



# From New Public Management to New Public Passion Restoring the intrinsic motivation of public officials

## **INTRODUCTION**

An unacknowledged crisis lurks at the heart of government. It arises from the mismatch that now exists between universal aspirations for excellence in Public Service policies and delivery of services, and the reality in many countries of an increasingly alienated public sector workforce.

Citizens' expectations of government are rising, while the resources to fund the public sector are shrinking the ratio of general government debt to gross domestic product for member states of the Organisation for Economic Co-operation and Development now exceeds 100 per cent.

But political ambitions for more targeted public services delivery and the need to solve more complex policy problems are challenged by unsustainable debt burdens and shrinking budgets. These aspirations also face three additional critical issues in Public Service.

First, research suggests that citizens' perceptions of ethics in public administration shape satisfaction with services, trust in governmental institutions, and the credibility of politics and political leadership.<sup>1</sup> So maintaining the highest standards of ethics in public service is essential. Second, those high levels of probity require excellent staff morale and strong intrinsic motivation. Corruption flourishes when the public ethos, the intrinsic commitment of public officials to serve the public interest, is undermined. In many countries the commitment to an apolitical civil service responsive to the government of the day has faded. Third, 'tax morale' – the inherent willingness of citizens to pay taxes – is influenced by taxpayers' perceptions not just of the quality of public services received, but also the morale and ethics of the officials delivering them.<sup>2</sup>

Governments must therefore find ways to address the sharp decline in the motivation of the very Public Service officials expected to deliver results in the difficult circumstances prevailing today. Solutions will not be easy – but a few ideas are emerging.

## PUBLIC SERVICE PARADOX: DOING MORE - WITH LESS MOTIVATED STAFF

An effective public service is at the heart of development. Nowhere can this be seen better than in Singapore. Its people are rightly proud of their nation's remarkable success. In barely the space of two generations, this small island has progressed from being little more than a fishing village, to its current status as one of the most dynamic cities on earth.

This extraordinary achievement has complex causes, one of which is a defining characteristic that the country's government has wisely nurtured: the strong intrinsic motivation of public officials to deliver in the public interest. Yet the nature of that motivation remains a poorly studied or understood subject.<sup>3</sup>

<sup>1</sup> See for example BLIND, Peri K. (2006) . Blind, "Building Trust In Government In The Twenty-First Century: Review of Literature and Emerging Issues," for 7th Global Forum on Reinventing Government Building Trust in Government 26-29 June 2007, Vienna, Austria (UN DESA, November 2006). <u>http://</u> <u>unpan1.un.org/intradoc/groups/public/documents/un/unpan025062.pdf</u>

<sup>2</sup> OECD. 2013. What drives tax morale? Paris, OECD.

<sup>3</sup> From an unpublished strategic review of key studies on Public Service Motivation commissioned by GCPSE.



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## **THE EVIDENCE**

While all governments are urging their Public Service to do more with less, the first challenge is to admit that the motivation problem exists. The evidence is overwhelming. In the US, the Office of Personnel Management's Federal Employee Viewpoint Survey for 2013<sup>4</sup> shows all too clearly that federal government employees, the very people in the world's most influential country who address the extraordinary mix of macroeconomic uncertainty, rapid social change and technological innovation, are deeply alienated and thoroughly demoralised. In the UK, the annual Civil Service People Survey<sup>5</sup> reveals serious morale problems. Only 40% of British officials in 2013 felt motivated in their job, and only 43% inspired to do their best. These disastrous results are however buried away in a Report that seeks to pretend all is well, rather than confront the problem.

Many developing countries face similar trends. In Africa, for example, Public Service reforms focused on improving the delivery of services are still premised on the assumption that services can be improved without improving the image, morale and motivation of personnel in the Public Service.<sup>6</sup>

5 UK Civil Service, Civil Service People Survey 2013, UK Civil Service website. http://www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013 There are some exceptions to the global picture of despondency. High job satisfaction among government employees both at the frontline of delivering public services, and in policy formulation, has survived in a few countries, like Singapore, that have retained the commitment to the social status, motivation and morale, of their public service. Yet it has also been suggested that public sector employees become more dissatisfied at work than their private sector counterparts because the public good aims turn out to be less altruistic and more ambiguous.<sup>7</sup>

## **UNDERMINING THE PUBLIC SERVICE ETHOS**

Elsewhere, however, efforts at improving performance, innovation and results are in jeopardy from a dispirited public sector. Why has this occurred? The origin of widespread demotivation is that, for over a generation, the intrinsic motivation of public officials – to serve the public good – and the sense of self-worth in public sector jobs has been in decline. Politicians and the media since the 1980s have often emphasised the supposed innate superiority of the efficiency and effectiveness of the Private Sector,<sup>8</sup> and discounted the importance of the role of the Public Service in addressing equity and defending public good and national interest.

<sup>4</sup> US Office of Personnel Management, 2013 Federal Employee Viewpoint Survey: Employees influencing change, http://www.fedview.opm.gov/2013/ Reports/

<sup>6 &</sup>quot;Strategies for Attracting and Retaining the Best Talent in the Public Service in Africa: Challenges and Strategies" John-Mary Kauzya: in "Strengthening Human Resource Capacities for the Achievement of the

Millennium Development Goals and Africa's Development", (Cotonou: April 2010).

<sup>7</sup> Peter Birch Sørensen, 'Reforming public service provision: what have we learned?' background paper at Venice International University, 25-26 July 2014, p. 10. http://www.cesifo-group.de/dms/ifodoc/docs/Akad\_Conf/ CFP\_CONF\_VSI/VSI\_2014/vsi14-rps-Philippopoulos/Papers/vsi14-rps-So-rensen.pdf

<sup>8</sup> Eg. Justine Hsu. 2010. The relative efficiency of public and private service delivery. WHO's World Health Report. Background Paper 39.

While the unrestrained economic individualism and the alleged superiority of private sector efficiency and market principles was exposed by the financial crisis of 2008 and the private sector's high profile failure over providing security for the London Olympics, the opportunity to re-emphasise the importance of the public interest has, in general, not been seized. Politicians have more often than not found it easier to tackle the fiscal crisis through irresponsible popularist attacks on the rights of public servants to decent working conditions and adequate pensions, rather than educate the population on the importance for society of properly drafted rules, adequately enforced regulations, fairly collected taxes and high standards in food safety or policing.

## **INTRINSIC MOTIVATION OF PUBLIC SERVICE**

The strongest motivation at work is 'self-actualisation' – the apex of Maslow's hierarchy of needs, the intrinsic satisfaction of an important and difficult job well done.<sup>9</sup> In public services this is reinforced by sense of national purpose and public good, epitomised by the highly respected intrinsic motivation of the armed forces in countries like the US.

Yet all too often over the last thirty years public service intrinsic motivation has been undermined. New Public Management<sup>10</sup> (NPM) adopted from Principal-Agent Theory<sup>11</sup> the view that the motivation of public officials was aligned to that in the private sector in self-serving economic maximization.

Government employees were not performing a wide range of vital services – security and defence, safety and sustainability, regulating markets to ensure fair competition, overseeing financial institutions to guarantee stability, providing a framework for ensuring a healthy and educated population and conducting diplomacy around the globe – because they thought these societal concerns mattered. Such intrinsic motivation was discounted.

Officials could not be trusted to be self-motivated; they needed to be disciplined by ever growing performance targets and incentivised by performance bonuses, these carrots and sticks were introduced to respond to the NPM philosophy that officials were not really intrinsically motivated by the public good, but instead entirely driven by extrinsic motivation – power, money and perks. Concepts like 'public value', by covertly mimicking private sector thinking, added further to the destruction of the traditional distinction of the unique attribute of public service – concern for the public good.<sup>12</sup>

## **TRUST AND PUBLIC SERVICE**

It is no surprise that, at the same time as morale and intrinsic motivation in the public sector has been on the wane, public trust in government has been collapsing. Impartial and effective public administration builds trust between the state and citizenry, and stimulates markets. Trust in government and state legitimacy is not principally created by democracy, the rule of law, or efficiency and effectiveness. Instead, trust and legitimacy are the outcomes of "the impartiality of institutions that exercise government authority."<sup>13</sup>

That impartiality arises from, and reinforces, a public service ethos that motivates officials to deliver public services in accordance with a commitment to serving the public interest.<sup>14</sup> Impartiality of government institutions is linked to higher levels of well-being and promoting interpersonal trust and economic growth. Corruption systematically breaches impartiality and so lowers trust in government institutions.<sup>15</sup>

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Policies and regulations for human resource management, financial stewardship, procurement and service delivery, together with effective systems and procedures for their implementation form the core of accountability for public institutions. By upholding impartiality, and institutionalising respect for contracts and transparency, a fair and effective public administration creates economic growth, political stability and state legitimacy. Research indicates, for instance, that governments in more diverse societies that promote greater transparency in their decision processes, procedures, functioning and performance enjoy more trust.<sup>16</sup>

<sup>9</sup> See for example Van den Broeck, *et al* (2008). "Self-determination theory: A theoretical and empirical overview in occupational health psychology."
10 Hood, C. (1991). A public management for all seasons?. *Public administration*, *69*(1), 3-19.

<sup>11</sup> Fukuyama, F. (2013). What is governance?. *Governance*, *26*(3), 347-368. 12 Meynhardt, T. (2009). Public Value Inside: What is Public Value Creation? *International Journal of Public Administration*, 32 (3-4), 192–219.

<sup>13</sup> Rothstein, B. and J. Teorell (2008). What is quality of government? A theory of impartial government institutions. *Governance* 21(2) 165–190. 14 Professor Bo Rothstein and colleagues at the Quality of Government Institute in Sweden.

<sup>15</sup> Teorell, Jan (2009). "The impact of quality of government as impartiality: theory and evidence." In APSA 2009 Toronto Meeting Paper.

<sup>16</sup> Grimmelikhuijsen, Stephan, *et al* (2013). "The Effect of Transparency on Trust in Government: A Cross-National Comparative Experiment." *Public Administration Review* 73 (4) pp.575-586.

## **TRUST AND TAX REVENUES**

Although there is a strong correlation between the level of a country's development and its tax revenues, significant differences across countries at similar stages of development also exist. For example, Jordan and Guatemala have by similar levels of GDP per capita, yet tax revenues in Jordan are around 33% of GDP, while in Guatemala revenues only amount to around 13% of GDP; and while citizens of Ghana are happy to pay their taxes, Serbians are not, requiring the government to spend far more to raise revenues. These differences appear to be the result of trust in the fairness and integrity of their Public Services. So the fiscal crisis is worsened by low morale and motivation in the public sector.

### WHAT IS TO BE DONE?

All this might seem, indeed is, a daunting challenge. Yet innovative ideas to tackle the problem are emerging. Public services need to stop scorning and start embracing the sense of passion for their mission felt by NGOs. The skill-sets needed in Public service are evolving into something more currently associated with the NGO employee – empathy and compassion. Similarly Public Service offers intellectually interesting work that creates a sense of contributing to the greater good that conveys stats and promotes a caring image.

Second, embracing *Government by Design* to inspire that sense of passion. Better decision making by 'co-creation' offers a methodology not simply to improve delivery.<sup>17</sup> It is also the most likely way to resurrect the social status and job satisfaction of public service officials.

Third, a 'whole of government' approach can ensure that everyone in the public sector knows and is held responsible for, not just their job narrowly defined, but understood in its contribution to the wider national aims. A sense of civic duty will reinforce other important attributes. Autonomy or the freedom within the organization to set one's own work, satisfaction in working on high-quality work products, improve their skills, respects diversity; the organization manages people fairly, while also promoting the professional development, creativity and empowerment of employees.

## CONCLUSION: PASSION, PRIDE, PURPOSE – AND PAY

While continuous disruptive change in an unprecedented complex environment requires evermore sophisticated policy responses, the officials responsible for tackling these challenges on behalf of citizens and state are disenchanted. The disconnect between the expectations of Public Service capacities to manage a context of ever growing complexity, and the ever deepening despondency of Public Service officials about their sense of self-worth, is rarely acknowledged, let alone honestly addressed. Political leaders fail to promote the status of bureaucracy in society. So the very civil servants delivering essential services and implementing the processes of reform that politicians introduce, feel deep discontent, not so much with pay and conditions as with job satisfaction.

Repeated reorganisations cynically implemented for political reasons have generated deep disquiet in public service employees; the politicization of once proudly neutral civil services has devastated faith in the commitment to protect the long-term national interest. Unchecked, the disconnect between rhetoric and reality will grow ever deeper. So not only must governments learn to do more with less while rebuilding trust of the public and responding to ever growing citizens' demands; they must rebuild, from an all-time low, the morale of the officials responsible for both front-line services and for central policy formulation.

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<sup>17</sup> Alford, John (2009), "Engaging public sector clients." From Service Delivery to Co-production. Houndmills, Hamps and New York, NY: Palgrave Macmillan



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