

STRATEGIC MANAGEMENT, PERFORMANCE MANAGEMENT AND ACCOUNTABILITY

The following is a synopsis of a paper prepared by MDL for the New Zealand State Services Commission as part of the Commission's ongoing work on the processes of government decision making.

The paper takes a view of public management that sees strategic management, performance management and accountability as having the overriding purpose of helping government to achieve its policy objectives. It looks at each of these as means rather than ends. The focus therefore is on these as factors in determining whether government can succeed with its strategic goals.

The essence of the paper is contained in three important propositions:

- strategic management as 'the art of the possible': the matching of what an organisation/the government wishes to do (goals) with what it can do (capabilities), within what it might do (what the environment offers or requires)
- performance management as the skill of managing the performance of all the elements within the organisation to deliver the optimal outputs from the mix of inputs that is available or can be cultivated within budgetary and organisational constraints
- accountability as learning.

A fourth proposition concerns the capability of providers of services outside government as an emerging issue in strategic management with implications for performance management and accountability. Public management systems need to be designed to accommodate third parties. A critical balance is required between aligning their focus and performance with the strategic goals of the government, and preserving the independence (and the benefits of innovation and risk-taking) that makes them desirable providers in the first place. The paper raises some of the strategic issues for government in this area.