷⁷ including the poor implementation of tsunami warning systems;⁷⁸
- the lack of monitoring of the competence of local authorities to attend to basic infrastructure, in particular the Hawkes Bay Regional Council and the Hastings District Council in respect of water supply to Havelock North;⁷⁹
- the failure of the 2019 census both to collect and to provide information for the timely determination of the needs for future social services;⁸⁰ and most recently,
- the confused response to the 2019 measles outbreak,⁸¹ which has the potential to affect New Zealand's international reputation in public health management.⁸²

Optimistically, redressing systemic failures such as those highlighted above could come about in one of several ways:

"It may result from the long-term cumulative effects of frequent and repeated routine breakdowns, from a sudden cataclysmic failure, or, more likely, from a series of catastrophes in a short period. In any case, such debacles could overcome the traditional problem inhibiting reform: those with interest in the civil service have little authority [⁸³] and those with authority have little interest. However, interest and authority may be converging, blueprints for success exist."⁸⁴

⁷⁵ *Lessons Learnt. A report on EQC's response to the Canterbury earthquakes* (2013).

<https://www.eqc.govt.nz/news/lessons-learnt-a-report-on-eqc%E2%80%99s-response-to-the-canterbury-earthquakes>

⁷⁶ Crown directs EQC to act as agent to process remaining Southern Response claims. (2019, October 22).

<https://www.eqc.govt.nz/news/crown-directs-eqc-to-act-as-agent-to-process-remaining-southern-response-claims>

⁷⁷ McLean, I.; Oughton, D.; Ellis, S.; Wakelin, B.; Rubin, C.B. (2012). *Review of the Civil Defence Emergency Management Response to the 22 February Christchurch Earthquake*,

<https://www.civildefence.govt.nz/assets/Uploads/publications/Review-CDEM-Response-22-February-Christchurch-Earthquake.pdf>. See also: *Corrective Action Plan - following the Review of the Civil Defence Emergency Management Response to the 22 February 2011 Christchurch Earthquake*.

<https://www.civildefence.govt.nz/assets/Uploads/publications/CAP-Review-CDEM-Response-22-February-Christchurch-Earthquake.pdf>

⁷⁸ Cunneen, J. (2016). 'Everyone agrees NZ needs a better tsunami warning system. But what?'

<https://thespinoff.co.nz/science/02-12-2016/everyone-agrees-nz-needs-a-better-tsunami-warning-system-but-what/>

⁷⁹ Government Enquiry into Havelock North Drinking Water (2017). *Report of the Havelock North Drinking Water Inquiry*, <https://www.dia.govt.nz/Government-Inquiry-into-Havelock-North-Drinking-Water>

⁸⁰ Manch, T. (2019, August 8). 'Census 2018: Review shows you could almost count on census failure'.

<https://www.stuff.co.nz/national/114984568/census-2018-review-shows-you-could-almost-count-on-census-failure>; Manch, T. (2019, April 29). 'Census 2018: Stats NZ says full results to be released mid-2020'.

<https://www.stuff.co.nz/national/112309580/census-2018-stats-nz-to-release-data-in-september?rm=m>

⁸¹ Long, J. (2019, October 25). 'Measles epidemic in New Zealand not surprising say academics'.

<https://www.stuff.co.nz/national/health/116798873/measles-epidemic-in-new-zealand-not-surprising-say-academics?rm=a>

⁸² For example, international circulation of: 'Three killed by measles epidemic in Samoa' (2019, October 30).

<https://www.stuff.co.nz/world/south-pacific/117040847/three-killed-by-measles-epidemic-in-samoa>

⁸³ This could apply to the tension between local and central government in New Zealand; see Section B1

⁸⁴ Berman *et al.* (2020), *op. cit.*, p. 497.

One such possibility is a human capability system that “recommits and modernizes merit system principles, shifts from a system based on process to one focused on results, and redefines the role of enterprise leadership for human capital”,⁸⁵ “emphasising accountability, flexibility, decentralization and data-driven change.”⁸⁶

It is claimed that most employees “given the chance and the time to get their confidence back, wish to participate in the enterprise through their own collective practices. When engaged in this way, the practice of leadership becomes less about what’s residing in the hearts and minds of named leaders and more about how to facilitate the dedicated activities of those doing the work.”⁸⁷

It has been suggested that such change might be achieved by replacing hierarchical positions with activity-based roles in a more collaborative solution-focused setting:

- New roles related to collaboration and working across boundaries: *engager* working with the community; and *reticulator*, a networker within the public service;
- A new role of *commissioner* as broker and facilitator, working with community but involves “the full set of activities from needs assessment to service delivery and evaluation”;⁸⁸
- In an extension of traditional definition, *curator* attends to values;
- A *foresighter*, who has a strategic focus, ideally reading “the thought-provoking pieces from academia, from opinion makers, from comparative studies”, replacing the notion that this sort of activity is simply incorporated into everyone’s activity;
- A *storyteller*, who has “the ability to fashion and communicate options for the future, however tentative and experimental, and is crucial to engaging consumers, citizens and staff in redesign project”.⁸⁹

However, this type of change might not necessarily address the two research findings that

- “public servants are too generalist, i.e., that content knowledge and technical expertise has been underplayed in recent years”, and that
- “the public servant ‘expert’ is no longer the only or principal source of good advice”.⁹⁰

In support of this stance, a recent report of New Zealand’s Productivity Commission noted that local authorities have difficulty in recruiting staff in specialist areas, including planning,

⁸⁵ National Academy of Public Administration (2017). No Time to Wait: Building a Public Service for the 21st century. White paper, p. 1. <https://www.napawash.org/studies/academy-studies/no-time-to-wait-building-a-public-service-for-the-21st-century-phase-ii>

⁸⁶ Berman *et al.* (2020), *op. cit.*, p. 498

⁸⁷ Raelin, J. A. (2016). It’s not about the leaders: It’s about the practice of leadership. *Organizational Dynamics* 45, 124-131.

⁸⁸ Dickinson, H. 2014. Public service commissioning: what can be learned from the UK experience? *Australian Journal of Public administration* 73, 14.

⁸⁹ Dickinson, H.; Sullivan, H. (2014). *Imagining the 21st century public service workforce*, Chapter 5. Melbourne: Melbourne School of Government. Similar roles are described and illustrated in cartoons and a card game in: Needham, C.; Mangan, C. (2014). *The 21st Century Public Servant*. University of Birmingham, Public service Academy, <https://www.birmingham.ac.uk/schools/public-service-academy/about/twentyfirst-century-ps.aspx>

⁹⁰ Dickinson, H.; Sullivan, H. (2014). *Imagining the 21st century public service workforce*, Chapter 5. Melbourne: Melbourne School of Government.

consenting and water quality science,⁹¹ and accordingly advocates central government intervention in the management of ‘three waters’ (i.e., fresh-, waste-, and storm-waters).⁹² The Commission also recommended external advice for climate change adaptation be more centralised (Recommendation 8.2). Such a stance requires either that the necessary expertise resides in government ministries, departments and agencies, or that these entities are empowered to seek advice from other sources. Government responses to incidents such as biological infestations and the *Mycoplasma bovis* outbreak provide opportunities to ensure that affected citizens and businesses as well as the general public are assured that such expertise and advice are available and used in decision-making.

D2. Addressing confusion about the ‘levers’ to achieve right behaviours and outcomes

Research has highlighted the need for a combination of an ethos of publicness with an understanding of commerciality:

“Ethics and values are changing as the boundaries of public service shift, with notions of the public sector ethos being eclipsed by an increased push towards commercialism, along with a wider focus on social value. One interviewee [spoken to during a research project] said, ‘I think there will be a fight between altruism and commercialism. We need managers who still care.’”⁹³

In some jurisdictions, this change has come about because of the rethinking of public services to enable them to survive an era of continuing shortage of funds and resources, termed “perma-austerity”:

“Perma-austerity is inhibiting and catalysing change, as organisations struggle to balance short-term cost-cutting and redundancies with a strategic vision for change. Some interviewees [in the research project referred to above] expressed this in very negative terms: ‘There’s a narrative of doom.....it’s all about survival’. For others there was a potentially positive aspect to the financial context: ‘The cuts are forcing us to confront change. In public service, change doesn’t necessarily happen unless there is a crisis or a disaster, or it happens very slowly.’”⁹⁴

While this type of pressure exists in state enterprises that have been expected to return a dividend to government (e.g., Housing New Zealand), it can also arise when services formerly provided by a ministry, department or agency are contracted to a third party, even where that party considers it can provide a more appropriate – and possibly more effective – service to its clients (e.g., in the provision of health services). Recognising that the future is likely to see more public services delivered by third parties, staff in the public sector – and in local government – are likely to need greater skills and understanding of the design, implementation, and management of contracts.

D3. Need for healthy and safe workplaces

⁹¹ New Zealand Productivity Commission (2019, July). *Local Government Funding and Financing. Draft Report*. https://www.productivity.govt.nz/assets/Documents/21e9d8fde3/ProdCom_Draft-report_Local-government-funding-and-financing-v5.pdf, p.51

⁹² Before the Commission had released its final report, the Government intervened, releasing in October 2019 its document *Essential freshwater: Healthy water, fairly allocated* <https://www.mfe.govt.nz/publications/fresh-water/essential-freshwater-healthy-water-fairly-allocated>

⁹³ Needham, C.; Mangan, C. (2014). *The 21st Century Public Servant*. University of Birmingham, Public service Academy, <https://www.birmingham.ac.uk/schools/public-service-academy/about/twentyfirst-century-ps.aspx>

⁹⁴ Needham and Mangan (2014), *op. cit.*

In common with similar jurisdictions internationally, New Zealand has introduced comprehensive legislation to reduce workplace accidents and promote healthy and safe workplaces, which includes penalties for breaches. However well-intentioned the legislation may be, New Zealand experience seems likely to mirror that of other countries, where the extent of workers' knowledge of legislation and its potential benefits is low,⁹⁵ and that "transformational leadership did not contribute to any safety outcome over and above that of a safety-specific leadership, whereas a transactional leadership (MBEA) [management-by-exception active] was associated with negative safety outcomes (fewer safety initiatives and increased minor injuries)."⁹⁶ While some research asserts there are no adverse effects on productivity as a consequence of the introduction of occupational health and safety requirements,⁹⁷ this view is contested,⁹⁸ and positive effects have been noted.⁹⁹ Of potential concern is that excessive zeal in implementing a health and safety regime in workplaces is transferred to environments such as playgrounds and similar leisure spaces where an unduly risk-averse culture stifles the building of personal resilience to adverse circumstances in childhood.¹⁰⁰

Increased resilience and agility will be required of all staff, and better support will be required to manage the expected increase in workplace tensions between vertical hierarchy versus dispersed networks, task performance versus job crafting, fatigue versus revitalization and cynicism versus evangelism.¹⁰¹ Public sector managers have a key role in fostering resilience through paradoxical forms of leadership that facilitate perceptions of support: "Through social learning, leaders can influence follower conduct through modelling behaviour that are observed imitated and identified with. Through these processes, followers can learn necessary for managing paradoxes and PA dilemmas. Paradoxically competent leaders promote these skills in their team through flexible decision making, and by articulating to followers the reasoning behind their behaviours. Furthermore, their flexibility enables situational awareness and creative problem solving, both of which promote resilience."¹⁰²

⁹⁵ Pilusa, M.L.; Mogotlane, M.S. (2018). Worker knowledge of occupational legislation and related health and safety benefits. *Curationis* 41(1): 1869, doi: [10.4102/curationis.v41i1.1869](https://doi.org/10.4102/curationis.v41i1.1869).

⁹⁶ Molnar, M.M.; Schwarz, U.v.T.; Hellgren, J.; Hasson, H.; Tafvelin, S. (2019). Leading for safety: A question of leadership focus. *Safety and Health at Work* 10: 180-187.

⁹⁷ An example is: Prayitno, H.; Palupi, R.A. (2015). The effect of occupational safety and health on work productivity of field workers of access network maintenance at Pt. Telkom Kandatel Jember. *International Journal of Sciences: Basic and Applied Research* 22 (1): 257-262;

⁹⁸ Examples include: Cherniack, M. (2015). The productivity dilemma in workplace health promotion. *Scientific World Journal*, 2015 Aug 25: doi:10.1155/2015/937063; Katsuro, P. (2010). Impact of occupational health and safety on worker productivity: A case of Zimbabwe food industry. *African Journal of Business Management* 4 (13, October)

⁹⁹ A New Zealand example is: Markey, R.; Harris, C.; Lamm, F.; Kesting, S.; Ravenswood, K.; Sinpkin, G.; Williamson, D. (2008). Improving productivity through enhancing employee wellbeing and participation. *Labour, Employment and Work in New Zealand 2008*: 516-523.

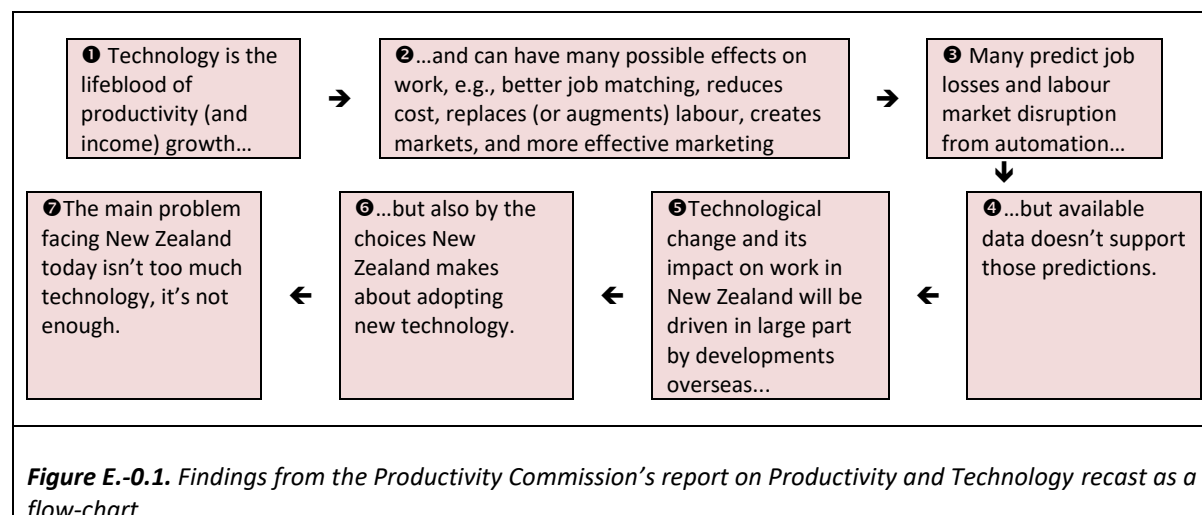
¹⁰⁰ Gill, T. (2007). *No fear: Growing up in a risk averse society*, pp. 39-60. London: Calouste Gulbenkian Foundation.

¹⁰¹ Zeir, K.; Plimmer, G.; Franken, E. (2018). Developing shared leadership in a public organisation: Processes, paradoxes and consequences. *Journal of Management and Organization*, 2018: 1-18, doi:10.1017/jmo.2018.78.

¹⁰² Franken, E.; Plimmer, G.; Malinen, S. (2019). Paradoxical leadership in public sector organisations: Its role in fostering employee resilience. *Australian Journal of Public Administration* 2019: 1-18, doi:10.1111/1467-8500.12396.

E. Technology and the changing nature of work

The Productivity Commission has responded to the request from Government to examine how New Zealand can maximise the opportunities and manage the risks of disruptive technological change and its impact on the future of work and the workforce with its first draft report on technology and productivity which can be expressed as a flowchart (**Figure E-0.1**)¹⁰³



These findings are consistent with the Digital Inclusion Research Group's recent report which "suggests the nature of work is likely to change. This suggests the focus on access must now shift to building digital capability. We also recognise the ongoing role of an evolving education system to build the skills base needed for New Zealand to continue to develop as an effective and productive digital nation. Schools as a community resource, upskilled teachers to confidently operate in changing technology-rich environments to enhance learning outcomes and investigating the value of digital initiatives that span the education system, from early childhood through to tertiary, are some things we think are worthy of a closer look."¹⁰⁴

E1. Artificial intelligence (AI) and "the nature of work"

"Artificial intelligence is rapidly entering our daily lives in the form of driverless cars, automated online assistants and virtual reality experiences. In so doing, AI has already substituted human employment in areas that were previously thought to be uncomputerizable. Based on current trends, the technological displacement of labor is predicted to be significant in the future –if left unchecked this will lead to catastrophic societal un-employment levels."¹⁰⁵

The above rather pessimistic outlook for the effect of artificial intelligence on the future of work is attributed to the assertion that, "Computers in the context of AI are the first truly 'universal

¹⁰³ New Zealand Productivity Commission (2019) *New Zealand, technology and productivity. Technological change and the future of work, Draft report 1*. Wellington: NZ Productivity Commission.

¹⁰⁴ Digital Inclusion Group (2017). *Digital New Zealanders: The Pulse of our Nation*. Report to MBIE and DIA.

¹⁰⁵ Bruun, E.P.G.; Duka, A. (2018). Artificial intelligence, jobs and the future of work: Racing with the machines. *Basic Income Studies* 2018: DOI: 10.1515/bis-2018-0018

machines’, which can find applications in all industries, across all types of work, and are designed to continue learning and improving as more data becomes available.” In this sense, AI is different from and more pervasive in its influence than Industrial Revolution machines.

As a response, the authors of the quotation above advocate the introduction of a basic income scheme, the costs of which would be met from a tax on those industries that make use of robotic labour. A more optimistic view is that “understanding the possibilities and challenges of AI for the future of work will help mitigate the unfavorable effects of AI on worker safety, health, and well-being”.¹⁰⁶ Perhaps unsurprisingly, New Zealand’s AI Forum’s report on AI in New Zealand is also optimistic.¹⁰⁷

A New Zealand perspective on the use of AI in government observes:

“The use of predictive algorithms within the New Zealand government sector is not a new phenomenon. Algorithms such as RoC*RoI in the criminal justice system have been in use for two decades. However, the increasing use of these tools, and their increasing power and complexity, presents a range of concerns and opportunities. The primary concerns around the use of predictive algorithms in the public sector relate to accuracy, human control, transparency, bias and privacy.”¹⁰⁸

A more policy-related perspective concludes:

“Policymakers and social partners need to ensure that individual companies cannot gain market dominance, thereby excluding users from their algorithm or maintaining and replicating existing biases. The paper argues that a different way of protecting data is required, giving people more control over their individual information. In addition, existing initiatives such as those undertaken by social partners in the platform economy need to be developed further and implemented more widely. At the international level, a better sharing of the benefits of the new digital economy, possibly through an adjustment in international tax treaties, will also be necessary to prevent digital companies from undermining a country’s fiscal revenue base. Finally, long-standing policy proposals for a fairer global economy should be brought to new life in the light of the significant economic rewards that AI-based innovations promise. This includes a continuous reduction in working hours, especially among those countries where long hours are still the norm, as well as sharing the receipts of innovation rents through profit sharing policies that have already been successfully implemented in some countries in the past.”¹⁰⁹

These future-focused policy initiatives seek to address the ‘evidence gaps’ identified in a report by a report commissioned by the Royal Society and the British Academy:

“There is limited evidence on how AI is being used now and on how workers’ tasks have changed where this has happened... There has been relatively little discussion of how existing institutions, policies social responses are shaping and are likely to shape the evolution of AI and its adoption... We have identified little consideration of how international trade, mobility of capital and of AI researchers are shaping the development of AI and therefore its potential impact on work.”¹¹⁰

E2. Changing work ethics and habits of the workplace

¹⁰⁶ Howard, J. (2019). Artificial intelligence: Implications for the future of work. *American Journal of Industrial Medicine*: <https://doi.org/10.1002/ajim.23037>.

¹⁰⁷ *Artificial Intelligence: Shaping a Future New Zealand* (2018). AI Forum.

¹⁰⁸ Gavaghan, C.; Knott, A.; Maclaurin, J.; Zerilli, J.; Liddicoat, J. (2019). Government Use of Artificial Intelligence in New Zealand. *Final Report on Phase 1 of the New Zealand Law Foundation’s Artificial Intelligence and Law in New Zealand Project*. Wellington: New Zealand Law Foundation.

¹⁰⁹ Ernst, E.; Merola, R.; Samaan, D. (2019). Economics of artificial intelligence: Implications for the future of work. *IZA Journal of Labor Policy* 9 (1): DOI: <https://doi.org/10.2478/izajolp-2019-0004>.

¹¹⁰ *The Impact of Artificial Intelligence on Work* (2018). An evidence review prepared for the Royal Society and the British Academy prepared by Frontier Economics Ltd.

The Digital Inclusion Research Group report also identifies that a significant number of New Zealanders, including some in the workplace, are still not included in the ‘digitally inclusive’.¹¹¹ This means that some citizens continue to have no or limited access to the internet by computer or mobile technology and this has implications for their engagement with online Government information or services (see *Section E3*). There is a risk that the hype over artificial intelligence (see *Section E1*) and the benefits of the introduction of a 5G network, for example, will result in maintaining the difference in IT services made available to and taken up by citizens in urban areas compared with those in remote rural areas and communities with high social deprivation. That said, “digital natives” will have different expectations in respect of their employment’s current and future use of technology.¹¹²

From a leadership perspective, it has been suggested that:

“In many ways, a leader’s day-to-day life is more protected from these major shifts than those of many employees. The complexity of a leader’s work makes *positive augmentation* rather than *replacement* the most likely outcome of technological innovation... Perhaps as a result of their own protection within the workplace, some leaders have failed to realize that the daily lives of those who work in their organizations will... inevitably be transformed over the coming decades.”¹¹³

This ‘augmentation’ may take the form of recruitment and rewards for both generic skills and technical expertise “in a career which is fluid across sectors and services”.¹¹⁴ This is consistent with a skills framework suggested in **Table E-2.1**,¹¹⁵ on which the ‘conceptual’ skills can be inferred to include a familiarity and facility with digital technology, which is not expected of today’s leaders.

Table E-2.1. Skills framework for the future public service

	TECHNICAL ❶	HUMAN	CONCEPTUAL
DESIGN	<ul style="list-style-type: none"> ■ Analytical (including planning) ■ Decision making 	<ul style="list-style-type: none"> ■ Communication ■ Co-production ❷ 	<ul style="list-style-type: none"> ■ Diagnostics (including analysis and synthesis) ■ Design (including parts of commissioning) ❸
DELIVERY	<ul style="list-style-type: none"> ■ Administration (including project management) ■ Professional ■ Commercial (including parts of commissioning) 	<ul style="list-style-type: none"> ■ People management (including managing change) ■ Collaboration 	
RELATIONSHIPS		<ul style="list-style-type: none"> ■ Interpersonal ■ International literacy ❹ 	<ul style="list-style-type: none"> ■ Flexible
<p>Notes to Table E-2.1</p> <p>❶ ‘TECHNICAL’ – the equivalent of Katz’s <i>front-line workers</i>; ‘HUMAN’ – the equivalent of Katz’s <i>middle managers</i>; ‘CONCEPTUAL’ – the equivalent of Katz’s <i>senior leaders</i>¹¹⁶</p> <p>❷ Co-production involves “engaging with the communities that government serves in order to better design public service in a relationship that is more equal and reciprocal. This involves moving away from traditional paternalistic models of service delivery towards one where the community has more control”.</p> <p>❸ Includes <i>digital design</i>, currently seen as weak, cites UK Government Digital Services as a case study.</p> <p>❹ “International literacy is more than simply having a diverse workforce¹¹⁷ or a number of individuals who are culturally</p>			

¹¹¹ Digital Inclusion Group (2017), *op. cit.*, pp. 6-7.

¹¹² Dickinson and Sullivan (2014), *op. cit.*, Chapter 7.

¹¹³ Gratton, L. (2018, March 19). How leaders face the future of work. *MIT Sloan Management Review*. <https://sloanreview.mit.edu/article/how-leaders-face-the-future-of-work/>

¹¹⁴ Needham and Mangan (2014), *op. cit.*, findings 3 and 4.

¹¹⁵ Dickinson and Sullivan (2014), *op. cit.*, Chapter 6: fig. 2

¹¹⁶ Katz, R.L. (1955). Skills of an effective administrator. *Harvard Business Review* 33: 33-42.

¹¹⁷ For a New Zealand perspective see: McLachlan, M. (2019). Superdiversity and the public sector. *Public Sector* 42 (3): 2-21.

E3. Increasing digitalization of government

ICT-enabled transformation enabling government services to be 'joined up' to achieve an integration of social service provision has been the subject of several cross-agency projects in New Zealand.¹¹⁸ Empirical findings from one such study reveal:

- "the importance of personal data protection and trust in cross-agency information sharing in the New Zealand context; a distinction being made between "hard" and "soft" information; agencies having different information needs and requirements;
- "clear differences in information sharing practices and procedures between agencies with a public service mandate and those with a public safety mandate;
- "the contribution of information sharing protocols and co-location to effective information sharing; and
- "information sharing challenges due to issues around data ownership, a lack of technical interoperability, and a lack of technical capability and knowledge."¹¹⁹

Further discussion with some of the researchers involved with these projects revealed that:

- Strong leadership generally results in successful IT delivery (perhaps the reverse is true also)
- Failures of digital projects seem to be linked to a lack of understanding of the business processes to which the IT application is addressed
- Leaders need to have greater knowledge and capability in the areas for which they are responsible, rather than relying on generic management skills (the 1990s approach) or relying on the next-tier managers (HR, IT, etc.) to provide the 'answers'. Perhaps a collaborative team approach rather than a reporting relationship is required, or...
- Future leaders may need different skills from currently – perhaps the 'leadership-as-practice' ideal in which "leadership involves activities such as scanning the environment, mobilizing resources and inviting participation, weaving interactions across existing and new networks and offering feedback and facilitating reflection" (see **Section B** and **Section D3**).¹²⁰

The persistent limited proportion of 'digitally inclusive' citizens referred to in **Section E2** has implications for the extent to which government services can or should be offered or promoted online, as well as information gathering for the census, local and central government consultation activities, financial transactions,¹²¹ and public participation in democracy through online voting.¹²²

¹¹⁸ Eppel, E.A.; Lips, A.M.B. (2016). Unpacking the black box of successful ICT-enabled service transformation: how to join up the vertical, the horizontal and the technical. *Public Money & Management*, 36 (1), 39-46, DOI: 10.1080/09540962.2016.1103417.

¹¹⁹ Lips, A.M.B.; O'Neill, R.R.; Eppel, E.A. (2011). Cross-Agency Collaboration in New Zealand: An Empirical Study of Information Sharing Practices, Enablers, and Barriers in Managing for Shared Social Outcomes. *International Journal of Public Administration*, 34 (4): .255-266.

¹²⁰ Raelin, J. A. (2011). From leadership-as-practice to leaderful practice. *Leadership*, 7 (2): 195–211.

¹²¹ The Reserve Bank is encouraging conversations about the future of cash; see: The Future of Cash (<https://www.rbnz.govt.nz/notes-and-coins/future-of-cash>)

¹²² As well as issues of access, there are concerns about the security and integrity of online voting system; as discussed in: Dill, D. (2016). Why online voting Is a danger to democracy, <https://engineering.stanford.edu/magazine/article/david-dill-why-online-voting-danger-democracy>; Tarasov, P.; Tewari, H. (2017). The future of e-voting. *IADIS International Journal on Computer Science and Information*

E4. Privacy / identity and related matters

The ‘social contract’ between citizens and government is poised to change as citizen identity in public sector environments is increasingly ICT-enabled, with the prospects of its leading to either a “surveillance state” or a “service state”.¹²³ Such a concern is echoed by a literature review of key journals in the policy sciences which shows that in these journals the relation between technology and policy change receives little attention.¹²⁴ New Zealand citizens have been affected by numerous security breaches wherein private information is disclosed to third parties because of employee negligence or carelessness, as is the case elsewhere.¹²⁵ Some research into consumer/client reaction to breaches recommends that “companies [by which government agencies could be deemed to be included] need to be cautious about how much confidence they convey to consumers. Companies should not rely on consumers engaging in secure online practices, even following a breach”, and “Companies need to communicate personal security behaviours to consumers in a way that still instills confidence in the company but encourages personal responsibility”.¹²⁶

There has been a suggestion that the global incidence of these types of breach are decreasing, but concern about deliberate hacking of computer systems remains of considerable concern,¹²⁷ as noted also in the conclusion to a United States paper concerned with the security of health-related information:

“Cybersecurity breaches of protected health information are a serious problem that currently affects millions of patients nationwide. Hacking-related breaches, particularly involving health IT and ransomware, are a rapidly growing concern. As we work towards an interconnected learning health system focused on personalized and precision medicine, it will be crucial that our future informatics infrastructure is designed to be simultaneously effective, safe, and secure.”¹²⁸

Such concerns inevitably extend to include breaches that have implications for national security.¹²⁹

Systems 12 (2): 148-165; although there is no shortage of suggestions for improving security; see for example: Khairnar, S.; Kharat, R. (2016). Survey on secure online voting system. *International Journal of Computer Applications* 134 (13): 19-21; Kadam, T. (2016). Online voting system. *International Journal of Engineering Trends and Technology (IJETT)* 37(5): 273-276.

¹²³ Lips, A.M.B. (2010). Rethinking citizen – government relationships in the age of digital identity: Insights from research. *Information Polity* 15 (4): 273-289. For a New Zealand legal perspective, see: Part V: Emerging issues, in *Privacy, Data and Technology: Human Rights Challenges in the Digital Age*. New Zealand Human Rights Commission, https://www.hrc.co.nz/files/5715/2575/3415/Privacy_Data_Technology_Human_Rights_Challenges_in_the_Digital_Age_FINAL.pdf

¹²⁴ Meijer, A.; Löfgren, K. (2015) The neglect of technology in theories of policy change. *International Journal of Public Administration in the Digital Age*. 2(1): 75-88.

¹²⁵ For a United States perspective, see: Hall, A.A.; Wright, C.S. (2018). Data security: A review of major security breaches between 2014 and 2018. *Federation of Business Disciplines Journal* 6: 50-63.

¹²⁶ Curtis, S.R.; Carre, J.R.; Jones, D.N. (2018). *Managerial Auditing Journal* 33 (4): 425-435.

¹²⁷ Hammouchi, H.; Cherqi, O.; Mezzour, G.; Ghogho, M.; El Koutbi, M. (2019). Digging deeper into data breaches: An exploratory data analysis of hacking breaches over time. *Procedia Computer Science* 151: 1004-1009.

¹²⁸ Ronquillo, J.G.; Winterholler, J.E.; Cwikla, K.; Szymanski, R.; Levy, C. (2018). Health IT, hacking, and cybersecurity: national trends in data breaches of protected health information. *AMIA Open* 1 (1): 15-19, <https://doi.org/10.1093/jamiaopen/ooy019>

¹²⁹ Asghar, R. (2018, September 21). Cyberattack, cybersecurity and protecting NZ. <https://www.auckland.ac.nz/en/news/2018/09/21/cyberattack-cybersecurity-protecting.html>

F. Implications of changing nature of citizenry

F1. Increasing demand for openness, transparency, accountability and ethical leadership

New Zealand has seen an increasing range of nationalities, ethnicities and religions represented in its permanent and transient populations in recent years, adding to the existing diversity of values and attitudes of European, Māori and Pacific peoples. An example of this diversity and its implication for the values to which people subscribe was captured in a 2018 Treasury Discussion Paper (**Table F-1.1**).¹³⁰

Table F-1.1. An example of divergence of values					
	Comparison of 'fundamental values'				
Pakeha / Eurocentric	Individual	Secular	Consumer	Conflictual	Competitive
Pacific/Māori	Communal	Spiritual	Ecological	Consensual	Collaborative

Variations in 'fundamental values' with increasing diversity of the population are likely to influence attitudes to ethical behaviour, with the consequence that "successful organisations of today and the future might need to recognise that universal ethics is not a given fact".¹³¹ This is to say that much current research on ethics has "limitations from a 'geographical perspective ... we seem unable to cope with objections concerning our 'western' ... bias".¹³²

In New Zealand, despite a currently high international reputation for ethical behaviour,¹³³ the above considerations are complemented by other factors compiled in **Table F-1.2**.¹³⁴

Table F-1.2. Ethical leadership opportunities and challenges for New Zealand		
Areas of relevance	Aspects	Challenges
■ Our number-one ethical reputation		<ul style="list-style-type: none"> ● Keeping integrity high and not becoming complacent ● Achieving more by making our ethical reputation a number one asset
■ This is Aotearoa New Zealand	<ul style="list-style-type: none"> ● Small country ● Bicultural nation 	<ul style="list-style-type: none"> ● Avoiding the risks of conflict of interest, favouritism, and workplace bullying in our small country ● Creating a society where everybody belongs, as New Zealand is a bicultural nation with a diversity of values
■ The deep love of our land	<ul style="list-style-type: none"> ● Our responsibility for the people* ● Our responsibility for the planet 	<ul style="list-style-type: none"> ● Taking social responsibility for all people and achieving more social equity ● Developing sustainability to save the planet for future generations
*for which 'wicked and unruly' problems identified are: poverty, affecting 1 in 5 people; poor housing, resulting in ca. 1500 deaths annually; imprisonment, four times higher than the Netherlands and comparable to Saudi Arabia (see Section A)		

¹³⁰ 'A Pacific Perspective on the Living Standards Framework and Wellbeing'. NZ Treasury Discussion Paper 18/09, <https://treasury.govt.nz/sites/default/files/2018-08/dp18-09.pdf>

¹³¹ Lasthuizen, K (2019). Leading to be ethical. Debunking five ethical leadership myths. In: De Graaf, G. (Eds.) *It is all about integrity, stupid. Studies on, about or inspired by the work of Leo Huberts*. Chapter 23. The Hague: Eleven International Publishing.

¹³² Heres, L., L.W., J.C. Huberts & K.Lasthuizen. (2017) 'Ethical leadership: a complex and messy phenomenon'. In: Giacalone, R.A. & C.L. Jurkiewicz (Eds.), *Radical Thoughts on Ethical Leadership*. Chapter 7, pp. 135-150. Charlotte, NC: Information Age Publishing.

¹³³ Ranked 1st in the world in 2017 for Corruption Transparency by Transparency International; see also: Dondé, G.; Somasunduram, K. (2018). *Ethics at Work: 2018 Survey of Employees – New Zealand*. London: Institute of Business Ethics.

¹³⁴ Compiled from: Brian Picot Chair in Ethical Leadership [Lasthuizen, K.] (2018). *Ethical Leadership: Opportunities and Challenges for Aotearoa New Zealand*, pp. 8-21. Wellington: Victoria Business School | Ōrauaki, Victoria University of Wellington. www.victoria.ac.nz/ethical-new-zealand.

Of the items in *Table F-1.2*, the challenge posed by the statement “New Zealand is a bicultural nation with a diversity of values” is likely to continue to be the most problematic. Meeting this challenge will need a nationally agreed compromise between Māori and Euro-centric values, followed by a recognition of the need for those of other nationalities, ethnicities and religions seeking residence in New Zealand to subscribe to those values.

F1.1. Ethical leadership and ‘followership’

Of the five types of ethical leadership recently recognised (*Table F-1.3*), it has been suggested that in the New Zealand public service, “our leaders are typical moral motivators ... who inspire followers to behave ethically through role modelling, ... they may also be social builders, who create and maintain strong relationships with employees”, noting in addition that:

“The profiles of the safe haven creator and the boundary setter deserve more attention because we need this ethical leadership as well. We need to learn how to give honest and constructive feedback, and how to confront people, including managers who are not meeting ethical standards.”¹³⁵

Table F-1.3. Types of ethical leadership				
Boundaries setter	Safe-haven creator	Practising preacher	Social builder	Moral motivator
<ul style="list-style-type: none"> ● Clarity about norms ● Honest feedback ● Sanctions for integrity violations 	<ul style="list-style-type: none"> ● Approachability and openness ● Allowing room for mistakes ● Safety of reporting 	<ul style="list-style-type: none"> ● Ethics and integrity high on agenda ● Proactive and explicit communicator ● Teaching and mentoring 	<ul style="list-style-type: none"> ● Personal relationships ● Shared decision-making ● Loyalty, care, and support 	<ul style="list-style-type: none"> ● Role-modelling ethics ● High personal integrity ● Leader authenticity

Although research on ethical leadership suggests that while most aspects of ethical leadership may be transferable across public and private sectors...

“... in comparison with their private sector counterparts, the managers operating in public and hybrid sector organisations placed greater value on being altruistic, showing concern for the common good, and being responsive, transparent and accountable to society at large. Moreover, whereas public and hybrid sector managers considered explicit and frequent communication about ethics to be a key component of ethical leadership, most of the private sector managers preferred communication strategies in which ethics was more implicitly embedded in discussions of, for instance, ‘the business model’ or ‘customer relationships’.”¹³⁶

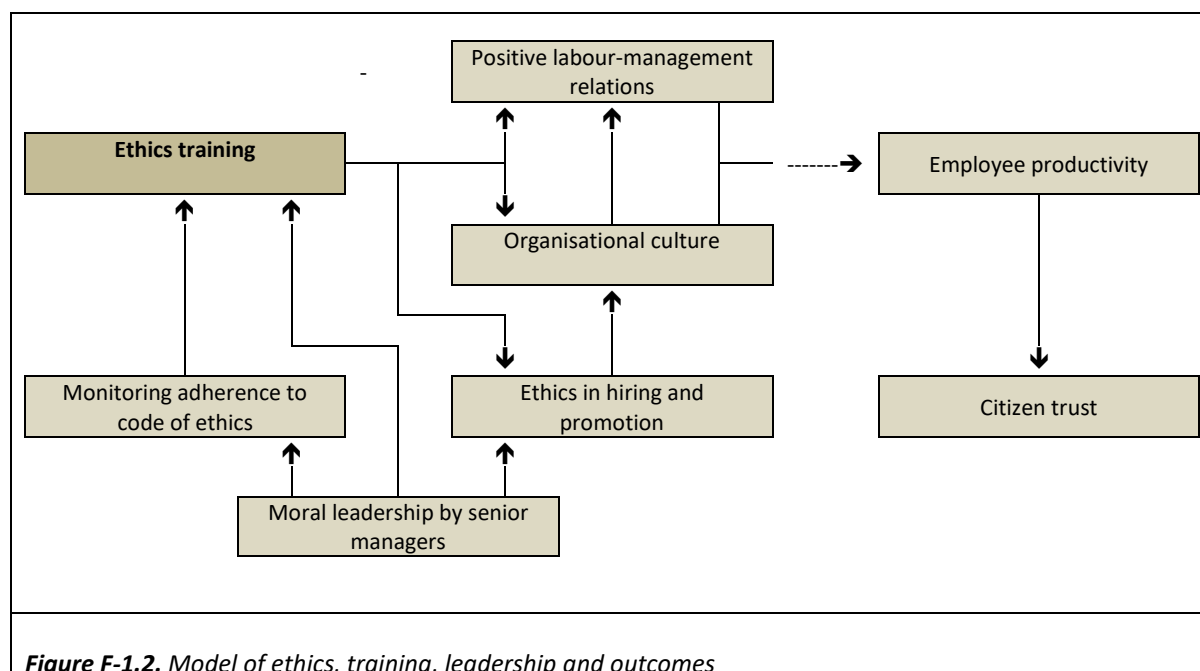
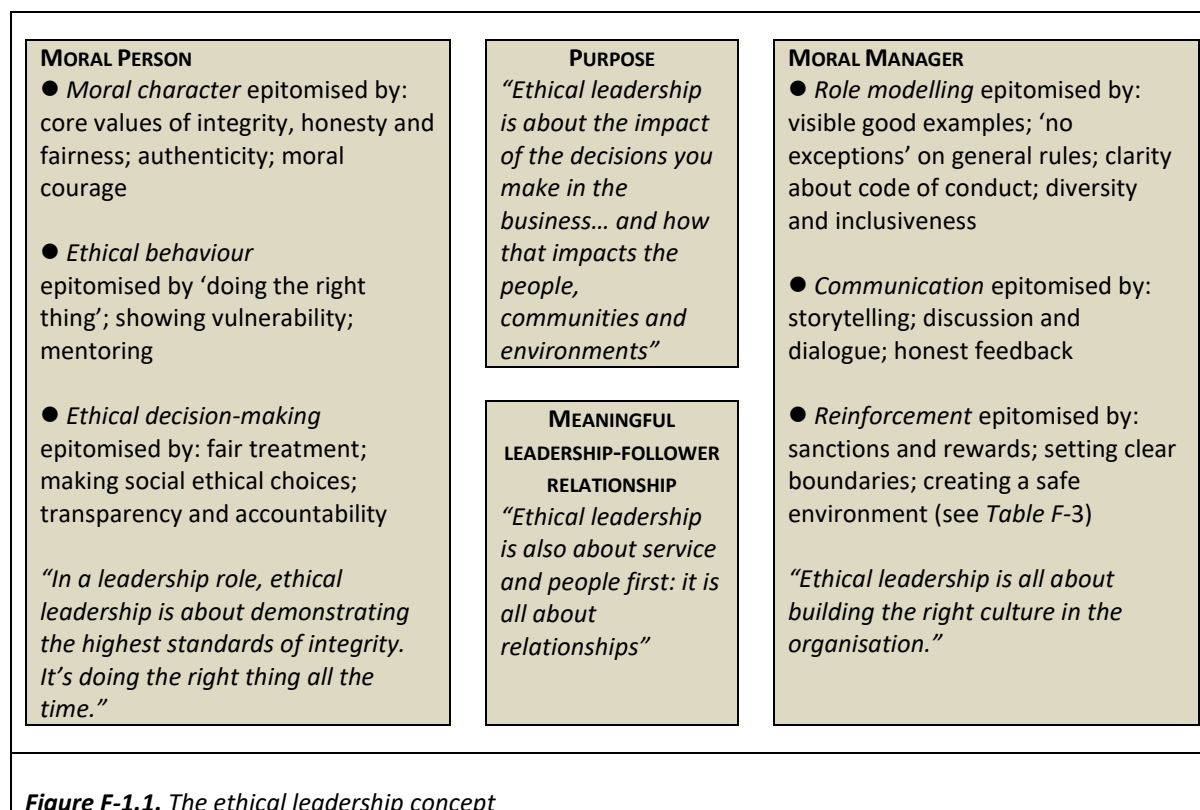
Effective ethical leadership is underpinned by both the characteristics of ethical leaders (the so-called ‘moral person’) and the practice of actual leadership (the so-called ‘moral manager’) and is a “process that takes place within the mutual relationship between leader and follower” (*Figure F-1.1*).¹³⁷ A moral manager can inspire an ethical following, which is particularly relevant for collaborative working environments (see *Figure D-0.1*).

¹³⁵ Compiled from Heres *et al.* (2017), *op.cit.*; Brian Picot Chair in Ethical Leadership *op. cit.*, pp. 38-39

¹³⁶ Heres, L.; Lasthuizen, K. (2012). What’s the difference? Ethical leadership in public, hybrid and private sector organizations. *Journal of Change Management* 12 (4): 441-466.

¹³⁷ Brian Picot Chair in Ethical Leadership, *op. cit.*, pp. 34-35.

Ethics training, ethical leadership is also suggested as leading to greater employee productivity and enhanced citizen trust, as shown diagrammatically in **Figure F-1.2**.¹³⁸



¹³⁸ Redrawn from: Berman, E.M.; Bowman, J.S.; West, J.P.; Van Wart, M.R. (2020). *Human Resource Management in Public Service. Paradoxes, Processes and Problems*, 6th edition. Los Angeles: Sage, exhibit 9.7, p. 366.

F2. Changing citizen / consumer preferences including demand for increased transparency and consumer personalisation

Widespread use of social media and the increasing ease with which citizens can comment on mainstream media have meant that perceived or actual commercial unfairness (e.g., the variation in electricity and fuel prices) and discrimination on the basis of postcode (e.g., regional access to health services) rarely remain hidden from citizens or consumers for long. Entities affected by such revelations may be goaded into knee-jerk reactions, or may commission yet another report, but such obfuscations are readily brought to public notice by the same means as the original issue was exposed. However, one consequence of this type of publicity has been for government agencies to release periodic reports about the performance of quasi-government entities for which they have some responsibility, e.g., tertiary educational institutes¹³⁹ and district health boards.¹⁴⁰ Of course, this *apparent* transparency does not necessarily result in improvements in service provision. Whether the information is *actually* transparent depends on the ease of access to it and the ability for clients and customers to interpret it.¹⁴¹

Consumer personalisation “aims to produce individualized, highly variant products and services with nearly mass production costs”,¹⁴² the desire for which “tends to be influenced negatively by age and positively by both individualism (vs. collectivism) and uncertainty avoidance”.¹⁴³ Also noteworthy is the research finding that:

“... individuals’ privacy valuation is a strong inhibitor of information provision in general, not only for personalized services. Personalization benefits only convince consumers who exhibit little focus on privacy. Thus, service providers need to align their service designs with consumers’ privacy preferences.”¹⁴⁴

The publicity given to security breaches, particularly within the public sector in recent years, may have made some New Zealanders wary about customer personalisation, and may account for the research finding of one consultancy that:

“In New Zealand it [personalization] is not common at the moment, and it is something that is rarely seen on a large scale. Going from a one-size-fits-all e-commerce solution to a personalised solution that learns and predicts what the customer is wanting and likely to buy leads to many exciting possibilities.”¹⁴⁵

¹³⁹ Tertiary Education Commission (2015). Performance of tertiary education organisations; education performance indicators. <https://www.tec.govt.nz/funding/funding-and-performance/performance/teo/epi-reports/educational-performance-at-individual-tertiary-providers-new-methodology/>

¹⁴⁰ Dashboard of health system quality. <https://www.hqsc.govt.nz/our-programmes/health-quality-evaluation/projects/quality-dashboards/dashboard-of-health-system-quality/>

¹⁴¹ Other New Zealand examples of obfuscation are provided by the format of invoices furnished by some energy retailers and insurance companies

¹⁴² Tiihonen, J.; Felfernig, A. (2017). An introduction to personalization and mass customization. *Journal of Intelligent Information Systems* 49 (1): 1-7.

¹⁴³ Torrico, B.H.; Frank, B. (2019). Consumer desire for personalisation of products and services: cultural antecedents and consequences for customer evaluations. *Total Quality Management and Business Excellence* 30 (3-4): 355-369.

¹⁴⁴ Karwatski, S.; Dytykno, O.; Trenz, M.; Velt, D. Beyond the Personalization–Privacy Paradox: Privacy Valuation, Transparency Features, and Service Personalization. *Journal of Management Information Systems* 34 (2): 369-400.

¹⁴⁵ Major Trend in NZ Business: Better Customer Relationships through Data. (2015, October). <https://touchmarketing.co.nz/major-trend-in-nz-business-better-customer-relationships-through-data/>

... and may explain the similar scores for personalisation and integrity in a recent survey of customers' perceptions of their experience of commercial entities (**Table F-2.1**).¹⁴⁶ This suggests that wider adoption of personalization in the public sector – however well-intentioned in terms of a design to reflect the 'pillars' of customer experience – might be viewed with some negativity (see also **Section E4**).

Table F-2.1. Scores* for a survey on elements of customer service		
Pillars of customer experience excellence		Score
Personalisation	Using individualised attention to drive emotional connection.	7.22
Integrity	Being trustworthy and engendering trust.	7.01
Expectations	Managing, meeting and exceeding customer expectations.	6.51
Resolution	Turning a poor experience into a great one.	6.81
Time and Effort	Minimising customer effort and creating frictionless processes.	7.26
Empathy	Achieving an understanding of the customer's circumstances to drive deep rapport.	6.39
*Maximum score 10		

F3. The influence of social media on citizen participation / involvement

The use of social media is currently pervasive and until recently largely unmediated. Its use in the 'calling out' of selected behaviours and attitudes by influencers has resulted in recent years in the formation of campaigns such as the "me too" movement against sexual harassment and sexual assault, triggered by Tarana Burke;¹⁴⁷ and environmental activism on climate change, recently popularised by Greta Thunberg. Although these two campaigns would be considered by many to foreshadow positive social and environmental changes, respectively, the same technology can be used to disseminate racist and separatist views, epitomised in New Zealand by the Christchurch terrorist attacks in 2019. However justified, local regulation and international agreements between social media providers may appear to be in order to control the latter. In the likely absence of an agreed set of values (see Section F1), such regulation and agreements may also – deliberately or accidentally – muzzle the former as well.¹⁴⁸ Worse, it may even be counterproductive, resulting in higher levels of violence.¹⁴⁹ Furthermore, because such mediation is implemented by the social media providers themselves, "it marks a fundamental shift of power from government to private corporations, calling into question the means by which we protect, limit, or debate free speech".¹⁵⁰

¹⁴⁶ *Tomorrow's Experience Today: Customer Experience Excellence Report* (2018). KPMG.

<https://home.kpmg/nz/en/home/insights/2018/06/customer-experience-excellence-report.html>

¹⁴⁷ Nicolaou, E.; Smith, C.E. (2019, October 6). 'A #MeToo timeline to show how far we've come — and how far we need to go. *Refinery 29*. <https://www.refinery29.com/en-us/2018/10/212801/me-too-movement-history-timeline-year-weinstein>

¹⁴⁸ Abbasi, I.S.; Al-Sharqi, L. (2015). Media censorship: Freedom versus responsibility. *Journal of Law and Conflict Resolution* 7 (4): 21-25.

¹⁴⁹ Casilli, A.A.; Tubaro, P. (2012). Social media censorship in times of political unrest - A social simulation experiment with the UK riots. *Bulletin of Sociological Methodology / Bulletin de Méthodologie Sociologique* 115 (1): <https://doi.org/10.1177/0759106312445697>

¹⁵⁰ Gourarie, C. (2016, January 21). Censorship in the social media age. *Columbia Journalism Review*: https://www.cjr.org/analysis/censorship_in_the_social_media_age.php