



**DEPARTMENT
of the PRIME MINISTER
and CABINET**



Te Puni Kōkiri

STATE SERVICES COMMISSION
Te Kaitiaki a Te Kaitiaki



THE TREASURY
Kaitiaki a Te Kaitiaki

Getting Better at Managing for Shared Outcomes

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Table of Contents

What is managing for shared outcomes? 3

Making decisions on managing for shared outcomes..... 3

 The first step is always “identify the outcome”...3

 Making Decisions on whether to Manage for Shared Outcomes 4

 ... then prioritise, and prioritise again 5

 Identify the best way of achieving the outcome 5

 There are advantages and disadvantages to working together 5

 Success factors for managing for shared outcomes 5

Implications for agency leaders6

A further resource document is available 6

Getting Better at Managing for Shared Outcomes

Managing for Outcomes seeks ongoing improvement in agencies' ability to identify and deliver the interventions that best contribute to the outcomes and objectives government is seeking. However, many of the major objectives of government cannot be easily delivered by a single agency. This means delivering better results for New Zealanders will require government agencies to work together in many instances. Working together is not appropriate in all circumstances. Working together costs — not just in time, money and other resources, but also in lost opportunities. This means explicit judgements need to be made about when to proceed with any joint work. Getting better at managing for shared outcomes starts with decisions about why, when and how to work with other agencies.

The purpose of this guidance document is to assist agency leaders in making decisions about when and how to manage for shared outcomes. This guidance is not the “last word” on managing for shared outcomes. It represents the lessons learnt to date by government agencies in New Zealand, as well as from comparable jurisdictions abroad. We expect agency leaders to adapt the suggestions made as they seek to deliver better results for New Zealanders.

What is managing for shared outcomes?

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

The decision to collaborate towards a shared outcome should be deliberate, and based upon an assessment that the joint activity of the two (or more) agencies is likely to be more effective (and cost effective) in achieving the outcome than their separate individual activities. There should also be some underpinning and testable rationale that clearly articulates how working together contributes to the outcome, and how results will be demonstrated in order to inform future decisions and ongoing learning.

Making decisions on managing for shared outcomes

It is important that agencies are consistent in how they think through the best way to contribute to the Government's aims and objectives, and when working with other agencies could be worthwhile. Some critical questions that will need to be addressed in a framework are presented overleaf, and the key steps are discussed below. It is important that this is not approached as a linear exercise. There is almost always some iteration as new information comes to light or different perspectives are brought to bear on the issue.

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

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

Making Decisions on whether to Manage for Shared Outcomes

PRE-CONDITIONS

Necessary before engaging with potential collaborators.

- | | |
|---|----------------------------------|
| Are you clear about the outcome desired? | No - Further work needed. |
| Is this outcome a high priority for your agency/Minister(s)? | No - Do not proceed any further. |
| Have you identified who else can make a critical contribution to the outcome? | No - Further work needed. |

If the answers to questions above are "Yes" - You are now ready to engage with potential collaborators.

Agency leaders should develop a relationship with their equivalents in the relevant agencies.

FEASIBILITY ASSESSMENT

Necessary before agreeing a shared outcome approach is best.

- | | |
|---|---|
| Is the outcome best pursued by joint working? | No - Do not proceed any further.
Work alone. |
| Have you agreed the best way of working together? | No - Further discussion needed. |
| Is joint working acceptable, feasible, cost-effective and within existing capability? | No - Do not proceed any further. |

If the answers to the above questions are "Yes" - You are now ready to plan for a shared outcome.

Underpinning rationale for collaboration and a method for measuring results needs to be developed.

LIKELIHOOD OF SUCCESS

Necessary before agreeing to manage for a shared outcome.

- | | |
|--|--|
| Can any informal barriers be managed? | No - Develop a strategy for addressing them. |
| Are enough success factors in place to achieve a shared outcome? | No - Work on developing them. |

If the answers to the above questions are "Yes" - You are now ready to manage for a shared outcome.

Agency leaders will need to create and sustain an environment conducive to the achievement of shared outcomes.

REALITY CHECK

Necessary to consider at every step

- | | |
|--|---|
| Has any new information come to light that questions the merit of pursuing a shared outcome? | Yes - Reconsider previous decisions.
No - Proceed with engagement. |
| Is pursuing any other option better than pursuing a shared outcome? | Yes - Reconsider previous decisions.
No - Proceed with engagement. |

... then prioritise, and prioritise again

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

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

To help with prioritisation, each agency needs to identify its “vital few” outcomes within a whole of government context. The “vital few” may therefore also include outcomes that are interdependent or co-dependent, and may link the purpose or function of more than one agency to a wider government goal.

Identify the best way of achieving the outcome

Having identified the outcome, its priority, the key stakeholders (including Ministers, other agencies, community groups etc) and how they contribute to (or inhibit) the achievement of an outcome, agencies need to assess how best to achieve the outcomes. This assessment should include considering whether the outcome can best be achieved by working alone and whether the outcome can best be achieved by working with other agencies.

There are advantages and disadvantages to working together

There are many advantages to working together such as economies of scale and better integration of services. Working together is however not appropriate in all circumstances and because the costs to individual agencies of managing for shared outcomes arrangements are likely to be higher (particularly the direct and indirect costs of management and staff time spent establishing and sustaining shared arrangements) the threshold will be higher.

Success factors for managing for shared outcomes

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

- There is clarity about the purpose of collaboration.
- Collaboration between the agencies is supported by Ministers, the agencies themselves and key stakeholders.
- There is strong chief executive and senior management commitment and leadership
- Participants have an organisational culture that supports collaboration.
- Participants are clear about their own outcomes and “intervention logic”.
- There are appropriate styles of facilitative and technical leadership at different stages of the relationship.
- There are common (or at least complementary) processes for direction setting, planning and review and a common intervention logic.

- Some form of agreement has been drawn up outlining the roles and responsibilities of each agency, including who will contribute what and when and how the grouping will work.
- The number of participating agencies is manageable and reflects direct output or outcome interests.
- One agency has a clear mandate to lead, or coordinate supporting structures.
- There is a common understanding of terminology.

As part of their process for deciding whether to collaborate towards a shared outcome with other agencies, agency leaders should consider how many apply in their circumstance. If they don't apply, or only partially, leaders should consider whether a shared outcomes approach is likely to succeed at this time. If the judgement is made to proceed, leaders should set out a clear path for meeting these success factors over time.

Implications for agency leaders

Agency leaders also need to consider the informal or behavioural nature of the barriers that may be faced in managing for shared outcomes. These barriers often come down to difficulties in balancing individual agency accountability with a whole of government responsibility to serve the public interest, and/or developing organisational cultures that support collaborative behaviour.

Creating and sustaining successful shared outcome environments depends above all on the people who work within them. This requires agency leaders to give early attention to:

- providing strategic leadership (through building and sustaining the human and organisational capacities to help in working with other agencies)
- recognising different paradigms and cultures (by developing an understanding of and appreciation for the aims and perspectives of the other agencies and being receptive to the ideas and ways of thinking that they offer)
- checking strategic-operational flows (by encouraging an appropriate balance between central and local decision making, and between flexibility and control) , and
- clearing shared outcome logjams (through a mixture of the above).

Within the context of agency and chief executive accountability, central agencies can add value by:

- helping agencies focus on the quality and clarity of the strategic thinking around what shared outcome is being sought, with whom and why
- playing a brokerage role in relation to shared outcomes.

A further resource document is available

This guidance was put together with the involvement of an interagency Development Group. A further resource document is available to assist agency leaders to use when considering:

1. [When to manage for shared outcomes](#)
2. [Using a decision making framework](#)
3. [Types of sharing and shared outcomes](#)

4. [Achieving results through shared outcomes](#)
5. [Common success factors and barriers](#)
6. [Implications for agency leaders](#)
7. [The role of central agencies](#)
8. [Competencies, behaviours and actions](#)