IPAA PUBLIC SECTOR EXCELLENCE MODEL

SUSTAINABLE EXCELLENCE IN PUBLIC SECTOR MANAGEMENT

iPAA
Institute of Public
Administration Australia
ACT Division

CONTENTS

THE PRIME MINISTER'S AWARDS FOR EXCELLENCE IN PUBLIC SECTOR MANAGEMENT

The Prime Minister's Awards for Excellence in Public Sector Management were instituted in 2002 by the ACT Division of the Institute of Public Administration Australia (IPAA ACT). In 2002 nominations were drawn from Commonwealth and ACT Government agencies. From 2003 onwards the Awards became fully national and open to organisations and agencies from all levels of government in Australia, Federal, State/Territory and Local.

The Awards focus on specific projects, initiatives or change processes, and are based on Agencies demonstrating success against four demanding criteria. Agencies have to demonstrate that they are able to devise and implement innovative customer--focused initiatives. They must also demonstrate that their success was not accidental—it must have been the result of a methodical and sustainable approach to improving the Agency's practices in client satisfaction, leadership, people management, change management, planning, governance and innovation.

Since 2012 the Awards have been based on the IPAA Excellence in Public Sector Management Model. The Awards covered by this Model are:

1. **Sustainable Excellence in Public Sector Management**—Gold, Silver, Commended.

Two supplementary Awards (Collaboration and Innovation) may be awarded at the discretion of the Judges to nominees for the Sustainable Excellence in Public Sector Management Award.

2. **Collaboration**—joint nominations between two or more agencies or across levels of government, involving high performing initiatives

3. **Innovation**—initiatives involving high levels of innovation with actual or the potential for highly successful outcomes.

THE IPAA PUBLIC SECTOR EXCELLENCE MODEL

The IPAA Public Sector Excellence Model draws on the best features of international excellence frameworks and assessment methodologies. It combines these with concepts and practices in a way that contextualises the Prime Minister's Awards for Excellence in Public Sector Management more closely with the Australian public sector, across all three tiers of government.

The Model contains the following elements:
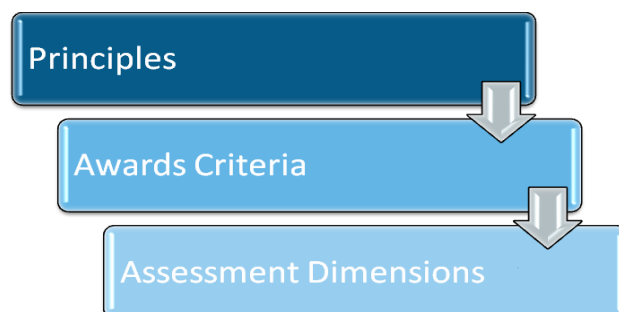
OVERVIEW

The Principles are the foundation of the IPAA Public Sector Excellence Model and can be used by an organisation to determine the extent to which excellence forms part of accepted practice for conceiving, designing, implementing and reviewing initiatives. The Awards Criteria provide a structure around which an

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organisation can compile information and provide a convincing narrative about its achievement of excellence through a single initiative. The Assessment Dimensions provide the tools against which the initiative will be assessed by the teams of Assessors for the Prime Minister's Awards for Excellence in Public Sector Management.

THE PRINCIPLES

A principle is an "underlying or guiding theory or belief" (Oxford Dictionary). When used in the context of excellence within public sector organisations, principles provide us with guidance about how to improve the organisational system to achieve and sustain superior levels of performance that consistently meet or exceed the expectations of stakeholders.

Decades of leadership and management research, theory and practice show that organisations will achieve high performance if they adhere to principles that address excellence in all aspects of the organisation's systems.

Drawing on the best elements of international excellence principles, IPAA has developed eight principles that underpin excellence in public sector management:

1. Provide clear direction and leadership;

2. Identify stakeholder needs and expectations, and use these to define excellence outcomes;

3. Use a systems thinking approach to continuous improvement;

4. Build, capture and share individual, team and organisational learning;

5. Underpin continuous improvement activities with sound planning and governance;

6. Ensure that decisions are based on data, information and knowledge;

7. Use breakthrough thinking to drive and implement innovation; and

8. Focus on results and outcomes that add value in a sustainable way.

Excellence (noun) "the quality of being outstanding or extremely good"

(Oxford Dictionary)

The Prime Minister's Awards for Excellence in Public Sector Management recognise discrete areas of public sector activity that demonstrate that they represent "outstanding" or "extremely good" management. This is a very deliberate choice. While it is important that public sector organisations achieve excellent outcomes, these are more likely to happen repeatedly within a strong organisation that does things the right way—this provides the framework that makes the excellent outcomes repeatable and sustainable.

The high-level factors that need to be present as a precursor for sustainable excellence are articulated in more detail in the principles below. These principles need to be linked together in a systematic way to deliver overall excellence for an organisation.

1. PROVIDE CLEAR DIRECTION AND LEADERSHIP

Excellence in a project or program does not usually happen by accident. It more typically occurs because teams have a clear direction and purpose that helps them to know what to do, why they are doing it and how their individual and team efforts will contribute to achieving the outcomes of the initiative. Clarifying purpose and motivating a team to strive towards a common goal is a key characteristic of effective leadership, a characteristic that can reside in any team member, not just those that hold formal leadership roles. Inspiring trust and building strong relationships, both inside and outside the team, will ensure that leaders are able to unleash talent and build resourcefulness and enthusiasm within a team. Effective leaders are also able to align systems and to marshal the necessary resources that will support the team in achieving in excellent project or program outcomes.

2. IDENTIFY STAKEHOLDER NEEDS AND EXPECTATIONS, AND USE THESE TO DEFINE EXCELLENCE OUTCOMES

Stakeholders, citizens, customers, clients, patients, beneficiaries, residents, ratepayers … because of the nature and breadth of public sector activity, different people have different words to describe the key "recipients" of public sector work. Stakeholders can also be internal to an organisation.

The words are perhaps less important than the intent—in an environment where the public sector is constantly under pressure to deliver high quality services with limited resources it is important to understand what the key stakeholders want, need or expect. In the public sector there are perhaps a greater range of stakeholders whose needs must be considered in designing or changing a program or project.

This principle is not only about process nor **only** about outcomes; it is the process of defining the requirements so as to inform specification of the outcomes.

3. USE A SYSTEMS THINKING APPROACH TO CONTINUOUS IMPROVEMENT

Continuous improvement is a long-term approach to work that systematically seeks to achieve small, incremental changes in processes in order to improve efficiency and quality. A system is a set of elements and relationships that work together towards a common aim. It is typically made up of many processes that transform inputs into outputs or outcomes to achieve stated objectives.

Systems thinking is a way of contemplating and understanding the forces and relationships that shape the behavior of systems and the processes from which they are constructed. It encourages us to take a holistic and long-term view of continuous improvement and to understand the delays and feedback loops that occur over time as change is happening. Most importantly systems thinking encourages us to look at how everything is connected, to determine where the most effective changes can be made, and to ensure that changes in one aspect of the activity do not have unintended negative consequences for other aspects.

4. BUILD, CAPTURE AND SHARE INDIVIDUAL, TEAM AND ORGANISATIONAL LEARNING

Continuous improvement is underpinned by individual, team and organisational learning. At its simplest, learning can simply involve correcting errors, fixing problems and making sure that we are doing things the right way (single loop learning). As learning becomes more embedded into a team or organisation team members begin to question underlying assumptions and beliefs and whether or not the team is doing the right things (double loop learning). As the culture of an organisation shifts towards a learning culture, learning can move beyond insight and context into understanding how problems and solutions are related, even when they are separated in space and time. This is triple loop learning and at its heart it is about how we decide what is right.

Excellence involves building processes into the management system that capture learning (single, double or triple loop) in a systematic way so that it is sustainable over time and different situations, including application to other projects and activities in the organisation.

5. UNDERPIN CONTINUOUS IMPROVEMENT ACTIVITIES WITH SOUND PLANNING AND GOVERNANCE

Governance refers to the broad range of processes, structures and institutions used to control an activity. Excellence occurs when these exist and are applied to all aspects of the program or project. While these are not ends in themselves, governance and planning enhance the ability to achieve the desired results and outcomes; and may also enhance the ability to successfully complete other projects and programs.

Governance is multi-dimensional and it includes:
- Processes, structures and institutions external to the organisation and often providing the broad framework in which the organisation must operate—such as codes of ethics; legislation; accountability and reporting to or on behalf of key groups such as parliament, ratepayers or statutory office-holders;
- Internal processes, and structures common across the organisation such as lines of management authority and delegation, internal committees and internal audit; and
- Internal processes and structures specific to the program or project, such as steering committees, project- specific risk management plans and stakeholder advisory groups.

6. ENSURE THAT DECISIONS ARE BASED ON DATA, INFORMATION AND KNOWLEDGE

A program or project is more likely to achieve its outcomes if it makes use of existing or newly obtained data, information and knowledge to support decision-making. Data "are symbols that represent properties of objects, events and their environment. They are products of observation." Information "is contained in descriptions, answers to questions that begin with such words as who, what, when and how many … information is inferred from data."[1] Knowledge is "information combined with experience, context, interpretation and reflection. It is a high value form of information that is ready to apply to decisions and actions."[2]

Data used to support excellent initiatives may be gathered from a wide range of sources such as best practice from other organisations (including those outside the public sector), scientific research, data collected for the specific project or program, or knowledge applied from another field of activity. Information and knowledge used to support excellent initiatives should be defined and recorded in a way that maximises the potential for objective decision-making about the project or program, its outcomes and its success.

7. USE BREAKTHROUGH THINKING TO DRIVE AND IMPLEMENT INNOVATION

Better policies and programs are often created through something new. Innovation may be many things—it may be a measured change or a more progressive change; it may consist of a continuous improvement approach, or a discontinuous approach where a complete break is made from the past; it may result from a "light bulb" moment where a new technology or process is invented and implemented.

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[1] Ackoff, R.L. (1989), "From Data to Wisdom", *Journal of Applied Systems Analysis,* Vol 16, pp3-9.

[2] Davenport, T.H. and Prusak, L. (1998), *Working Knowledge, How Organizations Manage What They Know,* Harvard Business School Press

There are a wide variety of public sector agencies, with many different challenges and constraints. Innovation will not look the same in each one, or even within different areas of the one agency in some cases. Innovation results from learning from others, from novel insight into a problem, and from understanding stakeholders and their concerns above "the way it is done around here". Innovation can challenge the "not invented here" mindset, and it can also result in unnecessary bespoke solutions that are neither cost effective nor efficient. Innovation can be a leading edge idea that is world's first thinking never applied before elsewhere. Equally, it can be just as valuable to have innovation through bringing in a process that is new to a particular agency (even if it is well established in other areas), or by applying an existing approach in new areas or in new ways.

Irrespective of the approach to innovation, excellence is demonstrated through the quality of thinking applied to the challenge. Breakthrough thinking refers to the ability to apply an open and constructive mindset, and preparedness to accept new ideas, within the framework that applies to public sector activities.

8. FOCUS ON RESULTS AND OUTCOMES THAT ADD VALUE IN A SUSTAINABLE WAY

The objective of any policy, program or project should be to deliver positive results and outcomes to the targeted stakeholders. While the processes and systems to achieve this are important to the organisation, the focus should remain on these results and outcomes through the entire project or program life-cycle. Results and outcomes should:

1. Be clearly defined at the beginning;
2. Have measurement systems in place;
3. Be monitored and measured during implementation; and
4. Be periodically reviewed.

The purpose is to ensure that positive results and outcomes can continue to be achieved into the future as well as the immediate present—commitment to this principle will enhance the ability to sustain success.

THE AWARDS CRITERIA

The Awards Criteria are designed to cover multiple dimensions of management excellence within the Australian public sector. They are derived from the IPAA Public Sector Excellence Principles.

1. Commitment to and achievement of exceptional stakeholder service and satisfaction;

2. High standard of transparent leadership, planning and governance;

3. High standard of people management and change management; and

4. Innovation in the design and/or delivery of products, services and processes.

1. COMMITMENT TO AND ACHIEVEMENT OF EXCEPTIONAL STAKEHOLDER SERVICE AND SATISFACTION

The objective of a program or project is to deliver goods, services or other outcomes. These will be targeted at one or more primary stakeholder groups, as well as potentially meeting the needs of other stakeholders in the process. In the public sector, the relationship between stakeholders and their needs may be particularly complex. The extent to which the objectives of different stakeholder groups— sometimes conflicting—need to be satisfied will vary case by case, but it is important that they are clearly

defined.

All dimensions of the assessment cycle need to be addressed in this criterion.

2. HIGH STANDARD OF TRANSPARENT LEADERSHIP, PLANNING AND GOVERNANCE

This criterion deals with the organisational aspects of the project or program. It includes identifying the leadership styles, processes or models that were chosen to support achievement of successful outcomes and whether leadership formed part of formal organisational roles, occurred at multiple levels or was project/program-specific. It also includes an explicit approach to planning, including using formal project planning methodologies as appropriate and aligning and integrating plans within and across the organisation as appropriate. Finally, this criterion includes the set of responsibilities and practices, policies and procedures, exercised by an agency's executive, to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.

All dimensions of the assessment cycle need to be addressed in this criterion.

3. HIGH STANDARD OF PEOPLE MANAGEMENT AND CHANGE MANAGEMENT

This criterion relates to the internal people-focused frameworks, processes and strategies that are required to both deliver a successful program/project outcome and also ensure that the organisation's culture is able to sustain that outcome in the longer term.

From the **people management** perspective, this criterion includes consideration of (but is not limited to):
- Planning and establishing the staffing required to undertake the work, including identifying the experience, knowledge, skills and behaviours of staff that were expected to support the achievement of successful outcomes
- How the team and organisational structures, processes and systems changed from what was originally planned as the program/project was implemented
- People management theories and philosophies used, and whether these differed from the rest of the organisation's standard practices (and if so, why)
- Communication models and methods, especially how these evolved over the life of the program/project to address changing requirements from development to maturity (Sustain)

In the Awards criteria **change management** refers to **internal** change management. It is the structured approach to shifting/transitioning individuals, teams, and organisations from a current state to a desired future state. It is an organisational process aimed at helping employees to accept and embrace changes in their current business environment. It is also a project management process where changes to a project are formally introduced and approved. External change management, on the other hand, is included in stakeholder service and satisfaction.

All dimensions of the assessment cycle need to be addressed in this criterion.

4. INNOVATION IN THE DESIGN AND/OR DELIVERY OF PRODUCTS, SERVICES AND PROCESSES

In these Awards, innovation means any non-trivial application of new or improved methods—it is the process of developing and applying novel products, processes, technologies and management practices to create significant value for stakeholders. It is not solely restricted to "big bang" changes or inventions. It applies not only to technologies but to processes as well, since innovations in processes can equally lead to significant improvements.

- In the Awards, innovations can be:
- Something completely innovative and novel;
- Something that already exists but which is applied in a new way; or
- Something that already exists but which is new to the organisation.

All dimensions of the assessment cycle need to be addressed in this criterion.

THE ASSESSMENT DIMENSIONS

The Assessment Dimensions are based on the "quality circle" devised by W. Edwards Deming - PDCA (plan-do–check–act). This is an iterative four-step management method used in organisations for the control and continuous improvement of processes and products. It is also known as the Deming circle/cycle/wheel, Shewhart cycle, control circle/cycle or plan–do–study–act (PDSA) and is used by almost every international quality awards program.

The methodology adopted for the IPAA *Public Sector Excellence Model* is **PIMMS**:
- **Plan**
- **Implement**
- **Monitor and Measure**
- **Sustain**
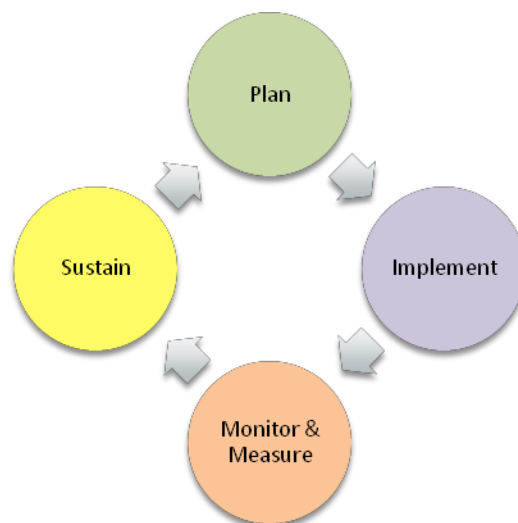
PLAN

Planning involves considering the organisational purpose, and the environment in which it operates, to define a clear purpose or strategic outcome for the identified stakeholders.

Two important aspects of planning warranting specific emphasis are:
- Defining how success will be identified through measures of clearly defined outcomes, and establishing baselines for the success measures.
- Defining how the remainder of the project or program is intended to be managed.

The **Plan** dimension can include:

- Identifying stakeholders
- Identifying required standards of stakeholder service and satisfaction
- Defining service/satisfaction gaps
- Designing an appropriate solution
- Identifying success measures or Key Performance Indicators
- Considering how to measure success and whether base line data is available

IMPLEMENT

Implementation involves putting into practice what is set out in the plan. While this involves "doing", a particularly critical part of the process involves communicating, both within the organisation and to external stakeholders. Implementation may take a variety of forms depending on the nature of the policy and risks involved. Thus it may involve limited scale pilots or trials, or "big bang" full implementation in one project. It may also proceed over a long period of time, or may occur very rapidly.

The **Implement** dimension can include:
- Developing an implementation strategy
- Validating the implementation strategy against organizational requirements
- Establishing pilot or trial implementations
- Undertaking full implementation
- Beginning the collection of data to use in the ensuing stages

MONITOR AND MEASURE

The purpose of monitoring is to validate the decisions made earlier in the improvement cycle about success measures, planning, progress and governance. It usually involves some form of "logging" or documenting actual activity and comparing it to expected activity.

The **Monitor** sub-dimension can include:
- Undertaking Stage Gates, assessing progress against schedule and milestones, post-implementation review
- Performing qualitative assessments including surveys and feedback (including complaint) analysis
- Undertaking problem-solving and single-loop learning (re-cycling to Plan Dimension or Implement Dimension to effect improvements)
- Communicating successes

Measuring involves documenting the actual results or outcomes achieved—qualitative or quantitative. Measurements should ideally be taken over time, in a way that establishes that the changes in the program or project caused the outcomes, rather than mostly (or only) chance. The extent to which this is possible may depend on the nature of the activity—an ongoing program or longer term project should be amenable to measurement and analysis over time; some limited scope projects may only provide an opportunity for limited data collection but it should still be of a nature that proves the worth of the project. Trials or pilots should particularly focus on measurement because their purpose it to validate an initiative before wider scale rollout.

Measurement may involve comparison of results with those achieved by other organisations, referred to as

limited-scope benchmarking.

The **Measure** sub-dimension can include:

- Developing time-series data for analysis
- Undertaking formal measurement and statistical analysis against key performance indicators
- Undertaking benchmarking exercises

SUSTAIN

The main focus of sustainability is to embed the changes and the lessons that were learned. It will normally involve systematic and planned review and communication. Most effective reviews will not only consider whether the project or program was implemented as planned ("it was done right"), but also whether the plans achieved the desired results or outcomes ("the right thing was done"). They will also record recommendations for improvement (the "lessons learned") to inform the next planning cycle. They may also provide information about changes to whole of organisation capability.

The **Sustain** dimension can include:
- Ensuring that all stakeholders and clients are informed of progress/completion against original requirements
- Embedding improvements to client service/satisfaction; leadership, planning and governance; change and people management and innovation
- Ensuring that all "lessons learned" are implemented (double/triple loop learning)
- Embedding changes/improvements into other areas in the organisation as appropriate

THE IPAA PUBLIC SECTOR EXCELLENCE MODEL IN ACTION

Consistent with the approach that has been used in previous years, nominations for the Awards are assessed against each criterion using each of the assessment dimensions. The content of each "dimension response" should be guided by the questions in the Nomination Template.
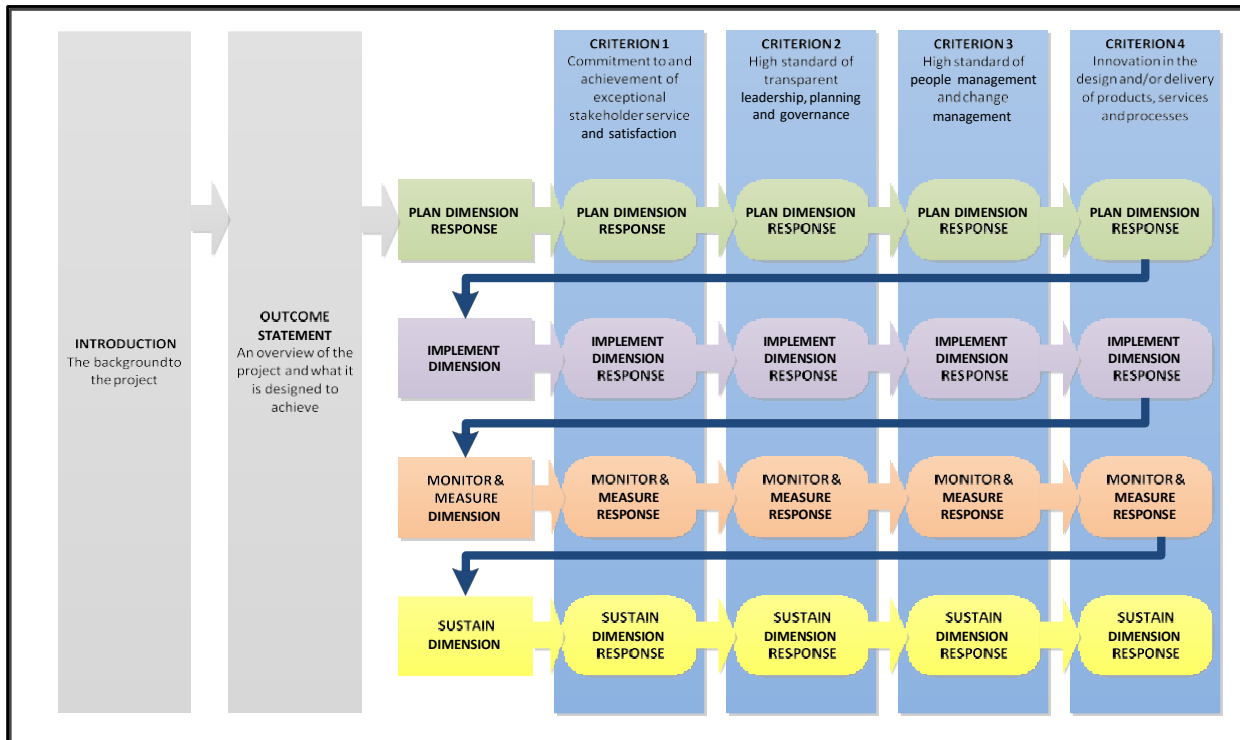
Award winners are drawn from organisations that score highly against all Awards criteria and all assessment dimensions. This means that the assessment process can separate projects and programs that are highly promising but have not yet fully realised their potential from those that have delivered a successful outcome and established the underlying capability, maturity, systems and processes to repeat their successes.

Award winners in past years have been those that not only had significant outcomes, sometimes across several levels of government, but also were also able to demonstrate the maturity and capability to sustain the required levels of excellence.

APPLYING FOR AN AWARD

Public sector organisations across Australia apply for the Prime Minister's Public Sector Excellence Awards by undertaking and documenting a detailed self-assessment of a specific project, program or initiative against the Awards criteria and the four assessment dimensions. This nomination process is intended to demonstrate the full life-cycle of a well-executed program and also demonstrate its successful outcomes. The Awards assessors review the claims made in the nomination and the associated supporting evidence to arrive at a set of scrupulous and defendable conclusions to present to the Awards judges. The Award judges are eminent persons, drawn from senior ranks of the public service, industry and the community, who volunteer their time to assess the nominations and determine the award winners each year.

Over the life of the Awards, IPAA, its assessors and the eminent judges, have found this process to be rigorous and dependable in determining the best practice in public sector management, whether at National, State/Territory or Local Government levels.

FURTHER INFORMATION

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