5.0 Making Management More Effective

5.1 Developing Managerial Capability

5.1.1 Strategic approaches to management development

Management development is the means by which leadership in the public service is renewed and strengthened at a time of continuous change in the environment in which the service must operate. A strategic approach ensures that the need for management development is structured into all planning decisions.

The context for change

Managerial capacity and determined leadership are crucial elements in public service performance improvements.

The direction and thrust of public service reform efforts in Commonwealth countries demand a particular increase in managerial capability to:

- drive organisational change;
- manage moves away from an administrative culture towards a managerial culture;
- provide leadership skills;
- encourage a spirit of accountable entrepreneurism; and
- respond to the delegation of decision making from the centre to line Ministries and departments.

There is no one best way to develop managerial capacity. The use of centralised training programmes throughout the public service is increasingly giving way to locally planned activities for management training.

Reasons for caution

Where it exists, the tradition of sending individuals on centrally planned, formal courses, with limited concern for impact or relevance, has led to some cynicism. If management development is to be incorporated into all organisational change, and if the financial and opportunity costs are to be justified, it must be associated with a continual focus on results. Enabling managers to grow into their constantly expanding tasks is essential, and to attract the appropriate investment it must also be credible.

Achieving change

A strategy for all public service reform will include an assessment of the implications of change in terms of new demands for managerial capability. Whereas the overall reform strategy may be formulated centrally, the detailed management development implications will probably be determined at Ministry or department levels.

Commonwealth experiences suggest that strategic management development approaches are underpinned by seven foundations:

1. Management development must be acknowledged, both by words and actions, to be a priority. It is the human resource equivalent of a capital charge; and it is the cost of maintaining the human capital of the service.
2. There must be a recognition of the long-term and continuous nature of managerial learning coupled with a willingness to try new approaches, particularly on-the-job training.
3. The changing relationship between the central personnel management agencies, the service commissions and the Ministry of the public service or similar bodies, and the line Ministries and departments must be reflected in the responsibilities for management development. These central co-ordinating and control agencies will increasingly take responsibility for ensuring that there is a management development strategy, and for monitoring quality and effectiveness, complementing the role of the line departments where the detail must be developed.
4. Departmental managers must promote consultation and open communication about management development strategies and activities at all the levels for which they are responsible. The support of employees must be obtained by their understanding of the need to continually review and increase management capacity in line with organisational change.
5. Departments must be given sufficient autonomy, including financial autonomy, to develop their own management development plans, and the flexibility to use all appropriate methods.
6. The development of managerial capability requires that gaining skills and competencies must be rooted in the work situation. Work-based management development strategies emphasise the importance of self-development, systematic coaching of managers by their bosses, mentoring, project work, action-learning methods, team building, and other on-the-job developmental activities.
7. Management development also requires systematic off-the-job training and exposure. Strategies presuppose the existence of a market of management training resources available to the public service, and of negotiated opportunities for exchange and exposure to other public and private sector environments.

Examples of change

The *Malawi* Government has recently established the Malawi Institute of Management to upgrade managerial competence in both the public and private sectors through training and consultancy activities.

Although quality management is still in its infancy in *New Zealand*, the experience of the public service suggests that a number of preconditions are necessary for quality management to work:

- senior management commitment is fundamental to success;
- only when quality management becomes a core feature of government policy can a public service chief executive make the necessary commitment to it; and
- quality management should not be embarked upon if major restructuring or organisational change is likely.

In the *UK*, the radical changes in the structure and culture of the Civil Service has been supported by an increased investment in management development programmes. The responsibility for these has been firmly located at the level of the department or implementing agency; and strategies combine competence-based, on-the-job activities with formal courses for various managerial levels.

The *Zimbabwe* Public Service Reform Commission Report emphasised the urgent need for a comprehensive strategy on management development for the entire service.

Other useful material (current as of 1996)

Reilly W. and Clarke R. Training for Public Management. A Handbook for Management Development, Commonwealth Secretariat, 1990 (ComSec)

Parikh I. J. & Farrell P. Approaches to Women Managers Training, Commonwealth Secretariat, London, 1991 (ComSec)

Doing it Better, Doing it Right, Public Sector Task Force on Productivity 1992, State Services Commission, Wellington (NZ)

With HMSO into TQM – Her Majesty's Stationery Office, from HMSO Publicity (PU23), St Crispins, Duke Street, Norwich NR3 1PD (UK)

5.1.2 Operational approaches to management development

Management development is the means by which leadership in the public service is renewed and strengthened at a time of continuous change in the environment in which the service must operate. *Operational approaches* take advantage of challenges as they arise, and provide pragmatic, frequently on-the-job, responses to organisational change.

The context for change

All public service reform strategies have a management development component. However, the traditional method of using external, off-the job, programmes cannot provide an adequately tailored response to specific organisational changes. In parallel with their use of formal training programmes, Ministries and departments need to integrate the process of management development into their day-to-day work activities.

In employing operational approaches to management development, the public service will:

- support key elements of change as they are introduced;
- provide an impetus for leadership and direction in the implementation of change policies; and
- convey the perception of a flexible and responsive organisation, sensitive to management pressures.

Reasons for caution

Management development strategies prepare staff for the challenge of leading through continuous change. Not every change requires a formal management development response, and the risks of encouraging dependency and reducing initiative should be noted.

In encouraging a pragmatic operational approach to management development, it should be noted that centralised training systems obscure the costs of short-term training as Ministries often do not have their own training budgets and merely respond to invitations to send individuals on courses.

Achieving change

Commonwealth experiences suggest that operationally focused management development approaches require the following underpinning:

- Baseline data which identifies the actual and required competencies of individual managers or supervisors within the department so that management development activities can be directed towards real and practical needs for skills and knowledge.
- A pervasive management commitment to develop the skills and capacity of subordinates. Managers may be reluctant to take on the additional responsibility for developing their subordinates on the job, but it must be specified as part of their own scheme of service.
- Work-based methods for management development, including coaching, must be institutionalised in the department's day-to-day work practices.

- The evaluation of investments in management development activities, in terms of their effects on job performance, must be adopted as an integral part of the training process.
- The initial high costs of broadening the range of work-based management development practices must be acknowledged.

The effectiveness of operational approaches to management development may be assessed by the following indicators:

- fewer individuals sent on formal courses;
- more in-house seminars/workshops which develop management skills;
- managerial job descriptions which feature on-the-job coaching of subordinates as a priority responsibility;
- more mentoring, group work, action-learning, project work, job rotation and self development activities;
- a system for setting group work and individual targets and for measuring performance; and
- a system for evaluating management development activities.

Examples of change

In *Malaysia*, management development is viewed as a vital component of the Total Quality Management and Client's Charter Initiatives in the Civil Service, where training functions are being decentralised to operational units.

Other useful material (current as of 1996)

Dodge, R. B. Learning in an organizational setting: The public service context; Canadian Centre for Management Development, June 1991 (CAN)

Continuous Learning: A CCMD Report. CCMD Report No. 1; Canadian Centre for Management Development, May 1994 (CAN)

5.2 Effective Information Systems

5.2.1 Creating an information systems strategy

Information systems are the systems that store, transmit and process information. They may be based on any combination of human endeavours, paper-based methods and information technology.

An *information systems strategy* is a plan for developing information systems which maximise the ability of the organisation to achieve its agreed objectives. A strategy provides the framework for the organisation for ensuring compatibility between systems, prioritises development, and encourages the elimination of redundant systems.

The context for change

Underlying all management activities in the public service is information, made useful and available through information systems. Many organisations have invested in information technology to improve their information systems but have done so in an ad hoc manner, dealing with each new system on its own merits. The resulting systems are incompatible, duplicate effort, and fail to increase organisational effectiveness. An overarching information systems strategy is needed to guide and co-ordinate the use of information technology.

Information systems strategic planning consists of a series of steps from identifying organisational objectives, to auditing information systems resources, to prioritising future information systems developments, to detailing an implementation plan. As a strategic exercise affecting the whole organisation, it must involve senior management.

A successful strategy brings the following benefits:

- information systems opportunities and needs are identified and prioritised according to public service objectives rather than to technical criteria;
- top management develops commitment to a strategic vision for information systems;
- compatibility between information systems is ensured, thus avoiding wasted investments; and
- attention is focused on the need to eliminate or re-engineer redundant information systems, reducing the very significant risk that poor systems will be expensively computerised.

Reasons for caution

Information systems strategic planning may falter when:

- there is little demand for information and little experience of the problems caused by an ad hoc approach to information systems;
- there are insufficient in-house skills in strategic planning, information systems analysis, design and management, management services and project management;
- organisational sub-units resist this top-down approach;
- the required participation, openness and feedback are not present;

- departments are unwilling to share their information with others; and
- the external environment is too unstable to permit long-term planning.

Achieving change

Overall, the strategic planning exercise answers three questions:

- Where are we now?
- Where do we want to be?
- How do we get there?

In Commonwealth experience, a strategic decision-making body, involving departmental heads and IT managers with the "clout" to push through change, will manage the resourcing for strategic planning, make decisions on the options suggested, and ensure that plans are implemented. The steps required within the public service are, broadly:

1. Define objectives and opportunities

Information systems help the Ministry, department or unit achieve its objectives. If the objectives are not clear, use short-term plans, although this may make it difficult to prioritise and review the IT contribution to the organisation.

Undertake a survey to outline and prioritise information-related problems and opportunities presented by technological developments.

2. Establish the information requirements

Identify the information required to support the organisation's key activities. This information may be generic and shared across the organisation or may be specific to a particular unit.

3. Outline the generic systems required

Identify the general information systems required and the technologies on which to base them. For example, there might be overlap in the financial information needs of different Ministries and a shared financial information system could be proposed, based on a computer network.

Alternative solutions, with their costs and implications, should be explored with the goal of ensuring the future compatibility of all systems, even those which are currently unrelated.

4. Conduct an information systems audit

Survey the existing information-related resources of the public service. This audit covers:

- organisational structure and staffing;
- paper-based records;
- computer applications with their hardware, software and networks;
- information systems undergoing or awaiting development; and
- sources of training and support.

In this way, the gap between existing and required information systems is identified.

5. Determine major issues affecting information systems

These issues will probably include:

- finance and skill constraints;
- cultural constraints within the public service;
- the short-term need to improve paper-based records versus the long-term need to computerise them;
- the conflicting forces of centralisation, standardisation and decentralisation; if information and staff are to move freely within the organisation, then standards for data items, software, hardware and networking must be imposed. Current approaches are to centralise major information systems, but to allow units to build their own microcomputer-based systems; and
- access to and attitude of information systems vendors and developers.

6. Decide information systems priorities and strategies

A broad indication of system priorities and preferred types of technology must be distilled even if full costs and benefits are impossible to estimate with any real accuracy.

7. Outline a strategy for information systems development and implementation

Evaluate the alternatives and determine:

- implementation: by existing computer centre, or by delegation to individual units, or by creating a new information systems organisation, or by contracting out;
- system development: creating new systems in-house (providing a better fit to needs) or buying a package from outside (providing a quicker, cheaper solution);
- training: using in-house technical staff, or in-house users, or vendors, or external trainers;
- system operation: running and supporting computer systems with in-house staff or contracting to a facilities management firm;
- procedures for tendering and selecting externally-purchased services; and
- how compatibility between different but related information systems will be assured.

8. Assess financial and human resource implications

Provide specific details on:

- funding, its source and time-scale;
- any new organisational structures;
- management of new information systems and related organisational changes;
- new skills needed and old skills no longer needed; and
- implications for training and jobs.

9. Develop the action plan for strategy implementation

It is important that plans allow for the explicit abandonment of systems which are not providing valued information.

Experience suggests that information systems strategic planning takes six months to one year to complete, and frequently provides a strategic framework for a five-year period.

Examples of change

Malta's Government is achieving the benefits of a planned, integrated approach to information systems since its strategy was formulated in 1990. Its approach, led by the Head of the Civil Service, has been logical and structured, but also responsive to political realities rather than dogmatic.

Information systems strategy was first formulated for the *Singapore* Civil Service in 1981. The result has been massive computerisation within Government; a computer network linking Ministries and allowing common systems for personnel and finance; and a skilled, informed workforce. Critical success factors have been a central agency for planning, the co-ordination and promotion of information systems; the standardisation of software development methods allowing IT staff mobility; and a large investment in staff skills.

The *UK* Government's Central Computer and Telecommunications Agency encourages and provides best practice advice on strategic planning of information systems. As a result, an information systems strategy is an integral part of planning in most Government departments.

Other useful material (current as of 1996)

Report on the Information Technology Policy Workshop, 12-16 November 1990, London. Commonwealth Secretariat, 1990 (ComSec)

Han, C. K. & Walsham, G. Government Information Technology Policies and Systems. Commonwealth Secretariat, London, 1993 (ComSec)

Odera, M. & Madon, S. Information Technology Policies and Applications in the Commonwealth Developing Countries. Commonwealth Secretariat, 1993 (ComSec)

From Problem to Solution: Commonwealth Strategies for Reform. Managing the Public Service, Strategies for Improvement Series: No.1. Commonwealth Secretariat, 1995 (ComSec)

Presentation to the Implementation Board on the Activities of CIO to Support Government Restructuring. Office of Information Management Systems and Technology, Treasury Board Secretariat, 1993 (CAN)

Blueprint for Renewing Government Services Using Information Technology. Treasury Board of Canada, Ottawa, 1994 (CAN)

The Civil Service of Malaysia – A Paradigm Shift (Chapter 6, pp. 449-572 (MAL)

Information Systems Strategic Plan. Government of Malta, Valletta,1990 (MLT)

Getting the Bits Right – A Guide to Best Practice in the Provision of Information Systems in the State Sector. State Services Commission, 1992, Wellington (NZ)

Central Computer and Telecommunications Agency, Guidelines for Directing Information Systems Strategy. HMSO, London, 1988 (UK)

Open Systems in Manufacturing. Integrated information – A Strategy for Success? Department of Trade and Industry, London (UK)

5.2.2 Implementing computerised management information systems

Management information systems produce information that assists managerial decision making. They include databases, budgeting, accounting and financial systems, and personnel records.

The context for change

The successful computerisation of management information systems brings the following benefits:

- improved decision making through the provision of relevant, timely information;
- early warning of performance problems;
- more senior staff time free to focus on planning;
- quick and easy access to information; and
- fewer paper records clogging the office.

Computers often fail to deliver these benefits because computerisation is not approached systematically or because there is not a full appreciation of computers in the context of the department's operations.

A structured approach, involving a series of steps from problem analysis to design, to implementation, is required in order to avoid:

- systems which meet current but not future needs;
- systems which meet the needs of only one group;
- "technical fixes" which just introduce computers without seeing that management attitudes, processes and structures must also change to deal with new information flows; and
- equipment breakdown through failure to plan for maintenance or a suitable environment.

Reasons for caution

General prescriptions must be treated with caution. Computerisation of management information systems will run into difficulties when:

- there is little willingness to share information between Ministries or departments;
- there is a lack of in-house skills in numeracy, data presentation and interpretation;
- staff have unrealistic expectations and glamorise the technology;
- managers fear that computerisation will lead to a loss of control;
- a radical change is introduced without consultation; and
- funding for the long-term maintenance of the computers, and for continuing management development, has not been identified.

Achieving change

Computerisation must be preceded by planning an information systems strategy which sets compatible standards for systems and implementation methods, determines priorities and, above all, which ensures that computerisation is not locking poor systems or redundant practices into place. The possibility of ceasing activities must always be considered before the possibility of computerising them. Computerisation follows three main stages, on a time scale varying from a few days for a small database to several months for an organisation-wide application.

1. Problem definition

Study the implications of computerised management information systems by:

- identifying current shortcomings and defining the organisational territory: is the need local or organisation-wide?
- developing indicative 2-3 year estimates of benefits, and capital and operating costs;
- assessing the implications of not proceeding;
- identifying the major risks and assumptions entailed in computerising management information systems;
- locating possible sources for the information system; and
- developing a broad project timetable with resource and responsibility implications.

If outline approval is given, establish a project team of managers, technical staff, and users, including mainly internal staff, but also drawing on cross-government support staff, individual consultants; and/or external organisations, including equipment vendors, consultancies, and donors.

Assess sourcing options on the grounds of available in-house and external skills, cost, need for confidentiality, need for staffing, flexibility, need for fresh perspectives, legislation and expediency.

Expand the management system objectives and benefits into a comprehensive, prioritised list of requirements. This necessitates wide-ranging discussion about the management information outputs:

- Who will use the information?
- What information do they want and why?
- When do they need it?
- In what form do they need it?
- What will they use it for?

It is important to reconfirm that the management information in question is relevant to existing organisational concerns. Ceasing to produce information is always an alternative to computerising its production.

Develop the functional specifications, i.e. what exactly the computerised system must do.

Choose software sourcing, assessing the potential of available off-the-shelf software packages, customised packages altered to provide a better fit to organisational needs, custom-made software written specifically for the organisation, and re-engineered software which the organisation is already using.

2. Solution design

Unless the "package" option is chosen, create a detailed design of how the software will store and process information.

Specify needs for any new computing equipment, looking ahead to future needs, speed of operations, compatibility with existing systems, and options for maintenance and repair. Design the new roles, processes, and organisational structures which will support the computing facility and the management information output.

3. Implementation

Prototyping allows staff to use a working model of the management information system and highlight revisions to be incorporated before the final version is produced.

Train staff how to use the new system. In addition, undertake information, management and computer awareness training for managers who do not directly use the system but who will make use of the information that it produces.

Document all details of the software and guidelines for operation to prevent this information being lost if key staff leave.

Some months after its introduction, and at regular intervals thereafter, evaluate the system. Re-examine managers' requirements and change the system if problems are identified.

Examples of change

The *Canadian* Software Exchange Scheme shares Government-owned software between departments and encourages its implementation. By avoiding duplication of effort and external purchasing, it saved $30m in 1993.

The Sarawak Economic Development Corporation *(Malaysia)* developed a management information system that produces monthly performance indicators for all public sector companies. New review meetings and organisational structures were created to act on the system output. Early warning of below-target performance was provided and problems tackled early. Average company profits rose after the system's introduction.

Singapore's National Computer Board is the primary source of assistance for computerised management information system implementation across Government. It provides consultancy and training, purchases equipment, and develops and manages Government management information systems. Its scale economies, co-ordination and promotion functions have helped introduce over 300 systems into Government and created management information system departments in every Ministry.

The *UK* MINIS system provides information for Ministers on resource allocations, targets and performance of all departments. Poor performance has been identified earlier than previously, and resources can easily be re-allocated between different management units.

Other useful material (current as of 1996)

Odedra, M. Information Technology in Developing Countries – An Annotated Bibliography. Commonwealth Secretariat, London, 1990 (ComSec)

Information Technology in Government: The Caribbean Experience. Commonwealth Secretariat, London, 1990 (ComSec)

Han, C. K. & Walsham, G. Government Information Technology Policies and Systems. Success strategies in developed and developing countries. Commonwealth Secretariat, London, 1993 (ComSec)

Odedra, M. & Madon, S. Information Technology Policies and Applications in the Commonwealth Developing Countries. Commonwealth Secretariat, 1993 (ComSec)

Presentation to the Implementation Board on the Activities of CIO to Support Government Restructuring. Office of Information Management Systems and Technology, Treasury Board Secretariat, 1993 (CAN)

Blueprint for Renewing Government Services Using Information Technology. Treasury Board of Canada, 1994 (CAN)

The Civil Service of Malaysia – A Paradigm Shift (Chapter 6, pp 449-572 (MAL)

5.3 Advice and Consultancy

5.3.1 Developing internal management advisory capacity

Internal management advisory capacity is developed by an array of services provided through the central personnel management office or Ministry of the public service, line Ministries and departments, and through ad hoc task groups focusing on particular change management challenges.

The context for change

The evolution of internal advisory capacity has started, traditionally, with Organisation and Methods units within the Establishments Division, with responsibility for assessing the scope for efficiency improvements in response to requests for additional posts.

The growth of the public service and the increasing responsibilities of central personnel management agencies have led to the establishment of management services units, frequently free-standing, within the Ministry of the public service.

The development of devolved consultancy capacity within line Ministries and departments, the increasing management consultancy responsibilities of information technology units and the attractions of engaging external consultants, have left some management services units unsure of their role. In consequence, they can be locked into a downward spiral in which lack of confidence leads to their presenting over-cautious and inadequately defined recommendations which, in turn, fail to convince heads of departments that an internal consultancy resource can add value to managerial decisions.

Reasons for caution

Strengthening the internal management advisory capacity, whether in line Ministries and departments or centrally in the Ministry of the public service can, at worst, provide a larger haven for staff with no other logical career move in the public service. Strengthening capacity should entail a stronger focus on advisory outputs and not on establishment inputs.

Achieving change

Broadly, internal management advisory capacity can be located in the central personnel management office or Ministry of the public service, in line Ministries and departments, and in ad hoc task groups assembled at any point in the service to focus on specific issues of change.

In selecting the appropriate mix of approaches, Commonwealth public services are increasingly seeking to ensure that two distinct functions are available within the public service. First, managers should have access to a responsive advisory service which can assist them in selecting methods and approaches which will enable them to achieve organisational goals.

Second, a pro-active and more directive advisory service is necessary to propose and manage organisational change consistent with the larger goals of an agreed public service reform or development plan.

The first function highlights the need for managers to identify advisory services as a valued resource – an investment in future efficiency which justifies some initial outlay. Many advisory services operate on a cost-recovery basis, with requesting Ministries and departments being charged a realistic price for services, in order to establish this relationship.

This responsive advisory service presupposes a climate in which managers at all levels are motivated to seek improvements, and are aware of emerging possibilities for organisational development, in particular, the potential advantage of benchmarking and quality management approaches.

The second advisory function is directive, with the authority to intervene in all aspects of public service management without a request from the relevant departmental head. This function is the operational arm of any public service reform or improvement programme, and draws its authority from that programme.

The success of moves to strengthen the central management advisory capacity, the capacity within line Ministries and departments, and in developing a tradition of ad hoc task groups assembled from across the public service to focus on particular change management challenges, must be judged by the following three criteria:

First, a successful array of internal advisory services allows managers to choose to invest in advice.

Second, it provides a focus by which managers may be directed to receive advice as part of a larger programme of change.

Third, it ensures that the credibility of the advisory staff is high, and is maintained by an emphasis on practical experience and short-term secondments.

Examples of change

In the *Kenyan* Civil Service, management consultancy is carried out by the Management Consultancy Service Division of the Directorate of Personnel Management. Government policy directs that private consultants should only be engaged when human resources are not available internally. The client organisation is required to furnish the Directorate of Personnel Management with a full briefing of the project and clear terms of reference. This ensures selection of the most appropriately qualified team of consultants. The Management Consultancy Services Division is responsible for the introduction of modern management principles and practices to achieve optimal staff utilisation and productivity.

The *Malaysian* Administrative Modernisation & Management Planning Unit in the Prime Minister's Department provides management consultancy to Government agencies. It has two main methods of delivering service:

- recommendation of methods and solutions or action programmes; and
- as a facilitator to help the client identify, diagnose and solve problems.

Many projects combine these two methods. A preliminary survey is carried out prior to agreement of the terms of reference for the project.

The Management Services Unit in *Malta* was so successful in delivering benefits to clients that it has now become a wholly Government-owned company which competes for consultancy business in the open.

The Management Services Department (MSD) in *Singapore* is a newly-privatised company that arose from an internal Management Services Department. Departments now make their choice of external consultants, one of them being MSD.

In the *UK*, departments may adopt their own management advisory systems. They must be cost-effective and are frequently subject to market-testing. There is an emphasis towards assignments in quality improvement and customer service. The Treasury has a central role in encouraging the sharing of good practice.

Departments also have access to central specialist internal management advisory capacity, e.g. the Manpower Audit team, which specialises in the use of resources, especially staff. Training standards are set by the Treasury in consultation with departments. Staff are trained centrally for the application of consistent standards across the Civil Service.

Other useful material (current as of 1996)

Canadian Centre for Management Development, Research Publications: (1) Leadership for a Changing World: Developing Executive Capability; (2) Upward Feedback in the Public Service of Canada (CAN)

Improvement and Development in the Public Service, (Chapter 13, pp 261-284), Malaysia, 1990 (MAL)

Improvement and Development in the Public Service, Chapter 13, pp 603-623, Malaysia, 1992 (MAL)

Corporate booklet issued by the Malaysian Administrative Modernisation and Management Planning Unit (MAL)

Public Service and the Public Servant, Martin, J. 1991, State Services Commission, Wellington (NZ)

5.3.2 Improving the management of external consultants

The public service can often benefit from advice and assistance from external sources. Effective *management of external consultants* is crucial as the service may feel that it has gained little from an external consultant whose presence distracts from operational pressures, and whose reports will add to the many unread volumes on Ministry shelves.

The context for change

At a time of dramatic change in the public service, the value of external consultants increases as they offer a short-term solution to limited change management capacity in the public service, and can provide insights into the experiences of other institutions facing similar challenges.

Reasons for caution

There are three areas of difficulty in using external consultants: the management supervision required; their potentially limited understanding of local concerns; and the costs incurred.

Reasons for caution in relation to management supervision centre on the difficulties faced by the public service in monitoring and steering the work of high status consultants, particularly as it is the limited capacity of the public service which has made their assistance necessary.

The risks of consultants failing to recognise local concerns are increased if the perceived status of the consultants inhibit local staff from critically evaluating their work, or if the tensions generated by the apparent disparity of remuneration between external consultants and local staff leads to an over-critical response.

The costs of external consultancy are high. The peripheral costs of project management, provision of support staff, and negotiated follow-up can make the total out of proportion to the initial concern.

Achieving change

Extensive Commonwealth experience in using external consultants to work for the public service has provided some pointers towards best practice in the following four stages:

1. Pre-contract

In defining the problem and assessing the value of engaging external consultants, three key factors are consistently identified:

- the involvement of counterparts from an early stage to encourage ownership and commitment;
- the explicit identification of managerial time to supervise the contract negotiations, the actual project, and the subsequent follow-up; and
- clearly agreed procedures which establish the role of central agencies when formal tenders are required and when individual negotiations at departmental level are appropriate.

2. Contract negotiations

Selection meetings and other negotiations with potential consultants must focus on the practical deliverables which will result from the project. The terms of reference should cover:

- a clear identification of the problem to be addressed;
- information about the existing background and context, in particular, details of previous studies and related projects or consultancies, and a realistic appraisal of current and future budgetary constraints and other resource limitations;
- all factors likely to have an impact on implementation planning and sequencing including budget cycle details, national holidays, proposed starting date, periodic progress review and control dates, and completion date;
- reporting strategy (when? to whom? in what form? how many copies?);
- the final product expected of the consultants (reports, blueprints, adequately trained counterpart staff, etc.);
- input to be provided by the client agency (staff support, documentation, transport, accommodation, permits and introductions);
- input to be provided by the consultants (personnel, man-hours, back-up materials, specialist equipment and training);
- financial arrangements (interim payments, final fees, travel and per diem expenses, costs of support, charges for additional work and penalties);
- liaison arrangements between client agency and consultants;
- exclusions from the assignment and similar limitations (copyright, confidentiality, and security requirements); and
- details and addresses of all relevant contact persons.

3. Project implementation

The involvement of external consultants is primarily a mechanism for obtaining skills. Supervising a contract during implementation requires considerable managerial time and determination if frequently observed difficulties are to be avoided. These may include:

- inappropriate changes to the consulting team during the course of the project;
- delays in negotiating contract amendments; and
- excessive focus on written outputs and insufficient involvement of local staff and counterparts.

4. Follow-up

Evaluation must begin with the question, "Has the public service gained from the process?" rather than from the more frequently asked but narrower point, "Were the terms of reference covered?" Key points to consider are:

- Has the exercise been cost-effective? Did the consultants provide genuine added value?
- Have internal counterparts benefited satisfactorily from exposure to the consultant's experience and methodology?
- Have the results been unexpected, and if so, why?

- Has the management of the contract been successful? Did it develop strong but directed working relationships?
- Can the recommendations be implemented?

Examples of change

The *Kenyan* Government actively encourages the establishment of local professional societies and registration boards so that public agencies can then be required to give preference to locally-based consultants.

Before external consultants are appointed, *Malaysia* requires all Government agencies to obtain prior approval from the Committee on the Appointment of Private Management Consultants, serviced by the Malaysian Administrative Modernisation & Management Planning Unit.

In the *UK*, the Treasury, the National Audit Office, and the Local Government Management Board have all issued authoritative guidelines on the selection and use of management consultants.

Other useful material (current as of 1996)

General Circular Letter No. 5 of 198O, The Committee on the Appointment of Private Management Consultant in Administrative Modernisation (in the national language) (MAL)

Buyers and Sellers: Negotiating Contracts in the Public Sector, Proceedings of NZIPA Seminar, Research Papers Vol. VII, No. 2 1991. New Zealand Institute of Public Administration, Wellington, 1991 (NZ)

Selection and Use of Management Consultants. National Audit Office, London, 1989 (UK)

Seeking Help from Management Consultants. HM Treasury, HMSO, London, 1990 (UK)

5.4 E-government – What is it?

Occurring worldwide is an evolution of both information and communications technology. The Internet is basically changing our lives – affecting the way we work, the way we learn, the way we do business and personally interact. *E- government* is a way for governments to utilise new technologies to provide citizens with more convenient access to information and services; to improve the quality of services and to provide greater opportunities for public participation to ensure accountability.

E-government presents some unique opportunities to move forward in the 21st century with government services that are of higher quality, more cost effective and create partnerships between citizens and their governments. However, concerns have already been expressed about the gap between the groups that have access to technology and those who are without the proper technology. This is also known as "the digital divide". In order to ensure that countries do not become part of the digital divide and as the knowledge economy continues to grow, expanded dialogue, partnerships and co-operation between public, private and civil society is needed.

Government can improve in terms of quality and the citizenry's participation in it, through e-government in four important ways:

1. It will be easier for people to have their say in government;
2. People will get better services from government organisations;
3. People will receive more integrated services since different government organisations will be able to communicate more effectively with each other; and
4. People will be better informed because they can get current and comprehensive information about government laws, regulations, policies and services.

In an e-government situation there are four potential clients for ICT services:

1. the government itself – government to government;
2. employees;
3. the private sector or businesses; and
4. citizens.

One of the most promising aspects of e-government will be its ability to bring citizens closer to their government and its services. While the technology and connectivity is widely available, and even more so after the Y2K computer standardisation and upgrading, many governments have not taken full advantage of its benefits. This is particularly true of developing and Small and Island States of the Commonwealth.

As the 20th century drew to a close and we began talking of the post-industrial era, the significance of these widespread changes became increasingly evident. The impact of these changes could be seen at several different levels. While manufacturing was a key component of the industrial economy, the services sector had, by the end of the last century, become a major new source of wealth creation. Information and intelligence, displayed in terms of people or smart machines, became more important as mental labour gained precedence over physical labour. With this came globalised production as information technology allowed information to cross borders with ease while new modes of communication turned the world into a global village. All of these factors have had a profound effect on the way we live and work as well as how we contribute to our communities and our economies.

The final decades of the industrial era saw the world embracing a new age of digital information and knowledge. The growth of technology, the increasing utilisation of the Internet and the forces of globalisation have opened up the frontiers of opportunities and challenges of what has now been accepted as the "Knowledge Age". Governments cannot ignore the fundamental changes that are affecting the lives of the citizens they serve. Undoubtedly, these changes are bound to have an impact upon the policies, structures, mechanisms and processes of governments as well.

Benefits of government integration

In brief, some of the general benefits of the introduction and management of an e-government system include:

- lower costs as well as improved efficiency and quality of services;
- more effective linkages between citizens and government;
- improved efficiency of government workers; and
- facilitated transparency and accountability.

Achieving change

New technologies are changing the way public administration is being run due to the intertwining of information and communication technology (ICT) and public sector reform. Many governments have recognised that the application of ICT to all levels of government is an important part of public sector reform. There have been a multitude of changes in the public sector throughout the Commonwealth due to the transformation of government with new technologies.

There are predictions that e-government or e-governance will transform our political institutions, revitalise our democracies and fundamentally change the interface between citizens and frontline government. Some Commonwealth countries are using technologies to deliver services to the citizen and to get feedback on the issues of the day. In 1998, one of the Gold Award Winners of the CAPAM International Innovation Awards programme was "Ontario Delivers". This submission brings real-time technologies to citizens in common areas such as shopping malls to conduct government transactions (e.g. licence renewal).

The increasing growth and demand for interactivity between government and citizenry means that governments will need to become more and more innovative and creative in the way government organisations and personnel interface with citizens. This will result in new ways of organising government itself.

The growing interactive society is making huge demands on government. Public sector departments, which are mainly hierarchical and process-driven, are not generally able to respond to public demands. Meeting these demands will require the public sector to adopt more entrepreneurial and client-oriented models.

E-government is a tool and regardless of how powerful, it has limited value and relevance by itself. Value arises from its application to specific goals and objectives. In many Commonwealth countries citizens can inform departments of changes of address or request information online. This is an important tool for those who interact with government for services or benefits. The use of information and communication technology to encourage citizen participation can be a liberating and democratising force within government.

As new networking technologies create new means of information exchange, the traditional structure of government will undergo terrific pressures to evolve and adapt. Institutions will need to constantly adapt and change and be innovative. Both developed and developing Commonwealth countries will need to develop strategies and best practices for the use of new technologies within government. Government will need new attitudes, new ways of thinking, new strategies, realigned structures, innovations, creativity and entrepreneurship.

Commonwealth examples

E-government, involving the electronic delivery of integrated citizen-centred public services, is an initiative which can result in greater convenience and speed for the public. The Internet world is constantly changing and at an alarming speed. As the Internet changes, so do public expectations of government service and response time. With such speed, it is no longer possible to keep up by working faster or more efficiently using old and existing technologies and processes. Government workers need to adapt to this new context.

The key to e-government is to design a system that will be convenient to the public and provide what the public wants. E-government will bring citizens and the community closer to government. Civil society in turn must assess this relationship with the citizenry in terms of the desirable degree of transparency and the extent of confidentiality. Government needs to be innovative, enterprising and creative.

All over the world, governments are attempting to manage e-technology in different ways. Governments are captalising on e-technology to improve people's lives. Generally, governments are aiming to make e-technology the servant of society in order to improve the quality of communities, to make economies stronger and to bring people closer together. The Commonwealth is committed to making good progress in getting services online. For example, the goal was to have over 90% of agencies with appropriate services online by the end of 2001. Many countries have invested in and initiated e-government programmes.

Australia

Australia has become a known leader in e-government investment and initiatives. It was rated fifth in 2001 out of twenty-two countries in terms of e-government leadership in a study conducted by the Accenture Consulting Group.

Some of the major benefits of *australia.gov.au* are:

- making government online more user friendly;
- simplifying access to a comprehensive range of information and services online from all government agencies;
- ensuring Australia keeps pace internationally, particularly with countries such as the United Kingdom and Canada;
- assisting government online to help drive the uptake of e-transactions and the Internet more broadly in the economy; and
- setting the framework for cross agency linked transactions.

The Australian government continues to develop and invest in online ventures and partnerships. Some of the following are priorities for the future:

- the next phase of electronic service delivery needs to focus on the quality and effectiveness of the services;

- these services need to be driven by demand for services by key stakeholders not developed for their own sake;
- this means that agencies need to build extensive evaluation processes;
- they need to test the effectiveness of online service delivery;
- in the new era of e-government, citizens are at the very core of service delivery; and
- Commonwealth governments must aim to have higher quality online services available with additional transactional capability and be integrated with other services, agencies and tiers of government.

Singapore

In Singapore, they have introduced a mechanism called "The Enterprise Challenge" which funds experimentation trials which could bring about quantum improvements in the public service. "The Enterprise Challenge" was one of the entries from Singapore in the 2000 CAPAM International Innovations Awards Programme. Through this initiative, new ideas are encouraged through Work Improvement Teams and Staff Suggestion Schemes.

New Zealand

The New Zealand Government intends to be among the governments which actively manage e-technology to make life better for its people. Overall, that requires government to do two things:

- Create the environment where others – the private sector, communities and individuals – can make the most of e-technology; and
- Capitalise on e-technology to improve the way government serves New Zealanders.

Canada

The Canada Site, with gateways for Canadians, Canadian Business, and non-Canadians, focuses on citizens' needs for information services. Each gateway, and more than 30 clusters, is led by a department working with other levels of government and non-governmental organisations. This horizontal and vertical initiative places Canada in the forefront of e-government.

If you are a Canadian who needs a job, a parent concerned about an unsafe toy, or you want to visit a national park – you want information from your government. If you are a business that needs a contact to arrange financing for an export deal – you want information from your government. If you are a Canadian travelling abroad and have had your documents stolen – you need help to get them replaced quickly. What you do not want is a difficult search through the labyrinth of departments, agencies, and other organisations that make up government. You need answers which are available through one portal via the Internet.

When Canadians were asked what a government website should be they responded:

- accessible to all;
- simple to understand;
- easy to access anywhere at any time; and
- not too government focused.

Turning that thinking into a reality in a short time required innovations in management that successfully enabled people from 28 federal departments and agencies to work together. It took real cross-departmental collaboration and consultation to deliver the Canada Site. The resulting client-focused web portal resulted from innovative thinking about how to realise the government's goal of

making information and services available online for all Canadians to access in a timely and convenient manner. The structures and processes developed are now considered best practices in developing government websites. This investment has moved Canada closer to its goal of being known around the world as the government most connected to its citizens.

The Canada Site and gateways have been using client feedback to gauge success and plan innovations that will continue to improve client services, satisfaction, and ease of use. The site is being analysed to make sure that authoritative information is presented and duplicate information eliminated, and to determine what gaps exist so they can be filled.

This will lead to more service integration within the Government of Canada, and across jurisdictions. An enhanced Canada Site, launched in 2001, includes innovative inter-jurisdictional partnerships so that all governments can work together to provide convenient, client-based information. Possibilities are also being explored to provide a foreign language capability for non-Canadians.

Critical success factors

A range of factors will determine the success of the e-government strategy. "Hitting the Target" – the three essential characteristics of e-government are

- Convenience and Satisfaction;
- Supporting Activities; and
- Integration and Efficiency.

The most critical of these are:

- Broad support and advocacy for the programme;
- Willingness to change the way agencies work together, share, manage information and services;
- The ability to change the culture, skills, governance and financial arrangements in agencies to support e-government;
- Starting small and growing quickly, but at a speed consistent with customer expectations, adoption rates and acceptability;
- Ensuring equality in access to information and services;
- Developing acceptable privacy and security safeguards, including authentication;
- Putting a facilitative, enabling legal environment in place;
- Investing in adequate knowledge infrastructure; and
- Some early successes to build on.

Other useful material (2nd edition)

Frost, Peter. "Streamlining Government". Management and Training Services Division, Commonwealth Secretariat, Commonwealth Yearbook, 2002.

Riley, Thomas, B. "Electronic Government and Public Sector Reform". Commonwealth Centre for Electronic Governance, Commonwealth Yearbook 2002.

Badger, Dr. Rod, "e-Government: beyond Bricks and Mortar". Keynote Address at the Annual International Conference of the Institute of Public Administration Australia, Sydney, Australia, November 2001.

Teo, Eddie, "Public Sector Leadership in the 21st Century". Presentation at CAPAM Conference, Cape Town, South Africa, 2000.

Salway,Peter, "Serving the Knowledge Age: Realigning the Public Services for the Knowledge Advantage".

Communications Canada, "Engaging Citizens Through a User-oriented Interface with Government" Submission for The CAPAM Third International Innovations Awards Programme, March 22, 2002.

"Why an e-government strategy?". www.e-government.govt.nz

Inter-American Development Bank, "e Government". www.iadb.org

5.4.1 E-governance

E-governance is a process which organisations, institutions, companies and governments use to guide themselves. It refers to the way these bodies interact with each other, with their clients and citizenry. Basically, it is how society organises itself for collective decision making and how it provides for a transparent mechanism for seeing these decisions through to implementation. Most institutions and government agencies are ill-prepared for the dramatic changes in information technology and human knowledge. Yet citizens increasingly expect the same level of service from governments as they do from the private sector. The traditional role of government has been to provide stability in times of change. Governments therefore need to change the theory and practice of decision making and policy formulation to meet the demands of a knowledgeable society.

E-governance is beyond the limits of e-government which is defined as the delivery of services and information to the public using electronic means. E-governance goes one step further and allows the direct participation of constituents in government activities. In India, for example, one State Council is proposing to hold its Council meetings in local venues for citizen participation.

E-governance is not just delivering information over the Internet but rather how citizens relate to government and each other. E-governance will truly allow citizens to participate in the decision-making process, reflect their needs and welfare by utilising e-government as a tool.

In a joint study by UNESCO and Comnet-IT, they define governance as the process by which society steers itself. The interactions between the state, private enterprise and civil society are being increasingly conditioned and modified through the influence of information and communications technology (ICT). Five examples of these shifts in dynamics are exemplified by:

1. the use of the Internet by the civil society, NGOs and professional associations;
2. the mobilisation of opinion and influence on decision-making processes that affect them;
3. the increasing electronic delivery of government and commercial services and information;
4. the electronic publication of draft legislation and statements of directions for public feedback; and
5. on the infrastructure side, the increased adoption of e-enabled community centres, the liberalisation of telecommunication markets and trends towards web-enabled mobile telephone and digital television are facilitating this evolution.

In addition, as the Internet becomes a primary access point for millions of citizens to link with government, researchers and educators will need to consider issues like:

- how will e-government influence the performance of public organisations?
- what are the organisational effects of e-government and information technology?
- what are successful implementation strategies for e-government initiatives?
- what skills do public employees need to maximise their performance in an information age?

Many claim that e-government, e-governance and information technology empower individuals within organisations to move beyond the automation of paper-based transactions, resulting in a decentralisation of organisational decision making. More research is needed to determine if e-government and e-governance facilitate decentralised decision making.

The goal of organisational transformation and collaboration must also be a primary concern for those organisations working to improve public organisations through e-government and e-government initiatives. As technologically wise citizens worldwide come to expect more of their governments, public agencies will be capable of providing the services and access required.

However, transformation in public sector governance and accountability is likely to be blocked by administrative culture, structure and processes that may be poorly suited for a digital world, as nearly everything about the digital state requires horizontal governance. The Canadian government for example, through the Canada Site, has relied upon a vertical architecture of power and decision making. The central task facing both policy makers, and political leaders, at least those interested in leading the transition to the digital age, lies in orchestrating and managing effective responses.

Governance is about effective co-ordination in a dynamic environment where both knowledge and power are distributed. Every organisation is built on governance, whether formal or informal, ineffective or successful. The rise of e-governance refers to the new patterns of decision making, power sharing and co-ordination – made possible, or even necessary by the advent of IT.

The public sector is not immune to such forces. Indeed, government finds itself under the dual strain of becoming both a partner and competitor with business in an online environment. As a result, digital government refers to an IT-led reconfiguration of public sector governance – and how knowledge, power and purpose are redistributed in the light of new technological realities.

Other useful material (2nd edition)

Following on earlier work, Comnet-IT in association with UNESCO has developed a number of country profiles detailing current status and developments in this area.

International Centre for E-governance, "Governance in the 21st Century". www.icegov.org

Inter-American Development Bank, "e-Government". www.iadb.org

UNESCO and Comnet-IT, "Joint UNESCO and Comnet-IT Study of e-government". www.comnet.mt/country

Melitski, Jim, "The World of E-Government and E- Governance". Solutions for Public Managers, ASPA, www.aspanet.org/solutions/egovworld

Allen, Barbara Ann; Juillet, Luc; Paquet, Gilles; Roy, Jefferey, "E-Governance and Government On-line in Canada: Partnerships, People and Prospects". To be published in Government Information Quarterly, 2001.

5.4.2 The cautions of public-private partnerships in e-government

Commonwealth countries around the world are spending vast amounts of money to develop, implement, and manage electronic government (e-government). The partnerships between the public sector and their private sector counterparts seems to be the best approach to implementing an e-government environment. This collaboration is not a static, one-time venture. It often takes numerous years with a variety of partners to build, operate and transfer electronic infrastructure into the public service.

The implementations of these infrastructures are often measured for success. The results show significant failures in terms of:

- missed deadlines;
- budget overruns; and
- standards that are lower than originally agreed upon.

It is widely understood that go-it-alone ICT/e-government strategies are costly to the public sector and have not achieved the desired levels of performance or transformation desired by governments. Governments are seen to lack IT competence, to have difficulty "keeping up" on their own with the changing new economy, and they lack the incentives to innovate. There is room for improvement in the implementation of e-government and partnerships with the private sector are viewed as one important way to address these shortcomings.

Government reports indicate that the most widely touted rationales for partnering with new-economy firms are the need to:

- be innovative;
- share the risk;
- reduce research and development costs; and
- increase the quality of government programs and services.

Partnerships should be used to conceive, develop, operate and evaluate e-government applications. Despite the fact that there is no conclusive theoretical or empirical support for the assumption that outsourcing will always lead to more focused organisation, higher flexibility, lower costs and staffing levels, economies of scale and to the solution of all problems with IS (Information System) departments, governments appear to be totally committed to collaborating with the private sector in the creation of e-government.

Outsourcing arrangements can take many forms. They can range from simple external operational relationships in areas like electronic banking and data processing, to more robust arrangements to create sophisticated interactive services. The former may be no more than a traditional arms-length performance contract between a principal and an agent in which the service or good is produced to standards set down in the contract. The latter arrangements involve multi-year, collaborative partnerships in the concurrent fulfilment of both public policy objectives and the goals of the private sector partners.

It can be argued that public-private partnership management is a complex and growing challenge to today's mangers, many of whom have not had the management training or the exposure to such agreements, let alone experience with the technology. Many believe that there is no "one size fits all" strategy to the management of partnerships within e-government.

Reasons for caution

Beyond the general challenges of partnership, there are some special features of e-government alliances that make them even more difficult for governments to work with. These challenges include:

- private sector partners being asked to create and, often, run and maintain systems central to the most important service functions that governments perform;
- many e-government technology partnerships are likely to be multi-party arrangements;
- the memberships of these networks may not be stable through the life of a partnership with government; and
- the goals of ICT partnerships may have to be more flexible and "renewable" than those of a traditional public service contract.

These challenges are further complicated by the following:

- How does one establish a management framework for partnering?
- How do you find the right partners?
- How to you make the right partnering arrangements?
- Who is managing the relationships with partners in a network setting?
- Who is measuring the performance of e-government partnerships? and
- How are governments enhancing their capacity to perform these tasks?

In order to respond to the failures of an ICT project, the following changes need to be addressed:

- a reframing of the overall approach;
- the need for better management at the project level;
- the need to manage the project in relation to government goals and objectives;
- a clearer definition of the higher business purpose;
- governments need to approve and plan projects not on a single basis but as part of a larger system (enterprise-wide);
- there is a requirement for an enterprise-wide leadership structure and decision-making process; and
- the Chief Information Officer (CIO) takes a lead role in the enterprise management.

At the same time there are potential problems with selecting and securing the right partners for the ICT project. Often the right partner(s) and agreements are hindered by the government's procurement policies and procedures.

Impediments in traditional government procurement systems include:

- the policy of going with the lowest bid;
- the use of standardised contracts;
- the inadequate penalties for non-performance;
- the tendency for risk avoidance;
- an inflexible, 'request-qualifications-proposal' process for awarding contracts; and

- an inability for most governments to come to a quick closure of the contract award process especially in today's environment where there are speedy alliances developing in the ICT industry – this can potentially result in the loss of contracts as the proponents have other assignments

There is a need to find a balance between the existing system and the open-ended, informal, networking, negotiating environment of the private sector. This balance will allow governments to enter into value-added partnerships with an emphasis on the product rather than the process and thus reduce the time required to finalise the agreement.

This raises both organisational, human resource and accountability questions. From an organisational perspective, the key issues are the capacity of individual agencies to partner on their own. Does the agency require a centralised body to back up the initiatives? Secondly, there are almost as many approaches to the organisation of e-government human resources as there are governments. Due to the potential implications and failures of the implementation of e-government for service delivery and the co-ordination across the entire system, it is becoming common to have central co-ordinating bodies involved in both government-wide and agency-level strategic planning. This central group should be involved in developing innovative accountability frameworks and also be part of the procurement process itself.

Regardless of how the outsourcing in this area is organised, government agencies have to have access to a wide range of experts capable of:

- building strategic plans that integrate e-government initiatives into the wider strategic objectives of the government as a whole;
- conducting market surveillance and analysis, particularly with a view to identifying appropriate technologies;
- selecting private sector partners that will have a good strategic and cultural fit with the agency; and
- negotiating significant partnering arrangements.

Many e-government initiatives potentially have significant implications for the restructuring of government services and it is essential, therefore, that governments have the internal capacity to advise on where these projects are taking them. Until very recently, it has been particularly difficult for governments to attract and retain ICT experts, especially in an environment in which salary expectations are high, the supply is limited, specialists are nomadic in nature and not dedicated to one company for a career and the experts are being courted daily by the private firms with which they are negotiating.

Studies have found that certain values tend to foster an effective partnership relationship. The values include:

- trust;
- flexibility;
- collaboration;
- information sharing;
- networking; and
- ethical negotiations.

Failure is due to a lack of organisational and human capacity to manage technological partnerships. Some governments are unable to successfully implement and adapt to an e-government environment because they cannot adequately manage technology projects. Too much has been emphasised on the management of the project rather than the management of the relationship with the service provider.

What is the degree to which governments are prepared to alter from the contract compliance model to a shared performance model? Unfortunately, this part of public administration research and government thinking has not been a priority in the past. Nonetheless, the best contract management practices should include service delivery standards; quality, quantity and timeliness schedules; fees related to performance and how the suppliers performance is to be tested against standards.

OECD governments, realising that IT performance measurement has been not that efficient, have begun to address the performance management of partnerships. Admitting that IT project performance measurement has been spotty in the past, OECD governments have begun to address the performance management challenges of enhanced partnerships. To ensure that departments and central agencies are capable of monitoring the progress of their initiatives, certain tools have been developed to assist with performance management. Examples of such tools include:

- the enhanced management framework;
- the business case;
- the project charter; and
- the traditional internal audit function.

Governments need to look at success stories from the areas of e-business and e-commerce and extract from these cases the elements of good strategic alliance management. The best practices can then be adapted to the public service to better manage public-private partnerships.

Other useful material (2nd edition)

NEPAD www.dfa.gov.za/events/nepad.htm

5.5 Knowledge Management

In the past, Commonwealth countries have dealt with the issues of records management, human resource management, financial management, information systems management and information systems strategy as independent entities and have thus controlled and managed them separately. As governments develop and deal more with Internet technologies there is a growing need for a holistic approach to the linkages between each of these systems. The rubric that links the former independent entities is "Knowledge Management".

This holistic approach to the creation, maintenance, use and disposal of records is increasingly important to all public sector organisations. Making information available to support the business of these agencies will lead to more efficient, effective and economic governments. These principles constitute the foundation of accountability which in turn supports the building of democracies. In fact, knowledge management is a serious governance issue. Through a knowledge management system, governments can work towards breaking down the barriers of productivity. These barriers include:

- underfunding of a Ministry;
- understaffing and overstaffing departments;
- misallocation of human and financial resources;
- absence of financial discipline and the monitoring of performance;
- corrupt practices, nepotism and favouritism;
- absence of a code of conduct and guidelines;
- lack of ownership and involvement in the design of performance agreements, goals and functions; and
- poor leadership and low morale of employees.

In terms of leadership, Singapore stresses that knowledge management systems assist their government. The systems provide input and emphasise the importance of strong leadership; talent attraction; talent management; talent development; and the importance of public sector values (meritocracy, impartiality, incorruptibility, service excellence).

The International Records Management Trust (IRMT) has noted that aid agencies are starting to recognise the need to strengthen records management in relation to institutional capacity building and policy reforms. The previous weaknesses are due to financial managers and others not having the systems designed and implemented to collect and manage the relevant information.

Items which are not included in government systems, which impeded departments/Ministries in their ability to manage government knowledge, included:

- parallel systems with no cross referencing;
- no tracking or projections;
- systems operated at the departmental or organisation level rather than across the government structure (siloed);
- individuals were not considered part of the corporation; and
- knowledge management was not considered as a strategic resource.

The European Centre for Development Policy Management in a policy brief on Knowledge Management outlined some challenges for capacity builders. Their thesis explored ways to improve

capacity builders' activities. They called for capacity builders to invest more in knowledge sharing as a means to improving the importance of their work.

It has been found that in developing countries, a remarkable opening towards more democratic and transparent governance is in progress. Development is coming to be seen as a joint responsibility of governments, communities, civil society and the private sector. Participation, empowerment, public-private partnerships and joint action are new ways to win the fight against poverty. The capacity to build and manage knowledge is viewed as central to development.

For many people, new information and communications technologies (ICTs) are the right tools at the right time. If used wisely, investments in information, knowledge, and ICTs can help generate wealth and jobs, build bridges between governments and citizens, forge relations among organisations and communities, and improve the delivery of essential services to poor people.

In rich countries, information and communication technologies and especially the Internet are spreading throughout society, the workplace and the market. For those who have access to the new tools, the opportunities are immense. Countries investing in the Internet are likely to benefit from wider and cheaper access to informational, educational and medical resources and services. The Internet and related technologies can create value, jobs and help people to engage in trade. In Bangladesh for instance, the use of cellular phones in rural areas has helped increase the income of women. In 1998, at the CAPAM Biennial Conference, the Bangladesh entry into the International Innovations Awards Programme was honoured by winning the Bronze Award for "Village Pay Phone – Grameen Telecom".

Capacity development is the "process by which individuals, groups, organisations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives." More specifically, it is a way for groups or organisations to increase their ability to contribute to poverty elimination.

While the purposes of capacity building apply in the information "sector", it is argued that capacity building approaches can be quite different in other sectors. The differences can be attributed to some characteristics of information and knowledge management that set them apart from other development activities.

Key Questions when considering Capacity Building in a Knowledge Management environment:

1. Whose capacities are being built?
    - decision makers
    - information custodians and producers
    - ultimate beneficiaries
2. What capacities are being built?
    - awareness and empowerment
    - skills
    - resources
3. How are capacities being built?
    - partnerships
    - collaboration
    - appropriate measures and an open approach that is replicable

While development agencies seek ways to make beneficial use of information and ICTs for development, relatively poor linkages seem to exist between the numerous international initiatives in this area. This results in a disconnection between rather ambitious agendas and the action on the ground, and many missed opportunities for joint action. While diversity can stimulate creativity and innovation, the various initiatives need 'gluing' together to form useful relationships.

A concerted approach by the various participants should include the following elements:

- Complementarity

  A complementary approach aims to build on the varied experience of many participants, to bring quality into capacity-building approaches, and to ensure that developing countries get the best and most appropriate advice, not just what's at hand. Avoiding duplication through task division and collaboration is important. Complementarity means accepting that many participants, including the private sector, have legitimate roles to play and that each has its own added value. It requires that each participant is clear about its aims and roles, is transparent on its strengths and weaknesses, and is committed to working together. Information sharing tools such as databases illustrate how such issues can be tackled.

- Incentives

  As was indicated above, complementarity flows from attitudes and cultures and the extent to which people and organisations are willing to cooperate. Co-operation and partnership do not always flow of their own accord. A key factor is incentives. Funding agencies can help stimulate "co-operativity" by the way they fund activities. To foster partnership, sponsors need to be more creative, perhaps becoming "partners" themselves, perhaps financing process and preparation as well as implementation, perhaps funding issues or problems rather than institutions.

- Multipliers

  One of the most important parts of capacity building is to share and pass on skills and knowledge. Training of people in partner organisations, both in developing countries and among donor organisations continues to be necessary. However, in the information "domain", it is rare for the ultimate users or beneficiaries to be directly reached by international efforts. It is crucial, therefore, that partner organisations in developing countries also learn to become capacity builders, to multiply and apply the skills they have learned. This is sometimes difficult for a development agency to implement, as every partner whose capacities are enhanced is potentially a future "competitor". It is nevertheless essential if sustainability is the objective.

- Invest in Knowledge

  All the partners in development can benefit from capacity building. This applies as much to the "developed" agency as to the recipient partner. As well as developing resources, tools, and skills to share, development agencies need to know about capacity building and the roles they can play.

  This means that capacity builders should critically assess their own capacities, ensuring that they are appropriate and that they help address real development problems. Learning to facilitate, catalyse and nurture, and support is essential. It also means looking critically at how aid is delivered and managed, and seeking to speed up and improve internal procedures that may erode the process of capacity building. It means investing in co-operation and partnership and learning to do these well.

Other useful materials (2nd edition)

International Records Management Trust, "Principles and Practices in Managing Financial Records: A Reference Model and Assessment Tool". London, U.K., March, 2001.

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Agere, Sam, "Promoting Good Governance: Principles, Practices and Perspectives". Commonwealth Secretariat, London, U.K., 2000.