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**THE TREASURY**  
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# Getting Better at Managing for Shared Outcomes

*A resource for Agency Leaders*

Prepared by the Managing for Shared Outcomes Development Group for the  
Managing for Outcomes Programme Office

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## Getting Better at Managing for Shared Outcomes

### About this Document

- Many of the major objectives of government cannot be easily delivered by a single agency, but agencies have not always been encouraged to consider how their activities might contribute to the outcomes that other agencies are pursuing.
- Managing for shared outcomes is a form of inter-agency collaboration where agencies share responsibility for, and actively collaborate towards a common outcome.
- An important focus of this document is the decision-making process that's needed to work out when, where and how to collaborate towards shared outcomes. This can be difficult. We have provided examples for you of state sector initiatives that illustrate some of the difficulties and how they were overcome.

Managing for Outcomes seeks ongoing improvement in agencies' ability to identify and deliver the interventions that best contribute to the outcomes and objectives government is seeking. However, many of the major objectives of government – the things that New Zealanders and residents really care about and want – cannot be easily delivered by a single agency. Often the actions of a number of agencies contribute to these key outcomes and objectives. For example, health services make a significant contribution to improving people's health, yet affordable and adequate housing, safe workplaces and safe and supportive communities also play a key role in enabling people to stay healthy. This means delivering better results for New Zealanders will require government agencies to work together in many instances.

### What is managing for shared outcomes?

A shared outcome is an outcome (a result experienced by the community from a combination of government interventions and other factors) that is common to two or more agencies. Managing for shared outcomes is therefore a form of inter-agency collaboration or joint working where the agencies involved share responsibility for, and actively collaborate to manage towards a common outcome.

Usually shared outcome arrangements involve a high degree of shared responsibility, joint investment of resources and shared risk taking. In managing for shared outcomes, the decision to work together is deliberate, based upon an assessment that the joint activity of the two (or more) agencies is likely to be more effective (and cost effective) in achieving the outcome than their separate individual activities would be. The arrangement will be underpinned by some testable rationale that clearly articulates how working together contributes to the outcome, and how results will be demonstrated.

### Why has this resource document been prepared?

The public management reforms of the 1980s and 1990s brought real strengths into New Zealand's public management system. These included greater transparency, an increased focus on delivery and efficiency, and improved financial management and accountability. At the same time, the public sector was broken into smaller structural units. This exacerbated one of the lasting problems in public management – inter-agency coordination and collaboration.

Making judgements about when, where and how to collaborate towards shared outcomes can be difficult. This resource document has been prepared to support guidance for agency leaders on managing for shared outcomes. It should be considered within the context of:

- The 2001 Review of the Centre that sought, amongst other things, to strengthen the integration of structures and processes across the state sector.
- The Managing for Outcomes programme that is focusing agencies towards defining and achieving results that matter for government and the New Zealanders it represents.

The document also responds to requests from departments for guidance on shared outcomes during a 2003 evaluation of the Managing for Outcomes programme.

### **What does this document cover?**

Agency leaders can use this resource document for ideas on the following elements of managing for shared outcomes:

1. [When to manage for shared outcomes](#) (when the net benefits of doing so outweigh the net benefits of working alone towards the same outcome) p6.
2. [Using a decision making framework](#) (for thinking through when agencies should and should not collaborate towards a shared outcome) p8.
3. [Types of sharing and shared outcomes](#) (sharing information, resources, or work rather than outcome responsibility, and different types of shared outcomes) p12.
4. [Achieving results through shared outcomes](#) (through the management cycle of direction setting, planning, implementation, and review) p17.
5. [Common success factors and barriers](#) (success factors that should be in place or substantially met, and barriers that will need to be overcome, in ongoing management of the shared outcome) p21.
6. [Implications for agency leaders](#) (in providing strategic leadership, recognising different paradigms and cultures, checking strategic-operational flows, and clearing shared outcome logjams) p24.
7. [The role of central agencies](#) (focusing on the quality and clarity of the strategic thinking, and progressing shared outcomes through a trouble-shooting and brokerage role) p29.
8. [Competencies, behaviours and actions](#) (for agency leaders and also frontline managers and staff) p31.

### **Who put this document together?**

An inter-agency Development Group was established to review and guide preparation of this resource document and associated guidance for agencies on managing for shared outcomes.<sup>1</sup> The members of the Development Group, which was chaired by Derek Gill (SSC), with support from Martin Small and Neil McInnes (SSC) and Bryan Dunne (Treasury), were:

- Bill Bayfield – General Manager Sustainable Industry, Ministry for the Environment.
- Colin Feek – Deputy Director General Clinical Services, Ministry of Health.
- Lewis Holden – Deputy Secretary Industry and Regional Development, Ministry of Economic Development.

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<sup>1</sup> These documents have also benefited through input from others at the Department of Prime Minister and Cabinet, State Services Commission, Te Puni Kokiri, and the Treasury.

- Ross Judge – General Manager Strategic Policy, Ministry of Social Development.
- Sai Lealea – Manager Governance and Monitoring, Ministry of Pacific Island Affairs.
- Kathy Smith – Group Manager Policy, Ministry of Education.

The document addresses issues largely from the perspective of a lead agency, but is relevant to an agency whose participation is being sought. The document addresses situations that arise between central government agencies, but is also relevant in situations where central government agencies need to collaborate towards a shared outcome with local government, or other interests.

## When to Manage for Shared Outcomes

### Main Points

- Getting better at managing for shared outcomes starts with decisions about why, when and how to work with other agencies.
- Working together is not appropriate in all circumstances. Working together costs – not just in time, money and other resources, but also in lost opportunities.
- Agencies should work together by “choice not chance”, based on assessments of:<sup>2</sup>
  - Impact – outcomes for citizens will be improved by better coordinated government action
  - Value – the benefits to New Zealanders will outweigh the costs
  - Accountability – all agencies are accountable for their actions
  - Rationale – there is a clear rationale for including all participants

It’s common for an outcome to be affected by the activities of more than one government agency. Outcomes can be co-dependent, interdependent or entangled (where the relationship between them is not obvious). But this doesn’t mean agencies should assume that working with another agency is the only or the best way to make a positive contribution to the outcome.

Any form of joint working between agencies has costs as well as benefits. The benefits and costs (advantages and disadvantages) of working together are likely to include the following.<sup>3</sup>

Benefits/Advantages	Costs/Disadvantages
<ul style="list-style-type: none"> <li>• a better result for the population or entity of interest</li> <li>• helping to convey ‘big picture’ strategic issues (e.g. sustainable development) which are not captured by agency objectives</li> <li>• helping to realise synergies and maximise the cost effectiveness of policy and/or service delivery</li> <li>• exploiting economies of scale e.g. sharing of IT facilities, data and information, property etc</li> <li>• bringing together organisations or key staff whose co-operation could prove beneficial in other areas</li> <li>• improving customer/client focus and thus the quality and user friendliness of services</li> <li>• assisting prioritisation, resolution of potential conflicts and trade-off decision making</li> <li>• developing goodwill with other agencies that are likely to be critical to future successes</li> </ul>	<ul style="list-style-type: none"> <li>• less clear lines of accountability for policy development and service delivery</li> <li>• longer decision-making processes</li> <li>• greater difficulty in measuring effectiveness and determining impact, because of the need to develop and maintain more sophisticated performance measurement systems</li> <li>• direct and indirect costs of management and staff time spent establishing and sustaining shared or joint working arrangements</li> <li>• organisational and transitional costs of introducing shared or joint approaches and structures</li> <li>• can lead towards consensus and the “lowest common denominator” at the expense of making tougher decisions about trade-offs to get better results for the public</li> </ul>

<sup>2</sup> Pathfinder Supporting Paper :*Interagency Collaboration for Outcomes*, Version 2.1, July 2003.

<sup>3</sup> After UK Cabinet Office, *Wiring it Up: Whitehall’s Management of Cross-cutting Policies and Services*, January 2000, p.17

## **More joint working is not the answer – only work together when it adds value**

In any situation where some form of collaboration is proposed, agencies must weigh up the costs and benefits of working together towards an outcome against the cost and benefits of working alone towards the same outcome.

Obviously where agencies have an interest in achieving the same outcome, there will be a strong argument for working together. But agencies may make a more effective contribution to outcomes that they share with other organisations by working alone. (For example, the Ministry of Education may contribute most effectively to youth employment by concentrating on its core business of improving educational attainment.) Equally, agencies may decide to work together to contribute to entirely separate outcomes (for example, the Heartland Services initiative to improve access to a range of government services).

Because of this, it is important that agencies develop some consistent framework for thinking through the best outputs to maximise the outcomes that contribute to the government's aims and objectives. Determining the "best" outputs will involve assessments of effectiveness, cost, social, political and ethical acceptability, and agency capability. As part of these deliberations agencies will need to consider when working with other agencies could be worthwhile and what form any resulting joint work should take.

Managing for shared outcomes involves joint decision making and shared responsibility. The threshold for entering into these arrangements is a high one: it must be the most cost effective intervention that the agencies can make. This means it must be more effective at achieving/contributing to an outcome than any intervention an agency could make on its own.

## Using a Decision-Making Framework

### Main Points

- Agencies need to be clear about what it is – the outcome – that they are trying to maximise *before* they decide what they will do towards the outcome.
- Although it's common for an outcome to be affected by the activities of more than one government agency, working together towards a common outcome is not appropriate in all situations.
- Any form of joint work between government agencies has costs, and therefore government agencies should have a clear decision-making framework to identify:
  - the best outputs to maximise the desired outcomes; and from these outputs
  - when working together could be worthwhile
  - what form any resulting joint work should take

It is important that agencies use some consistent framework for thinking through the best outputs to deliver to maximise the outcomes that contribute to the government's aims and objectives. As part of these deliberations agencies will need to consider when working with other agencies could be worthwhile and what form any resulting joint work should take.

Determining the “best” outputs will involve assessing feasibility, effectiveness, cost, social political and ethical acceptability, and agency capability. This should not be approached as a linear exercise. There is almost always a need to go back and repeat the process as new information comes to light or different perspectives are brought to bear on the issue.

With those caveats in mind, some critical questions that will need to be addressed in a decision-making framework are presented overleaf, with the key steps discussed below.

### **The first step is always “identify the outcome”...**

Whether managing for outcomes within a single or multiple agency context, agencies need to be clear about what it is – the outcome – that they are trying to maximise *before* they decide what they will do to contribute to the outcome. This includes any arrangements to work with other agencies.

The agency's mission and services should focus attention on those outcomes that strongly relate to and are attributable to the actions or services of the agency and its business units. This may mean identifying and defining a number of outcomes spanning strategic, sectoral, agency and business-unit/function outcomes.

### **... then prioritise, and prioritise again**

Identifying what matters most has always been a key task for any organisation. The move towards managing for outcomes encourages agencies to focus on those “vital few” outcomes that matter most. Typically, these are outcomes that:

- are well aligned to an agency's purpose or *raison d'être* (and that Ministers support or are likely to support)
- are tangibly linked to the things an agency manages/does (the results expected from core services delivered).

## Making Decisions on whether to Manage for Shared Outcomes

<b><u>PRE-CONDITIONS</u></b>	<i>Necessary before engaging with potential collaborators.</i>
Are you clear about the outcome desired?	No - Further work needed.
Is this outcome a high priority for your agency/Minister(s)?	No - Do not proceed any further.
Have you identified who else can make a critical contribution to the outcome?	No - Further work needed.
<b><i>If the answers to questions above are "Yes" - You are now ready to engage with potential collaborators.</i></b>	
<i>Agency leaders should develop a relationship with their equivalents in the relevant agencies.</i>	

<b><u>FEASIBILITY ASSESSMENT</u></b>	<i>Necessary before agreeing a shared outcome approach is best.</i>
Is the outcome best pursued by joint working?	No - Do not proceed any further. Work alone.
Have you agreed the best way of working together?	No - Further discussion needed.
Is joint working acceptable, feasible, cost-effective and within existing capability?	No - Do not proceed any further.
<b><i>If the answers to the above questions are "Yes" - You are now ready to plan for a shared outcome.</i></b>	
<i>Underpinning rationale for collaboration and a method for measuring results needs to be developed.</i>	

<b><u>LIKELIHOOD OF SUCCESS</u></b>	<i>Necessary before agreeing to manage for a shared outcome.</i>
Can any informal barriers be managed?	No - Develop a strategy for addressing them.
Are enough success factors in place to achieve a shared outcome?	No - Work on developing them.
<b><i>If the answers to the above questions are "Yes" - You are now ready to manage for a shared outcome.</i></b>	
<i>Agency leaders will need to create and sustain an environment conducive to the achievement of shared outcomes.</i>	

<b><u>REALITY CHECK</u></b>	<i>Necessary to consider at every step</i>
Has any new information come to light that questions the merit of pursuing a shared outcome?	Yes - Reconsider previous decisions. No - Proceed with engagement.
Is pursuing any other option better than pursuing a shared outcome?	Yes - Reconsider previous decisions. No - Proceed with engagement.

To help with prioritisation, each agency needs to identify its “vital few” outcomes within a whole of government context. The “vital few” may therefore also include outcomes that link (in either a co-dependent or inter-dependent sense) the purpose and function of more than one agency to a wider government goal. Intervention logics/results chains can help identify vital outcomes where, from immediate results through to end outcomes, there are mutual interests.

### **Identify the best way of achieving the outcome**

Having identified the outcome, its priority, the key stakeholders (including Ministers, other agencies, community groups etc) and how they contribute to (or inhibit) an outcome, agencies need to assess how best to contribute to the outcome. Determining the “best” output will involve assessing feasibility, effectiveness, cost, social, political and ethical acceptability, and agency capability. This assessment should include considering whether the outcome can best be pursued by working alone or whether the outcome can best be pursued by working with other agencies. Agencies must also consider how they will gather information on the efficiency and effectiveness of the intervention – including the efficiency and effectiveness of any shared arrangements – to inform future decisions.<sup>4</sup>

### **There are advantages and disadvantages of working together...**

Working together is not appropriate in all circumstances. Agency leaders need to be clear when not to participate in or initiate shared work. Clearly, all forms of working together should only be pursued when the advantages of the approach taken are likely to outweigh the disadvantages. Sometimes the costs to individual agencies of managing for shared outcomes arrangements will be higher (particularly the direct and indirect costs of management and staff time spent establishing and sustaining shared arrangements) and the threshold will be higher. Individual agencies should consider the different challenges faced in managing for different types of shared outcome. These are outlined in a separate discussion (see page 11).

### **... and different ways of working together**

There is no prescribed way for “working together”, but a useful way to think about options for working with other agencies is to consider what is being shared and the implications for example, for accountability, risks or resourcing.<sup>5</sup> The following types of practices may be useful. These are described more fully in the following section *Types of sharing and shared outcomes*.

#### *Communicating* (sharing **information**)

Refers to the sharing of expertise and information between parties (eg Justice Sector Information Strategy)

#### *Contributing* (sharing **resources**)

Refers to the pooling of resources between parties, but not the sharing of work or personnel (eg National Maritime Coordination Centre)

#### *Coordinating* (sharing **work**)

Refers to the sharing of work or administration; it does not modify existing accountabilities (eg Government Portal)

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<sup>4</sup> See, for example, Pathfinder Building Block 5: *Maximising Outcomes from Interventions*, July 2003; or Appendix 2: “Using the Results Chain” in *Learning from Evaluative Activity*, [www.ssc.govt.nz/mfo-learning-from-evaluative-activity](http://www.ssc.govt.nz/mfo-learning-from-evaluative-activity).

<sup>5</sup> From Rodal & Mulder, “Partnerships, devolution and power sharing”, *Optimum, The Journal of Public Sector Management* 24(3), Winter 1993.

*Collaborating* (sharing **responsibility**)

Refers to arrangements to encourage joint decision-making with regard to direction setting, planning, implementation and review (eg Auckland Traffic Management)

Working together can therefore encompass a variety of arrangements from loose and informal coordination on areas of common interest through to quite formal, agreed and documented arrangements on specific outcomes. The form that working together takes is less important than each agency determining that this is the best way to maximise the outcome. The agencies involved must also agree that the joint activities of two or more agencies are likely to be more effective in achieving the outcome than their separate individual activities. This means that there should be some underpinning and testable rationale that clearly articulates how working together contributes to the outcome, and how results will be demonstrated. This is the same as in any other managing for outcomes process.

The rest of this resource document focuses on situations and provides examples of where agencies are managing for shared outcomes; where the agencies involved share responsibility for, and actively collaborate towards a common outcome.

## Types of Sharing and Shared Outcome

### Main Points

- There are different options for agencies to work together if this is critical to achieving an outcome – sharing information, sharing resources, sharing work, or sharing responsibility.
- Agencies need not race to share responsibility for a common outcome, as the best response may be to simply improve the flow of information between agencies.
- A decision on whether to share responsibility for a common outcome should also be informed by the different challenges faced when managing for different shared outcomes.
- Shared outcomes are most usefully focused on mid-level issues. Focusing on outcomes that are at too high a level can create definitional and achievability problems; focusing at too low a programme level can suggest a more meaningful focus is required.

In the discussion on using a decision-making framework, we mention a number of alternatives to sharing responsibility for outcomes. The best response may be instead to share information, work or resources. The decision to collaborate towards a shared outcome should also be informed by the type of shared outcome, and the different challenges that may be faced in managing that type of shared outcome.

The perspectives on different types of sharing, and different types of shared outcomes set out here are not rules. Decision makers need to exercise judgement about how far they push cross-agency effort towards achieving the government's goals, in light of the general propositions offered here.

### Types of sharing

You may find the following types of practices (with examples) useful when assessing how effectively your agency is managing for outcomes, and when considering the potential for future shared activity.<sup>6</sup>

#### Communicating (sharing information)

This refers to the sharing of expertise and information between parties. It is primarily used to obtain input for developing policies and strategies, and for programme/service design, delivery, evaluation and adjustment. Problems of accountability are minimal because authority and accountability are not altered.

- **Justice Sector Information Strategy** – as much of the information used in the justice sector is of value to more than one agency, an information strategy has been in place since 1996 to ensure that effective sharing of information can take place. Within the bounds of legislative requirements, agencies are using agreed principles and protocols for the creation, collection and handling of common information. In 2003, the information strategy was revised to recognise the greater shared outcomes focus being developed within the sector.

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<sup>6</sup> From Rodal & Mulder, "Partnerships, devolution and power sharing", *Optimum, The Journal of Public Sector Management* 24(3), Winter 1993.

### **Contributing (sharing resources)**

This refers to the pooling of resources between parties, but not the sharing of work or personnel. It is primarily used to gain access to resources or funds for programme/service delivery. Care is required to ensure that funds are utilised for the purpose approved by Parliament.

- ***The National Maritime Co-ordination Centre (NMCC)*** – the NMCC was established in 2002, and is jointly funded by Customs, Ministry of Fisheries, Maritime Safety Authority, NZ Defence Forces and NZ Police. While individual agencies retain responsibility for the conduct of their operational activities, the NMCC develops a plan to use the available patrol assets to the best possible effect, and provides participating agencies with a coordinated maritime intelligence picture.

### **Coordinating (sharing work)**

This refers to the sharing of work or administration; it does not modify existing accountabilities. Here, two or more agencies coordinate activities to achieve a specific objective but do not share decision-making authority. So it is mainly to permit partners to share resources and work, and exchange information for programme/service delivery.

- ***Government Portal*** – the all-of-government web portal is an important part of the e-government programme. It provides a single internet address through which New Zealanders can search for online and offline government information and services without having to look through a number of government agency web sites. The portal is a complementary alternative to across the counter and telephone contact with government. It supports integrated service delivery for New Zealanders, and assists individually accountable agencies to contribute to government outcomes.

### **Collaborating (sharing responsibility)**

This refers to arrangements to encourage joint decision-making with regard to policy development, strategic planning and programme/service design, delivery, evaluation and adjustment. It is more than just the sharing of work; it is the sharing of mandated authority, and usually entails Ministerial involvement. This type of arrangement raises particular accountability issues because shared management requires Ministers from relevant agencies to be collectively accountable for the results of the arrangement.

- ***Auckland Traffic Management*** – to maximise the efficient flow of people and freight within the existing roading network, Auckland, Manukau, North Shore and Waitakere cities and Transit New Zealand have combined the management of their combined 565 signal controlled intersections. The Traffic Management Unit operated by Transit reports to a Joint Executive Group and is charged with managing congestion and improving travel times and safety. The unit has become a working example of a more coordinated approach to transport management in Auckland by pooling round the clock operational information and decision-making, and providing better information to motorists and emergency services.

These categories are not mutually exclusive. The sharing of information, resources and work are necessary parts to organisations sharing responsibility for a particular outcome. Agencies need not race to share work or responsibility. For example, agencies that are currently sharing information in support of each other's own outcomes may find this relationship to be entirely sufficient for their purposes. Another set of agencies that are sharing work programmes may

need to begin working towards a more complete alignment within a single set of shared outcomes.

### ***Types of shared outcomes***

There are different types of shared outcomes, ranging from relatively abstract or strategic outcomes to far more concrete or operational ones. Each type of shared outcome has different characteristics. These are summarised in the table below.

Each type is covered in the following interpretation:

- 1st order shared outcome – the highest level outcome that might be identified, and to which all other outcomes contribute.
- 2nd order shared outcome – a sector (usually representing a particular function or population) that contributes directly to one or more first order outcomes, that makes society work.
- 3rd order shared outcome – an aspect of society from which improvements are sought through shaping individual or institutional actions.
- 4th order shared outcome – concrete improvements to lives or species or resources that will generate better results for society.

Many of the most significant technical and analytical challenges lie within issues regarding measurability, attribution and timeliness (for example, the delay in seeing an impact) within evaluation programmes. Agencies should consider these issues within the context of the managing for outcomes guidance on evaluation.<sup>7</sup>

The four tiers of shared outcomes present as a natural cascade from more abstract to more concrete outcomes. But the practical management required for these outcomes will likely take a less linear and ordered appearance. Government priorities will emphasise different levels of outcome at different times. Agencies will need to respond in different ways depending on whether, for example, the emphasis at any time needs to be on reinforcing a coherent strategic direction, or providing greater scope for operational innovation. Greater attention may also be required at any one time on evaluation and monitoring issues, or on detailed policy and planning work.

Most shared outcomes are likely to focus on second and third order issues. First order issues necessarily address very high level goals and so are small in number, while fourth order issues reflect programme level intermediate outcomes. While this may reflect highly integrated services, it is more likely that agencies need to focus on a more meaningful outcome.

Some examples of different types of shared outcome are set out below:

- ***Growth and Innovation Framework (GIF)*** – the government's 2002 GIF outlines the overall economic objective of returning our per capita income to the top half of the OECD. Rather than being pursued as an end in itself, this economic objective is being integrated alongside social and environmental objectives, within the context of the government's sustainable development vision for New Zealand. Benchmark indicators have been established and specific strategies developed in conjunction with private sector stakeholders to help focus attention on achieving sustained growth rates in excess of our

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<sup>7</sup> [www.ssc.govt.nz/mfo-learning-from-evaluative-activity](http://www.ssc.govt.nz/mfo-learning-from-evaluative-activity)

historical performance. Joint planning and budgeting processes across relevant agencies are enhancing a cohesive approach within government.

- ***Climate Change*** – the government’s December 2002 ratification of the Kyoto Protocol represented a commitment to a sustained reduction in greenhouse gas emissions over the next decade. A Climate Change Office was established within the Ministry for the Environment. This is coordinating a programme of work that cuts across development issues in the agriculture and forestry, energy, and transport sectors, and wider economic development issues. Relevant agencies take responsibility for different elements of the work programme, and each agency has regular access to the convenor of an ad hoc group of Ministers.
- ***Road Safety*** – government has played a significant role in reducing road fatalities and hospitalisations for some years with medium-term outcome targets set since 1991. The Road Safety to 2010 strategy outlines the best approach, key priorities and supporting performance measures to the overall trauma reduction outcome. It also outlines the roles played by a full range of central, local government and community partners (using a range of national and regional coordinating mechanisms) in improving performance in these areas. The need for short-term effectiveness drives annual planning while longer-term strategies are developed.
- ***High and Complex Needs*** – in response to a shortfall in available services and ineffective interagency collaboration, a new unit was established in 2001, hosted by the Department of Child Youth and Family Services (CYFS), to provide funding for and coordinate delivery of integrated services for children and young people with high and complex needs. The High and Complex Needs Unit works to a Governance Advisory Board including representatives of Child Youth and Family, and the Ministries of Education, Health and Social Development. CYFS, Education and Health each contribute resources from their respective votes to the unit. Regional case workers are employed working to an agreed methodology which enables individual's needs to be met by mainstream agencies. It reduces the likelihood or scale of intervention required for each individual at a later date through, for example, the health or justice system.

## Different types of shared outcomes

	Characteristics of shared outcomes	Challenges of shared outcomes
Abstract/ Strategic ↑	<p><b>1st order shared outcome</b></p> <p>Description – the highest level outcome that might be identified, and to which all other outcomes contribute</p> <p>Task – trading off competing pressures to contribute to high level outcomes</p> <p>Scope – A 10 year time-span requires consideration of complex inter-relationships, and an operational reality check</p> <p>Success – can be expressed through values, with a basket of indicators required in support</p>	<p>Logic – identifying most important goals, defining outcomes, and linking those to sectoral progress</p> <p>Evaluation – ensuring sound sectoral evaluation, and cross-governmental review processes are agreed as the basis of future decision making</p> <p>Buy in – full Cabinet consideration alongside active, high level, business and community engagement</p> <p>Momentum – closely tied to government agenda and possibly requiring revision or restatement after each election cycle</p>
	<p><b>2nd order shared outcome</b></p> <p>Description – a sector (usually representing a particular function or population) that contributes directly to one or more first order outcomes, that makes society work</p> <p>Task – balancing future development and present imperatives</p> <p>Scope – medium term thinking 5-10 years needs to consider outcome achievability within a systemic perspective and direct alignment with operational strategy</p> <p>Success – often multiple end outcomes reinforced by targeted indicators</p>	<p>Logic – ensuring key sectoral priorities reflect what is required to improve overall sectoral performance</p> <p>Evaluation – stable long run evaluation programmes are implemented and used to direct change in sectoral strategy</p> <p>Buy in – Ministerial group directing strategy, with extensive sectoral groupings engaged</p> <p>Momentum – medium to long-term goals reviewed every two to three years. Transparent coordinating mechanism established between major points of review</p>
	<p><b>3rd order shared outcome</b></p> <p>Description – an aspect of society from which improvements are sought through shaping individual or institutional actions</p> <p>Task – identifying and pursuing optimal approaches to problem</p> <p>Scope – near term direction needs to account for future needs, and to link overall strategy with focused annual output planning</p> <p>Success – specific end outcome with targeted impact measures</p>	<p>Logic – grounding analysis in best practice understanding drawn from both practitioner and academic perspectives</p> <p>Evaluation – accounting for variety of factors that impact on demonstrable outcomes</p> <p>Buy in – ensuring linkages at all stages between practitioners, evaluators, and significant communities of interest</p> <p>Momentum – retaining high priority within annual agency planning processes</p>
↓ Concrete/ Operational	<p><b>4th order shared outcome</b></p> <p>Description – concrete improvements to lives or species or resources that will generate better results for society</p> <p>Task – pushing continuous improvement and reducing variation</p> <p>Scope – immediate operational focus requiring clarity in strategic direction, and linking activities and impacts</p> <p>Success – impact measures driving off an intervention logic with appropriate management controls</p>	<p>Logic – developing operational practices within agreed parameters</p> <p>Evaluation – drawing wider lessons from operational failure or success, and providing evaluative templates to assist operators to track progress</p> <p>Buy in – clear and unambiguous prioritisation for staff</p> <p>Momentum – looking for and promoting any early signs of success</p>

## Achieving Results through Shared Outcomes

### Main Points

- Managing for shared outcomes is no different from managing for outcomes – but it does place additional demands on participating agencies.
- Agencies that are managing for shared outcomes still need to seek continual improvement in the different aspects of good management: direction setting, planning, implementation and review – as well as in resourcing shared outcomes.
- Because of this, agencies managing for shared outcomes should work together by “choice not chance”.<sup>8</sup>

As agencies make decisions about whether to work collaboratively towards a shared outcome, they need to recognise the additional demands this places on continually improving the different aspects of good management: direction setting, planning, implementation and review.

### **Direction Setting**

As part of their direction setting activity, agencies need to identify where they contribute to outcomes that other agencies are pursuing or where other agencies or organisations contribute to (or inhibit) an outcome they are pursuing. This may lead to the development of a common intervention logic for the outcome sought, or to a greater effort to coordinate the “logics” between and across contributing agencies.

Determining the parties that are critical contributors to the outcome is particularly important for direction setting when managing for shared outcomes. There may be many parties that are potentially interested in the outcome but are not critical contributors. It is also important for the lead agency to demonstrate that the outcome sought should be a priority for those agencies that are critical to success. There may be many calls on individual agencies to participate in joint work or they may be focused on “getting their own house in order”.

Central to identifying potential shared outcomes is an understanding of the current roles and responsibilities of other government agencies. Agencies are more likely to agree they have a shared outcome if the proposed outcome is consistent with:

- the agency’s statutory responsibilities and corporate goals
- Ministerial and government directions and priorities.

A carefully thought out intervention logic may help illustrate the causal links (and key assumptions) that justify the interest or responsibility of other agencies. While it may appear on the surface that an agency should be interested in a particular issue area, it is important to engage that agency to exchange information and make linkages to agency interests and responsibilities.

Resource, personnel and accountability implications for agencies will not usually be known beyond a general indication at this early stage, but clarity and agreement about what agencies are trying to achieve is likely to highlight logical workstreams, roles, responsibilities and

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<sup>8</sup> Pathfinder Supporting Paper: *Interagency Collaboration for Outcomes*, Version 2.1, July 2003.

accountabilities. Making assumptions about other agencies' views and aims is obviously dangerous, and making demands or delivering admonitions about lack of involvement is equally bound to fail.

### ***Planning***

In the shared outcomes context, planning requires agencies to agree on what they could produce separately and/or together given their existing capacity. This may lead to the development of a common output plan for the outcome sought, or a greater effort to co-ordinate the outputs produced by contributing agencies.

When agencies develop potential initiatives and programmes to implement, it is expected that some form of joint strategic planning will identify:

- current capabilities of collaborating parties
- comparative strengths and weaknesses in existing capabilities between collaborating parties
- tasks to be undertaken and outputs to be produced to maximise the desired outcome.

This planning will determine the parties that need to undertake tasks separately and the outputs to be produced collectively/collaboratively.

Understanding the capabilities of government agencies is central to identifying opportunities for common output plans. Agencies are more likely to collaborate if the proposed interventions are consistent with:

- current allocation of resource and expertise
- agencies' current priorities and directions for capacity building.

The resource, personnel and accountability implications for agencies need to be specified in detail at this stage. When the type of intervention(s) has been decided upon, the potential workstreams, roles, responsibilities and accountabilities for each agency need to be clarified. In many instances this will be the key activity contributing to the successful contribution to the outcome. It will require agencies to be open about the resources and expertise potentially available and the priority accorded to them.

### ***Implementation***

Agencies need to ensure that collaborative or joint activities, as well as the activities undertaken by individual agencies towards the joint goal, are producing the planned outputs. This may lead to a common monitoring plan or jointly agreed operational objectives for a multi-agency project team or task force.

Some form of monitoring or evaluation will identify the following:

- outputs produced, and resources consumed
- procedures and processes followed
- data and information generated
- response from target group(s)
- changes in the environment.

It is particularly important in managing for shared outcomes to make sure that:

- different or joint tasks are prioritised within each agency
- adequate information exchange exists between agencies
- co-ordination and relationship management is in place
- accountability, leadership and recognition of contributions are evident.

A carefully thought out monitoring or evaluation plan will ensure that:

- interventions are being implemented as planned
- co-operative arrangements are functioning smoothly, and
- adequate information is being collected to enable an assessment of progress and risks, and for “course corrections” to be made.

Collaborating agencies need to be engaged at the operational level to ensure their effort is coordinated and to develop the relationships necessary to address operational problems that may arise. Establishing implementation groups or co-ordination teams is one way to oversee the roll-out of new programmes and processes. This also creates a forum to discuss issues and agree upon adaptations/amendments.

The accuracy of the assumptions/estimations about the resource, personnel and accountability implications for agencies made in the planning phase are revealed at this stage. Changes may need to be made to resource and personnel allocations to ensure planned outputs are delivered. There may be accountability issues as a result of these changes depending on whether there are changes required to agency-Minister agreements (for example, output plans, budgets) or internal allocations (for example, regional budgets).

## **Review**

The objective of review activities twofold: firstly to find out the contribution of each single and multiple agency intervention (as well as the whole programme of interventions); and secondly to identify any improvements to these interventions that would help maximise the contribution to the desired outcome. This may lead to a common (or comparable) outcome measure for all the activities undertaken by agencies that are focused on the final, desired outcome.

Some form of evaluative activity will allow a conclusion to be reached about the effectiveness of the interventions and whether any changes are required to improve the effectiveness of the outputs produced. This can lead to amendments to the operational objectives or may lead to a revisiting of the intervention logic and/or the strategic plan.

Particularly important for evaluating shared outcomes are:

- identifying whether the collaborative activities were more effective than non-collaborative alternatives
- ensuring agreement and acceptance of the conclusions drawn from the evaluation
- developing a mandate for revisiting the intervention logic, strategic plan or operational objectives.

A carefully thought out and agreed intervention logic that identifies roles, responsibilities and the contribution of each agency will make the definition of a common outcome measure easier. A coherent picture of how each agency defined the objective of their intervention(s), in terms

of how it contributes to the shared outcome, will be needed. The establishment of a joint evaluation team may be necessary to ensure the joint outcome measure will generate the right sort of information relevant for use in evaluation. During this stage the accuracy of the intervention logic is revealed and any amendments proposed to the intervention logic, strategic plan or operational objectives by the evaluation will have implications for resource, personnel and accountability.

### **Resourcing**

Just as there is no prescribed way for “working together”, so there is also no “one-size fits all” solution to resourcing shared activities. Nonetheless certain principles must guide whatever arrangement is arrived at. These are:<sup>9</sup>

- *Parliamentary control*; funding must be used for the purpose originally approved by Parliament
- *mandate or authority*; constraints in enabling legislation may prevent agencies entering into certain arrangements
- *risk management*; agencies should determine how much risk is acceptable and what action should be taken to limit the consequences of the risk
- *accountability and transparency*; the arrangement must allow departments to be held accountable to Parliament for the efficient and effective use of appropriated resources to achieve their stated objectives
- *probity and fiscal restraint*; scarce resources mean departments should continually re-evaluate their alternatives for delivery or funding in order to ensure both are cost-effective and are consistent with the values and standards the government expects
- *cost effectiveness*; there must be sound qualitative and cost information to enable comparisons to be made and improvements to be sought.

It is also important to structure any joint arrangements to take account of departmental constraints and realities. These could include, for example, legislative constraints (eg on sharing information); the number of people in individual agencies that can be made available for any shared arrangements; the compatibility of agencies’ existing technology, systems and equipment; the use of common data definitions; whether or not they share the same service boundaries or have a common geographic/regional presence; and physical space available for co-location of any joint teams.

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<sup>9</sup> After CCMD Roundtable on Horizontal Mechanisms, *Using Horizontal Tools to Work Across Boundaries: Lessons Learned and Signposts for Success*, Canadian Centre for Management Development, 2002.

## Common Success Factors and Barriers

### Main Points

- There are a number of factors that are common to successful managing for shared outcomes arrangements.
- As part of their decision making agency leaders should consider how many of these apply in their circumstance, and if they don't apply immediately, how they will be developed or addressed over time.
- The main barriers are of an informal or behavioural nature.

There is a clear expectation from government and New Zealanders that agencies can, will and should work together appropriately to deliver better results for New Zealanders. That said, while current state sector structures, management practices and ways of working can be very effective, they have not always encouraged agencies to consider how their objectives or outcomes may overlap with those of other agencies, or how their activities might contribute to the outcomes that other agencies are pursuing.

Although there is no “one size fits all” solution, lessons from New Zealand and abroad suggest there are a number of factors that are common to successful shared outcome collaborations.<sup>10</sup>

- There is clarity about the purpose of collaboration (ie the shared outcome is defined and agreed). Without some common view of what is being sought it may be difficult for participants to orient their work in support of the shared outcome.
- Collaboration between the agencies is supported by Ministers, the agencies themselves and key stakeholders. There is an obvious and compelling benefit to participating agencies and other parties from organisations working more closely together towards a common outcome, and the benefits (or results) outweigh the costs of collaboration.
- There is strong chief executive and senior management commitment and leadership. Agency leaders reinforce the importance of effective collaboration, and prioritising activity within a whole of government context.
- Participants have an organisational culture that supports collaboration. Staff move easily and freely within partner organisations, and speak openly and honestly in a trusting environment about organisational issues, and solutions, that impact on their individual and collective performance

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<sup>10</sup> Australian National Audit Office, Guidance Paper No. 7, *Cross-Agency Governance*, July 2003; Treasury Board of Canada Secretariat, Companion Guide, *The Development of Results-based Management and Accountability Frameworks for Horizontal Initiatives*, June 2002; Treasury Board of Canada Secretariat, *Impediments to Partnering and the Role of the Treasury Board*, 1998; US General Accounting Office, *Managing for Results: Barriers to Interagency Coordination*, 2000; Irish Committee for Public Management, Research Discussion Paper 8, *The Management of Cross-Cutting Issues*, 1999; Scottish Executive Policy Unit, *Making a Difference: Effective Implementation of Cross-cutting Policy*, June 2000; UK Cabinet Office, *Wiring it Up: Whitehall's Management of Cross-cutting Policies and Services*, January 2000; NZ Ministry of Social Development, *Mosaics: Key Findings and Good Practice Guide for Regional Co-ordination and Integrated Service Delivery*, 2003; NZ Office of the Controller and Auditor General, *Key Success Factors for Effective Coordination and Collaboration Between Public Sector Agencies*, 2003.

- Participants are clear about their own outcomes and “intervention logic”. Any joint activity or outcome is grounded firmly within outcomes management disciplines, ensuring that any shared outcome has operational meaning to each participant.
- There are appropriate styles of facilitative and technical leadership at different stages of the relationship with other agencies. In the early stages agency leaders may need to address entrenched interests and attitudes may need to be addressed. During maturing stages leadership may need to focus on the need to consolidate progress and maintain momentum.
- There are common (or at least complementary) processes for direction setting, planning and review and a common intervention logic. This is important for ensuring that everyone is working to the same goals. Some elements may need to evolve over time to allow work to adapt to change and opportunity.
- Some form of agreement has been drawn up. This should outline the roles and responsibilities of each agency, including who will contribute what and when. This may be sharing information, or resources, or development of joint work teams. This may also include how the grouping will work, who will be responsible for monitoring, or for reporting results etc. The agreement can be as formal as a Memorandum of Understanding or as light as an exchange of letters, but in either instance needs to reinforce the principle of collaboration by choice, not chance.
- The number of participating agencies is manageable and reflects direct output or outcome interests. Any number beyond around six may become unwieldy. The principle of core interests needs careful consideration in each instance.
- One agency has a clear mandate to lead, or coordinate supporting structures. This may be obvious within more tangible or operational focused environments, but requires clarity irrespective of the level of outcome being shared.
- There is a common understanding of terminology. The more operational the focus of the shared outcome, the more likely that terminology and performance measures need to be the same. However terminology must be clearly understood by the participants.

These success factors are not a list of necessary preconditions. But as part of their process for deciding whether to collaborate towards a shared outcome with others, agency leaders should consider how many apply in their circumstance, and set out a clear path for meeting these success factors over time.

The main barriers to successfully managing for shared outcomes are of an informal or behavioural nature. They often come down to difficulties in balancing individual agency accountability with a whole of government responsibility to serve the public interest, and/or developing organisational cultures that support collaborative behaviour. Informal barriers around structures and processes that agency leaders will need to address within their organisation may be due to:

- a lack of skills, capacity and (either formal or informal) incentives to develop and deliver solutions on a cross-agency basis
- a tendency to look at problems from the perspective of the centre, rather than the users of services, or the New Zealanders for whom outcomes are sought
- a tendency for individual agencies to focus on their objectives only

- funding, budget, accountability and risk management mechanisms and processes that support vertical and functional arrangements rather than horizontal and whole of government ones
- the presence of multiple and sometimes conflicting government objectives
- a lack of effective direction or brokerage by central agencies.

## Implications for Agency Leaders

### Main Points

- There are three common scenarios that agencies will face in managing for shared outcomes. The most difficult scenario is where specific actions are required from an agency for whom the outcome is not a priority.
- Creating and sustaining successful shared outcome environments requires agency leaders to give early attention to:
  - providing strategic leadership
  - recognising different paradigms and cultures
  - checking strategic-operational flows, and
  - clearing shared outcome logjams.

Managing for shared outcomes requires environments where informal barriers are broken down, and where different perspectives, priorities and practices can be shared freely, frankly and without prejudice. Creating and sustaining this environment can require significant behavioural and cultural change, and is a key task for agency leaders.

It is worth noting first that there are three common and distinct scenarios within which any and all shared outcomes will fall. Each presents a primary challenge to be overcome and requires different styles of leadership:

Scenario	Primary challenge	Implications for agency leaders
The outcome is important to two or more agencies	Determining the best joint arrangements that meet needs of the participants	Get clarity about the purpose of collaboration  Obtain consensus on the best intervention approach and the roles and responsibilities of each agency
The outcome is important to one agency, but requires specific actions from another agency for whom the outcome is not a priority	Identifying and articulating the value for/to each party	Focus on the external problem not the facilitation problem  Recognise paradigms and cultures matter  Ensure the “right” people are at the table  Be prepared to agree to disagree  Respect public sector values and conflict of interest issues
Where the outcome has not been a priority for any agency but there is an external imperative to work together to achieve results	Securing support and commitment internally	Get clarity about the purpose of collaboration  Obtain consensus on the best intervention approach and the roles and responsibilities of each agency  Secure/provide the resources

The most difficult of these is often where specific actions are required from an agency for whom the outcome is not a priority, as there is either an internal or external imperative missing for that agency. Notwithstanding this, there are some high level implications for agency leaders from pursuing a shared approach to achieving results.

### **Strategic leadership is necessary...**

“We suffered from a lack of direction, and an increasingly fractious environment at the officials’ level. After clear commitment from the top, the context changed completely, differences were dealt with, and we are all getting on with the job.” Senior Analyst

Agency leaders need to establish the context for the shared outcome being discussed/pursued at the beginning. This will entail recognising significant environmental pressures in order to clarify the core problem that is being addressed, the people or organisations that need to be involved, and what their involvement ideally would be.

At a practical level, within their own organisations, agency leaders need to:<sup>11</sup>

- talk the talk – send a clear and consistent message that collaborative approaches and behaviours are critical to achieving results
- walk the talk – visibly demonstrate commitment to collaborative approaches and behaviours
- recognise and reward – reinforce the importance of collaborative approaches and behaviours through performance expectations and appraisals, promotions etc
- provide the resources – manage pressures to create the time, resources and training that collaboration requires.

Between organisations active, open and engaging styles of leadership are needed that include:<sup>12</sup>

- developing consensus on the best intervention approach(es) by focusing on analysis rather than process – this may also mitigate the risk that the group looks for internal consensus at the expense of pursuing the best result
- facilitation skills, including the ability to create a less formal, more trusting and positive atmosphere
- influencing skills particularly the ability to sell ideas, act with integrity and to be seen as honest and transparent with no hidden agendas
- organisational and planning skills that can harness a range of different perspectives and inputs.

The intent is to create an environment within which agencies can:

- communicate what things matter most to them and their “client” groups, and why
- generate a shared understanding of citizen, government and agency goals
- create a common sense of purpose.

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<sup>11</sup> From the Canadian Task Force on Horizontal Issues, *Managing Horizontal Policy Issues*, December 1996, pp.28-29.

<sup>12</sup> From Pathfinder Supporting Paper, *Interagency Collaboration for Outcomes*, Version 2.1, July 2003.

## **Recognising different paradigms and cultures matters**

*“If I had known then what I know now, I would have got an external facilitator in right at the beginning. We were not making progress because people from different agencies were talking past each other – there was no common language that we could agree on.” Tier 2 Manager*

Assuming there is clarity about the range of people and agencies that need to be involved, then other things follow. It is important that the various professional or organisational perspectives and priorities are explored in a manner that reduces the chance of work proceeding at cross purposes. It will increase the chance of an effective multi-disciplinary approach. This does not mean “compelling” people to abandon their own work practices or to repudiate their own organisation’s culture. It does involve developing an understanding of and appreciation for the perspectives and values of the various participants and enabling frank and ongoing dialogue.

Cross agency prioritisation will prove more successful if it follows rather than precedes this discussion. It is therefore important to:

- Get the right mix of organisations and people to the table. The grouping of agencies may expand or contract over time, but those organisations that have a broad outcome mandate in the area, or which deliver outputs that are directly relevant should be involved at the beginning. Agencies should be putting forward people who have strong collaborative working skills and hold some capacity to speak for the organisation – neither hard headed negotiators nor inexperienced operators are appropriate at this point.
- Focus on the external problem not the facilitation problem – using a facilitator with some working knowledge or expertise may assist at an early stage in clarifying the different perspectives and contributions from which a common approach can be formed.
- Recognise and discuss the importance of integrity and honesty as important foundations for this discussion and following discussions on prioritisation.

Sometimes the same organisations are called on time and again to work together, and are reinventing this discussion. It is important then that there is a collective and individual effort made early on to capture the learning associated with this necessary precondition to working towards shared outcomes.

Working in these types of situations demands time, resources and energy. Developing an understanding of the perspectives and values of the various participants enables the value for each to be identified and articulated. It informs decisions on likely benefits and costs. Equally, value for participants can be created by reducing administrative and other costs associated with coordination, reporting and evaluation functions.<sup>13</sup>

## **Strategic – operational flow needs an early check**

*“Two of the most frustrating things that can occur in the regions is being discouraged from collaborating despite obvious advantages, usually because head offices haven’t got themselves sorted, and being lumped with an implementation task that has clearly had little or no input from a delivery perspective.” Regional Manager*

<sup>13</sup> From Treasury Board of Canada Secretariat, *Companion Guide - The Development of Results-based Management and Accountability Frameworks for Horizontal Initiatives*, June 2002.

Anything developed in Wellington with operational implications needs an early achievability test locally, and any operational processes developed locally need to fit within a broadly defined authorisation from Wellington. Agencies should not commit at a national level to local activity that has not been worked through with local operators. At the same time local operators should be seeking validation at the centre if they do not already have the space to move.

- Decision makers will need to balance what can be competing interests. For example, between maintaining national service standards and developing and delivering local models that may work for local communities. There may be differences at a local level in the choice of intervention(s) or priorities for funding. Sometimes, for example, logistical and funding constraints may affect the mix of interventions that are available in a given area, or the outcomes pursued.
- There is often a constant balancing act within agencies between centralising strategy setting and decision-making in order to consolidate and use the information and experiences of the agency and decentralising decision-making within broadly defined boundaries that allow local operators the flexibility to deliver the best services in the best manner. Agency leaders need to explicitly recognise this cycle of pulling in and letting out in a shared outcomes context too.
- A smoothly functioning shared outcome effort blends collaborative engagement locally and centrally, and within each organisation regional managers and central programme managers need to work effectively early on to facilitate this.

### **Clearing shared outcome logjams**

*“The turning point came when the head of the Prime Minister’s Department told his colleagues that yes, this was a priority for the government. From that point on, we got the level of engagement we needed from other agencies, and our analytical and coordination efforts became more effective.” Tier 2 Manager*

Certain factors will help develop a strong shared outcomes programme. These include strategic leadership, clarifying the context, integrating different paradigms and cultures, and ensuring a constructive strategic-operational flow. Agencies can simply work through the implications of these and get on with the job. However, there are instances when (for a variety of reasons) this does not work. For example, one agency that needs to be involved may not commit itself to the extent it needs to, or may be kept at arms length by another agency. At times, there may be difficulty in allocating agency responsibilities to respond adequately to a new government direction.

Central agencies can have a role to play in these situations, so too can agencies with leadership roles in specific sectors (for example, economic development, Pacific peoples). However, the agencies involved must first look to their own efforts to resolve the matter. From the perspective of a lead agency, the following tests should be applied (and can be modified if looking at the issue from the perspective of a support agency):

- The first test is to confirm that the other agency really does have a necessary role to play, and to clarify what that role is. There are different demands on agencies depending on whether their involvement is most useful in developing strategy, in implementing strategy whether through policy or operational means, or in providing information and monitoring

assistance. The lead agency may need to initiate exploratory work that demonstrates the long term need for another agency to be involved.

- In this period, the focus should be on defining and analysing the problem, not on the process. The lead agency will need to understand how other agencies might see the situation, influence their view of the outcome area being addressed, and eventually convince them of their involvement. Making assumptions about other agencies' views is obviously dangerous, and making demands or delivering admonitions about lack of involvement is equally bound to fail.
- There are many avenues for resolving disputes about involvement in shared outcomes:
  - The primary responsibility for dispute resolution lies with Tier 2 managers who have primary responsibility for allocating resources to best effect for the organisation, and who are also pivotal along with the chief executive for defining critical tasks for the organisation.
  - A chief executive discussion is the obvious next step, by which time any ongoing debate should be narrowed to specific resource or timing issues, or long-term priorities and directions that have been clearly set in line with Ministers' expectations.
- Central agencies are willing to play a role to unblock shared outcome logjams and agencies should exercise judgement on which central agency, who within that agency and when it is best to do this.
- Ministerial involvement is necessary in shared outcomes, but not for dispute resolution. Ministerial involvement would suggest that there is a significant political judgement required, and input at an earlier stage from Ministerial advisors may often suffice. Generally, stronger agency relationships that reflect individual agency accountabilities and responsibilities are more useful than a Cabinet minute requiring formal involvement.

If there is continued difficulty in agreeing agency involvement, then agency leaders should reconsider whether the approach being adopted is the best, or whether it can be usefully progressed at this particular time. The outcome area being pursued may simply not be significant enough to override other priorities, or may require for the most part a single agency response. Shared outcomes are not a cure-all. They should be pursued where it appears likely to create a cost-effective solution to a common problem.

## The role of Central Agencies

### Main Points

- Within the context of agency and chief executive accountability, central agencies can add value by:
  - Focusing discussion on the quality and clarity of the strategic thinking around what shared outcome is being sought, with whom and why
  - Playing a brokerage role in relation to shared outcomes

Central agencies will promote awareness and understanding of the shared outcomes guidance in a way that:

- helps enable and encourage effective joint working between agencies
- encourages agencies to respond to the challenges in a constructive manner.

Chief executives are held accountable for supporting and implementing government direction with the most effective use of public resources and so are responsible for identifying where shared outcomes are important in their work. Agencies that approach central agencies for support on shared outcomes can expect an initial discussion around the key principles outlined in this guidance, and about some different ways in which the agency can pursue this work. In doing so, central agencies may focus on the quality and clarity of the strategic thinking around what shared outcome is being sought, with whom and why.

Central agency teams will help agencies to solve substantive problems and take advantage of opportunities. Responsibility lies with agencies, however, and any significant or ongoing role played by central agencies in relation to shared outcomes will need to fit with central agency priorities as a whole. Central agencies will also be able to suggest people with expertise or useful experience in shared outcomes who can provide support, and will share good practice, identify links with other agencies and interests, and provide advice on whole of government issues and interests.

Discussions with agencies and the examples of managing for shared outcomes that we have reviewed suggest the following areas where central agencies can assist agencies in progressing shared outcomes:

- clarifying expected outcomes and giving a sense of overall government priorities
- emphasising the importance of interagency cooperation, particularly where it is necessary for progress on an outcome
- encouraging (and sometimes developing) effective mechanisms to support shared outcomes (eg planning, resourcing, and reporting mechanisms etc), and
- where required, clarifying the relative accountabilities and responsibilities of the agencies working on a shared outcome.

Agencies have also emphasised the important trouble-shooting and brokerage role that central agencies can play. This doesn't mean taking over the role of the lead agency or agency, nor does it mean central agencies acting in an ad hoc or directive way. It does mean being able to identify and help resolve problems. This is particularly likely to be the case, on a very limited

range of outcomes, where there is no “natural” lead agency but it is a high priority area for government.

## Competencies, Behaviours, and Actions

### Main Points

- It is important that agency leaders invest time early on talking with their equivalents in other agencies about matters such as governance and accountability, the technical and personal attributes needed from people involved, and the modus operandi for the work
- The competencies needed for shared outcomes work need to be modelled by agency leaders and built into the agency's sense of how it does its business.
- Agencies that are managing for shared outcomes need to recruit for, recognise and reward the behaviours that support effective cross-agency and joint working.

Making shared outcomes work has significant human resource implications for agency leaders, particularly in considering the competencies, behaviours and actions required from both themselves and their staff in taking a more collaborative approach to achieving outcomes for New Zealanders and government.

### **Capability of agency leaders**

The Leadership Capability Profile<sup>14</sup> was developed in 2003 by the State Services Commission and sets the standard against which potential leaders in the public service are assessed and developed. It recognises the importance of a whole of government approach in leadership capability. For example, public service leaders are expected to be able to:

- Demonstrate that portfolio effort contributes to cross-government priorities, whilst maintaining the integrity of the individual organisation.
- Operate on the basis of a ... “whole of government” framework and work collaboratively with others to achieve results.
- Manage multiple working relationships with stakeholders to enhance understanding and co-operation to achieve desired results.
- Demonstrate approaches focused on the identification of, and response to user or interest group and stakeholder needs.

Taking a shared outcomes approach to managing for outcomes places even greater leadership responsibility on the shoulders of senior managers. At times, leadership on shared outcomes will need to be demonstrated not just in the areas for which senior managers are directly responsible, but also within a collaborative environment.

Once agency leaders have confirmed that they need to pursue a shared outcomes approach, they will need to identify their equivalents in the relevant organisation with which a shared outcomes approach needs to be considered. These relationships may already exist, but will likely require further attention to establish trust and confidence between organisations and, over time, create the physical, intellectual and emotional environment within which cross agency collaboration can foster. It is important that agency leaders invest time early on discussing matters such as:

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<sup>14</sup> [www.ldc.govt.nz/documents/leadership-profile-2.pdf](http://www.ldc.govt.nz/documents/leadership-profile-2.pdf)

- The governance and accountability arrangements that will be put in place, including how disputes or differences will be resolved and how any teams or joint work will be resourced.
- The expertise, and the type of individuals that need to be included in the work, particularly those individuals that will reinforce values associated with collaboration, and be effective in working across organisational boundaries.
- The modus operandi of the engagement and how, for example, language around accountability and responsibility may need to change over time to reflect a greater collective effort from a range of contributing organisations.

### ***Frontline management and staff***

The importance of the competencies set out in the Leadership Capability Profile is underlined in work focusing on line managers and operators currently underway within the Human Resource Framework programme. A set of unique and common public service competencies has been developed for consultation within the public service.<sup>15</sup>

It is important that desirable competencies consistent with the demands of shared outcomes are well articulated throughout agencies. Equally, those competencies need to be modelled by agency leaders and built into the agency's sense of how it does its business. Behaviours that support shared outcomes need to be as real for frontline operators in a provincial town as for senior managers in head office.

This suggests that leaders will need to review how their organisations recruit for, recognise and reward the behaviours that support effective cross-agency and joint working. Many organisations already make use of mechanisms that support desired behaviours including, for example:

- encouraging secondment and rotation opportunities
- use of cross disciplinary and cross agency teams, and sometimes the co-location of cross agency teams
- recruiting from more diverse backgrounds and skills
- performance management systems that recognise the importance of behaviours that support collaboration.

These mechanisms will assume greater importance in agencies that use shared outcomes as an important way in which to achieve results for New Zealanders.

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<sup>15</sup> [www.ssc.govt.nz/public-service-competencies](http://www.ssc.govt.nz/public-service-competencies)