

REFLECTIONS ON THE SMI
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The Strategic Management Initiative (SMI), the principal vehicle for Civil service reform in Ireland traces its immediate origin to 1994 and the work of the Co-ordinating Group of Secretaries of Government departments. That group's second memorandum to Government was published as *Delivering Better Government* and became the mandate for the continuing reform programme. Looking back over the seven years that have elapsed, this paper recalls the origins of the SMI and the international context – in terms of practice and ideas - in which Irish reform has evolved. It considers the nature of achievements to date. It takes stock of the position of the initiative in 2001 and speculates on the challenges now faced .

This is a working paper. Related research will be completed in 2002. Comments and suggestions are welcome.

The Origins

Immediate Origins

The SMI's immediate origins lie in the announcement by Government of a 'strategic management initiative' on February 22nd 1994. The Taoiseach noted that the Government had decided that day that "each Secretary and Head of Office [should] put in place a process of strategic management... a new Co-ordinating Group of Secretaries would recommend management changes, including legislation, if such is needed... and ways in which interacting Departmental strategies should be co-ordinated". The Government set a series of tasks for a Co-ordinating Group of Secretaries, to include the development of 'best practice' in Departmental strategy processes and statements; the publication of Departmental strategy statements; recommendations for management changes, especially in the areas of personnel and finance; recommendations for dealing with strategic issues that spanned Departments; and the extension of the whole process from the civil service to the wider public service¹.

By late 1994 a first set of strategy statements had been prepared by most Departments. They had been developed with reference to a set of broad guidelines provided by the Co-ordinating Group indicating that strategy statements should include an outline of the strategic management process undertaken in their preparation, the Department's mandate, the opportunities and threats faced in fulfilling its mandate and its strengths and weaknesses in doing so, clarification of the 'business' of each Department with reference

to current national programmes, 3-5 year goals stated in outcome terms, and objectives for the major divisions of the Department, also stated in outcome terms. In doing this the Co-ordinating Group worked in the context of the particular objectives set out by the Taoiseach when launching the SMI: improving the contribution of each Department to national development and especially unemployment, the provision of excellent service to the public and the more effective use of resources.

Commenting, in 1994, on the brief period during which the first statements of strategy were produced, the Co-ordinating Group noted that progress in establishing a strategic management process had been made although much remained to be done in further establishing the process, incorporating specific action programmes and performance measures and creating inter-departmental synergies. Benefits reported to the Co-ordinating Group by Departments at this stage included:

- helping management to focus on & clarify strategic issues and objectives and their contribution to Government policies and priorities
- increased awareness of the need to improve policy formulation and evaluation
- setting more explicit objectives and targets against which to measure progress
- greater focus on client needs and services
- improved cohesion and commitment at senior management levels emerging from the participative approach involved
- a sense of dynamism and commitment to change²

Meanwhile, the Co-ordinating Group had established interdepartmental committees of Assistant Secretaries to review and propose changes in personnel and financial management practices and cross-Departmental issues, while also taking account of the results of research on reforms in the New Zealand and Australian public service³.

In March 1995 the Government requested the Group to:

- “review existing systems for making decisions, allocating responsibility and ensuring accountability in the Irish Civil service; and
- bring forward for Government consideration, proposals for an integrated programme to modernize the systems and practices in question and for the consequent modernization of existing personnel and financial management in the Civil Service”⁴

‘Delivering Better Government’ (DBG), published in 1996, was the Co-ordinating Group’s response. The report noted that its recommendations were designed to ensure that the Civil Service was efficiently and effectively managed to achieve the objectives set for it by Government. The central thrust of the report was stated as “the achievement of an excellent service for the Government and for the public”⁵. This was argued on social grounds (importance to the well-being of the citizen and coherence of society) and on economic grounds (importance for national competitiveness of the work of the Civil Service). The report set out a vision for the Civil Service based on the provision of quality services, including sound policy advice as the essence of an excellent Civil Service. It was stated that the conditions necessary for achievement of the vision included a new management structure and new approaches to human resource management, a fully integrated performance management process, reform of the financial management system and effective use of information technology. The immediate implementation process was based on widening and deepening the SMI process within the whole public service; on publication of statements of strategy in 1996; and on five

communication and consultation processes at political, political-administrative, Civil Service – client, senior Civil Servant, and at all levels of the Civil Service.

The achievement of the vision for the Civil Service was seen as resting on six particular foundations:

1. a framework for change emphasizing, in particular, a customer orientation, results orientation and the embedding of a strategic management process at the heart of Departments
2. delivery of quality services
3. high-quality policy advice for Government
4. reduction of red-tape and regulatory reform
5. open and transparent service delivery
6. managing cross-Departmental issues

Recommendations were made for a set of mechanisms for facilitating and mandating change. These were new frameworks for authority and accountability, for human resource management, for financial management and for information technology. In discussing implementation, the report noted that cross-party political support was essential and recommended the greater use of the Oireachtas Committee system as a consultation mechanism and specifically the Select Committee on Finance & General Affairs. The creation of a group representative of the most senior levels in the public and private sectors was recommended to oversee implementation and validation and to report regularly to Government on progress with the SMI. Wide consultation with the public was recommended. Special emphasis was placed on the role of Secretaries and Heads of Office in leading the change process and in preparing proposals for the seven specific elements of the programme (quality customer service, human resource management, financial management systems, open & transparent service delivery, legislative change, regulatory reform, information technology). In addition, quarterly meetings of all Secretaries and Heads of Office were proposed to discuss critical issues and to facilitate communication. Finally, active dialogue and consultation within the Civil Service was recommended involving Departmental staff in a partnership process and consultation with the ICTU and the Civil Service unions.

Wider Origins

Of course SMI did not spring from the Civil Service without provenance. All strategies, all programmes of change, have history and context and this one is no different. The Irish state on its foundation adopted, in virtually complete form, a Westminster-style apparatus of government with which most of its civil servants were already familiar. The Brennan Commission (1932) was the first major review of the workings of the civil service. While generally satisfied with what it observed, it embodied a view that the state could play a more active role in economic and social development⁶. The next major review of the civil service was that of the Public Service Organisation Review Group which published its report in 1969 and became commonly known as the Devlin Report. This report reflected a more critical perspective on the civil service and its performance. It worried about structures and management and the neglect of planning. It is largely remembered for its recommendations to restructure departments into policy and executive areas and for the creation of a new Minister and Department of the Public Service. Little political support developed to carry through the recommendations fully and the civil service and public service unions did not champion the change agenda. Nonetheless, the Ministers & Secretaries (Amendment) Act 1973 gave effect to many aspirations of the

Report and transferred power over the civil service to the new minister and away from the Department of Finance. Little happened, however, until the mid-eighties. Public service reform was a theme of government in 1981-1982 and 1982-1987 and some change took place. Expenditure programmes were established in each Department. An Ombudsman was created in 1984, as was the the Top Level Appointments Committee, with a mandate to recommend appointment to Assistant Secretary and Secretary levels based on merit rather than seniority. The appointment of Secretaries was now for a maximum period of seven years. A more 'citizen friendly' civil service was encouraged with the requirement that civil servants disclose their names when dealing with the public.

The White Paper *Serving the Country Better* was produced in 1985 with a major emphasis on addressing concerns about the inherent contradictions in the governing doctrine of Ministerial responsibility. It proposed the establishment of executive offices. However, by the mid and late eighties very difficult economic and fiscal challenges absorbed the attention of the political system and "public service reform had largely been abandoned by 1987 as a political priority"⁷. The Department of the Public Service was disbanded and the Department of Finance resumed the functions it had before 1973. It is notable that the very kind of fiscal crisis which triggered modern civil service reform in so many other administrations internationally brought about the demise of the first main chapter in Irish reform. A change agenda driven by cost containment and retrenchment was now the business of the Department of Finance.

There was subsequently no formal reform agenda until the launch of the Strategic Management Initiative in 1994. This may seem a bleak provenance, but it may be that harsh lessons had been learned, consciously and tacitly, about the nature and leadership of change in a large complex system.

The new reform agenda of the 90s was one of renewal rather than reform. It is more appropriately termed renewal because it was *sui generis*. It was neither imposed nor forced. It emerged from the concerns of senior civil servants about the current performance of the system over which they presided and its ability to meet the challenges of supporting an effective State for the twenty first century. A Co-ordinating group of Secretaries was formed and considered the challenges they believed the civil service faced. The result of their consideration is found in their First Memorandum to Government of 1994 and in their report, DBG of 1996.

Looking back at these 'local' origins of SMI it may be noted that SMI is a rooted phenomenon with a specific 'gene code'. It has to be seen in the light of its Westminster parentage. It has to be seen in the light of earlier, largely unsuccessful, attempts at reform. It has to be seen in the light of the perceptions and experience of those who championed it and accepted it. It has to be seen in the light of a nation undergoing rapid development and adopting an increasingly more independent and confident international role. It has to be seen in the light of a nation and a polity that constructed new causal relationships between the functioning of the state and economic and social progress.

In this light, the origins of SMI are both robust and challenging. They are robust in so far as lessons of the past and dangers of the present appear to have been absorbed into its formulation and implementation. They are challenging in so far as they opened up many difficult issues for discussion and decision. The latter are now the main inheritance of the initiative and how it evolves to deal with them will be pivotal.

The International Context: practice & ideas

The SMI must be understood in the context of its Irish roots as has been seen. It must also be read in its international context. The Irish experience is neither unique nor isolated. No change process or strategy may be adequately understood without appreciation of its context – both external and internal⁸. International civil service reform is one important thread in the fabric of Irish reform. Irish experience forms part of a pattern of international scope, centered on Westminster based administrations, America, and other European administrations as well as those in Asia and in many emerging economies. While it might be argued that there are no direct links between Ireland's renewal programme and any other, this cannot ultimately be sustained. By the mid nineties reform was 'in the air'. Neighbouring reform in the UK was a matter of almost daily coverage in popular media as well as discussion in political and administrative circles. Active membership of the European community and of organisations such as OECD had brought the administration and politicians into contact with the European and Antipodean brew of early reform movements. Senior and middle ranking administrators increasingly found themselves active members of an international network of peers. This is especially so in the case of a small country embedded in the affairs of the European Union. It seems reasonable to suggest that there did exist, and that there now clearly exists, an international diffusion process concerning reform, mediated by individual agents of change and by institutional actors. Indeed, DBG refers, in its acknowledgements, to its use of research on the New Zealand and Australian reform experience. This engagement provided channels through which the ideas and experience of international reform and the ideas of the 'new public management' flowed into the Irish system.

Another influence was the changed legitimacy of private sector management practice. As Ireland became more economically successful, the status of private sector management practice grew. In a small country, the predominantly American managerial practice of the vital 'foreign sector' became increasingly visible and accessible. A new generation of indigenous firms grew into substantial national and subsequently into multinational companies of scale and staying power. Their management was professional and assumed role model status for a new generation of politicians who were increasingly likely to ask of the public service 'why cant you be more like the private sector?' or, no doubt more irritatingly for the civil servant, 'if only you would behave like the private sector we wouldn't be in this mess'. For many civil servants interaction with the private sector must have prompted similar thoughts. The result, it is suggested, was that the receptivity of the political-administrative system to models and methods from private sector management practice changed quite radically – from 'that has nothing to do with us', or even 'that would be abhorrent to us', to an attitude of open minded learning and borrowing. In consequence, a flow of ideas and theory from the management disciplines became possible and was found compatible with the international flow of 'new public management' ideas which had, of course, had similar origins. The fact that Ireland's approach to reform was titled the 'strategic management initiative' is itself an important rhetorical and symbolic signal.

The international reform context – practice and pattern

Ireland's experience is part of the rich international pattern of the 90s and has to be understood in this important context. It is a context of ideas, initiatives and evolving administrative practice. To grasp this, we need to examine some of the comparative evidence. Pollitt & Bouckaert's⁹ comparative study of public management reform in 10 countries and the European Commission provides a baseline for this purpose. They work with a model of reform anchored on two elite groups – executive politicians and mandarins – and their perceptions of desirable and feasible reforms. They propose that these perceptions are shaped by socio-economic forces, the evolving political system and chance events. From their perceptions grow the decisions and actions of the administrative system, consisting of the *content* of reform, the *implementation* of reform, and its actual *achievements*. They furthermore suggest that the type of politico-administrative regime will shape the approach to, and implementation of – and indeed the appetite for – reform. Here they distinguish between 'Anglo-Saxon countries (Australia, Canada, New Zealand, UK) which they believe "are much more open to the 'performance-driven', market-favouring ideas of the NPM than others"¹⁰; countries of a *Rechtsstaat* tradition, interested in reform but resistant to NPM ideas (Germany, France); and a north-western European group (Finland, Netherlands, Sweden) with "a general disposition towards consensual, often meso-corporatist styles of governance"¹¹. When they examined the different paths taken by reform processes in the countries studied, they conclude that there is neither random variety nor a convergent pattern in what has happened. As few countries share either common starting positions or common aspirations about end states, it is little wonder that there are no identical reform paths from the present to the future. However, they do suggest that there are patterns or clusters among countries reflecting how each has pursued reform.

A conservative policy of *maintaining* the status quo by trying to improve structure and practice is used to characterize Germany and the EC. A group of *modernizers*, who cleave to a belief in a large role for the state in civil society while demanding fundamental change in the way the administrative apparatus is managed, is seen as including Canada, France, the Netherlands and Sweden. Their reforms center on results oriented budgeting, evaluation, a new approach to human resource management, decentralization and devolution, and strategic planning. A third cluster consists of those they call the *marketisers*, whose approach is to introduce competition and market mechanisms on the widest possible scale to all former activities of the public sector. Here they position Australia, New Zealand and the UK with occasional appearances from Finland and Sweden. Finally they identify a cluster of *minimalists*, for whom only the ultimate core functions of the public sector should be retained when everything possible has been privatized and outsourced. They find no permanent members of this last cluster but occasional temporary residence and rhetorical bluster among the UK, New Zealand, Australia and the USA. Pollitt & Bouckaert regard this overall four-part pattern as "rough and approximate"¹², because of variation in political and administrative approaches through time and variations in socio-economic circumstances.

Looked at in this comparative context Ireland fits best within the cluster of '*modernisers*'. Modernisers are characterised by a variety of patterns in the substance and process of reform. Matters of *substance* (the 'what' of reform) are measured by Pollitt & Bouckaert in terms of financial, personnel, organizational and performance measurement reforms. Matters of *process* (the 'how' of reform) are measured in terms of the balance of top-down / bottom-up decision making, legal structures and organizational process. The SMI

clearly set out to make fundamental change in both substance and process as defined above. Taking up the substance of reform among modernisers, Pollitt & Bouckaert note that budget reform, while slow ‘to take’, is oriented towards results, more strategic time scales, evaluation, and performance improvement as well as savings. The modernization of accounting systems and the introduction of accrual accounting is part of this pattern as is the movement from compliance oriented audit towards performance investigation and onward to performance audit as a distinct activity. These are all themes inherent in the SMI. In its implementation it is very clear that (seven years later) budget reform is indeed ‘slow to take’ and that the implementation of new accounting systems and a new financial information system are still in process.

In personnel management, while a unitary service has not been breached, the international pattern of reform in search of greater flexibility, responsiveness, results orientation, and appropriately skilled civil servants is echoed in the Irish experience. The shift in promotional criteria from seniority and qualification to results and responsiveness is clearly present and predates the SMI at senior levels. The creation of a senior executive service (Australia, Canada, the Netherlands and the USA) in response to the need for new leadership skills and experience is the subject of current debate and proposals in Ireland. Performance management is just being ‘installed’ while the issue of performance related pay remains in abeyance.

While avoiding the more radical re-structuring (so far) of the UK, New Zealand, Australia cluster, and the conservative pace of Germany, Irish reform clearly shares many common strategies and outcomes with the ‘modernisers’ group. A general swing towards specialization in structure is evident in the range of new agencies and offices that have been created. The introduction of a more eclectic array of coordinating mechanisms in which networks and markets begin to partially supplant traditional hierarchies is also to be observed. The decentralization of authority and accountability is a central theme of SMI, now enshrined in legislation and the attack on scale is reflected in the beginnings of a process of ‘agentising’ of traditional activities and functions. Performance management is, and has been, another central platform of the SMI shared with the international reform movement leading, most recently, to the implementation of the Performance Management & Development System (PMDS).

Turning to the ‘how’ of reform, to its process, the same underlying commonality between Irish and international experience is to be observed. Pollitt & Bouckaert consider this issue by surveying three patterns: the balance of top-down / bottom-up process; the use of new organizations and structures and the aggressiveness of reform action (ranging from a ‘forge ahead’ to a ‘tip-toe’ approach)¹³. By and large, the more ‘purist’ NPM countries have followed a pattern of top-down implementation, the extensive use of new organizations and an aggressively rapid pace. In contrast, they draw attention to Finland, one of their ‘active modernisers’, noting that

“considerable reforms have been implemented, and the numbers of civil servants have been markedly reduced, but this has been done in a low-key way and at a relatively leisurely pace. Furthermore, high levels of continuity have been maintained despite the existence of three different coalition governments... The reform programme that was launched in 1987/88 was still being ‘rolled out ten years later’¹⁴

Like all modern reform programmes the SMI was top-down in conception and initial impetus. Driven particularly by the administrative elite and with varying degrees of

active engagement by the political elite it came from the center. But it was a ‘mandarins’ initiative. The lessons of earlier attempts at reform were well learned. There was no imposition from outside. The first Co-ordinating Group of secretaries represented a powerful body of opinion leadership within the civil service. Among its number were several who had already been working at Departmental level on reform of a strategic public management nature. It was top-down, but with a secure footing across the top management and leadership cadre of the administration. Its scope was wide – the civil service, followed by extension to the public service. Aspects of the reform were quickly embodied in statute and while few new organizations were immediately created, the SMI provided an umbrella under which new offices and agencies have since been established, accepted and implemented. However, there has been very limited substitution of markets and networks for traditional hierarchy, suggesting a particularly conservative approach to structural reform. The pace has been varied. Taken in historical context it was very rapid in the early 1996-98 period. It has been more slow subsequently but it is not altogether clear whether this is due to having to grapple with difficult, and intrinsically complex, implementation issues in financial and human resource management reform or whether this is partly due to the top-down phase of implementation having run its natural course and the more bottom-up follow-through being constrained by capability, leadership, structural deficits and structural failures.

So, it may be noted that the SMI experience is, in large part, a contemporary theme in a much wider international pattern. Taken in this light it fits with a cluster of countries that have gone about reform in the manner of ‘active modernisers’, somewhere between the position of those concentrating on incremental improvement and those committed to radical transformation by substituting markets for hierarchies or those advocating minimalist government. As an ‘*active moderniser*’ Ireland might be categorized on the ‘more active’ end of that continuum. Reflecting on the SMI in 1998, Paddy Teahon, Secretary General of the Department of the Taoiseach, comments that

“The best description of our approach is what the OECD would call ‘selectively radical’. This means that we are moving quickly on a number of fronts in an integrated way. We believe that only by integrating the changes in a number of key areas, can we hope to fundamentally overhaul our public services for the 21st Century¹⁵”

International reform context - ideas

Schick¹⁶ provides another means of triangulating the SMI experience in international space. He rehearses common themes and ideas found in virtually all reform movements as well as contested ideas among them. He believes the common themes include comprehensive rather than piecemeal reform, reform that is not confined to specific administrative processes, devolution based reform, incentive rather than rule-driven reform and reform focused on operations and service delivery. The common ideas include being goal-driven and measured, empowering managers, devolved authority and accountability, and being output and outcome focused. These are themes that are readily recognizable in the SM although aspirations and achievement do not always converge. Devolution of authority and accountability seems particularly slow, despite being central to the earliest SMI agenda. A predominant culture of control and centralized power makes achievement slow and often reluctant. While legislative change broke the overt resistance to devolved power and accountability in one clean sweep, tacit resistance and

the slow pace of change in formal structure and process make advance tortuous. The pace of change has varied considerably between Departments and Offices, reflecting local management practice and the attitude to change. Where change is not energetically championed, little devolution takes place. Devolution is however, the essence of reform in a strategic management mode and of most re-generation of organizations for the needs of the 21st century.

Schick also isolates a set of ideas that are contested in the reform process - within and between countries. These include the appropriate extent of citizen choice, the outsourcing of services, the adoption of private sector models and the separation of service delivery from policy. While great effort has been expended, and many 'outputs' produced by the customer service and quality initiatives, none has really addressed the issue of providing choice – the public sector remains steadfastly a monopoly provider and moreover, there is virtually no debate of the issue. Outsourcing is also a muted issue. This may reflect the delicacy of industrial relations, but the importance of the choices faced demands open discussion. In the context of a limited labour market, outsourcing of appropriate tasks is an important option to consider. It is also a potential means of generating an efficiency dividend. Its absence from public debate may reflect a weakness in strategy statements – they pay limited attention to the DBG requirement that Departments and Offices challenge their 'business definition'. DBG urges all to consider why they do what they do, and to consider whether tasks could not be as well, or better, done by the private or nonprofit sectors. The considerable silence on the separation of service delivery from policy is linked to this, as it is in the field of service delivery that the outsourcing of activity is most obviously possible. A common theme of all reform movements has been to get government to concentrate on quality in its 'steering' activity and to leave 'rowing' to others where possible¹⁷.

In summarizing the fortunes of reform movements internationally, Schick notes a number of features that resonate with Irish experience¹⁸. He notes that the process takes considerable time, and SMI's seven year process does not look uncharacteristic. The length of time required to see a process of major change through in large complex private sector firms is just as long, so this is not a matter of relative sluggishness. He notes that the regular institutionalization of change is an essential process in order to make it possible to move on to each next phase. This is an important reminder of the possibility of regression and relapse at any time. High aspirations and brave beginnings are not enough. Those managing change must also attend to the detail of embedding new ways in the structures, systems and culture of the organization. Schick also draws attention to the evolving role of central agencies. In Ireland the guidance of SMI has been in the hands of the Departments of Finance and Taoiseach. This has paid off in terms of involvement of 'the centre' and incorporation of the contrasting mind-sets of the two, but it has also created a need for delicate balancing of perspective, power and pace between the two. It also leaves unresolved the locus of management of 'whole-government' processes and issues. These latter, as noted from the very outset by SMI and DBG, are increasingly the pivotal policy issues facing society and government. It would appear that the matter is being sidestepped rather than confronted. A crisis of identity may lie in waiting in both traditional 'center' departments.

So what is to be learned from placing the Irish initiative in an international context? This perspective reveals that the SMI has been of a piece with the generality of reform. It aligns with the practice of modernizer states, typically North European, with a strong

reform agenda, a radicalism tempered by consensus building and a desire for more than minimal government. In aspiration at least, it might be positioned at the more active and comprehensive boundary of this cluster of countries and reform movements. Its underlying ideas are shared widely, although there would appear to be a silent battle of significance in progress over the implementation of true devolution of responsibility and authority. Culture wars, we should remember, run deep. While perhaps more active than the norm among 'modernisers', Ireland is hardly more radical. The avoidance of significant attention to outsourcing and of focused analysis of the true 'core business' of Departments may signal lack of creative thought or just a failure of nerve to date.

In so far as the Government charged the original Co-ordinating Group of Secretaries with the development of 'best practice' across a variety of strategic management tasks, it might be concluded that much has been achieved by any international standard. The only uneasy caveat is that there is a long road to be traveled between intention and reality. In this case, intention passes with honours. However, reality remains to be adequately explored and understood.

Achievements to date

Measuring achievement

Much of what has been achieved has already been considered in the context of examining the alignment between the Irish and international experiences. Nonetheless, it is useful to consider achievement from a more specific perspective. A central thrust in SMI, and in all other contemporary reforms, is a shift in focus from inputs to outputs and outcomes. Outputs are relatively easily captured and in the case of SMI, outputs as actions are many. Outcomes are notoriously difficult to measure and attribute. Moreover, desired results vary by interest group. The very definition of outputs, outcomes or results varies across stakeholders and interest groups. For some, announcements are all. For others decisions are the essential currency. Others desire action and yet more require demonstrated effects of actions, short and long-term. The rhetoric of contemporary reform embraces the two measures of output (immediate consequence / action) and outcome (longer-term and more lasting effect).

Achievement may be measured by self-reference. What did the reform set out to achieve and has it done this? It has been noted above that there is considerable achievement to record in terms of face-value output. Exhibit 1 lists a partial record of outputs as actions taken. The list is impressive, especially the speed (all things being relative) of the early years when SMI was launched with all party support and a general endorsement of the administration, followed rapidly by far-reaching legislative change enshrining the new approach. Outputs in the form of strategy statements, business plans, quality plans and so on, are many and now repeated several times over. If it is true that attitudes are best changed through behaviour, then a great deal has probably been achieved. Despite all this, and the continued drive for extension and deepening of SMI, a certain ennui, a certain cynicism about SMI and its impact, may be detected. This may be no more than the normal doubt in the possibility of civil service change. It was present at the launch and it has been present at each phase of the initiative to date and might be dismissed on the grounds that it is an inevitable accompaniment which shifts ground from doubt in the possibility of launching such an initiative, to doubt in the possibility of getting

Departments to do anything different, to doubt in the possibility of any change sticking, to doubt in the ability to sustain anything for more than a few years. This endless recitation of doubt has a proud tradition, inherited from the languoris disbelief of the archetypal Westminster mandarin and adapted to the more earthy cynicism of the Irish countryman.

However, there may be more than ritual disbelief involved. Measurement of real change in behaviour, as opposed to measurement of announcements and actions is needed and the current formal and independent review of the SMI is a timely and essential evaluation process. It is probably bets to await the outcome of this evaluation at the end of 2001 rather than indulge in speculation that is not evidence based. Pollitt and Bouckaert¹⁹ distinguish four levels of 'result': operational, process improvement, changed capacity of the overall political and administrative system and movement of the system towards a desired end state. Evidence on operational results, in terms of efficiency and effectiveness, is scattered and partial and it is hoped that the evaluation study will be able to marshal the evidence. Process improvement in management and decision making is clearly present, although whether its attribution should be to SMI or other forces or events, or a mixture of both demands some considerable untangling. Despite this, there is also evidence of critical lack of progress in important areas too. Failure to confirm annual budgets to publicly funded hospitals until the end of an expenditure year is just one astounding example. A change in capacity of the overall system to think more strategically appears to have taken place, especially if evidence is collected at senior and upper management levels. Whether this is seen or felt at middle and junior levels is less clear. A top-down approach takes time to penetrate and may indeed dissipate in the middle ground like an administrative Okavango. The need for a strong bottom-up counterpart to the existing top-down process is pressing.

In so far as the 'end state' of the reform initiative is spelt out in DBG, then progress can undoubtedly be recorded. Of course, the vision incorporated in DBG is infinitely approachable so it sets up a destination which constantly recedes. This is appropriate as an overall guidance mechanism as it implies values and goals of depth and significance. The more demanding requirement lies in intermediate and specific milestones.

Measuring against DBG

DBG's framework for achieving its vision hinged on:

1. delivery of quality services,
2. quality service in relation to policy advice and decision making processes
3. reducing red tape – regulatory reform
4. open and transparent service delivery
5. tackling cross departmental issues

Achievement with regard to the first, third and fourth of these is considerable. However there must be concern with regard to the second and fifth. Implementation of SMI is curiously silent with regard to quality of policy advice. Perhaps it is assumed that better strategic management process at Departmental and Office levels will necessarily lead to better policy advice and decision making. All things being equal, this ought to be the case. Anecdotal evidence suggests that there is a perceived difference in decision making and policy advice 'after SMI'. But such evidence comes from the enthusiasts and believers. There is no specific element of the initiative which drives explicitly at quality

of policy advice. Is this because it comes too close to the perceived heart of the mandarin's role and idiosyncratic competence? Is it because it touches on a lynch pin of the political-administrative interface which has also been tip-toed around by SMI? Is it because reform is acceptable as long as it is confined to service delivery but does not engage with policy support. Yet the requirement for the very best policy support is an overarching requirement for 'better government' and the need increases by the day, as the country grows in wealth, sophistication, international interdependence and the imperative of taking independent position on national and global policy matters.

The fifth element of the framework presents a related puzzle. There have been considerable advances in the creation and effective use of a variety of 'cross-cutting' mechanisms to deal with important national issues in an integrated manner. Much remains to be done, but achievement is noteworthy. The organizational mechanisms that have been deployed may be seen as overlays on the traditional hierarchical and segmented structures of the civil service. The latter inherently destroy integration and promote confusion, contradiction, increased cost and ineffectiveness in matters that cannot be properly corralled within one Departmental remit. DBG notes forcefully that matters which cannot be corralled in this manner are often the most important matters of state. While increasing achievement on managing cross-cutting issues must be applauded, it is not clear quite what happens next. Should the mechanisms now in use become a permanent repertoire? Or are such overlays just temporary means of overcoming rigidities in underlying structure that must ultimately be attacked directly and re-created? Part of General Electric's iconic re-creation in the 90s is attributed to its attempts to design a 'boundary-less' organization, not to inserting compensating mechanisms as overlays on inherently ineffective organization. Cross-cutting issues are just one aspect of a larger concern – that for 'whole-government' action. This would appear to be an aspect of SMI that demands urgent attention despite the inherent complications of the role of central departments, the structural rigidities of present arrangements and the implications for the administrative interface.

Explaining achievement

Making sense of what has happened, and continues to happen, is not a simple or easy task. Nonetheless, some attempt may be made by unpicking and examining the essential elements of SMI and SMI related events. Examination of strategy is frequently conducted on the basis of a distinction between strategy content and strategy process – the 'what' and the 'how' of strategy. Within strategy content, the matter of organizational level is an important consideration – strategy exists in different but connected form at varying levels: at function or programme level, at business-unit level and at corporate level. Explanation is therefore needed of how strategy works at each level and how all levels cohere. This limits explanation to the organisation as a unit of analysis, but more recent work notes the importance of networks of organisations and therefore of network, or inter-organisational, level strategy.

Theoretical differences exist between explanatory frameworks that stress position and 'fit' – how strategy locates an organisation in its environment - and those that stress the resource base – the uniqueness and value of the organization as an idiosyncratic resource bundle and therefore its ability to undertake distinctive and valuable work. These might be characterised as 'outside-in' and 'inside-out' explanations. The importance of the context of strategy is also recognised – whether internal or external . This also leads to an

appreciation of the importance of history. Strategy has provenance, and understanding its path-dependence is important. Finally, leadership is recognised as a critical explanatory factor but is, in general, less satisfactorily studied.

For present purposes the content, process, context and leadership elements of strategy explanation will be used to explore the SMI briefly. Important matters arise from consideration of these elements of strategy when integrated into a strategic management context that demands that strategy be matched with structure and control to produce an effective integrated system of action. This latter issue will be addressed later.

Content

The explicit content aspects of the SMI are clear. They are set out quite formally in DBG and elaborated in subsequent guidelines from the Implementation Group and the SMI Unit in the Department of the Taoiseach. A vision for Ireland is established by reference to the Government's programme for Government. In this context a vision for the Civil Service is set out. Next, Departments of Government, and in due course all offices and agencies and the organisational elements of the whole public service are required to develop Statements of Strategy. These latter are based on what might be seen as 'classical' strategy formulation technique – analysis of mandate and mission, analysis of a changing environment, analysis of the specific organisation and its capabilities within that environment, identification of gaps between mission, environmental threats and opportunities and organisational strengths and weaknesses, and development of strategies and programmes to address the gap/s and fulfill the mission over a defined time horizon. This work leads to the statement and justification of the Statement of Strategy.

In the context of the strategy statement, 'business planning' then takes place, demanding strategy development at divisional, unit or programme level. This is further translated to small unit, team and individual levels of activity and can now be hooked to PMDS, the performance management and development System. Overall, this represents 'classical' content and is recognisable anywhere in the worlds of public, private and nonprofit strategy. It is associated with a rational-analytical approach to the guidance of organisations and may be characterised as 'deliberate' strategy. In this so-called 'design school'²⁰, strategy is intention – strategy is what we wish and plan it to be. There are powerful competing models which characterise strategy as outcome, famously in the public policy literature as 'muddling through'²¹, as 'muddling with a purpose'²² or as accident. We will take up these issues when we discuss the process aspects of strategy.

By conventional strategy formulation standards what we see is therefore 'good practice'.

Process

At face value, the SMI has been wholly top-down in process. This is a feature it shares with virtually all reform movements and most particularly with those in Westminster based countries. However, further examination reveals a more complex reality. For example, initiatives in strategic management were already underway in a small number of Departments before the SMI was announced or DBG published. There was clearly a number of champions of a strategic management approach at Secretary and Assistant Secretary levels who were already changing the practice of civil service strategic management. The formal top-down process therefore, in part, legitimised what had already begun to happen informally, in 'bottom-up' fashion. In so far as this is true, it

may help to explain the sticking power of the initiative. It might be noted that an initiative such as SMI can have some of its greatest successes by providing ‘cover’ – institutional protection and legitimacy – for innovation that would otherwise be seen as risky and too counter-culture. Evaluating SMI’s ultimate effect must take such events into account. More important for the future of SMI is the question of whether a continued emphasis on top-down direction is appropriate or whether it is not time for SMI processes to be seen as embedded at local level and driven from there with purely facilitative and integrative value being added ‘from the top’. This represents a critical challenge for the future.

As already noted, the process has been overtly rational-analytical. While the rational-analytical model is almost universally regarded as an idealised benchmark in strategic management practice, a long tradition of competing theory and empirical research testifies to the rarity of such process in ‘real life’. In the world of public management and in matters intimately connected to political decision making it is clear that the demands of the design paradigm are difficult to satisfy. It is commonly understood that strategies are arrived at as a result of political process within the bureaucracy as well as between the bureaucracy and the political system, not to mention other stakeholders. We know that strategy is, in part, the outcome of negotiated, bargained process between powerful interest groups and individuals. We also know that strategy is partly the outcome of bureaucratic process – decisions and actions are shaped by the standard operating procedures, routines and capabilities of the organisation /s involved. We therefore know that while an intellectual ideal may lead us to demand that strategy reflects planned intent, it is more likely to be an outcome of complex and indeterminate processes that reflect bounded rationality, satisficing, political balancing and organisational routine. Furthermore we know that events unfold in surprising ways that demand ongoing and sometimes radical adjustment to strategy-in-action/

It is important to grasp the distinction between strategy as intent and strategy as outcome. Those involved in the strategy process mandated by the SMI know instinctively that the latter is more common than the former. To be effective they must devise ways of formulating and enacting strategy that embody the spirit of the rational-analytical yet deal with the everyday reality of the other. It is not clear without closer inspection how this is accomplished in the SMI process. However, it is stating the obvious to note that the participants are well schooled in the strategy-as-outcome school. But this is generally a practical schooling rather than a conceptual schooling. As long as the formal schooling that accompanies the SMI is focused on rational-analytical method it runs the risk of setting up tensions and frustrations that may prove damaging and that feed narrow cynicism. The alternative explanations of and approaches to strategy, while competing, are not incompatible. Van der Heijden²³, reflecting on Shell’s long experience with strategic management notes that different phases of the planning – acting cycle demand different approaches and different cognitive emphasis. The design school approach is well suited to strategy analysis and formulation. The strategy-as-outcome school is well suited to explaining and helping managers to anticipate and handle the implementation phases, when organizational and political process drive effectiveness. Explanations deriving from evolutionary and complexity theory support understanding of strategy-in-action and its management. Now that several iterations of the initial strategy statement process have been completed and basic skills and behaviour rehearsed, it would seem appropriate to support front-line decision makers who know ‘how things really happen’ with frameworks that acknowledge the complexity of decision making but also offer

means of managing such complexity

Position and 'fit', or a Resource based View

The formal guidelines for implementation of SMI incorporate both these views. It may be noted that in the initial round of strategy statements there was real difficulty in connecting Departmental strategy to the environmental analysis – a difficulty in operationalising the notion of position or fit. Keogha & McKeivitt note such deficiencies in trenchant terms²⁴. Why was this? While issue was taken with the quality of the environmental analysis itself, the real issue was with the connection to what the Department should do. Envisioning the Department as an adaptive agent in a changing world seemed to be difficult. One might speculate that conditioned practice was to drive strategy from organisational tradition and routine. This is not surprising in a public bureaucracy since its elementary design hinges on rules, precedent and their application. It may also reflect an implicit construction of the political – administrative interface: politicians do the scanning, adjusting, changing of policy while the only legitimate role for the administration is to implement the policy decision. Reflecting, in 1996, on the early introduction of strategic management at the then Department of Transport, Energy & Communication, Tuohy notes that the question of who should do strategic planning was a fundamental question. Paraphrasing the concerns of some civil servants, he writes:

“was it not the Government’s job to develop the strategic plans and the Civil Servants’ job to implement such plans as Government had developed. Could it be seen as somewhat undemocratic if civil servants were engaged in strategic planning in areas that Government had not yet declared a policy?”²⁵

Turning to the resource based view²⁶ it would appear, at first sight, to be a more natural emphasis for the kind of traditional bureaucracy mentioned above. But the resource based view is quite an active, aggressive, advantage seeking perspective. It sees organisational advantage as deriving from the uniqueness of an organisation, defined as a valuable idiosyncratic, resource bundle. This is most frequently discussed in the context of competitive advantage in a market economy. But Departments compete in their own special ways too – for relative position with other Departments in a resource constrained environment and with counterparts in other nations seeking to enhance national competitiveness. This search to develop unique and valuable resources of tangible and intangible nature is not a common thread, although the universal concern and dissatisfaction with human resource management and centralized unitary appointment and recruitment may reflect frustration at not being able to configure resources as readily as desired.

Level

The SMI provided guidance, support and a statutory mandate for Department level strategy, ‘business’ level planning within departments and for unit and individual planning and strategy setting. This conforms to general best practice. However the process is quite fraught when one considers the whole-government level. In private sector strategic management practice, this is known as the corporate level and a reasonably well developed body of practice, theory and empirical research has developed around the subject²⁷. In the case of the SMI the issue is both addressed and fudged. It is addressed directly in DBG by connecting Government policy, especially its embodiment in a programme for government, to Departmental mission and goals. Furthermore, a

critical task of corporate strategy – providing integration and effective resource allocation across business strategies (Departmental strategies in this case) – is acknowledged in discussion of ‘cross-cutting’ strategy. DBG draws specific attention to the critical nature of such strategic matters and recommends the use of cross-departmental teams. The Public Service Management Act, 1997, provides for the assignment of responsibility of cross-departmental matters. The Co-ordinating Group of Secretaries established three working groups of assistant secretaries to explore the challenge in the context of child care, competitiveness and environment. In DBG, it is noted that the working group reports underlined the need for innovative approaches and mechanisms²⁸. DBG goes on to make several recommendations – the use of ‘strategic result areas’ (SRAs) as process mechanisms; the establishment of cabinet sub-committees as structural oversight mechanisms; the allocation of co-ordinating roles to ministers and ministers of state and the use of cross-departmental teams. The Public Service Act, 1997 followed through in Section 12 by empowering Ministers of State to assign responsibility and accountability to civil servants for the performance of functions relating to two or more departments.

So the matter appears to have been addressed quite neatly. But has it? Departmental strategy statements have reported on the use of cabinet sub-committees (social inclusion, local development and drug misuse prevention), ministers of state, cross-departmental teams (national drugs strategy team), inter-departmental committees (rural development, tax strategy) and one-off events such as national forum for early childhood education²⁹. Without question, there appears to be a growing confidence in the use of cross-cutting teams, especially where a single policy project needs to be dealt with effectively. But some of government’s projects are less easily dealt with by temporary overlays on the traditional hierarchy. Where this need arises it is not at all clear that the need for ‘whole-government’ mechanisms has been addressed. The relative roles of the two central departments – Finance and Taoiseach’s – appears to remain ambiguous as noted earlier.

Networks

While the nature and mechanisms of strategy at ‘whole-government’ level present difficult challenges, it is also readily apparent that the formulation and implementation of policy is increasingly a matter involving a multitude of organisations outside the public sector. Nonprofit sector and private sector organisations increasingly help to originate and deliver policy. In such circumstances neither hierarchy nor market is the dominant form of governance. Yet we are unsure of the nature of governance in inter-institutional networks and certainly unpractised in forming and managing strategy in a network context. The system has evolved competencies in partnership negotiation and agreement but that is different from focused policy and strategy formulation in a network and the later governance of service delivery through a network.

Context – internal and external

Pettigrew³⁰ has discussed the importance of understanding the nature of receptive and non-receptive environments in understanding variety in strategy outcomes. The same strategy decided at Government level may ‘come out’ differently in various Departments charged with implementation. The same strategy decided by a Department may be implemented in different ways by different divisions and units. The likelihood that strategy outcomes will vary from intention reflects variety in local conditions within and between

organisations – some are more receptive than others. The implementation of SMI itself illustrates this. There has been considerable variation in the timeliness of implementation of the basics of producing strategy statements and business planning. Some Departments in fact had begun implementation ahead of DBG and the Public Service Management Act. Others took a long time to produce their first and subsequent outputs and produced them in different ways with apparently different degrees of conviction. One reaction to this diversity might be alarm at a command and control system malfunction: the same requirement should produce the same response. Another is to acknowledge the inevitability of such diversity and to use it to understand the determinants of receptivity to change and to strategic management. One senses that learning from this diversity remains problematic in a world where boundaries are actively patrolled; where asking for advice may be seen as a sign of weakness and offering advice may be seen as offensive.

Path-dependance

History counts, as we all know but acknowledge too seldom. In the case of the SMI, history is intriguing. The origins and the path of the initiative are, in a significant fashion, a function of its antecedents. It has already been suggested that its shape reflected many past events. The inheritance of the Westminster style of administration brought a cultural theme of the difficulty (or even distastefulness) of change. The experience of the Devlin Report; the manner in which *Serving the Country Better* virtually disappeared after its publication in 1985; and the disbandment of the Department of Public Service all formed a cognitive context for those who framed the SMI and its programme of implementation through DBG. Whether for these or other reasons, it is clear from the nature of the initiative that it was understood that implementation would only be possible with early involvement of those who would have to pursue the programme of change. The Co-ordinating Group of Secretaries that promoted the initiative was also deciding the future of the Secretaries' own Departments in the process. Other proximate events are likely to have influenced thinking. The fiscal crises of the late eighties and the visitation by the IMF must have left a deep impression on a proud and committed senior civil service. In so far as these events troubled civil servants deeply they may have had a significant role in shaping a determination to ensure that Government would be supported in the future in a fashion that minimised the possibility of recurrence. A strategic management initiative fits the bill as a means of offering a better way of controlling the country's destiny by ensuring depth of policy analysis, creating clarity of goals and improving the ability of the whole system to implement efficiently and effectively. In this context, it is again perplexing that quality of policy advice has not received higher profile attention in SMI.

Leadership

The impact of leadership on renewal and change is universally acknowledged. The pivotal role of individuals in promoting, sponsoring and implementing change is widely recorded empirically and acknowledged conceptually. It has been noted elsewhere that the civil service is restrained in its discussion of leadership³¹. Unlike the private sector, there is little cultural tolerance for the heroic leader and less still for such a public profile. Nonetheless, peer perceptions identify 'leaders and laggards' among Departments pursuing reform and will, in part, attribute this to the influence of Secretaries General³². A recent study of the sustainability of the SMI change programme identifies effective leadership as an essential prerequisite³³. These considerations raise the question of how

leaders are developed, how they are appointed and how they are supported. The TLAC innovation changed the civil service in a profound way in its time, demonstrating the impact of choice of leaders on the larger system. It is not clear that the system for developing and appointing leaders has adjusted to the new challenges of a post-SMI civil service and to the challenges of building and leading civil service organizations in the new century. Proposals are currently under discussion for the creation of a senior executive service which indicate that the issue is recognized. A senior executive service is the mechanism used by many of the best known reforming administrations internationally. However, it is the character and operation of such a mechanism, not its existence, that makes the difference. Furthermore well chosen, well developed and well supported leaders are easily neutralized if the structures and systems which they operate cannot be changed and adapted. Dealing with the leadership issue may be one of the most important of current challenges to the system.

Assessing achievement

Assessing achievement is a complex task. More evidence-driven analysis is needed and the current independent review of the SMI will contribute much to our ability to assess accurately. However, there must also be caution about the possibility of full assessment. Achievement depends on where the system wished to go at the start of the SMI process. It is important to note that for all the clarity of DBG, many of the vital actors may have had different goals in mind, ranging from being quite satisfied with aspirations announced to a driven desire to see significant outcome differences within the short term. Measured against its vision, SMI's vision is infinitely approachable and progress has been made. Considering the five essential elements of the DBG framework for change, the assessment is mixed and concern is directed to the silence around delivery of better quality of policy advice and the ability to deal with 'whole-government' issues. In terms of the constituents of strategy and strategy making, practice conforms to widely accepted norms in terms of formal content and process, whatever about the informal reality of implementation. The process has been top-down, in common with almost all international experience, but it may be argued that at its current stage of implementation, the limits to top-down process have been reached and new ways of engaging bottom-up process are vital to further progress. Experience raises some questions about Departments and individuals' ability to understand their organization as an adaptive and forceful actor in a dynamic environment. Frustration appears to be endemic with structural barriers, especially in HRM, to shaping the required resource base of the Department or unit. Exploration of the interconnected levels of strategy and strategy making reveal ambiguity and temporary coping mechanisms at the 'whole-government' level. Leadership is only recently highlighted in the reform conversation – and that rather tentatively. Yet the development, selection and support of leaders may well be one of the most critical determinants of further progress, The experience of the SMI varies by context across the civil service yet there appears to be little attention paid to learning from this variety and few mechanisms to encourage it.

SMI – unfinished business and a continuing agenda

It has been suggested earlier that the origins of SMI are both robust and challenging. The challenge was seen to lie in difficult issues which have been opened up for discussion and decision and which will now pace change. How these are dealt with will be pivotal. This

is of course exactly what those who resist strategic change fear most: Pandora's box is open.

Some of the issues that must be addressed include matters of structure and vital information systems that will pace progress from here on. The issue of HRM is as important as it was at the beginning – it may be even more critical, yet progress has been slow. Leadership remains to be tackled. The principal of devolution is still very strongly aspirational rather than manifest in action. The perversion of control lies in waiting like a barely dormant virus, and there are significant challenges at the level of individual work that demand immediate attention.

Structure has remained largely untouched by the reform process to date. The demands on the system from both a policy and a service delivery perspective are increasing in their insistence on flexibility, regular adaptation and speed of action. Established bureaucracy has to become more efficiently bureaucratic. Some bureaucracy has to be transformed into other organizational forms as is already happening in new offices and in delayed and 'empowered' units of old bureaucracy. Demands for 'individualised'³⁴ and network-based organization require novel design responses. A central message of this is that variety in structural arrangements is most likely to be the face of the future. This is a difficult challenge for a system that has been since its inception a unitary system, a 'one size fits all' system. Responding effectively means thinking about structure in contingency terms, not in absolute terms and much of that contingency thinking can only be conducted close to the front line of policy support and service delivery. Variety and devolution are combined and that demands something closer to revolution than evolution. While final design decisions may be best made close to the 'front line' there is also a need for system wide architectural design – design for coherence and for 'whole government'.

Who will deal with this imperative? The center is divided (in the structural sense). The individual organizational elements – departments and offices have varying degrees of need, insight and capacity. Neither re-design from the top nor popular revolution from the bottom appears to be brewing. If the system finds itself in a disengaged state, drift and ineffectiveness must result.

The reform of HRM systems and financial management and IT systems, which were fundamental to the inception of reform, remains unfinished but very urgent. The design challenge posed above demands novel and radical HRM development. In a 'differentiated' and devolved system it is difficult to envisage how centralized and unitary HRM structures and process can be sustained. Information and budgeting systems will now pace devolution and both the development and expression of leadership, yet it is not clear that they are being re-designed with this in mind or with due urgency. Leadership is central yet culture, structure and systems pull against its development, deployment and support.

In a system exposed to pressing demands for change and performance, yet uncertain about how to conceive of its own world and with limited models of cause and effect there can be a temptation to revert to old orthodoxy. The perversion of control is never far off stage under such circumstances and a paradox of initiatives such as SMI is that the very processes it has promoted and installed can readily be turned to centralized control purposes. This is what many front line civil servants instinctively understand when they voice suspicion of the reforms. Devolved, differentiated structures also require tight control. But this control should be around values and goal attainment and information

flows on critical operating measures within which individuals know what they are expected to do and have appropriate discretion to develop ever better ways of doing their job. But the control aspect of this balancing act can be amplified to crush the individual. No matter that it will produce neither efficiency nor effectiveness, the centralized control freak, unsettled by the flow of change will prefer to trust no one and to mandate and measure everything. This is always a 'clear and present danger' and must be designed for.

At the level of individual work there appears to be a growing problem of congestion among those charged with managerial and leadership roles. This exists in a system, which appears to perceive 'busyness' as a sign of worth and achievement, perhaps because the real work of management has not traditionally been made transparent and valued. Whatever the reason, a sense of misplaced pride appears to drive many towards ever more furious work schedules in which the operational drives out the strategic. Indeed the rituals of crisis management and coping with overload can become, perversely, the symbols of performance and worth. Metcalf³⁵ notes of the EC a "structural bias towards increasing demands on the system without any concomitant increase in management capacities", suggesting that congestion is not all self-inflicted but also imposed. This signals a failure in the political-administrative interface.

If this congestion is not tackled at system and individual levels, it readily turns to constipation and malfunction. Dealing with it, as with a number of other current challenges, requires a new conversation at the political-administrative interface to find solutions appropriate to both sides. At the managerial level it demands simplification and focus and creation of the space to be both strategically self-conscious and operationally engaged. Part of the secret of doing this is cognitive change; part of it is the de-cluttering of work. In this context a serious, analytically driven appraisal of core and other work is required with the possibility of focusing on the core properly and outsourcing or agentising the rest.

Finally, a central aspect of the continuing initiative must be a consideration of the quality of policy advice and support. Ireland exists in a complex domestic and international environment. Its success depends on quality of insight and clarity of action since it has little economic and political weight to bring to the table. There are too many signs of a deficit in policy capacity for SMI to continue to avoid one of its fundamental objectives.

Exhibit 1 SMI Outputs & Chronology

1994	<ul style="list-style-type: none"> - SMI launched - Inter-Departmental Committees of Assistant Secretaries on SMI themes
1995	<ul style="list-style-type: none"> - First strategy statements written
1996	<ul style="list-style-type: none"> - DBG published - Co-ordinating group of secretaries meet for first time - 6 working groups formed (HR management, financial management, IT, quality customer service, openness & transparency, regulatory reform) - SMI 'cross-cutting' team created in Department of Taoiseach
1997	<ul style="list-style-type: none"> - Quality customer service initiative launched - Public Service Management Act, 1997 (PSMA) - Freedom of Information Act, 1997 - Committees of the Houses of the Oireachtas (Immunities, privileges & Compellability of Witnesses) Act, 1997 - SMI implementation group established - Quality Customer Service Initiative Plans published - Reviews of Programme Expenditure approved by Government
1998	<ul style="list-style-type: none"> - First report of SMI Implementation Group approved by Government - Customer service action plans published - Partnership structures agreed - Proposals for multi-annual budgets and enhanced administrative budgets approved by government - All party Oireachtas Committee on SMI commences - First strategy statements under Public Service Management Act, 1997 agreed by Ministers & presented to Oireachtas - Second Report on SMI Implementation Group approved by Government - Consultation with civil service unions begin on implementation of performance management - Partnership committees commence work in Departments & Offices - Assignment of responsibility under PSMA, 1997 commences - Business plans produced by Departments and Offices & assignments of functions to principal Officers
1999	<ul style="list-style-type: none"> - Launch of 'next phase' of SMI – <i>Delivering Quality Public Service</i> - by an Taoiseach - New, enlarged, SMI Implementation Group formed - Regulatory reform measures approved by Government - Change Management Fund with annual Budget of £5m established - First annual reports on implementation of the 'modernisation programme' published
2000	<ul style="list-style-type: none"> - Performance Management & Development System (PMDS) launched - Civil Service Code of Standards & Behaviour cleared by Government - Public Service Broker (one-stop-eShop) established through REACH, a cross-departmental team
2001	<ul style="list-style-type: none"> - National Strategy for Children launched, overseen by cabine sub-committee, co-ordinated by Minister of State as cross-cutting issue - New Strategy Statements - Customer Action Plans for 2001-04 completed - High Level Group on Regulatory Reform constituted - Independent Evaluation of SMI commissioned - e-Strategy Statements by Departments & Offices

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