

## Executive Summary

Ireland's economic success story is one that many OECD countries would like to emulate. While the reasons underpinning Ireland's success are varied, the Irish Public Service has played a central role in ensuring that the right economic, regulatory, educational and social conditions are in place to facilitate growth and development. As with other OECD countries, Ireland has continually sought to modernise and reform its Public Service systems and practices to ensure that it can continue to meet the needs and expectations of government and citizens. Over the past decade, thanks in no small part to its economic performance, the country has also seen significant changes in its demographic make-up. Ireland is now looking for new directions in which to further renew its agenda for public service modernisation, so that it continues to deliver improved outcomes for citizens, to respond to shifting and complex societal needs, and support business in gaining competitive advantage, thereby contributing to sustained economic success for Ireland. The approach taken by Ireland in trying to assess its Public Service as a whole is a first in terms of reviewing and seeking to benchmark the Public Service and its contribution to national well-being and quality of life. In undertaking this first such *Review*, the OECD provides a new and different kind of analysis that seeks to contribute both to a renewed agenda for Public Service reform in Ireland, and to the international effort to describe a comprehensive approach for public service reform. The line of inquiry suggested by the OECD in terms of deepening connections at all levels may offer member states new directions or ways to advance their reform agendas.

As with many other OECD countries that have embarked on significant public service transformation programmes, the focus of the reform efforts to date in Ireland has tended, with some exceptions, to be inward oriented, focusing on improving internal processes and structures. Initiatives, in line with those undertaken in many OECD countries, have focused on a broad range of internal processes to build capacity at individual and organisational levels, improve service delivery, develop organisational and individual performance management, establish governance procedures, create greater transparency, improve consultation and increase the use of evidence-based policy making.

These changes were not only significant, but necessary and the OECD recognises the value of the reforms made, particularly since the development of the *Strategic Management Initiative* and the publication of *Delivering Better Government* in the mid 1990s. While the full benefit of some of the more recent reforms, such as the production of departments' Annual Output Statements linking annual targets to annual expenditure allocations, have yet to be fully realised, broadly speaking Ireland is on a sound trajectory of modernisation. And it can further improve the yield from reforms by renewing focus on their pace and sequencing in order to make them more mutually reinforcing.

These necessary internal reforms, however, represent just one aspect of a broader potential change and modernisation agenda. On their own, they will not be sufficient for the Public Service to meet either the challenges that it now faces or Ireland's ambitions to sustain its economic success and achieve greater value for money in public services. Significant capacity building in terms of deepening project management and implementation skills is still required. In a changing, more complex, diverse, outward-looking, dynamic and educated society, greater focus needs to be placed by the Irish Public Service on citizens and their expectations, and on targeting delivery of services from their perspective so as to achieve broader societal goals. In essence, the Irish Public Service now needs to become more outward focused by better integrating and utilising the systems and processes it has developed, so that it is best placed to more effectively contribute, alongside the broader society (citizens, business, unions and other actors), to the identification and attainment of overall societal goals.

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### *Towards an integrated Public Service*

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As in other OECD countries, the Irish Public Service is a reflection of national political and administrative cultures, and of past economic and social priorities. The Irish Public Service is composed of a Civil Service (staff working in departments and major agencies), commercial and non-commercial bodies that provide services on behalf of the State as agencies, public hospitals, schools, defence and security services, etc., and local government. While it has created structures and systems to enable horizontal co-ordination, the Public Service remains segmented overall, leading to sub-optimal coherence in policy development, implementation and service delivery. As public policy becomes more diverse and complex, Public Service organisations need to have even more interaction with each other and with stakeholders at local, national and international levels, and across these levels.

It is clear from studying the Irish system, and in particular the health sector, that there are difficulties involved in leading system-level change, and in pursuing system-wide coherence. Ireland is pursuing many multi-annual, multi-stakeholder societal goals – in infrastructure development, energy, climate change, poverty, gender, health, etc. If it is to maximise the Public Service's contribution to achieving these societal objectives and to meeting citizens' expectations, then it needs to think increasingly about the Public Service as an integrated "system". In doing so, it will have to amend or revise existing accountability structures and ways of working, to allow for integrated system-wide action where this is required. Moving towards a more integrated Public Service, will allow a greater sharing of expertise and knowledge, but, more importantly, will allow the Public Service to become more focused on its contribution to the achievement of broader citizen-centred societal outcomes.

Achieving an integrated Public Service will require targeted actions in a number of areas. It should be noted that these action areas are interdependent: this is not a suite of options where only a few need to be advanced. Improved dialogue is needed to address fragmentation and disconnects between departments, their Offices and agencies, and other Public Service actors; the use of networks to bring together relevant players from across the Public Service needs to be expanded; performance measures need to look at outcomes rather than inputs and processes, and increased flexibility is needed to allow managers to achieve those outcomes; budget frameworks are needed to facilitate prioritisation and reallocation of spending; a renewed emphasis is needed on the role of

ICT and e-government in strengthening information sharing and integrated service delivery; and greater mobility is needed to help develop and broaden the skills and competency base of generalist staff. In support of all these, a stronger role is needed to lead and support the renewed change, both through the creation of a Senior Public Service, and the development of a more strategic role for the Centre.

**Improved governance and performance dialogue:** While institutions evolve and adapt over time, the faster the external environment changes, the more reflection is required on what are the appropriate governance arrangements, how to achieve them, and their possible consequences. Appropriate governance arrangements rarely happen independently. The current disconnects between the central Civil Service and the broader Public Service need to be addressed, particularly between departments and agencies, for increased sharing of information and expertise and to put in place improved dialogue to reach shared agreement on performance targets, and to hold each party accountable for the realisation of those targets.

**Networked approaches to working:** Rather than create new structures, an integrated Public Service is one where individuals are enabled to work together across existing structures to allow greater connectivity between different sectors (central government, health, education, local government, etc.), agencies and parent departments, as well as greater connectivity with stakeholders outside the Public Service. This will allow more collaborative, horizontal approaches to policy development and greater agility in identifying and responding to societal needs. The use of “networks” within and across organisations, that span the broad elements of the Public Service will be increasingly important in an integrated Public Service. Ireland has made inroads in developing a network approach through the establishment of the Office of the Minister for Children, and more recently, the Office for Older People and the Office for Disability and Mental Health. Expanding such approaches will present a challenge, as the Public Service will need to simultaneously operate within formal bureaucratic structures of accountability, as well as networks that exploit agility, informality and openness, and reduce duplication of co-ordination efforts. In an Irish context, the multi-stakeholder Social Partnership model represents another possible approach for exploring networked ways of working.

**Moving towards a performance focus:** As with many other OECD countries, the focus to date in Ireland has been on performance reporting, rather than managing for performance. Instead of focusing on inputs and processes, more information needs to be gathered on outputs and outcomes and what has actually been achieved, so that this can better feed back into measuring how the Public Service is meeting overarching targets and objectives. Realistic expectations of performance need to be developed within organisations that cascade from the top to the individual, and additional managerial discretion is needed to achieve these goals. Developing meaningful outcome measures and indicators of performance is a challenge for all countries. But performance measures and initiatives need to be better aligned with overarching outcomes and high-level societal goals in order for the general public to understand the benefits of the Public Service.

**Prioritising spending within budget frameworks:** The need to enhance approaches to resource management and allocation is especially important in a potentially tighter fiscal environment. Enhanced performance measurement mechanisms can only reach their full potential when they are utilised by decision-makers at political and senior administrative levels for resource allocation purposes within and among programmes. Building on existing

frameworks, the development of longer-term, more strategic budgetary mechanisms covering spending programmes could contribute to greater certainty for senior managers and more efficient programme delivery.

**Using e-government to deliver integrated and citizen-focused services:** For citizens and business, the key measure of Public Service performance is how quickly and easily they can access a service and the quality of that service once received. While a number of initiatives have improved both the quality and way in which services are delivered, additional focus is needed on service delivery from the perspective of the citizen, who is not as familiar with how structures and systems operate. E-government, and the development of a more integrated ICT interface, provides a major opportunity to deliver faster, more readily accessible services and secure internal data sharing to simplify contact with the Public Service. While Ireland has had many successes in developing internal e-government systems, co-operation across different Public Service bodies is not widespread. Fragmentation of responsibility for different elements of e-government has meant that the full potential of ICT is not being realised by public sector organisations for citizens. The integration of functions for the technical and financial framework will assist in rejuvenating e-government.

**Increased flexibility and mobility for workers:** At present, few opportunities exist even for generalist staff to move within and across the Public Service. Limited mobility creates challenges in sharing skills and competencies across the system and in re-allocating resources to those areas most in need. In an integrated Public Service, individual public servants will have, and be expected to have, more varied careers across sectors. A mobility policy is needed to promote and facilitate movement of generalist staff across the different sectors of the Public Service. New arrangements are required for the redeployment of staff across organisational and sectoral boundaries to new higher priority activities. This will assist in raising performance levels, as increased numbers of staff with more varied competencies and skills will be able to compete for a wider range of generalist positions. It will also reinforce cross-Public Service networks, supplement regional labour markets, and promote the Public Service-wide perspective that is needed in an integrated Public Service.

**Senior Public Service:** Increased open recruitment will allow the Public Service to rapidly acquire necessary skills and competencies that cannot be easily located or grown in the short-term among the existing cohort of generalist public servants. Supporting and driving a renewed reform agenda and developing a broader integrated approach, however, will require significant leadership from senior management who have a detailed understanding of the broad range of issues and challenges unique to the Public Service. The development on a phased basis of a single, integrated Public Service leadership cadre, through the creation of a Senior Public Service with a membership drawn from elements of the broader Public Service, would allow Ireland to strengthen a system-wide perspective at the leadership level and to reinforce core values through the Public Service.

**Strong leadership role for the Centre:** Success in achieving the vision of a more integrated Public Service will require strong leadership at political and administrative levels to move from a traditional control position, to one of vision, support and direction in developing the modernisation and change agenda. Over the last decade, the Taoiseach, as head of government, has championed the reform agenda, including the initiation of this Review, and this has been a crucial driver for change within the Public Service. Given the scope of changes outlined in this Review, Ireland will continue to require such strong central leadership if new ways of working are to be successfully implemented. These changes are

necessary in order to ensure that reforms are appropriately sequenced, paced, and related to broad societal objectives that arise from the Programme for Government, national policy frameworks, and high-level strategy documents, etc. In addition, the transformational effort will likely require achieving efficiencies and shifting resources across the Public Service in order to assist in co-ordinating and steering the renewed reform agenda. It will need to be appropriately resourced both at the Centre of Government and in each of the key sectors of the Public Service with appropriate links between all those charged with driving change in each area.

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### *Success of reform depends on changing behaviour*

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Ireland is facing a more complex environment with increased expectations for effective service delivery, and a need for alternative solutions to developing horizontal approaches to policy and service delivery challenges. This requires boldness in developing a renewed programme for Public Service reform. Developing a successful implementation plan in response to the assessment and recommendations in this Review could lead to profound and innovative changes in the Irish Public Service and place Ireland at the forefront of new ways of thinking regarding management and delivery of public services.

While it will be for Ireland to consider the broad directions set out in these findings, and to devise a strategy and programme of actions best suited to its own political and administrative needs, success will depend on rethinking how the Public Service operates and putting the conditions in place to change behaviours.