

EUROPEAN POLICY BRIEF



Coordinating for cohesion in the public sector of the future (COCOPS)

Trends and Impact of Public Administration Reforms in Europe: Views and Experiences from Senior Public Sector Executives

G. Hammerschmid, S. Van de Walle, A. Oprisor and V. Štimac

This policy brief summarizes the findings from a large-scale executive survey on public administration reforms in Europe, and presents initial policy recommendations for current and future reforms.

September 2013

THE IMPACT OF NPM REFORMS: A LACK OF EVIDENCE FOR EUROPE

In response to economic pressures, increasing demands on public sector performance and a decreasing trust in government, a wave of public administration reforms were introduced over the last decades with the aim of transforming and improving public services, and often based on experiences and concepts from the private sector. Supported by international organizations and embraced to various degrees by most European countries, this movement, known as New Public Management (NPM), has been the most dominant reform paradigm for over two decades. In more recent years however, NPM reforms have increasingly been met with criticism regarding unintended effects such as fragmentation and diminished coordination, lower social cohesion, or negative consequences on the ethos and motivation of public sector employees.

Surprisingly, clear empirical evidence on the impact of NPM with regard to both intended performance improvements and unintended consequences is still rather scarce. Current studies and evaluations are often based on rather limited empirical evidence, have a tendency to focus on single countries, policy sectors or specific elements of NPM-style reforms and do not allow for a pan-European perspective.

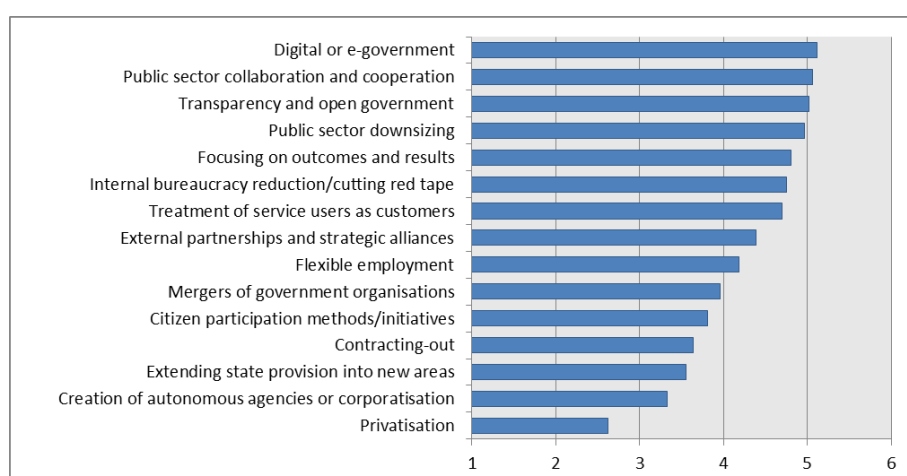
A key goal of the COCOPS project was to provide novel and systematic quantitative data on NPM reforms and their impacts in Europe. In 2012, a large scale survey was launched among senior executives in the European public sector as knowledge carriers and actors involved at close range in the conception and especially in the implementation of reforms. This policy brief summarizes the results of this public executive survey. With answers from 4,814 senior officials across the first ten countries (Austria, Estonia, France, Germany, Hungary, Italy, the Netherlands, Norway, Spain, and the UK) it has become the largest high-level survey of this kind ever conducted in European public administrations. The current policy brief captures the views and experiences of senior officials in

the central government and offers much-needed systematic comparative evidence regarding current public administration reform in Europe.

CAPTURING THE STATUS QUO OF PUBLIC ADMINISTRATION REFORMS IN EUROPE

Over the last two decades, most European countries have seen the influx of a broad number of rather different reform trends. Overall (see figure 1), we find that digital/e-government, public sector collaboration and cooperation, transparency and open government are currently the most important reform trends. The main wave of NPM-type reforms such as privatization, agencification/corporatisation or contracting-out seems to be over and increasingly superseded by a new agenda of partnership- and network-oriented government arrangements and reforms.

Figure 1: Importance of reform trends in the surveyed executives' policy field (1=not at all; 7=to a large extent)



The effects of the fiscal crisis are clearly visible in European public administration with a high relevance of public sector downsizing, outcome and result orientation and the reduction of internal bureaucracy. We can also observe clear country variations with regard to the importance of the various reform trends. Overall Estonia, the Netherlands and the UK

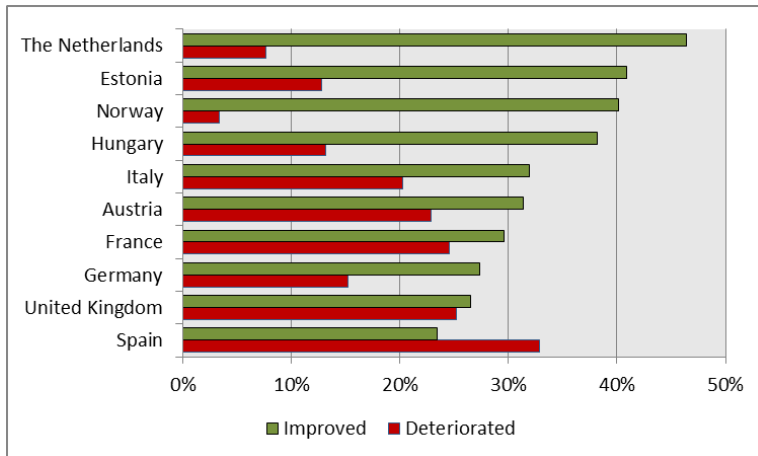
seem to be more receptive to most of the reform trends, whereas countries such as France, Germany, Hungary, Italy and Spain are more hesitant in adopting them. Looking at the dynamics of these reforms, we find that all in all public administration reforms in Europe tend to be driven by politicians, contested by unions, strongly focused on cost-cutting (as opposed to service improvement) and are implemented rather top-down and with only limited public involvement.

The introduction and implementation of management concepts and instruments is at the heart of NPM reforms. Interestingly, the results of the survey indicate that overall such reforms have been implemented to a rather modest degree in European public administrations. Within ministries or agencies the only management instruments that are widely and consistently used are staff appraisal talks/performance appraisals, business/strategic planning and management by objectives and results. Other instruments supported by reform discourses, such as performance related pay, management decentralization or internal contract management are used to a rather limited degree. We also find that a performance management logic, based on clear targets, measurement and use of performance information, as well as consequences when targets are not achieved, has been institutionalized in European public administrations only to a rather moderate degree. As expected, we see clear country differences between management 'champions' such as the UK, Estonia, Norway and the Netherlands, and more legalistic and traditional public administrations in Spain, France, Austria and Hungary.

The work context of senior executives also varies considerably with regard to autonomy and politicization. Whereas in the Netherlands, the UK and Norway, executives perceive both a relatively high degree of autonomy and low politicization, our results indicate considerably higher politicization and lower levels of management autonomy in Austria, Hungary, Italy and Spain.

Asked for an overall evaluation of public administration in their country, senior executives from the Netherlands, Estonia, Norway and Hungary assess the developments over the last five years rather positively. Executives in Spain and the UK, by contrast, assess the developments clearly more critically (see figure 2).

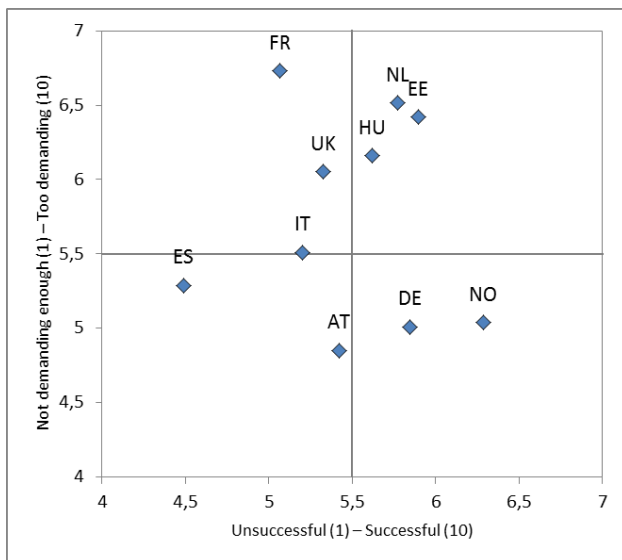
Figure 2: Overall assessment of public administration (Question: Compared with five years ago, how would you say things have developed when it comes to the way public administration runs in your country?)



When the assessment refers to public administration reforms in particular, we see that the reforms in Norway, Estonia, Germany and the Netherlands are considered rather successful, whereas the reforms in Spain, France and Italy are regarded more critically (see figure 3). It is also interesting to see that the executives perceive the intensity of reforms rather differently. Whereas in most countries the reforms tend to be assessed as too demanding (especially in France, the Netherlands, Estonia, Hungary and

the UK) executives in Austria, Germany and Norway see an overall need to speed up the reforms.

Figure 3: Question on the dynamics of administrative reform (the respondents had to choose between two contrasting characteristics on a 10 digit scale)

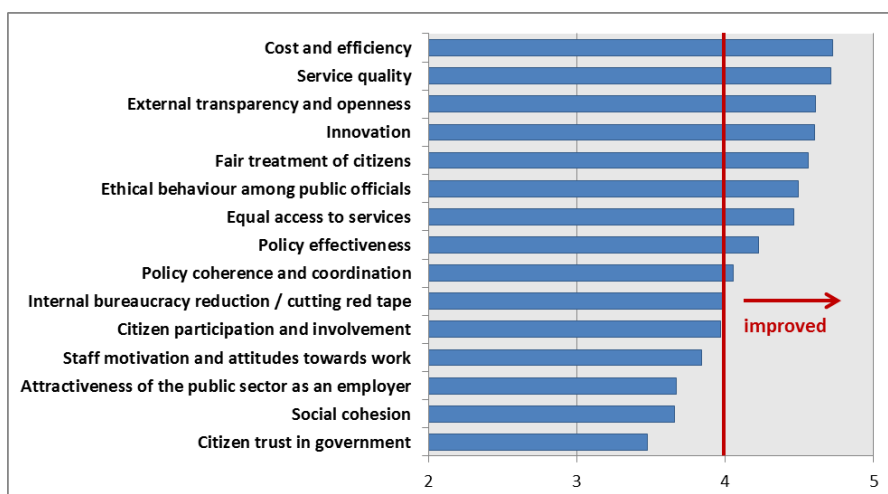


Our analyses also indicate that aiming at service improvements, as opposed to just cost-cutting, as well as higher public involvement seem to accompany a more positive assessment of administrative reform.

Concerning the impact of reforms, the survey aimed for a more nuanced perspective regarding different performance dimensions such as quality, costs, transparency or citizen trust in government. All in all, we find a rather high stability with only moderate changes in these dimensions over the last five years (see figure 4). In spite of the various reform trends over the last years their overall impact on administrative performance seems to be rather low. In the perception of their executives, European public

administrations have improved moderately with respect to more managerial aspects like cost and efficiency, service quality and innovation and have also increased external transparency and openness over the last few years. In contrast, citizen trust in government, social cohesion, attractiveness of the public sector as an employer as well as staff motivation are perceived as deteriorating in recent years. These are clearly areas on which future public administration reforms need to focus.

Figure 4: Change of various performance dimensions over the last five years in the executives' policy field (1=deteriorated significantly; 7=improved significantly)



Our results are in line with earlier evidence from performance management research, and also confirm that management matters for European administrations. Factors such as strategic capacity, leadership, HRM, organizational culture and coordination at the level of ministries and agencies have a positive impact on most of these performance dimensions. Overall management capacity

encompassing these factors seems to be highest in the Netherlands, the UK, Norway and Estonia.

A key question the overall COCOPS project asks is whether NPM reforms have had a negative impact on social capital and trust within public sector organizations. We find rather high levels of social capital and trust as well as of job satisfaction and of organizational commitment in all countries. Interestingly, countries with a more pronounced performance management such as Norway, the UK, Estonia and the Netherlands also show higher levels of social capital and trust. The findings suggest that senior public sector executives across Europe share a distinctive set of attitudes towards their work and that there seem to be no clear negative effects of management reforms. However, the executives' organizational commitment seems to be somewhat lower in countries with stronger NPM implementation indicating at least some negative impact in this direction.

POLICY IMPLICATIONS AND RECOMMENDATIONS FOR SUCCESSFUL PUBLIC ADMINISTRATION REFORM

As European governments face high pressure to improve both performance and efficiency in the aftermath of the financial crisis, lessons learned from previous and ongoing reforms are even more relevant. We present below a series of findings and recommendations meant to improve and further develop administrative reforms and mitigate potential negative effects associated with such reforms:

1. **Overall, administrative reforms in Europe have had rather limited success.** Based on the executives' assessment of the importance of reform trends and the instruments used, the overall developments of public administration reform, as well as of specific performance dimensions, there seems to be considerable potential to improve the impact of administrative reform in Europe.
2. **Governments should balance a more network-oriented approach with the need for a more effective use of resources.** With regard to the various reform trends more partnership- and network-oriented arrangements of government are currently of the highest importance in Europe (see also the COCOPS Policy Brief No. 3 on coordination arrangements). Furthering digital/e-government, improving public sector collaboration and cooperation, as well as strengthening transparency and open government, should be high on the agenda of administrative reform and be balanced with the clear need for reforms to downsize, improve outcome/result-orientation and reduce internal bureaucracy.
3. **Make addressing performance deteriorations a higher priority.** Whereas managerial aspects such as cost/efficiency, service quality and innovation have improved over the last years, other factors such as citizen trust in government, social cohesion, attractiveness of the

public sector as an employer and staff motivation, have deteriorated over the same time and should be given higher priority and focus in the future.

4. **Officials have a number of effective levers at their disposal to improve performance.** Factors such as strategic capacity, leadership, coordination organizational culture, HRM and performance measurement show a positive impact on public sector performance and should be prioritized in administrative reforms.
5. **Focus less on cost-cutting and more on public involvement.** With regard to the dynamics of administrative reform a stronger focus on service improvements, instead of cost-cutting, as well as higher public involvement, seem to accompany a more positive assessment of administrative reform.
6. **The level of management autonomy and politicization can limit reform implementation.** Executives across many European administrations report rather low levels of autonomy and high politicization, which tend to be limiting factors to the introduction and effective implementation of reforms.
7. **Pay attention to the rhythm and pacing of reforms.** The pacing of reforms should be of particular concern. Whereas for countries such as France, the Netherlands, Estonia, Hungary and the UK consolidation and slowing down of reforms seems to be preferable; in countries such as Norway, Germany and Austria there is a clear potential to speed up reforms in central government.
8. **Context matters.** Our analyses show differences between countries, policy fields, as well as between ministries and agencies or large and small organizations with regard to the experiences with and success of administrative reforms. There is a clear need for a more nuanced picture and critical evaluation in drawing lessons and transferring them to local contexts.
9. **Further evaluation and objective data is needed.** The COCOPS survey is an important step towards increasing our knowledge about administrative reforms in Europe based on the experiences of senior executives. However, this needs to be complemented by further evaluations and research on the impact of administrative reforms and especially by more objective indicator-based data.

RESEARCH METHODOLOGY

Building on answers from high-level public servants in ten European countries, the COCOPS Executive Survey on Public Sector Reform in Europe aims to gain insight into the current status quo of public management and administrative reform, as well as the impact of reforms across Europe. The survey, launched by a team of researchers in ten European countries, is based on a full census of high-ranking officials at central government ministries and agencies, as well as additional executives in the areas of employment and health. The survey's 4,814 answers (corresponding to a 23.7% response rate) from the first ten countries, represent the largest and most representative body of systematic and comparative data regarding administrative reforms in Europe. Launched in 2012, the survey is based on an original 231-item questionnaire, translated from English into the participant country languages and administered online. The survey has also more recently been implemented in Lithuania, Portugal and Serbia and – by the end of 2013–will be rolled out in three additional countries: Denmark, Ireland and Sweden (see figure 5).

Figure 5: Countries with survey results already included in this brief (dark gray) and countries where the survey is currently underway or has been finished recently (light gray).



This data is still being analyzed. An overall research report describing the research project and several country reports, as well as a comparative report present more details of the current status of research (e.g. differentiated analyses of central government as well as the policy fields health and employment) can be found on www.cocops.eu and will be followed by more in-depth analyses. An edited volume developing the key themes and results of the survey is currently being prepared, to be released by Edward Elgar Publishing in 2014. The survey database will also be made available to researchers all over the world at the end of the project.

PROJECT IDENTITY

PROJECT NAME	Coordinating for Cohesion in the Public Sector of the Future (COCOPS)
COORDINATOR	Steven Van de Walle, Erasmus University Rotterdam, Department of Public Administration, Rotterdam, Netherlands, vandewalle@fsw.eur.nl
CONSORTIUM	<p>The COCOPS WP3 Executive Survey on Public Administration Reform was led by the Hertie School of Governance in Berlin (Prof. G. Hammerschmid, A. Oprisor, V. Štimac)</p> <ul style="list-style-type: none"> • Bocconi University, Department of Institutional Analysis and Public Management & Centre for Research on Health and Social Care Management, Milano, Italy • Cardiff University, Public Management Research Group, Cardiff Business School, Cardiff, United Kingdom • Corvinus University Budapest, Department of Public Policy and Management, Budapest, Hungary • Erasmus University Rotterdam, Department of Public Administration, Rotterdam, Netherlands • Hertie School of Governance, Berlin, Germany • Katholieke Universiteit Leuven, Public Management Institute, Leuven, Belgium • Tallinn University of Technology, Ragnar Nurkse School of Innovation and Governance, Tallinn, Estonia • University of Bergen, Department of Administration and Organization Theory, Bergen, Norway • University of Cantabria, Department of Economics, Cantabria, Spain • University of Exeter, Department of Politics, Exeter, United Kingdom • University Paris II & Centre national de la recherche scientifique (CNRS), Center for Studies and Research on Administrative and Political Sciences (CERSA), Paris, France
FUNDING SCHEME	COCOPS is funded as a Small or Medium-Scale Focused Research Project by the European Union's Seventh Framework Programme under grant agreement No. 266887, Socio-economic Sciences & Humanities.
DURATION	COCOPS project: January 2011 – June 2014 (42 months)

BUDGET

EU contribution: € 2,698,927.00

WEBSITE

www.cocops.eu

**FOR MORE
INFORMATION**

Prof. Dr. Gerhard Hammerschmid

Hertie School of Governance Berlin

T: +49 30 259 219 201; Email: hammerschmid@hertie-school.org

**FURTHER
READING**

- G. Hammerschmid, A. Oprisor and V. Štimac (2013). COCOP Executive Survey on Public Sector Reform in Europe. [COCOPS Research Report](#).
- G. Hammerschmid, A. Görnitz, A. Oprisor and V. Štimac (2013). Public Administration Reform in Europe – [WP3 Cross-national Report](#) as part of the COCOPS Research Project.
- Public Sector Reform: Views and Experiences from Senior Executives. [Country Reports](#) in the ten participating countries to the COCOPS Research Project.