

SSC incompetence

In my judgment the continuing incompetence of the State Services Commission is underlined by the chief statistician's case and commissioner Peter Hughes' comments. This incompetence is the root cause of the often weak leadership and poor performance of the public service.

The commissioner "appoints and employs" chief executives and "reviews their performance". So, as the chief statistician's employer/performance reviewer, how often did they meet for reviews (monthly would be good) and what guidance/assistance was she given? This process is fundamental in any competent organisation.

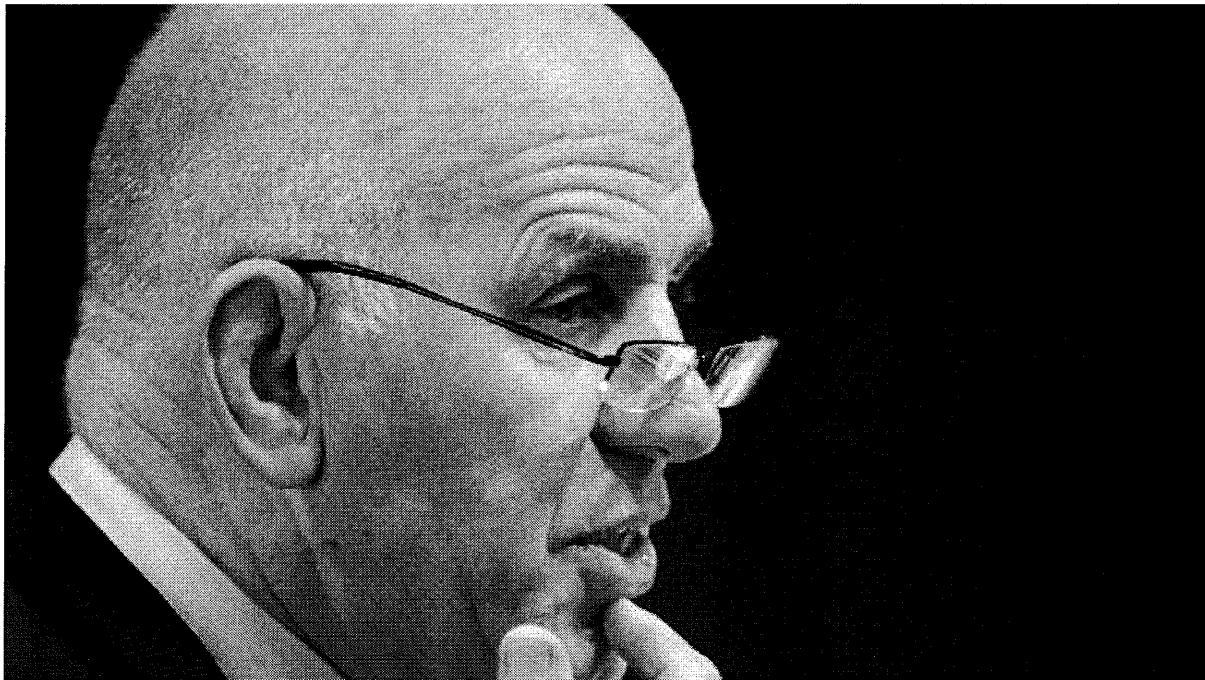
Or did "own it, fix it and be accountable" mean there were no meaningful/constructive reviews and she was simply left to sink? Either way the commissioner is fully accountable for the chief executive's performance and an effective minister would insist on a full review of his performance as there are critical national interest lessons to be learned.

These judgments reflect my experience as a managing director/director/chairman; chairman of the State Sector Standards Board; chair of DOC after Cave Creek; a referee for chief executives; an interviewer for senior public service appointments; and frequent discussions with the SSC and its chief executive on performance improvement.

Kerry McDonald, Khandallah

There's a critical need to rebuild the capability of the public service

Kerry McDonald 05:00, Sep 05 2019



Maarten Holl/STUFF

Experienced senior business leader Kerry McDonald says the "no surprises" policy brought in for the public service in the early 2000s has "reduced the quality of New Zealand's policies and their outcomes".

OPINION: This critique of the capability and performance of the public service - and State Services Commission, was prompted by the SSC's release of its Model Standards for Positive and Safe Workplaces.

The context for the release is important. It slots within a long series of public service performance failures, with distressed senior/chief executives publicly denying or apologising, ministers implausibly distancing themselves and the SSC behaving like an independent prosecutor rather than the peak body with overall responsibility.

This situation is not new. The reforms of the 1980s were only partial and never completed and weak political and central agency leadership accepted mediocrity instead of leading critical improvements. In particular, the SSC's approach to developing "fit for purpose" organisations, systems, processes and people was in my opinion weak and inadequate,

evidenced by the continuing performance failures, including the tragedy of Cave Creek - the lessons of which seem to have been entirely forgotten.

As an experienced business leader I had numerous discussions with the SSC, the central agencies and public service chief executives on what needed to be done. I also led the rebuild of DOC after Cave Creek, chaired the State Sector Standards Board, chaired an expert consultancy, managed/governed a number of private sector organisations and did numerous papers and speeches on the urgent need for continuing improvement – with little/no success. The SSC seemed averse to genuine improvement and many public service leaders were not up for it.

READ MORE:

- * **New rules aim to stamp out inappropriate workplace behaviour for public servants**
- * **ACC chairwoman Dame Paula Rebstock quiet on CEO pay row**
- * **State Sector report shows expanding public service, better paid, more educated**

In my opinion the SSC's failure to embrace systems leadership and ensure "fit for purpose" organisations, systems, processes and appointees was a fundamental failure to meet its core obligations and various ministers then and now have failed to step into the breach. The damaging consequences of this are that: appointees to senior roles are at risk of being set up to fail; these risks are not mitigated by the new model standards; and the public service is operating well below its potential.

There are a number of other important factors that also need serious attention:

The public service is the professional arm of Government, the experts who advise the distinctly amateur politicians (Governments). Historically this has worked well with the pre-2000s public service charged with giving "free and frank" advice. Then politicians (led by PM Clark), who often found the professional analysis and advice constraining or politically embarrassing, changed the obligation to "no surprises".

What a disaster! Policy issues are inherently complex – for example the economic, social and environmental implications of climate change responses, and need excellent analysis. But this is now rare - we might surprise a minister, leading to New Zealand's growing list of policy failures.

In my judgment, no Government that uses "no surprises" is credible.

A genuinely independent public service is a fundamental requirement. It would be well led, make independent, objective judgments and be less subservient and complicit. Somehow we seem to have lost this, and are sinking in a swamp of politics, spin and incompetence. And the traditional public service selection criteria of best person for the role would prevail - my recent Official Information Act odyssey on chief executive appointment criteria for a key State agency was insightful and very disappointing.

In my view all these issues have reduced the quality of New Zealand's policies and their outcomes. New Zealand's economic, social and environmental performance has steadily declined since about 1960 when GDP/capita was in the top three in the OECD but is now only in the thirties and below the OECD average. There are an increasing number of serious social and environmental problems – including mental health, poverty/low incomes, welfare-

dependence, obesity, diabetes, access to affordable and effective healthcare, housing cost/availability, border protection, IT security/ data protection, all forms of government regulation including banking/civil aviation/prices/profitability/building standards/earthquake resilience, water management, pollution of waterways, waste management including plastics, electricity/energy generally, justice, corrections and so on, and on.

Most of the "fixes" are only political band-aids (eg Working for Families and Well-being) and fundamental economic issues – such as productivity and sustainable family incomes and living standards - are too tough and ignored.

Now the most urgent issues are to restore "free and frank" and rebuild the core operating model of the public service. Without it recent changes towards better integration and alignment of agencies are only "shifting the deck chairs" - and a Royal Commission on this area would be well justified!

Unfortunately in my judgment the public service and the SSC are not learning organisations and their systems leadership models are dysfunctional, meaning too often weak senior leadership and performance management and personal development at all levels. A key consequence is a work environment for too many employees that is disempowering, reducing performance, productivity and employee satisfaction and increasing the risk of performance failures.

Against this background the model workplace standards are as useful as lipstick on the proverbial pig. If the core systems and processes are inadequate how can the model standards be effectively applied?

<https://www.stuff.co.nz/national/politics/opinion/115486596/theres-a-critical-need-to-rebuild-the-capability-of-the-public-service>

T Kerry McDonald

L4, 1 Willis Street
PO Box 2392
Wellington, 6140
New Zealand

5 November 2007

Mr Mark Prebble
Commissioner
State Services Commission
PO Box 329
Wellington 6140

Mr John Whitehead
Secretary
The Treasury
PO Box 3724
Wellington 6140

Mr Maarten Wevers
Chief Executive
Department of Prime Minister
and Cabinet
Parliament Buildings
Wellington

Re: State Sector Performance

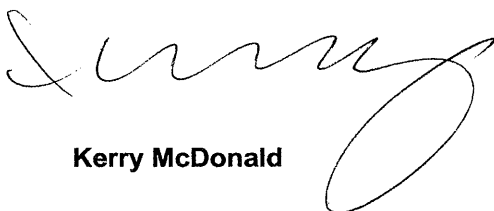
As you probably know I have spent some three decades working on the theory of organisational performance, and applying it in practice in a number of organisations. I have also been involved in reviewing and assessing the performance of various organisations and sectors, in both the public and private sectors. As a result I know what a huge difference good performance can make, compared with average or mediocre, for the organisations' stakeholders and especially its people.

Against this background, I was recently involved in a Chairman's Workshop during which there was a close focus on the need for New Zealand to lift its performance, in a number of critical areas. In particular: its productivity and export growth continue to track well below acceptable levels with increasingly serious implications for current and future living standards; the poor level of management in New Zealand, according to assessments by NZ Institute of Management and other sources – "plateaued at a level of mediocrity"; and the overall performance of the State Sector, in terms of presenting a strategic approach on economic, social and environmental issues, the efficient execution of its responsibilities, the improvement of performance over time and the sound design and implementation of new policies. I also note Sir Geoffrey Palmer's remarks recently on this latter point.

The concerns on these matters were deep-seated, but the overall orientation was a keenness to recognise the problems and to find ways to improve things. I know that you are each well aware of my views on these issues. I am writing to enquire whether you, as the heads of the Central Agencies consider there is any merit in seeking to develop a more effective process to address the matters of concern in the state sector.

If you consider it appropriate I would be happy to meet with you to explore the question in more detail – and I do think that this is a critical area for improvement if we are going to improve New Zealand's overall economic, social and environmental performance.

With best wishes



Kerry McDonald

Kerry McDonald

From: Kerry McDonald <kerry.mcdonald@iconz.co.nz>
Sent: Sunday, 13 November 2016 4:02 pm
To: letters@dompost.co.nz
Cc: kerry.mcdonald@iconz.co.nz
Subject: Letter: Public Service

From Thomas K (Kerry) McDonald

34 Amritsar St, Khandallah, Wellington 6035

kerry.mcdonald@iconz.co.nz

021 433 350

04 479 7764

Public Service

Peter Hughes's (now State Services Commissioner) recent article in the Dominion on the Public Service confirms my long-held view - it will not be effective, efficient or credible until there is a revolution.

Many reviews (Schick, Logan, Scott, SSSB, etc) have highlighted it's failings, but nothing changes. Better Public Service is now dead, achieving nothing.

Performance is often mediocre with frequent failures, but performance management of its leadership is poor/non-existent. It makes little contribution to public debate on policy and seems more subservient than strategic or visionary. I see no sign of "free and frank" advice and "no surprises" is a noose arounds it's neck! The Ombudsman's (New Zealander of the Year?) report on the Rebstock-Rennie debacle is frightening..

Fundamentally it is a senior leadership problem.

The revolution needs: fresh and talented leadership at SSC from outside the State Sector; intensive and astute performance management for CEs guided by a small external panel; and a bomb under the ineffective School of Government.

This is the professional capability of Government we are talking about! It has been a shambles for far too long - with obvious, ongoing adverse consequences.

Kerry McDonald, Wellington.