New Zealand’s ICT Strategy: The Respective Roles of Senior and Middle Management in Promoting Collaboration and Innovation

Suzanne Jones* and Tony Hooper

Abstract

The global financial crisis of 2007–08 encouraged governments to exploit information and communication technologies. The New Zealand government responded by developing an Information and Technology Strategy to 2017. This investigation surveyed middle managers awareness of the Strategy, the level of collaboration and innovation they engaged in and what they considered the barriers and enablers to be. These data were triangulated with the perceptions of senior public officials. While there was a disconnect between what senior managers expected of middle managers and how middle managers perceived their role and responsibilities, there was agreement among senior and middle managers on the barriers to innovation based on agency responsibilities and priorities. Ingrained corporate behavior has incentivised low risk, stable, reliable and accountable staff, while risk taking and entrepreneurial capabilities have not been rewarded. The Strategy was revised and simplified, and senior manager views gathered again to see if their initial perceptions had changed.

Key words: innovation, collaboration, public sector, information and communication technology, middle managers

1. Introduction

In 2013, at a time of economic and social challenges, there was a demand by governments to develop innovative responses to do ‘better with less’. The New Zealand Government response was to develop an ‘all-of-government’ Information and Communications Technology (ICT) Strategy to 2017 focused on using technology to support innovative approaches for businesses and consumers (State Services Commission 2014a). Middle managers are essential for the delivery of innovation, and collaboration is considered to be critical to foster innovation (Floyd & Wooldridge 1992; Salih & Doll 2013). However, a 2014 report on how managers were collaborating to meet a government goal of ‘Better Public Services’ noted that more collaboration by middle managers was required (Department of Internal Affairs 2014). The literature on collaboration is limited, in particular in relation to the characteristics of public managers. What is more, taking a systemic approach to public sector collaborative innovation has not been very successful and requires reflection on the role of leaders and managers (Esteve et al. 2013; Sørensen & Torfing 2015). At about the same time as the ICT Strategy was developed and the lack of collaboration identified, an investigation by O’Leary (2014) reported on the important public management issues facing
New Zealand in the area of collaborative governance. She observed that ‘collaboration is both inherently political and a management and leadership strategy’ (O’Leary 2014, p. 1). This study furthers understanding of the relationship between and perceptions of both middle managers and senior public servants in implementing the all-of-government ICT Strategy. It examines awareness of the ICT Strategy and conditions supporting innovation and collaboration. The ICT Strategy was reviewed in 2015 to ensure it remained relevant and could support ICT-enabled transformation of public services. Senior public servants were invited to reappraise their original comments providing an ability to assess their perception of the environment nearly 2 years on.

2. Literature Review

In October 2014, a Public Services Briefing to the Incoming Government, New Zealand State Sector leaders identified as a ‘key issue’ the need to ‘Develop leaders with the skills to operate in an environment that requires innovation and collaboration’ (State Services Commission 2014b, p. 1). Working collectively to promote inter-agency collaboration was seen as particularly relevant ‘where the ICT Strategy and Action Plan is recognised as being central to achieving the vision of radically transforming the way all New Zealanders use ICT to connect with public services’. In an environment in which ‘most work is done by single agencies, with separate funding and strong upward accountability to a single chief executive and Minister … we need to agree pragmatic ways of funding investment in common systems-wide capabilities’ (State Services Commission 2014b, p. 3).

The Briefing identified several issues for attention:

- Leadership development in which organisations need to be ‘well and differently led’;
- ‘Public (non-personal) data should be open, accessible and available for re-use’;
- System-wide issues need a shift of focus from the current ‘vertical, single-agency-to-single-Minister basis’;
- Globalisation and growing social diversity emphasise the need to ‘maintain integrity as a cornerstone of the trustworthiness of the system’; and
- The New Zealand public service’s lack of a ‘well-developed learning culture’ will require overcoming the risk aversion ‘that is a pervasive part of the culture of the public services’ in order to facilitate experimentation and innovation as ‘keys to enabling change’ (State Services Commission 2014b, pp. 4–8).

These issues clearly signal the awareness of senior State Services officials to the need for significant changes to the leadership culture that will include greater cross-agency and departmental collaboration in order to realise the benefits of the ICT Strategy and Action Plan. Clearly, collaboration is seen as the strategic and tactical catalyst that will enable innovation to happen, and collaboration will need to occur at all levels of leadership and across a range of staff at different levels (Department of Internal Affairs 2013). This is endorsed by a report on innovation in the European public sector, which acknowledges that innovation arises across an agency from all levels and that over 80 per cent of public sector organisations collaborate on service innovations (Hollanders et al. 2013).

Based on interviews with 100 New Zealanders, O’Leary (2014) identified eight major categories of collaborative catalyst, which may be summarised into the following four statements:

- the need to agree on the nature of the problem with a commitment to find a solution;
- leadership and directives from the top that provide a supportive environment for ‘experimentation, risk and learning’;
- the provision of ‘incentives, resources and rewards’; and
- people from the bottom upwards whose personal characteristics and relationships ‘make things happen’ (O’Leary 2014, pp. 11–20).

Similarly, O’Leary identifies challenges to collaboration in the public service that she
arranges into 10 themes. These challenges to collaboration can be condensed into:

- a preoccupation in the New Zealand public service with generalised accountability and performance measurement that encourages the development of silos and inhibits collective action;
- confusion (and some cynicism) as to what is meant by collaboration in the context of government policy and agencies;
- a resulting confusion as to where responsibility lies for implementing collaboration in terms of the relative responsibilities of upper and middle management personnel, associated agencies and individuals; and
- the current style of investigative journalism in New Zealand is seen to encourage a political climate of risk, fear and mistrust that is inimical to collaboration and innovative leadership (O’Leary 2014, pp. 21–35).

O’Leary’s findings highlight issues identified by the October 2014 Briefing to Ministers in the State Services Commission (2014b).

Mattessich et al. (2001) define collaboration as a mutually beneficial and well-defined relationship entered into by two or more organisations to achieve common goals. This relationship according to Mattessich et al. includes the following:

- a commitment to mutual relationships and goals;
- a jointly developed structure and shared responsibility;
- mutual authority and accountability for success; and
- sharing of resources and rewards.

The complexity of projects may render collaboration unavoidable; however, Esteve et al. (2013) argue that managers have the discretion to choose whether or not to collaborate. Either way, such relationships require comprehensive planning and well-defined communication channels operating on many levels. Agencies that have standard procedures for collaboration supporting joint decision-making tend to collaborate more (Esteve et al. 2013).

Innovation is defined as ‘the implementation of a significant change in the way an organisation operates or in the products it provides. Innovations comprise new or significant changes to services and goods, operational processes, organisational methods, or the way an organisation communicates with users. Innovations must be new to an organisation, although they can have been developed by others’ (Hollanders et al. 2013, p. 15).

Technological innovation in the public sector happens within an environment influenced by culture, behaviours and leadership, and a complex and diverse political context (Hackney et al. 2008).

The findings of Engen and Holen (2014) bring collaboration into sharp focus as the key to supporting innovation. While research and development-related knowledge may be more important in the development of radical innovation, collaboration was found by Engen and Holen to be significant for incremental innovation, an area where middle managers feature highly (Hollanders et al. 2013).

Sahni et al. (Summer 2013) propose that ‘the difference between success and failure in implementing breakthrough innovations in government (is) the ability to create or preserve most if not all of the following five conditions for breakthrough innovation:

- Ability to experiment
- Ability to sunset outdated infrastructure
- Existence of feedback loops
- Existence of incentives for product or service improvement
- Existence of budget constraints or end users’ (Sahni et al. Summer 2013, p. 28).

They found that the ability to innovate is primarily derived from the first two conditions—the ability to experiment and the ability to sunset outdated infrastructure. The other three motivate government innovators in the right direction and ensure that ‘managers do not pursue unnecessary incremental innovation where constituents do not value it’ (Sahni et al. Summer 2013, p. 29). They note that the five conditions also make continuous change possible, while allowing for ‘transparency, performance-based funding, civic engagement and measuring social outcomes’ (Sahni et al. Summer 2013, p. 31).
Budget constraints are clearly in evidence in a ‘better for less’ environment. The problem for most governments in the developed world remains how to encourage and facilitate economic growth at the same time as reducing expenditure (Sahni et al. Summer 2013). The ‘systematic trade-off in the public sector between the static efficiency of minimizing the misuse of public resources and the dynamic efficiency of experimentation’ creates a substantial barrier to innovation (Potts 2009, p. 34). In addition, systemic problems such as ‘a budgeting process that rewards extraordinary performance by reducing future resources’ are part of the public service operating environment (Sahni et al. Summer 2013). Nevertheless, governments are often the catalyst for radical creative initiatives.

A New Zealand example of radical innovation is the $2 billion investment by government on two major initiatives that will deliver faster, better Internet: the Ultra-Fast Broadband Initiative and the Rural Broadband Initiative. These two programmes will bring the benefits of improved Internet connectivity to 97.8 per cent of New Zealanders, opening up a huge range of business, educational, community and other opportunities (Ministry of Business, Innovation and Employment 2015). However, there is a big difference between radical innovation along the lines of a country-wide broadband roll-out and incremental innovations that emerge from experimentation with information and communications technologies on a departmental or agency level. Radical innovation fundamentally reorders the environment in which organisational behaviour operates, while incremental innovation results in small adaptations to the status quo (Tushman & Romanelli 1985). While top level managers are more likely to drive larger scale more radical innovations, the majority of incremental innovations are initiated by middle management and front-line staff (Hollanders et al. 2013). Middle management has been traditionally defined as the layer of management that implements strategies and policies, whereas upper level managers are those who develop those strategies and policies (Van Fleet 1988). Middle managers’ involvement in strategy and organisational performance flows from their influence both upwards and downwards and their use of internal and external networks (Floyd & Wooldridge 1992; Salih & Doll 2013). Increasingly, they are also expected to manage ‘outward’ due to the increased expectation around collaboration (McGurk 2009). The collaborative skills of middle managers are driven by their knowledge and knowledge sharing skills (Al-Hakim & Hassan 2011). The capabilities that support the creation of new knowledge also support adaptability in changing environments (Baumane-Vitolina & Igo 2013). A bottom–up approach creates better conditions for employee participation and centre-out actively involves those in the middle with responsibility for their areas; top–down approaches to change do not adequately support middle managers, making it harder to implement change (Ryan et al. 2008). Transformation of agencies is high on the New Zealand’s government agenda. Transformation leadership seeks to involve people in collaborative work to deliver better long-term outcomes and to do so, fosters dispersed leadership (Maddock 2006).

The value of leadership across all levels is clearly evident. Borins (2002) reports that middle managers in the more economically advanced Commonwealth nations (Canada, Australia, New Zealand, Singapore and the United Kingdom) were initiating 75 per cent of the innovations, while in the United States middle management were responsible for initiating 43 per cent of the innovations, with the next most innovative group being front-line staff. While collaboration supports innovation, it is nonetheless important that it receives support from the top (Borins 2002; Esteve et al. 2013; Sørensen & Torfing 2015).

Unlike the private sector, innovations developed by public sector staff are the property of the government, and financial rewards are small if at all existent (Beltcourt & Tagger 2002; Borins 2002). Furthermore, a low tolerance for failure inhibits experimentation and innovation in the public sector (Grant Thornton 2012). As a result, government leaders are not
able to manage innovative employees well and reward change. The public sector drive for accountability and transparency casts a spotlight on any behaviour that may be considered to waste public sector resources, and yet some ‘dynamic investment’ or ‘good waste’ is required to support innovation (Potts 2009, p. 42). However, the public sector has some advantages; easy access to knowledge from universities and good conditions for input from citizens alongside absence of competition across agencies supports innovation diffusion (Sørensen & Torfing 2015). Research has shown what the major barriers to public sector innovation are; overcoming them is less clear.

One of the responses of the state sector in New Zealand to economic and political challenges was the 2013 launch of the ICT Strategy building on the Prime Minister’s ‘Better Public Services’ and call for ‘a public sector that embraces innovation’ (State Services Commission 2013; Key 2012). A key delivery area is the use of technology ‘to support continuous innovation and improvement’ (State Services Commission 2014a). Another area of focus articulates a ‘culture of digital innovation’ making it easy for New Zealanders to interact with government (Department of Internal Affairs 2014, p. 7).

The ICT Strategy identified four interrelated themes within which the use of technology to support continuous digital innovation and improvement is expected to occur. These were as follows:

- Services are digital by default.
- Information is managed as an asset.
- Investment and capability are shared.
- Leadership and culture deliver change.

The leadership and culture theme is where both innovation and collaboration feature most heavily. The ICT Strategy made it clear that change needs to be ‘delivered collaboratively, with delegated decision rights and clear accountabilities that connect at a system level’ (Department of Internal Affairs 2013, p. 7). Leadership was to be evident across a range of staff at different levels.

In 2015, the ICT Strategy to 2017 was refreshed to ‘refocus the direction of travel’ and ‘take advantage of several “game-changing” trends’ that had emerged since 2013 (Cabinet Committee on State Sector Reform and Expenditure Control 2015, p. 1). Two years following the inception of the first all-of-government ICT Strategy system challenges were seen as being

- system and agency norms inhibit risk taking;
- agency-specific legislative barriers, alongside perceived or real issues related to sharing information; and
- agencies incentivised to deliver agency objectives rather than system objectives.

Collaboration was noted as being desirable between the public service and private sector to deliver innovations, with a focus on managed risk taking. Partnering between the Government Chief Information Officer (GCIO) and senior public sector leaders was also seen as critical to deliver the refreshed ICT Strategy and manage system challenges. Unlike the earlier strategy, the role of leadership across all levels was not articulated.

This review of the literature has shown that middle managers have a crucial role to play in the New Zealand ICT Strategy and that collaboration is critical. Therefore, the following questions are timely:

- What awareness do middle managers have of the ICT Strategy?
- What do senior and middle managers consider innovation is in relation to the ICT Strategy?
- What are the perceived barriers to collaboration and innovation?
- How much support do middle managers receive?
- What are the views of senior managers on middle managers and collaboration?

3. Methodology

Mid-year of 2014, public sector middle managers engaged in information management, ICT and web services (work that is integral to the ICT Strategy) were asked to respond to an anonymous online survey. Questions were open ended to support engagement and
unprompted responses and focused on the following areas:

- understanding of the government’s ICT Strategy to 2017;
- degree of current collaboration to support innovation;
- barriers and support for collaboration; and
- barriers and support for innovations.

Eighty-four survey responses were received from public sector managers, although not all responded to all questions. As a result, only 62 were used in this analysis. Of the 62 responses, 36 were from individuals working in government departments, 18 from state sector agencies (such as Crown entities or Crown Research Institutions) and 8 from ‘Other agencies’.

Findings were grouped based on the most common responses against themes that emerged. The result is therefore a sample of middle managers’ insights and opinions rather than the derivation of variables for statistical analysis.

In addition, to assist in understanding the survey data at around the same time five public sector senior leaders at Chief Information Officer (CIO) level or with a critical role in the development of, or delivery to, the ICT Strategy were invited to participate in separate semi-structured interviews. The interviews gave insight into senior leader perspectives on innovation and collaboration and the role of middle managers. This is a subjective view, mitigated by representation from several perspectives. The same public sector senior leaders who participated in semi-structured interviews in 2014 were followed up in 2016 and asked to comment on any perceived changes in the environment from when the original ICT Strategy was developed in 2013.

4. Findings

4.1. What Is Innovation?

When middle managers in the public service were asked to respond to the question ‘I have an excellent understanding of the government’s ICT strategy to 2017’,

- 10 respondents considered that they neither agree nor disagree with that statement;
- 12 disagreed or strongly disagreed; and
- 40 respondents agreed or strongly agreed.

If 35.5 per cent of respondents feel ambiguous or disagree or strongly disagree, one has to conclude that too many of the middle managers concerned with implementing the ICT Strategy did not seem to have taken ownership of the strategy.

Similarly, the same group of middle managers identified as examples of innovation a number of projects or developments, some of which were and some of which were not particularly innovative, and many of which were agency specific.

On the other hand, senior managers in the State Sector also seemed to have different perceptions about what constituted innovation. These were their responses:

- ‘… trying to do things differently, more effectively at a cheaper cost … to help change organization’s mind-sets’.
- ‘it’s about change, it’s about doing things differently … to find new ways of doing things.’
- ‘What we deliberately didn’t want was … more of the same, or seen as a cost cutting measure or a controlling measure’.
- ‘about harnessing the innovation that is there and making it more effective.’
- ‘I think we innovate all the time … I don’t think people realise that innovation is happening on a daily basis.’

4.2. Barriers to Innovation and Collaboration

Because innovation in the public service is seen as risky and inimical to a climate of low risk and accountability, there was comparative agreement about the features of the public service that formed barriers to innovation.

Middle managers similarly identified the silos within which agencies operated; the bureaucracy ‘within which state processes and procedures eliminated rather than managed risk’ and the poor availability of resources given existing workloads. ‘Lack of shared vision, organisational or personal change..."
resistance’ affected the shared service model. ‘If the shared service partners are equal, perhaps it works better but when we are viewed as inferior by a bigger, stronger partner, our wants and needs for innovation don’t feature anywhere on their radar’, was one articulate comment. Basically, this boiled down to lack of both funding and insight that kept the wider strategic objective in mind.

Senior managers perceptions of barriers to innovation and collaboration were stated as follows:

- ‘the biggest barrier is the inability of organisations to line up and support each other …’
- ‘there is a lot of ingrained behaviour that has incentivised people to operate with low risk, stable, reliable, highly accountable for their patch … we have not rewarded risk-taking behaviour, entrepreneurial behaviour at all.’
- ‘the risk, particularly in relation to spending public money, with the openness and transparency of the public sector.’
- ‘there is still competitiveness between agencies, and a degree of suspicion from agencies toward DIA [Department of Internal Affairs]. They were saying well “how can you tell us how to do it right when we know you are not very good at it yourself?”’

Overall, the primary barriers were financial, workload, risk-averse thinking and dominance of agency-specific priorities, followed by leadership thinking.

4.3. Support from the Top

A senior manager expressed that the way government finance is structured, with ‘competition between agencies, the incentives are just not there’ to support the achievement of shared outcomes. A more strongly worded view was that there was no support for collaboration and a lack of ‘sufficient collaborative forums’. A third senior manager considered on the other hand that there were ‘plenty of opportunities for collaboration, but it was up to the middle managers to create opportunities themselves and make time to attend.’ Clearly in that case, the person concerned felt little understanding of the problems being experienced by many middle managers. A more moderate view could appreciate the role of the GCIO in bringing together groups to share experiences, and the need for reward and incentive structures, with the caution that ‘mythologizing the calculated risk takers’ needed to be done in a ‘calculated and deliberate way’. Another noted the role the senior manager has in providing a supportive culture and yet another that ‘all levels have responsibility for driving change’.

To illustrate the commonality and differences of the views of senior managers with those of middle managers, the following statements extracted from the survey of middle managers is enlightening:

- ‘I have been given the [innovation] role but it has not been enabled by resources.’
- ‘Depends on the scale of innovation. I can innovate at the operational level—strategic cross organisation innovations are more problematic.’
- ‘I am not empowered. Passive indifference to innovation—or active resistance if other interests are affected.’
- ‘I exist in a very risk-averse, blame culture which makes innovation almost impossible.’
- ‘Initiating innovation is hard because it is different from how we do things around here.’
- ‘If it can be managed within the current work program, then innovation is welcome. But there is no time specifically put aside for it so it has to be very carefully managed.’

Middle managers also noted what support they would like:

- ‘Support from my manager to attend seminars, networking and a work programme that gives me “think” time to develop ideas so work not so reactive’;
- ‘Better central leadership that works on supporting/enabling people and project, not telling them what to do.’

Middle managers note that no support was available almost as commonly as the opposite. All of these views indicate the wide spectrum of perspectives to be found in both senior and middle management in the New Zealand public service.
4.4. Views of Senior Management on Middle Managers and Collaboration

Comparing the views of senior managers on the role of middle managers and of how collaboration occurs is quite instructive. Middle managers are seen to be responsible primarily for the ‘core service offering’—where our team leads probably play a major role, but actually there is an expectation of transformation of that core service. As a result, middle managers were central to the ‘innovation ecosystem’ and able to ‘share our needs and influence our own entities in a whole of government direction’. This would ‘help the organisation determine what its future state is and how to accomplish that ... maintaining the current state so that they may take advantage of the opportunities across all-of-government ... and having the projects and activities to be able to transform the organisational systems’. Another senior manager stated that ‘the ICT Strategy was trying to get them to “adopt more of an all-of-government approach” ’ as opposed to only working at an organisational level. One recorded the view that ‘middle managers have a “citizen centricity”’—being “empowered to have different ideas rather than it all being imposed from the top.”’

Those perceptions seem to devolve a huge amount of the responsibility for the implementation of the ICT Strategy onto middle managers, somewhat unsurprisingly given that middle managers have a pivotal role in strategy delivery. Yet two senior managers admitted to being the primary agents for collaborative discussions, rather than the middle managers, while another meets ‘quite regularly’ with the CIOs of several ministries, ‘... and we bring our leadership teams together as well to meet and greet and share any thinking.’ It would seem that in fact the CEOs and the CIOs and sometimes the Corporate Services manager rather than middle management are involved in handling relationships. Perhaps this is because, as noted by one senior manager, many middle managers had not even heard of the strategy. This seems to be where the real breakdown occurs. While there is sufficient commonality on the barriers to innovation and the need for support from the top, in practice, senior managers are not using their middle management staff as they should and appear to lack enthusiasm for the skills, knowledge and abilities they bring to the process of collaboration and innovation.

4.5. Views from the Top—A 2016 Update

In 2016, the responses from senior managers were similar; however, there was an increasing distinction between innovation and improvement, and collaboration was increasingly evident:

- ‘There is some evidence of a more coordinated approach that makes better use of innovation ... bringing together departments developing functionality with others’;
- ‘Doing things differently, with innovation being differentiated from improvement ... leveraging technology innovation’;
- ‘Adopt those emerging technologies ... we are not going beyond continuous improvement phases to truly innovate’;
- ‘The difference between “innovate” and “improvement” is the extent of design change. Invariably “innovative” involves a (fundamental) redesign of what is provided, starting with the customer view ...’.

Senior managers’ perspective was that not much had changed, with financial barriers and risk aversion still a substantial issue. A new barrier was described, that of ‘capability, finding the right capability to advance the thinking’. It was also noted that the Minister of Finance was driving an across government approach to investment. At the end of 2016, he became Prime Minister.

A senior manager noted that the GCIO is achieving some success in bringing departments together to collaborate, and that business engagement and providing service through others is increasingly accepted, and that is where middle managers are heavily involved. However, ‘it is still up to individuals to make connections to allow collaboration and get authorisation from their own organisations’ and that the ‘CIO is asked to come to the table and lead the conversations. But it is still
dependent on the individual creating the opportunities to advance the discussions’. Another senior manager commented that ‘A key will be to allow “proof of concept” style innovation rather than only large scale innovative change programmes that are largely beyond the ability of a middle manager to implement.’ ‘Collaboration and networking require different skillsets—the tendency has been to reward those who are linear and focused on products/assets. There is work underway to respond to this, but I see it as some time away for middle managers—their seniors need to understand it first … Existing systems and structures continue to strongly support traditional approaches’.

5. Discussion

Middle managers are the people through whom senior managers must implement strategy and are critical for collaborative and incremental innovation. This was stated clearly by the senior manager who saw the middle managers as having ‘citizen centricity’ and being ‘empowered to have different ideas rather than it all being imposed from the top.’ So while managers have agency-specific responsibilities, the ICT Strategy was trying to get them to ‘adopt more of an all-of-government approach’ as opposed to at an organisational level. This could be done by middle managers ‘helping the organisation determine what its future state is and how to accomplish that ... maintaining the current state so that they may take advantage of the opportunities across all-of-government ... and having the projects and activities to be able to transform the organisational systems’. Middle managers were seen as being central to the ‘innovation ecosystem’ and able to ‘share our needs and influence our own entities in a whole of government direction’. However, there was a clear disconnect between what the senior managers expect of the middle managers and how the middle managers perceive they are supported to deliver to their role and responsibilities. This reflects an issue O’Leary (2014) identified, the need for leadership and directives from the top to provide a supportive environment.

When senior managers were asked about how collaboration occurs between middle managers and others, there was not a consistent sense of if, or how, it was happening. Some relevant quotes are as follows:

- ‘I think it will depend on the nature of your department or your agency and what your sector is and who are you serving, who are your interest groups.’
- ‘Many middle managers haven’t even heard of the strategy which is a real indictment of their leadership to be honest.’ He also doubted that ‘there are sufficient collaborative forums at the middle management level to promote the message.’
- ‘It was the CEOs and the CIOs and sometimes the Corporate Services manager rather than middle management who were involved in handling relationships’.

More revealing was the disconnect between the perceptions of two of the senior managers. One had his middle managers ‘involved in a whole range of working groups to increase their understanding of what needs to happen.’ And the ‘future state people’ were expected to ‘piggiback on and plan for what needs to go forward.’ The other meets quite regularly with the CIOs of four agencies and ministries ‘and we bring our leadership teams together as well to meet and greet and share any thinking.’ The question is whether that process fulfils the collaboration and innovation expectation of ‘exciting collaborations where people challenge each other and bring new ideas and stimulate more insight for progressive ideas by bouncing off each other.’ This expression sounds a little like wishful thinking when seen in the light of the perceptions of middle management reported above. This reflects another issue O’Leary (2014) identified, that of confusion around responsibility for implementing collaboration and the relative responsibilities of upper and middle management.

The comments made by senior managers nearly 2 years later reflect little change. As one commented, ‘existing systems and structures continue to strongly support traditional approaches’, and ‘seniors need to understand
first’ in order to be able to empower middle managers. However, top-down approaches to change do not adequately support middle managers, and dispersed leadership is not particularly evident. Based on the refreshed strategy, most innovation seems to be expected to come from partnership with third parties, and although third parties are critical to supporting an innovation system, so are public sector middle managers, yet there is little acknowledgement of the role they play.

In 2014, senior managers had a variety of views as to barriers to collaboration and implementation of innovations. These include the inability of organisations to line up and support each other; the lack of maturity within agencies; the cultural issue of ‘ingrained behaviour that has incentivised people to operate with low risk, stable, reliable, highly accountable for their patch … we have not rewarded risk-taking behaviour, entrepreneurial behaviour at all.’ This aligns with the risk, particularly in relation to spending public money, that creates tension with the openness and transparency of the public sector. Competitiveness between agencies and a degree of suspicion from agencies towards Department of Internal Affairs were factors in the equation. Senior managers generally endorsed the sense that there was probably a lack of support for collaboration and that there were insufficient ‘collaborative forums’. With ‘competitions between agencies, the incentives are just not there’ to support the achievement of shared outcomes.

The ICT Strategy was intended to support transformation and encourage collaboration and innovation. Nearly 2 years on there is a more refined sense of what innovation is, and the GCIO function is seen as having some success in supporting collaboration and opportunities for engagement. However, barriers were similar. The need for the right capability was noted in 2016 by a senior manager, something O’Leary (2014) also noted in her review of collaboration, yet the environment is not very supportive for managers who may have the capability that supports innovation and collaboration. Change is seen as happening, but very slowly as senior leaders begin to understand what is required. Existing systems and structures continue to strongly support traditional approaches. If middle managers are a key group to deliver the bulk of innovation, perhaps the ICT Strategy and supporting roadmap could better articulate that and deliberately empower managers as leaders.

How slow will transformation be if the New Zealand public sector continues to wait for senior managers to understand what is required? Perhaps more emphasis could be provided to enabling middle managers to lead and collaborate within their areas of expertise. The next iteration of the ICT Strategy could capture what was lost in the transition from the original strategy—the concept of leadership occurring from the top to the front line.

6. Conclusion

New Zealand’s all-of-government ICT Strategy to 2017 outlined the expectation that leadership and culture would deliver change at all levels. Middle managers are key to supporting that delivery.

The most significant factor empowering middle managers to deliver innovation was the support of their senior manager; conversely, lack of support by senior managers was a significant barrier. Primary barriers to innovation and collaboration are described by managers as being workload, risk-averse thinking and budget. Leadership thinking was also seen by middle managers as a significant barrier. The 2016 view from senior managers reinforces that current systems and structures continue to support traditional approaches. However, progress in taking a collaborative approach to developing initiatives was also evident. The identification of a new barrier, that of finding the right capability, the right skill sets to collaborate, reinforces the intent to move to a system that supports innovation.

A narrow agency-centric rather than wider system perspective was evident in 2014. The 2015 refreshed ICT Strategy focused attention on system priorities and the GCIO supported enhanced collaborative efforts. The
refreshed strategy refocused efforts to better exploit new trends and focused on senior leadership partnerships and partnership with the private sector to deliver innovation. Top–down approaches are important and critical for radical innovation, as are public and private sector partnerships, however fostering leadership through all levels of an agency better supports delivery to collaborative innovation. The 2016 view is that the senior leaders still need to better understand collaboration to enable middle managers with the right capabilities to lead in a changing environment.

These findings add useful detail to the understanding of the relationship and perceptions of managers. It confirms the SenateSHJ report that middle managers are not collaborating as well as they could and that senior managers might focus their energies to providing for their needs as the primary facilitators of both collaboration and incremental innovation. It also confirmed and provided detail to O’Leary’s findings around confusion over roles and responsibilities related to collaboration, the need for a supportive environment and the need for people who can ‘make things happen’.

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