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But Will It Work? Implementation Analysis to Improve Government Performance
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state**services**authority



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Professor Kent Weaver joined the Georgetown Public Policy Institute as Professor of Public Policy in 2002 after 19 years at the Brookings Institution. Prof Weaver's major fields of interest are comparative and American social policy, comparative political institutions, and the politics of expertise. Prof Weaver is the author of *Ending Welfare As We Know It* (Brookings, 2000), *Automatic Government: The Politics of Indexation* (Brookings, 1988) and *The Politics of Industrial Change* (Brookings, 1985). He has served as co-director of the Welfare Reform & Beyond Initiative at Brookings, which sought to build a better understanding of social science research findings among policymakers.

But Will It Work? Implementation Analysis to Improve Government Performance

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Implementation is critical to policy success in policy sectors ranging from health care to welfare reform to climate change policy. The literature on policy implementation identifies a number of potential problems that may arise in the implementation process. Not anticipating implementation problems when a policy reform is being enacted may lead to failure to achieve program objectives, excessive costs, and perhaps even a backlash against the implementing organisations and policies.

Despite the high stakes, potential implementation problems rarely receive *sustained, systematic, detailed* and *visible* attention before a decision is made on policy initiatives. As a contribution to solving this problem, this Occasional Paper lays out a set of common policy implementation problems that can be observed in a wide range of policy sectors, as well as a framework for organising a systematic Implementation Analysis and a set of responses to potential implementation problems identified by that analysis.

Even though Implementation Analysis does not provide a complete “cookie cutter” methodology for all types of proposals or a single quantitative indicator of a proposal’s feasibility, having a checklist of standards and concerns that can be applied when a policy proposal is being considered can highlight potential trouble spots early in the policymaking process, and improve government performance once an initiative has been enacted. Thus it can provide information that is useful not only in deciding *whether* to implement an initiative, but also *how* to do so.

Sources of Implementation Problems

Implementation Analysis requires careful attention to particular national and sectoral implementation contexts. Table 1 shows problems that are likely to be highlighted by Implementation Analysis. In addition to providing a checklist of potential implementation problems, I suggest some warning signs and specific strategic responses that can be incorporated into the policy process.

Interpretation Issues

In some cases, policies and programs are funded and announced with many key elements left indeterminate. This may occur for several reasons. The policy may have been part of pre-election commitments with lack of detail seen as a virtue at that stage. Decision-makers may want to allow room to respond to changing conditions or to emerging experience through the implementation process. Alternatively, some vagueness may have been necessary to ensure the passage of a proposal through the Cabinet process.

Leaving many details open to later interpretation can also have costs: it can lead to substantial lost time and energy as implementers argue about how ambiguous objectives and organisational mandates should be interpreted, especially when multiple steps and implementing bodies are involved. It can also lead to “mission drift” as implementing officials seek to incorporate the new initiative more closely within their own objectives. It is certainly beyond the scope of Implementation Analysis to resolve all ambiguity before decisions are taken. Nor should it — it may be useful to leave some detailed decision making to the implementation stage. But a key role of Implementation Analysis can be to identify areas where *substantial* ambiguity appears to exist, along with some potential consequences of that vagueness. Decision makers can then choose whether or not they want to address that ambiguity.

Organisational Mission Issues

Researchers have long noted that over time organisations tend to develop a distinctive organisational culture and “mission”— a broadly shared set of goals and beliefs that not only shape what the organisation does but allow it to minimise communications costs and incentives and monitoring to control the behaviour of its rank-and-file personnel (Wilson, 1991). Wilson has argued that organisations may neglect tasks that are not a good fit with their mission. It cannot be assumed that a department that has been successful at administering one type of program will necessarily welcome or be good at administering another. In deciding how to implement a new policy or program, the mission as well as the organisational capacity of potential implementing organisations should be considered, alongside whether it would be preferable to create a new organisation or send strong, clear signals to the existing one with an expanded remit. By pointing out potential conflicts between established organisational missions and new tasks, Implementation Analysis can help to inform those decisions.

Organisational Coordination Issues

Many reform proposals require new forms of cooperation between existing organisations. The desire of existing agencies and Ministers to protect their turf, jobs and constituencies sometimes leads to allocation of responsibilities for program implementation that is more about relative power than efficient and effective administration. Implementation Analysis can identify the “supply chain” of program decisions needed to set up a new program or alter an existing one. Past experience with the program being analysed (or comparable programs) can be used to identify potential trouble spots where cooperation by several organisations will be needed but obtaining that cooperation may be problematic. Based on this analysis, Implementation Analysis can also suggest ways to simplify program management to limit or improve management of inter-agency coordination issues, while keeping in mind that some degree of organisational specialisation and inter-agency coordination is unavoidable.

Resource and Organisational Capacity Constraints

Both Ministers and central finance agencies may be sceptical of delivery agencies' claims of the need for more resources. Thus program implementers are rarely provided with the time or the human, organisational, technology or financial resources needed to achieve program objectives. There are two aspects to this issue: *organisational capacity* and *resource flow*. A realistic assessment of the stock and flow of financial, human capital and technological resources needed for effective implementation of specific programs, and a comparison of that assessment with the allocation in the budget process, should be a major focus of Implementation Analysis.

Timeline Issues

Timeline issues are closely related to resource and organisational capacity issues. Even where resourcing is adequate, it takes time to put all the needed systems in place and make sure that they work effectively. Once politicians decide to act on a problem, however, they generally want immediate results for electoral credit-claiming purposes, and they tend to underestimate the organisational and resource challenges associated with policy change. This is most likely to be a problem when policy reforms lead to the creation of entirely new organisations. One important role for Implementation Analysis is to help policymakers develop realistic timelines.

Political Interference Issues

Implementation issues may arise not just within or among implementing agencies, but also from their Ministers. Politicians may be sorely tempted to intervene in agency decision-making for electoral reasons, either pre-emptively or subsequently. The temptation to do so is likely to be especially strong if an agency makes a decision that is unpopular, an election is in the offing, and incumbent politicians are likely to take the public blame for the agency decision.

Sometimes politicians deliberately set up an arms-length relationship with an implementing agency to prevent political interference that they know will be a temptation to later politicians (or even to themselves). However, there are very few insulating arrangements created by politicians that cannot also be undone or modified by politicians at a later date if they are determined to do so. Implementation Analysis can identify structural arrangements that pose particular risks of political interference and suggest mechanisms to insulate decisions from political interference where appropriate.

Front Line Staff Issues

Even when a program's leadership supports a reform and desires its full implementation, their service delivery arm or their 'street level bureaucrats' (Lipsky, 1980) may implement the program in ways that at least partially supplant the objectives of program designers with their own objectives. Indeed, the literature on bureaucracy contains a variety of conflicting images of program operators, including:

- Saints —bureaucrats who are doing the best that they can under difficult working conditions;
- Shirkers —bureaucrats who avoid doing work whenever possible;
- Subverters — bureaucrats who substitute their own objectives for those intended by program designers;
- Shackled —bureaucrats who have good intentions but are constrained by rules and red tape from being innovative and meeting client needs; and
- Rent-seekers—bureaucrats who use their position for personal gain (e.g., embezzlement, bribe-taking, or petty theft).

That all of these images of front line staff co-exist reflects not only differences between individuals but also the extraordinary variations across agencies in front line staff's their working conditions, job security, discretion in performing their duties, professional norms, performance monitoring, and risk of sanctions for non-compliance. To minimise problems of "unsaintly" behaviour, it is important that front line staff be given clear guidelines, that their goals be aligned as much as possible with those of the program, and that their performance is measured, monitored and rewarded or sanctioned. Implementation Analysis can be helpful in identifying areas where the behaviour of front-line workers may be problematic and suggesting solutions.

Target Compliance Issues

Even where resource constraints and the behaviour of front-line workers and other types of principal-agent problems are not a problem, the targets of government policies may behave in ways that were not anticipated by the designers of that policy. If program targets fail to respond in desired ways, the program may not achieve its objectives. This problem can have several different roots, which call for distinctive adaptations by policymakers (see Weaver, 2009).

Incentives that are insufficient to induce compliance are probably the most important source of non-compliance. Individuals are unlikely to reduce their gasoline consumption if gasoline prices are low, for example, or buy an energy efficient washing machine that costs twice as much as a less efficient model. And even a well-designed incentive structure may fail to secure target compliance if it is poorly monitored and enforced (e.g., failure to monitor speeding or truck weight limits).

Another set of problems with incentive structures has been highlighted by the burgeoning field of behavioural economics (Thaler and Sunstein, 2008). Rather than seeing people as rational, efficient and well-informed calculators of their own self interest, behavioural economics recognises that individuals are often ill-informed, guided by inertia, and prone to follow the path of least resistance. They are also more sensitive to losses than gains of equal value, sensitive to the opinions of others (even those they do not know), and prone to follow the herd. Targets may also fail to comply because they lack the information needed to comply with policy. They may lack the human capital, money or

other resources needed to respond. And they may simply have hostile attitudes or lack trust in the government in general, or the program specifically.

Each of these barriers to target compliance clearly calls for a different strategic response. A thorough Implementation Analysis that identifies potential barriers to target non-compliance and suggests potential response can help to make a program more successful in achieving its objectives.

A Framework for Implementation Analysis

As the discussion above suggests, many things can go wrong in the policy implementation process. An analysis that treats the implementation challenges outlined above as its centrepiece rather than as an afterthought (or not at all), can play a very fruitful role in improving the quality of policy reform proposals. But Implementation Analysis is both analytically and politically difficult. By its very nature, Implementation Analysis of a policy that does not yet exist (or that has been proposed for substantial modification) requires theoretically-informed extrapolation from existing evidence. This evidence can take several forms, such as evidence from similar programs in different but reasonably comparable jurisdictions or evidence on other programs in the same jurisdiction that pose similar implementation challenges. Thus Implementation Analysis usually requires some “translation” of evidence to produce useful results. Politically, an intellectually honest Implementation Analysis requires making potentially sensitive assessments of governmental capacity and political turf.

A useful protocol for implementation analysis includes the following steps:

STEP 1: Analyse the specific implementation tasks that are likely to be required by a particular reform proposal. For many complex policy proposals, simply identifying those key tasks is likely to be an enormous undertaking.

STEP 2: Compare the policy proposal to the Implementation Analysis checklist in Table 1. Using the warning signs, identify and prioritise the most likely sources of implementation failure for detailed analysis.

STEP 3: Gather preliminary evidence on the highest risks amongst the implementation challenges.

STEP 4: Conduct detailed analysis of key risks, assembling more detailed evidence on how those implementation challenges are likely to play out in practice.

STEP 5: Publish a report on key implementation risks, with options for addressing them. Although the Implementation Analysis should be clear in outlining problems, it should not include a single “accept or reject” recommendation. Its purpose is to inform better decision making, not force the hand of a democratically elected Cabinet.

Analytical Issues in Implementation Analysis

Even if a system of Implementation Analysis is seen as a good idea in the abstract, critics may charge that it has its own analytical/implementation and political problems. Where will the role sit? In this author’s opinion, most of the potential implementation problems that may arise with Implementation Analysis appear very manageable. There is a natural institutional home for implementation analysis in the various Offices of the Auditor-General which exist across Australia. Such offices already have strong skill bases in examining the implementation of existing government programs. They have a reputation for performing quality, objective, non-partisan analyses and avoiding politicisation. But performing Implementation Analyses as outlined here would still be a stretch. Building up staff skills in functions such as conducting focus groups, as well as in analytical perspectives such

as behavioural economics would require significant staff additions (or contracting out for specific pieces of analysis) where the needed skills do not currently exist. Implementation Analysis is also likely to take place on very tight timelines, with multiple revisions, as policy proposals move through the budget process.

Another potential critique of a standardised implementation analysis is that the most critical implementation problems are likely to be ones that cannot or are unlikely to be predicted in advance. This idea has been immortalised in former Secretary of Defense Donald Rumsfeld's now famous dictum that "There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we now know we don't know. But there are also unknown unknowns. These are things we do not know we don't know." While there certainly are certainly some "unknown unknowns" in many policy proposals, many implementation problems recur across many programs and are quite predictable. Even if Implementation Analysis correctly anticipates and facilitates amelioration of only a small portion of the potential implementation problems in a policy proposal, it is likely to pay for itself.

Potential timeline issues with Implementation Analysis—that is, requiring that it be implemented before the agency responsible for IA has developed capacity and procedures to do it well—could be addressed by creating a two or three year lead time before the first year that it is carried out. Having a start date that is several years in the future would give the implementing organisation time to build up staff resources and develop appropriate methodologies. This practice would also weaken fears of short term political and policy costs and create more uncertainty about who is likely to be in power when Implementation Analysis takes place—and thus whose ox is likely to be gored by a critical analysis.

Political Critiques

If Implementation Analysis is such a great idea, why isn't it being done already? Several factors help to explain why implementation is generally given relatively limited attention in the budget process. Decision makers get credit for actions taken, not implementation problems avoided. There is often an organisational and physical gap between the officials responsible for developing budget proposals and those who will eventually have to implement the decision, so the latter's concerns about implementation problems are not heard or taken into account. In addition to these constraints, Implementation Analysis usually would not serve the interests of the government of the day, while Oppositions will generally favour an Implementation Analysis because they think that it will give them additional ammunition to embarrass the Government. Thus, as often happens with issues such as Freedom of Information and reducing publicly-funded government advertising, only those parties that are *not* in a position to enact Implementation Analysis are likely to favour doing so.

Conclusions

The conclusion of this paper is that Implementation Analysis shows sufficient promise that it should be implemented on a trial basis, with a limited number of IAs per year, and reviewed after four years. The Office of the Auditor-General should be the implementing agency. Because this is a new process, there should be a simultaneous refining of the methodology throughout the four year period. Implementation Analysis is certainly no panacea to avoid governance problems: "unknown unknowns" will continue to appear during policy implementation, and politicians may enact policy proposals on which they have gone to the electorate even when they have been warned that those provisions contain serious implementation risks. But Implementation Analysis offers a potentially powerful new tool to ensure that governments make informed decisions and that government policies live up to their promise.

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TABLE ONE: CRITERIA FOR IMPLEMENTATION ANALYSIS

Potential implementation problems	Warning signs	Potential strategic response
INTERPRETATION ISSUES		
<ul style="list-style-type: none"> • Mission drift • High conflict over organisational mission during implementation • Implementation delayed 	<ul style="list-style-type: none"> • Important organisational tasks and priorities remain undefined in proposed legislation 	<ul style="list-style-type: none"> • Point out ambiguities to give Cabinet an opportunity to address them
ORGANISATIONAL MISSION ISSUES		
<ul style="list-style-type: none"> • Program is placed in agency with an incompatible mission 	<ul style="list-style-type: none"> • Program tasks are very different from agency's existing mission • Proposed implementing agency has previously failed in absorbing new programs or issues 	<ul style="list-style-type: none"> • Create a new agency or put new leadership into existing agency with strong signals about importance of new program
COORDINATION ISSUES		
<ul style="list-style-type: none"> • Multiple implementing agencies fail to coordinate or work at cross-purposes 	<ul style="list-style-type: none"> • Proposal requires cooperation by multiple agencies 	<ul style="list-style-type: none"> • Simplify program management and delivery structure to reduce need for inter-agency coordination
RESOURCE AND ORGANISATIONAL CAPACITY ISSUES		
<ul style="list-style-type: none"> • Implementing agency lacks adequate financial or organisational resources to achieve objectives 	<ul style="list-style-type: none"> • Funding proposed is inadequate • Staffing provided is inconsistent with comparable programs tasks performed in similar agencies 	<ul style="list-style-type: none"> • Provide adequate funding and staffing to meet program objectives
TIMELINES ISSUES		
<ul style="list-style-type: none"> • Implementing agency lacks adequate time to develop procedures and skills needed to implement program successfully 	<ul style="list-style-type: none"> • Proposal requires major changes in skills sets, technology, organisational procedures 	<ul style="list-style-type: none"> • Provide adequate lead time
POLITICAL INTERFERENCE ISSUES		
<ul style="list-style-type: none"> • Politicians intervene to influence decisions or overturn agency policies 	<ul style="list-style-type: none"> • Electoral stakes are high • Agency is directly subject to Ministerial direction • Insulation mechanisms are weak 	<ul style="list-style-type: none"> • Develop strong insulation mechanisms (eg statutory independence) • Create procedural barriers (eg transparency, reporting to Parliament)

FRONT LINE STAFF ISSUES		
<ul style="list-style-type: none"> • Staff behaviour and decisions undermine program objectives 	<ul style="list-style-type: none"> • Program requires program staff to perform tasks that are difficult, unpleasant, dangerous or contrary to professional orientations • Performance by front line staff difficult to observe • Front line staff have substantial discretion 	<ul style="list-style-type: none"> • Develop improved monitoring and performance measurement for front line staff
TARGET COMPLIANCE ISSUES		
<p>Program targets fail to respond in desired ways due to:</p> <ul style="list-style-type: none"> • Inadequate incentives to make the 'right' choice • Inadequate monitoring and application of sanctions • Lack of information or information overload • Inertia and/or overly complex set of choices • Targets have inadequate resources 	<ul style="list-style-type: none"> • Target clientele is heterogeneous • Target behaviour is difficult or expensive to monitor • Information requirements on clients are high • Options available to targets are complex • Desired response from clients requires substantial personal or financial resources 	<p>Depending on analysis of barriers:</p> <ul style="list-style-type: none"> • Provide adequate mix of positive and negative incentives • Focus on high priority clients • Increase resources for monitoring and compliance • Provide targets with adequate information • Simplify choices, if possible make the desired choice the default option • Provide resources needed to comply