



**TOWARD MUTUAL ADJUSTMENT:
AN INDEPENDENT EVALUATION
OF
THE PATHFINDER PROJECT**

A Final Report Prepared for
The Treasury and the State Services Commission
New Zealand

Karen Baehler
August 2003

Table of Contents

	Page
Executive Summary	3
Achievements	3
Ingredients for successful collaboration	4
Obstacles to successful collaboration	5
Models of collaboration	6
Recommendations	6
Section 1: Introduction	8
1.1 What is Pathfinder?	8
1.2 Evaluation methodology	8
Section 2: Did Pathfinder assist participating agencies to move to an outcomes focus?	11
2.1 Short-term wins and milestones	11
2.2 Survey evidence	11
2.3 Comments on impact	12
Section 3: What impact did pathfinder have on Public service agencies?	14
3.1 Evidence of diffusion and market penetration	14
3.2 Comments from symposium attendees	15
3.3 Comments on central agency impacts	16
Section 4: What was the project's value in rolling out Managing for Outcomes (MfO)?	17
4.1 The Pathfinder agency perspective	17
4.2 The broader public service perspective	17
4.3 Chronological evidence and documentary trails	17
4.4 Focus group comments	18
Section 5: How well did Pathfinder's collaborative process work?	22
5.1 Survey evidence	23
5.2 Intent	23
5.3 Perceptions of collaboration	24
5.4 Models of collaboration	26
Section 6: Can the Pathfinder process provide a model for future Interagency policy development?	24
Section 7: Conclusion and recommendations	25
Annexes:	
1 Pathfinder Building Blocks	27
2 Terms of reference for the evaluation	28
3 Focus group and interview questions	31
4 Focus group participants and interviewees	33

Executive Summary

1 This report summarises evidence regarding the Pathfinder Project's achievements over its two-year term, from September 2001 to September 2003. Pathfinder seeks to develop practical ways of improving results for departments across New Zealand's central Government. Toward that end, the project has convened a group of eight participating departments along with representatives of Treasury and SSC to collaboratively develop, demonstrate, and refine methods of planning and management focused on outcomes.

2 The evaluation, commissioned by Treasury and SSC, gathered evidence from official documents and conversations with Pathfinder participants as well as users of Pathfinder's services to answer the following five questions, as outlined in the evaluation Terms of Reference.¹

- a did Pathfinder assist participating agencies to move to an outcomes focus? (section 2.0);
- b what impact did Pathfinder have on public service agencies? (section 3.0);
- c what was the project's value in rolling out Managing for Outcomes? (section 4.0);
- d how well did Pathfinder's collaborative process work? (section 5.0); and
- e can that process provide a model for future interagency policy development? (section 6.0)

3 Pathfinder offers an object lesson in the process of experiential learning. The project should not be viewed as a straightforward production chain, with inputs of intellectual material, participation, expertise, interaction, etc at the front end and outputs of 'good practice' knowledge and dissemination at the other end. Instead, it seems to fit an iterative and evolutionary model, in which ideas, methods, and materials are constructed, disassembled, rebuilt, discarded (in some cases), and replaced.

Achievements

4 Pathfinder was a finalist in the Central Government category of the BearingPoint (formerly KPMG Consulting) 2002 Innovation Awards. It has also been cited as a good example of innovation in the Public Service Innovation Project's May 2003 report Case Studies of Innovation in the Public Service.

5 Pathfinder produced the following major achievements:

- a Demonstration of a practical and collaborative, bottom-up approach to policy and practice for the state sector, including exposure of both strengths and weakness in this way of working:
 - i the majority of the eight Pathfinder agencies found participation in the project to be a highly valuable learning experience; and
 - ii even the Pathfinder agencies with the most critical view of the project did not express regret at having participated.
- b Development and partial codification of some of New Zealand's most prominent good practices in outcome-focused government.
- c Penetration of certain key messages into mainstream state sector consciousness. The key messages include:
 - i the distinction between state and impact indicators;
 - ii the value of using results chains to link outputs to outcomes;
 - iii the value of managing for intermediate outcomes;
 - iv the relevance and value of outcome-focussed practice for a range of agency types (but the need for varied techniques); and
 - v the long developmental timeframes needed to embed outcomes.

¹ See Annex 2 for the evaluation's terms of reference.

This occurred partly through cooperation with the Government's Managing for Outcomes (MfO) initiative and partly through Pathfinder alone. The two effects are hard to separate.

- d Provision of essential content to the Government's Statement of Intent and Managing for Outcomes initiatives, and contributions to improving the consistency of central agency advice around outcomes.
- e Surfacing of fundamental disagreements among New Zealand public servants regarding what we might call 'standards of evidence' for government impact.
- f It should be noted that some of Pathfinder's effects may take years to trickle through the public service. In particular, most departments will not be ready to engage with the more advanced techniques discussed and developed within Pathfinder for several years at least.

Ingredients for successful collaboration around state sector challenges

6 Whether in practice or in the breach (as perceived by a minority of participating agencies), Pathfinder identified the following ingredients for successful collaboration. They should be included in any next-generation version of Pathfinder collaboration that Government might develop:

- a a governance structure that encourages co-production and balances central agency commitment with departmental ownership of results;
- b dedicated staff with high levels of experience and expertise;
- c a firm commitment of dedicated resources, particularly staff time, from participating agencies;
- d a firm commitment from participants to contribute substantive examples and material to the project stocks;
- e participants who are actively engaged in the business at hand (a view from the trenches), but who also have a broader view of their departments and of the public service in general;
- f diversity of participants, which frees people from their usual interagency groups, ensures greater generalisability of results where applicable, and creates the opportunity for grouping results by type of agency;
- g establishment of ground rules for group interaction and protocols for managing conflict and disagreement when it arises;
- h clear expectations of an extensive draft-comment-redraft cycle as a way of working;
- i strong participant commitment to providing feedback on material and introducing new material;
- j a project management style that keeps participants focused on tasks but also acknowledges, and indeed caters for, diverse approaches to meeting the spirit of those tasks;
- k clarity around the model of collaboration being embraced;
- l correct TIMING. The research and development component of an initiative needs adequate time to accumulate learning about new products, via trial and error and group debate, before going 'live':
 - i Pathfinder agencies agreed that the quality and user friendliness of the Pathfinder products improved substantially over the course of the project;
 - ii other agencies familiar with Pathfinder also rated the later material (as encountered in the MfO guidance and training) more highly than the earlier material;

- iii thus, many of the criticisms of Pathfinder may have been averted if the project had had another year to refine its outputs before plugging them into MfO; and
- iv in addition, a later start for MfO or an earlier start for Pathfinder would have reduced the consistency problems between the two initiatives;
- m correct SCALE: Intense collaboration cannot occur in a large group, due to the inherent difficulties of building trust within a large group in a short period of time. The original project specification paper called for 4-6 agencies. Eight agencies was probably a maximum; any more would have required that the group processes be watered down.

Obstacles to successful collaboration around state sector challenges

7 Next-generation Pathfinder would also need to minimise, or at least anticipate and manage for, the following obstacles:

- a Endemic suspicion of central agencies' intentions to assist v to assess. This is sometimes more acute among departments with a historically tense relationship to central agencies:
 - i the Pathfinder experience teaches that it is not enough for central agency representatives to repeat the collaboration message. More active strategies are needed to counteract suspicion.
- b Departmental political agendas, which may provide perverse motivations for participating or create obstacles to free and frank sharing of experiences.
- c Departmental resource constraints, particularly the near impossibility of ring-fencing substantial time for senior planners and managers to participate (due to internal departmental crises and other demands on their time).
- d 'Language' differences between departments and sectors, but more importantly between functions. I am told that planners, managers, evaluators, and analysts sometimes speak different functional languages.
- e Fundamental disagreements about the feasibility of measuring government's impact in certain areas of policy. Although all of the public servants with whom I spoke welcome the push toward outcomes, one can see why Pathfinder's version of MfO (particularly as embodied in the LTSA and Department of Corrections models) could appear threatening, particularly to struggling departments:
 - i as discussed in Section 5.0, concerns about the Pathfinder model came to a head in the Working Group's discussion around impact measurement, probably for two reasons:
 - some members of the group felt that a basic conceptual error would be made if Pathfinder conflated 'evidence' of impact with 'measurement' of impact; and
 - impact measurement seeks to identify outcome-focused 'deliverables,' and deliverables are naturally associated with accountability, particularly in New Zealand.
- f Fundamental differences in the types of business conducted in the public service. Although this can be a strength (see diversity above), it exponentially multiplies the challenge of either building practice consensus in a group or developing useful typologies of practice.
- g Fundamental differences across professions in their approaches to outcomes. The differences noted in the previous item are familiar, but the implications of professional differences are not often acknowledged:

- i in the case of Pathfinder, for example, differences between a client-by-client-oriented, social-work-based outcomes model and an engineering- or social-science-based outcomes model were brought into stark relief; and
 - ii this is an area where further work, to articulate the outcome approaches of various relevant professions, could make a significant contribution to understanding.
- h The ‘eureka!’ or all-at-once nature of learning: It is harder to incorporate learning when the insights all tend to accumulate at the end of the process.

Models of Collaboration

8 Pathfinder appears to have been designed to pursue four different models of collaboration simultaneously, as described in section 5.4. This led to some role confusion and tensions with a minority of participants who preferred a somewhat different collaborative style from the others. Of course, conflict should be expected wherever people with strong views (who represent agencies with political interests) are asked to reach consensus on new proposals. But some conflicts may be avoidable if the type of expected collaboration is spelled out in advance.

Recommendations

- a *Replicate next-generation Pathfinder selectively.* When Government wishes to learn about a new area of state sector practice in which consensus around good practice has not yet formed, a next generation of the Pathfinder model – **incorporating the lessons learned thus far** (as enumerated above) – offers an excellent vehicle for experiential learning and for the development of robust and practical outputs.
- b *Continue the R&D function within MfO.* Pathfinder accelerated our understanding of good outcome-focused practice, but has only scratched the surface of what can be learned about different types of business in different sectors and from different professional perspectives. Thus, Pathfinder’s R&D contribution to MfO must be continued in some form, with a focus on continually identifying new and better practices suited to particular functions.
- c *But resist the temptation to run Pathfinder on a larger scale within MfO.* Pathfinder teaches about the central role of relationship-building and two-way reciprocity within collaborative ventures. This is hard to achieve on a large scale.
- d *Continue to disseminate Pathfinder’s existing materials.* The more advanced techniques that Pathfinder has developed will not be relevant to most New Zealand departments at least for several years, not until the basics of outcome-based management are in place. Government faces the challenge of re-releasing portions of this more advanced material, perhaps several times, when departments seem to be ready for it. The timing and tone of these re-releases will be important. They should be accompanied by continued repetition of the ‘assist and assess’ message and include real opportunities for constructive feedback in the ‘listen and learn’ mode.
- e *Continue to search for better answers to the fundamental questions raised in the Working Group about measuring government’s impact.* Disagreements and concerns about what might be called ‘standards of evidence’ are likely to resurface as long as a managing-for-impact theme is pursued. MfO’s R&D staff should continue the search, begun under Pathfinder, for a variety of impact measurement models that can be applied in different circumstances. This is a subject that may merit a next-generation Pathfinder-type effort at collaborative development. Where the issues intersect with questions about evaluation’s role, these initiatives might be better coordinated or merged.

Although the group did not pose the problem in precisely these terms, further work might focus on questions such as:

- i do doubts about the feasibility of measuring government impacts cast doubt upon the possibility of verifiable, outcome-focused government in general?;
 - ii is it possible to plan and manage for something that cannot be measured well? If so, how should the management ‘deliverable’ be defined?; and
 - iii must evidence of impact always be measurable, or do we need a variety of evidence types in order to understand impact?
- f *Continue to distinguish ‘standards of evidence’ from ‘burden of proof,’ but face the question of accountability more squarely.* The questions posed above about deliverables (recommendation 5) inevitably lead to debates about accountability for the same reason that standards of admissible evidence in a courtroom are linked to the burden of proof. Pathfinder demonstrated that departmental officials will always have accountability at the back of their minds when working with central agencies, no matter what the terms of reference for the project. Thus, MfO and/or others need to start filling the current vacuum around accountability information.
- g *Upgrade the ‘listen and learn’ role of central agencies.* Repeating the collaboration message is not sufficient. Central agencies need systems for learning from departments, both to improve advice and make it more practical, and also to counteract departmental suspicion. Demonstrating the ‘assist’ role alongside the ‘assess’ role will help, but better yet is consistent demonstration of the ‘listen and learn’ role as well. Pathfinder made significant progress in that direction, but more can be done.

Section 1: Introduction

1.1 What is Pathfinder?

1.1.1 The Pathfinder Project was established in 2001 to augment New Zealand's world-renowned output management model with a more robust and systematic outcomes dimension. According to the original project specification paper (July 2001), Pathfinder was designed to help Government learn about both the strengths and weaknesses of running an outcome-focused State Sector. The focus changed slightly with the project's Terms of Reference, with focused on the job of validating robust methods of managing for improved outcomes. Pathfinder's two-year commission was based on a 'hothouse' design in which a small number of selected departments would work in a collaborative and intensely focused way to accelerate learning about strategic planning and management approaches tied to outcomes. Although the original project specification called for participation by 4-6 willing departments, eight were selected: Department of Child, Youth and Family (CYF); Department of Conservation (DoC); Department of Corrections; Department of Labour; Inland Revenue Department (IRD); Land Transport Safety Authority (LTSA); Ministry of Health; and the New Zealand Customs Service. The State Services Commission (SSC) and Treasury jointly sponsored and supported the project.

1.1.2 The terms of reference for Pathfinder describe a sort of action-research-based process in which Pathfinder agencies, guided and assisted by a team of dedicated project staff, were asked to:

- a undertake selected tasks in the areas of defining and measuring outcomes, linking outcomes to outputs, assessing impact, evaluating cost-effectiveness, defining prioritisation systems, and aligning performance, planning, management, and operational systems with outcomes; and
- b collaborate in the development of New Zealand best practice models around these tasks, based on their practical experience.

In addition to defining improved outcome-focused methods, the project was also expected to demonstrate to central agencies and departments throughout government that such methods were practicable (and fruitful) at the agency level.

1.1.3 The Project employed a novel, three-part governance structure designed to position Pathfinder agencies and central agencies as 'equal partners.'² Each Pathfinder agency (including Treasury and SSC) appointed one senior manager to the Sponsors' Group, which functioned as a guiding coalition, and one manager (someone directly involved in the department's outcome-focused management work) to the Working Group, which focussed more on technical issues and provided the chief forum for sharing information. The Pathfinder Secretariat consisted of three dedicated staff, on secondment from Treasury and SSC, who provided overall project management, expert consultation, and administration. Members of the Secretariat also served on the Working Group.

1.1.4 Management of the project centred around eight 'building blocks' identified by the Secretariat as key steps in developing an outcome- and value-for-money-focused organisation. Pathfinder agencies endorsed these building blocks at the start of the project and added a ninth, focused on joint outcomes.³

1.2 Evaluation methodology

1.2.1 This report summarises evidence regarding Pathfinder's achievements over its two-year term, from September 2001 to September 2003.⁴ The body of the report is organised around the following five questions, as outlined in the Terms of Reference for the evaluation⁵:

² The phrase is from Alan Bollard's remarks to the Pathfinders Sponsors' Group, 19 July 2001.

³ Annex 1 lists the building blocks.

⁴ The timing of the evaluation does not allow for assessment of the shutdown activities, but these do not affect the substance of the project's achievements.

⁵ See Annex 2 for the evaluation's terms of reference.

- a did Pathfinder assist participating agencies to move to an outcomes focus? (section 2.0);
- b what impact did Pathfinder have on public service agencies? (section 3.0);
- c what was the project's value in rolling out Managing for Outcomes? (section 4.0);
- d how well did Pathfinder's collaborative process work? (section 5.0); and
- e Can that process provide a model for future interagency policy development? (section 6.0).

1.2.2 Questions 1 and 2 are the central evaluation questions, for they seek to assess impact. In an ideal world, the evaluator would have collected data on state indicators of 'outcome focused-ness' before and after the project for Pathfinder agencies (the treatment group) and for a group of similar public service agencies not exposed to Pathfinder (the comparison group), in order to measure Pathfinder's unique impact on its subjects.⁶ In reality, the roll-out of government's MfO initiative to 16 pilot departments in late 2001, and then to the entire public service in 2002, pre-empted this type of evaluation by exposing all departments to some level of Pathfinder-related 'treatment' and eliminating the possibility of a comparison group. Even in the absence of MfO, the treatment-comparison model would have been difficult to implement because indicators of 'outcome focused-ness' are elusive: The phenomenon takes the form of an ongoing process more than a product and effective process is likely to vary significantly from department to department.

1.2.3 More importantly, I would argue that a strict impact evaluation, even if feasible, would have been inappropriate for this project because much of Pathfinder's achievement is in the lessons learned about obstacles to (as well as enablers of) collaborative state sector policy making and, in some cases, lessons learned about outcome-focused practice itself. A strict impact study would not count these valuable products as 'wins.'

1.2.4 In lieu of a strict impact study, the evaluation triangulates between information regarding:

- a the project's intent, gathered from official documents;
- b the project's actual practice, again based on documentary evidence; and
- c perceptions of the project's process and impact, gathered from focus groups and interviews with representatives of the eight Pathfinder agencies and representatives of nine other agencies who attended Pathfinder's dissemination symposium in September 2002.

1.2.5 The third approach involved asking the people involved for their perceptions of Pathfinder's process and its impact upon their departments.⁷ Because the answers to such questions may be coloured by individual and/or agency agendas, it is important to treat them not only as perceptions, rather than direct evidence, of process and impact, but also as potentially constrained perceptions.

1.2.6 Input from Pathfinder participants was collected via three focus groups held in June 2003. The first was attended by five members of the Sponsors' Group, the second by four members of the Working Group, and the third by nine representatives of agencies that had attended the symposium in September 2002. The focus groups were supplemented by individual interviews with one member of the Sponsors Group and four members of the Working Group. Thus, each of the eight Pathfinder agencies had at least one opportunity to contribute to the evaluation in person. In addition, all Pathfinder agencies were asked to provide reports on progress toward their own Pathfinder targets.

1.2.7 It is difficult to draw definitive conclusions about the project's impact from the focus groups and interviews because of the small numbers involved and the wide range of views expressed. Particularly in the case of the eight Pathfinder agencies, it is interesting to note that members of the Sponsors' and Working Groups from each agency tended to tell similar stories about process and impact.

⁶ In addition, evaluation designers could have defined a secondary treatment group consisting of agencies that attended the Pathfinder Symposium.

⁷ Annex 3 lists the focus group and interview questions.

This fact may increase our confidence in the accuracy of the reports, as it does when two eyewitnesses to an event report roughly the same facts. Alternatively, this observation may raise questions about the extent to which we are hearing an ‘official’ view rather than a free and frank assessment. Whatever the case, when reporting the views of Pathfinder agency focus group participants, I generally do not distinguish between the contributions of Sponsors’ and Working Group members because of the similar views within agencies across groups.

1.2.8 The eight Pathfinder agencies arrayed themselves similarly on most questions. Two agencies consistently praised the project’s process and practice and reported moderate levels of impact. Two agencies consistently criticised the project’s process and practice and reported low levels of impact. Four agencies offered generally supportive comments and reported a mix of impacts.

Section 2: Did Pathfinder assist Participating Agencies to move to an Outcomes Focus?

All of the Pathfinder agencies made progress down the outcomes path over the term of the project, but perceptions of Pathfinder’s role in this progress varied.

2.1 Short-term wins and milestones

2.1.1 In September 2001, each Pathfinder agency identified a set of ‘short-term wins’ to guide their efforts during the course of the project. These corresponded with the Pathfinder building blocks and ranged from defining outcomes and developing state indicators to assessing cross-agency impacts. Departments chose which building blocks they wished to focus on and specified milestones for measuring progress, with target dates, for each.

2.1.2 Of the seven agencies that reported on milestone progress, all but one indicated that they had either completed or made significant progress toward all of their milestones by August 2003; many (but not all) had done so by the stated deadlines. One agency reported that ‘we progressed our outcome framework further than we anticipated at the outset of the project.’ Specific accomplishments included development of:

- State indicators for a sector’s strategic priority areas.
- Intervention logic models or outcomes hierarchies for specific policy areas as well as entire departments.
- Outcome-focused performance measurement and accountability documents.
- Measures of voluntary compliance with selected policies.
- Role descriptions to ensure that staff are ‘working at the right level’ on the outcomes hierarchy.
- Business planning processes guided by outcomes.
- Processes for revisiting and refining outcome definitions and focusing on a ‘vital few’ outcomes.
- Processes for realigning management systems to manage for outcomes and for communicating the outcomes focus throughout the organisation.
- Optimisation models to assess interventions’ cost-effectiveness.

2.1.3 The one agency that reported lack of progress toward milestones indicated that they chose deliberately not to pursue those milestones because the effort was deemed unhelpful to the agency’s overall outcomes approach.

2.2 Survey evidence

2.2.1 In September 2002, the eight participating departments completed a Survey of Pathfinder Progress in which five of seven respondents indicated that they found participation in Pathfinder moderately useful to their agencies’ goals.⁸

Q 1. Overall, how strongly is participating ... helping achieve your organisations goals?			
Strongly	Moderately	Somewhat	Not Much
1	5	1	0

⁸ Tables in this section are sourced from a Pathfinder paper entitled ‘Survey of Pathfinder Progress: Results.’

2.2.2 Respondents were also asked how they used Pathfinder. The most frequent responses were for ‘building confidence we are on the right path’ and as a ‘vehicle for learning and sharing experience with other agencies, as illustrated in the table below.’⁹

Q 2a. How is the project used by your agency?	
Framework facilitating organisational change	3
Framework for writing SOI / strategic planning	3
Building confidence we are on the right path	8
Defining outcomes for measurement and management	5
Implementing Building Blocks (BBs) tailored to our needs	4
Using BB documentation to inform our staff	2
Identifying new and modified decision-making needs	1
Vehicle for learning & sharing experience with other agencies	8

2.2.3 Which aspects of the project seemed to have the greatest impact? On average, Pathfinder agencies rated the symposium as more useful than the building blocks guidance documents, as illustrated below. When asked about other project features, most respondents expressed support for the networking opportunities (see 3.1).

Q 4. How useful are the BB documents to your agency?			
Strongly	Moderately	Somewhat	Not Much
1 agency	2 agencies	4 agencies	1 agency

Q 7. How useful was the Pathfinder Symposium to your agency?			
Strongly	Moderately	Somewhat	Not Much
2	5	1	0

2.3 Comments on impact

2.3.1 All Sponsors’ and Working Group members who attended the focus groups or agreed to an interview were asked to assess Pathfinder’s impact on their agencies’ progress toward outcome-focused management. Virtually across the board (with the exception of one agency), participants’ answers to this question began with a statement to the effect that ‘our agency was already moving down an outcomes path’ prior to Pathfinder. Although the project organisers anticipated that some participants would operate more as teaching partners and others more as learning partners,¹⁰ all but one of the agencies clearly rejected the role of follower. The focus group discussions left the evaluator with the impression that there are serious obstacles within the New Zealand public service to openly acknowledging that one’s outcome-based practices need improvement and/or that another agency is more advanced.

2.3.2 Consistent with this opening, all participants reported that Pathfinder had more effect on the pace and momentum of their outcomes-focussed activity than on its direction. Although most participating agencies made meaningful progress toward their selected milestones, as noted above, most focus group participants did not mention these achievements when asked about Pathfinder’s impact, or did not do so until prompted specifically about the milestones.

⁹ It is interesting to note that while the focus group questions were phrased somewhat differently from the survey questions, focus group respondents often used the exact phrases from the survey in their comments.

¹⁰ In the project specification paper, ‘Results-Driven Government: Investing for Outcomes, A Project Specification for the “Pathfinder Project,”’ the vision was expressed as creating ‘a mix of experienced and less experienced (but capable) agencies that will learn off each other as they design and validate outcome management concepts and practices.’

2.3.3 Consistent with the survey results reported above, representatives from four of the eight participating agencies mentioned the value of having their existing activities confirmed as on the right track. They used words such as ‘assurance,’ ‘reinforcement,’ and ‘confidence-building’ to describe this benefit of Pathfinder. (One participant noted, however, that the assurance gained within Pathfinder about the agency’s outcomes-based work was shaken when a Vote analyst displayed an entirely different reaction to the agency’s outcomes framework.)

2.3.4 All respondents agreed that Pathfinder had been a source of support, encouragement, and motivation for their work. Some pointed to the Secretariat as the key provider of these benefits while others emphasised the role of fellow participants and the inherent value of sharing experiences among departments.

2.3.5 At the same time, however, representatives of three agencies noted that some of the good-practice examples had the effect of discouraging participants rather than inspiring or reassuring them because the practices being showcased in the project’s first year appeared far out of reach, unattainable. (More diverse examples were used in the project’s second year, particularly for MfO training.)

2.3.6 For the most part, representatives felt that the process of participating – particularly the discussions and debates among participants around various issues – had made more of a mark on their understanding than the materials themselves had (consistent with the survey, reported above). Two agencies especially noted the value of learning more about how central agencies work through the partnership between the Secretariat and Working Group.

2.3.7 Although the Building Blocks were not considered the highlight of the exercise for most participants, the focus group discussions shed some light on the variety of ways in which these materials added value. For example, a few respondents noted that many of the best discussions and debates among agencies were spurred by the invitation to comment on draft materials. Without these discussion starters, the highly valued sharing and group learning may have been less focused. In addition, several Working Group representatives noted the value of Pathfinder materials for stimulating discussion and activity within their agencies and between agencies and Ministers. Several agencies also indicated that participation in Pathfinder helped strengthen key intra-agency relationships, between strategic analysis and planning units, for example.

2.3.8 Others observed that much of the Pathfinder material is still less than a year old, and more time is needed for the ideas and techniques to seep through organisations and influence practice. This is consistent with the early project specification paper, which did not expect Pathfinder agencies to have adopted outcome-based decision making until the end of the project’s third year.¹¹

¹¹ See ‘Results Driven Government: Investing for Outcomes, A Project Specification for the “Pathfinder Project”’.

Section 3: What Impact Did Pathfinder Have On Public Service Agencies?

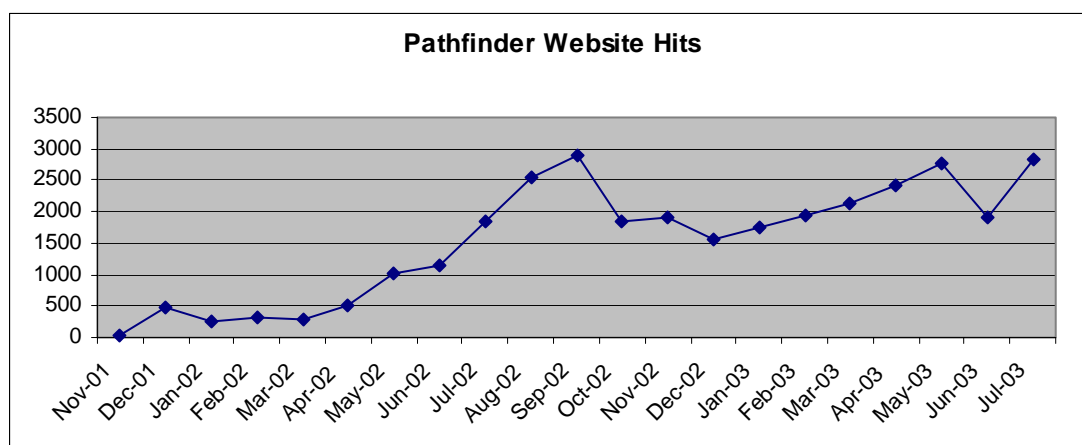
- a Government’s decision to roll out Statements of Intent (a precursor to the present MfO initiative) in December 2001, hard on the heels of Pathfinder’s September 2001 start, makes this question difficult to answer, for as Section 4.0 explains in more detail, Pathfinder and MfO became increasingly intertwined over the two-year period and their individual effects became more difficult to isolate.
- b Nonetheless, a few clear findings emerge:
 - Pathfinder’s ‘brand’ attracted substantial numbers of users domestically and internationally.
 - The symposium worked particularly well as a vehicle for disseminating knowledge and experience and for raising the profile of MfO good practice.
 - Agencies in the throws of SOI production represented a ready market for Pathfinder’s material.
 - The earlier Pathfinder material was too dense and technical for the average overworked planner/manager to absorb and apply.
 - Later versions of the material, as seen in the MfO training sessions and guidance material, was perceived as more user friendly.

3.1 Evidence of diffusion and ‘market penetration’

3.1.1 In addition to pursuing demonstration and development among the eight agencies, Pathfinder also sought to disseminate its findings throughout the public service. This goal was pursued through a series of 10 presentations by Secretariat members to various public service conferences, extensive contributions to the MfO initiative (analysed in Section 4.0 below), engagement with the Review of the Centre evaluation study, ready access to all materials via the Pathfinder website, and direct contact with departments who requested assistance.

3.1.2 A centrepiece of these dissemination efforts was the August 2002 Pathfinder Symposium, which showcased Pathfinder’s key findings to date for 65 senior managers from 37 agencies. The symposium was well received, with 86 percent of questionnaire respondents rating its quality as ‘very good’ or 3 on a scale of 4 (and the other 14 percent rating it as 4 or ‘excellent’). Nearly two-thirds of questionnaire respondents indicated that the Symposium was ‘very useful’ (or 4 on a scale of 4) and the remaining third said it was ‘moderately useful’ (3 on a scale of 4). A later questionnaire associated with the MfO evaluation found that 70 percent of respondents had used the material from the Pathfinder Symposium.

3.1.3 Another key dissemination vehicle was the website, usage of which increased over the project’s lifespan, as shown in the figure below. The first sharp rise in demand (June – Sept 2002) coincides with the announcement of MfO’s government-wide roll-out; the peak coincides with the Pathfinder symposium. The second sharp rise in demand (Dec 2002 – May 2003) occurs during the most intense period of Statement of Intent preparation for departments.



3.1.4 On an informal level, the Secretariat responded to requests for advice from more than 16 government agencies over and above the eight participating departments. This represents a large share of the state sector and provides evidence of (1) the breadth of dissemination of the basic ideas, (2) the high level of general awareness about Pathfinder's availability, and (3) the strong demand for focussed help. In addition, governments in British Columbia, Belgium, the Canadian Treasury Board, Colombia, Nepal, UK Cabinet Office as well as the World Bank sought information from the Secretariat. The OECD and World Bank invited one member of the Secretariat to address a joint development symposium in August 2002. Material was also presented to the Australasian Treasury Officers conferences in 2001 and 2002.

3.1.5 According to the Secretariat, Pathfinder's evolving model also has begun to influence the thinking of SSC deputy commissioner teams, Vote teams, and others within central agencies about the overall cycle of development toward an outcomes focus. Evidence of this can be found in the 7-step variation on Pathfinder's 10-step cycle that MfO officials included in their August 2002 guidance to departments.

3.2 Comments from symposium attendees

3.2.1 Nine attendees at the August 2002 Pathfinder Symposium participated in a focus group for the evaluation in June 2003. The key messages from this group concern the evolution of the Pathfinder material. The early material, including some of what was presented at the symposium, was characterised by most participants as overly technical and narrowly focused on the needs of operational agencies. This group raised some of the same issues canvassed by the Sponsors' and Working Group focus groups (see Section 2.0) regarding the heavy measurement focus of the early Pathfinder materials, the relevance of these models to different types of agencies (particularly policy advice ministries and population agencies), and the daunting nature of some of the good-practice examples.

3.2.2 A recurring theme for this group was their desire for more information and sharing around the organisational change process. There were a few complaints about the repetition of LTSA and Department of Corrections models over and over in various settings in the early material. But more importantly, they wanted to hear and see not just what the best practice looks like, but also how the leading agencies became leaders, particularly how they overcame bureaucratic and political barriers to outcomes and how they moved their agencies along the outcomes path. In addition, they expressed the desire, as did Pathfinder agencies, to hear from more ordinary, run-of-the-mill departments – departments with whom they could 'relate' – about how they are progressing and what they are doing to overcome obstacles.

3.2.3 A related theme from this group was the challenge of engaging Ministers around outcomes and the inherent (and related) tension between long-term strategic planning timeframes and election cycles. Several focus group subjects felt that Pathfinder materials did not address these questions of the 'political interface' sufficiently.

3.2.4 Symposium attendees largely agreed that Pathfinder's resources became more practical and helpful when they were linked to MfO. They noted the value of the MfO seminars in particular, and Pathfinder's input there. They found the MfO material to be more approachable and applicable than the original Pathfinder material. It is interesting to note that many participants had not realised that the improvements in user friendliness were a reflection of Pathfinder's progress up the learning curve over its first year, which led to refinements in its model, the addition of more diverse examples, and a plainer writing style. The focus group participants thought that they were comparing Pathfinder and MfO, but where the content of material was concerned, they in fact were comparing earlier and later versions of Pathfinder.

3.2.5 This lack of delineation between Pathfinder and MfO products is likely to be both unsurprising and untroubling from the government's perspective, so long as departments are hearing a basic and consistent message about outcome-focused government and so long as they are receiving the information and assistance that they need to move forward.¹² However, several symposium attendees agreed that they experienced MfO and Pathfinder as an overwhelming mass of documentation. They felt that they had been buried under the volume of material and lost focus. They questioned the ultimate purpose of these exercises. One wanted to see the intervention logic for Pathfinder and MfO! These more critical focus group subjects felt that they had benefited most from informal contacts with other departments, particularly those within their sector, and less from either Pathfinder or MfO.

3.2.6 The group disagreed about the quality of assistance that they received from Vote analysts and others in central agencies on their SOIs. All who commented found the feedback on drafts from Treasury and Audit Office extremely helpful (although a bit tardy in the latter case), but some said that they needed more guidance at the front end of the planning and production process. Several expressed frustration that they tried but could not engage Te Puni Kokiri in providing feedback on their outcomes work.

3.2.7 The majority in this focus group expressed a clear preference for what some called MfO's 'top-down' approach to outcomes, as compared with Pathfinder's 'bottom-up' approach. Several speakers observed that 'the only way to push an outcomes focus' within their agencies was from the top down – hence, the value of MfO's requirements for capturing the attention of Ministers, chief executives, and top-tier managers. According to the majority view, one can generate debate by selling an idea to planners and strategic analysts, but the debate must be closed at the top of the organisation.

3.2.8 Several participants in this group mentioned that they had received direct help from members of the Secretariat and found this quite valuable. Other said that they wished that more of this technical assistance had been available or that they had known it was available.

3.3 Comments on central agency impacts

3.3.1 Although Treasury and SSC participated as regular members of the Sponsors and Working Groups, Pathfinder's impact on these agencies was meant to be different. Here, the goal was not to create an outcome focus for the organisation itself, but to enable Treasury and SSC to support departments effectively, provide quality second opinion advice, provide coordination with other related central agency projects, assess the transferability of relevant outcome-focused and value-for-money approaches to other agencies, and identify implications for improving state sector practice across various processes.

3.3.2 Sponsors' Group and Working Group respondents commented on the apparent salutary effects of Pathfinder upon both Treasury and SSC. Beyond the debate about chickens and eggs (see section 4.0), they credited Pathfinder more generally with raising central agency awareness and understanding of the potential in outcome-focused practice. In sharp contrast, one respondent – one of the critics – doubted that Pathfinder had produced any organisational learning within the central agencies deeper than the Secretariat.

¹² Lack of product differentiation is a problem only for evaluators and brand promoters.

Section 4: What Was The Project’s Value In Rolling Out Managing For Outcomes?

- a The combination of respondents’ comments, documentary evidence, and a straightforward analysis of the order in which things happened – as reported in this section – draws a fairly clear picture of a synergistic relationship between the Pathfinder and MfO initiatives. Efforts to build the case for Pathfinder in the early part of 2001 may have provided government with greater confidence that a rigorous and systematic outcomes focus is both doable and worth doing, thus paving the way for the SOI initiative. Although SOIs began later, they (together with MfO) provided an authoritative push for departments throughout government to start looking for the kinds of tools that Pathfinder was offering. They created a highly motivated pool of consumers, beyond the eight participating agencies, for Pathfinder’s products. Pathfinder itself, thanks in part to six months of lead time on MfO, was able to supply the products, in the form of practical tools that departments could use to fulfil the new directive. As noted earlier, the products became more practical as they developed.
- b It seems likely that the combined push – with prominent individuals from both Pathfinder and SOI’s/MfO promoting the message that everyone can and should be planning and managing for outcomes – multiplied the message’s atmospheric effects and created greater demand for the Pathfinder models.

4.1 The Pathfinder agency perspective

4.1.1 The September 2002 Survey of Pathfinder Progress suggested weak effects on SOI work, on average, for Pathfinder agencies, as illustrated below. Focus group comments indicated more of a split in opinions about this.

Q 11. How useful has knowledge gained by participating in the Project been to your agency in writing (or preparing to write) your Statement of Intent?			
Strongly	Moderately	Somewhat	Not Much
2	0	5	1

4.2 The broader public service perspective

4.2.1 Departments that attended the Pathfinder-led training sessions for MfO between September and November of 2002, including some Pathfinder agencies, rated the sessions as ‘very good,’ which may imply that the training was useful to MfO by way of SOI preparation. The difference in responses between Pathfinder agencies and MfO training session attendees (acknowledging overlap in the latter case) may reflect revision and improvements in the material between the Pathfinder symposium and the MfO training. It also may reflect the fact that some Pathfinder agencies were resisting the adoption of Pathfinder models, while other participating agencies were advancing in their Pathfinder work beyond anything that is needed for a Statement of Intent.

4.2.2 In addition to helping supply MFO training, Pathfinder provided direct support to departments seeking practical advice. The Pathfinder Secretariat received an increased volume of requests for help and advice from a wide range of departments as a result of the SOI/MfO initiatives. They provided direct advice to more than 16 government agencies over and above the eight project participants. The analysis of written responses to an MFO questionnaire circulated to 37 departments in May 2003 indicated that respondents who knew about Pathfinder were most likely to have learned of it through the MFO guidance material (67%).

4.3 Chronological evidence and documentary trails

4.3.1 MfO has left a trail of documents that clearly identify Pathfinder’s contribution to departmental guidance throughout 2002. Specific areas of influence included:

- clarifying of the output/outcome linkage model underlying the SOI initiative;
- clarifying the role of outcomes in strategy v accountability;

- emphasising the importance of focusing on a vital few outcomes and not proliferating outcomes;
- agreeing on common definitions of key terms such as outcomes, impacts, and states; and
- referring departments to the Pathfinder Building Blocks as 'how to' guidance.

4.3.2 In addition, the SOI Steering Group explicitly endorsed closer relationships between the two initiatives in the following areas:

- involving Pathfinder staff in the development and delivery of MfO training sessions for central agencies and departments;
- soliciting comment from Pathfinder Secretariat and Sponsors Group on SOI/MfO guidance material;
- soliciting comment from the MfO Steering Group on Pathfinder materials; and
- deepening collaboration to build consistent, mutually reinforcing advice.

4.3.3 One can argue about which initiative – Pathfinder or SOI's/MfO – was the chicken and which the egg. The correct answer seems to be that both are eggs that sprang from a general acceleration of interest toward outcome-focused practice in New Zealand in 1999 and 2000, which in turn was stimulated by various critiques of the New Zealand model of state sector reform in the late 1990s.

4.3.4 The Pathfinder egg obviously was laid before MfO. Although Pathfinder officially started in September 2001, the Sponsors' Group held its first meeting in July. SOIs were rolled out to 16 departments shortly before Christmas of 2001, but departments did not begin working on them in earnest until January. This six-month head start, though relatively short, proved significant when combined with Pathfinder's goal of accelerated development. By 2002, Pathfinder had become a chief source of content for the MfO initiative, or as Tony Hartevelt put it, MfO's 'R & D lab.'

4.4 Focus group comments

4.4.1 The majority of respondents in both the Working Group and symposium attendee focus groups perceived that the relationship between the two initiatives had a shaky start, despite the presence of Pathfinder's SSC and Treasury Sponsors' Group representatives on the MfO Steering Group. Some departments felt that the early messages from the two projects were in tension and threatened to reduce each other's effectiveness: particularly messages around the meaning of the term 'outcomes,' the degree of specificity required from outcome definitions, and the distinction between state and impact indicators.¹³ These inconsistencies probably should not surprise anyone because both projects were in their early phases; Pathfinder, for example, had not yet produced its first major product when the first SOI guidance was released in December 2001.

4.4.2 As the inconsistencies came to light, representatives from the two initiatives met and agreed upon common terminology and some common themes. Working Group respondents who commented on this agreed that the early differences were resolved effectively.

¹³ Official reports have also acknowledged the early tensions.

Section 5: How Well Did Pathfinder’s Collaborative Process Work?

Variant on an old joke . . .

Question: What are the three most common lies?

*Answer: (1) I’ll love you in the morning.
 (2) The cheque is in the mail.
 (3) I’m from a central agency and I’m here to collaborate.*

The majority of participating agencies agreed that Pathfinder produced a higher level of collaboration, particularly from central agencies, than seen in the past. At the same time, the Pathfinder experience raised serious questions about (1) how central agencies should address the natural tension between the roles of assist and assess, and (2) how continued efforts to promote outcome-focused management should cope with fundamental challenges to a measurement-based model.

5.1 Survey evidence

5.1.1 Participating agencies clearly placed a high value on the collaborative nature of Pathfinder. As noted above, respondents to the September 2002 Survey of Pathfinder Progress rated the face-to-face opportunities at the symposium more useful than the written building block materials. When asked about the usefulness of other components of the project, respondents repeatedly mentioned the networking and relationship-building opportunities. In their own words:

Q 10. What other Pathfinder products / opportunities have you made use of?	
•	The networking opportunities, both formal and informal, have been of value. As a Pathfinder agency we have also shared our experiences with other agencies addressing outcomes for the first time.
•	The network and relationships.
•	The working group sessions have provided a good opportunity to share ‘war stories’ and contribute to the detailed development of an outcome focus.
•	Attend the Sponsors Group and Working Group. Also use the contacts built up there.
•	Good opportunity for contact with others.
•	Participation in Pathfinder is providing information about the planning processes and initiatives of other agencies, and is proving to be a useful resource as [my agency] improves its own planning and reporting processes.
•	Linking with other agencies.
•	We have taken part in some limited information exchange with other agencies.

5.1.2 This general enthusiasm for networking appears to have been satisfied at least partly within the Pathfinder Project, for three-quarters of participating agencies found it either strongly or moderately easy to speak openly in the Pathfinder setting, as illustrated below.

Q 13. How easy is it to share information in a ‘free and frank’ manner, without disadvantage?			
Strongly	Moderately	Somewhat	Not Much
3	3	2	0

5.2 Intent

5.2.1 The official intent of the Pathfinder Project was to be deeply collaborative and respectful of difference. At the first Sponsors’ Group meeting, 19 July 2001, Treasury Secretary Alan Bollard referred to Pathfinder as a ‘bottom-up’ process, and SSC Deputy Commissioner Tony Hartevelt said, ‘Pathfinder is about sharing experience and expertise, recognising that individual agencies are best placed to make decisions about what works for their business.’ At the same meeting, Secretariat representative Roger Waite presented a slide with the following dot points:

- Primary outcomes differ ...
- What can be measured will differ ...
- What applications will work varies by sector ...
- No one approach will work for all agencies ...
- For some functions, no approach may work well

5.2.2 The Treasury paper, 'Pathfinder Meetings: A Sketch for Discussion,' puts these grand intentions into operational terms by describing certain types of items that were expected to dominate discussion in the Sponsors' and Working Group meetings. These included:

- participant briefings on models;
- summarise/review/agree key learning points;
- receive/discuss central agency intentions re: state sector management;
- produce, review & refine think pieces;
- share/critique methods for outcomes definition and measurement;
- presentation and constructive feedback on outcome management proposals;
- identification of strengths and limitations of outcome-driven management.

'Directives to participating agencies' were classified as out of scope.

5.2.3 Pathfinder documentation provides ample evidence that central agency representatives both in and outside the Secretariat repeated the official intention to collaborate over and over.

5.3 Perceptions of collaboration

5.3.1 Predictably, however, not all Pathfinder agencies took these expressions of intent at face value. Numerous Pathfinder participants noted various levels of suspicion of the Secretariat, particularly at the start of the project. The suspicions focused largely on two issues: (1) the apparently ever-present threat that Government (with or without the assent of the Pathfinder Secretariat) might suddenly decide to translate Pathfinder's results into official policy and hold departments accountable for it (with Pathfinder agencies being held accountable first), and (2) the possibility that Pathfinder was a stalking horse for a pre-packaged model of outcome-focused practice. It should be noted, however, that such suspicions varied hugely: One participant commented that 'they [the Secretariat] won my trust from the start.' Several highlighted the workshops used to provide input into Building Blocks as models of inter-departmental sharing. The majority view was that a high level of trust built over time.

5.3.2 The extent and quality of collaboration appears to have been modest at the start, before the bulk of participants had learned to trust each other. As one focus group participant put it, the early meetings were more 'show and tell' than sharing. Another participant faulted the Secretariat for not spending more time at the start nurturing the group dynamics, before launching into the task of developing materials. But the sharing appears to have grown stronger over time as relationships among participants solidified. In the final analysis, the collaboration appears to have been perceived as quite robust on average. Three agencies described it as exemplary – far better than other such efforts. One rated it poor. One said that it was rocky in places but became more effective. One rated it good but no different from other collaborations. The remainder felt it was generally good. Conflicts arose within the group, but virtually everyone who commented on these incidents said that the conflicts were addressed in a professional manner and that the process of attempting to resolve them strengthened the content of the Pathfinder material.

5.3.3 The chief conflict occurred over the building block draft documents (BBs), particularly BB3 on impact measurement. Although the Pathfinder agencies endorsed the overall Building Block model at the project's start and defined short-term wins relative to particular BBs, two agencies later raised serious and persistent questions about the relevance and usefulness of the building block on impact assessment –

and, to a lesser extent, the overall technical paradigm represented by the BBs as a whole – for their areas of work. In the focus groups and interviews, I focused largely on the processes by which these debates were aired and resolved and did not probe the substance of the debates. But a rough sketch of the critics' concerns includes:

- The foundation model being promoted within Pathfinder overemphasised causation, measurability, and linear relationships between a single output and a single outcome:
 - I would characterise this partly as a debate over 'standards of evidence,' for it raises serious questions about what counts as impact and whether evidence must always be measurable.
- Pathfinder's materials were failing to capture the complex environments in which many government agencies must operate.
- The model and materials were relevant only for agencies focused on operations, not for policy advice ministries, purchasing agencies, and perhaps others.

5.3.4 In interviews, representatives of the two agencies also expressed dissatisfaction with the Secretariat's alleged resistance to dissenting views and reluctance to search for alternative models for practice. They perceived a lack of open-mindedness on the part of the Secretariat in practice, despite the project's promises of genuine collaboration. Another Working Group member characterised the Secretariat's initial style as rigid, but observed that this loosened over time.

5.3.5 The Secretariat, in turn, expressed disappointment with the dissenting agencies for not airing their concerns earlier and for neglecting to offer alternative models when existing models were being rejected. They emphasised the two-way nature of collaboration and the obligation of critics not only to criticise but also to suggest concrete counter-approaches.

5.3.6 Thus, the collaborative process appears to have hit a few skids on both sides of the partnership – Secretariat and certain participants. According to comments from a few non-dissenting agencies, however, this breakdown did not last long. Some engagements occurred away from the table to resolve the disputes, which suited the situation because not everyone felt strongly about the issues being raised and not everyone wanted to debate them at length. According to the few non-dissenting agencies who agreed to comment, fences were mended as a result of what they perceived as (1) increasing efforts by the Secretariat to engage with the criticisms and search for alternative models, (2) efforts on the part of the Working Group to actively seek out alternative materials, (3) modifications of particular building blocks to accommodate different views more explicitly, and (4) addition of a 'sunset' paper on complex policy environments.

5.3.7 There appears to be no clear majority view among participants about the correct characterisation of these incidents. However, all of the participants that I spoke with agreed that the debates around 'paradigm' issues and the challenges posed ultimately strengthened the model that Pathfinder was building and led to a more balanced product. The Secretariat was happy to have uncovered some useful Canadian material about performance monitoring, which was relevant to the criticisms. The dissenting agencies were happy to have found other useful material from their perspectives. One representative from the agency that criticised the Secretariat's collaborative style most fervently agreed that the debates helped that agency identify areas where their own thinking needed further development.

5.3.8 Everyone with whom I spoke valued the collaborative nature of Pathfinder and the sharing of ideas and experiences among participants. Everyone also agreed that the project's structure – working participants supported by a dedicated Secretariat staffed by experts – was essential to good collaboration. As one respondent put it, if the participants had been expected to do everything, including staff the Secretariat, no one would have been able to participate. At the same time, had the Secretariat done it all themselves, the departments would not have owned the resulting materials.

5.3.9 Most participants said that, on balance, the diversity of agencies represented in Pathfinder strengthened the process by providing fresh approaches from across sectors and agency types. Others noted, however, that the diversity made communication difficult sometimes, since the participants often knew little about each other's business. A few respondents said that they would have preferred a more natural grouping of agencies – one with at least a few likely joint outcomes.

5.4 Models of collaboration

5.4.1 Conversations with Pathfinder participants uncovered several versions of an idealised collaborative approach that seem to be afoot, each of which emphasises a slightly different dimension of the whole. Quick sketches of what I take as the main approaches are provided below for two reasons: (1) because participants seemed to assess their own experience in the project partly on the basis of which of these approaches they favoured and which they perceived to be the 'official' version, and (2) because the models offer some guidance in designing future policy-making collaborations.

a *The Open Forum Approach*

One could adopt a very open approach to group management in which Pathfinder participants would have set the entire agenda collaboratively, based on agencies' particular concerns and issues. Good-practice materials would have been built up inductively from the practical experiences of all participants where they stood at that point in time. This approach would have yielded a snapshot of what was being undertaken – good and bad – in New Zealand in the first part of the 21st century, and would have identified challenges for the future. It would have operated as a stock-taking and agenda-setting exercise, perhaps to set the stage for further developmental work. It might not have provided much exposure to international good-practice models, unless participants were already aware of and using these. Tangible benefits in terms of New Zealand progress would have been very long-term. In this approach, the emphasis is on the sharing itself more than what is shared.

b *The Codification Approach*

If one cares mostly about producing the best possible 'guide to good practice,' then a radically different approach might work: Gather only the agencies identified as practice leaders in the group and concentrate on codifying their experiences. The effectiveness of this approach depends heavily upon the extent to which the key lessons have already been learned and the extent to which best practices are generalisable. It depends upon the right choice of practice leaders and the ability of the codifiers to communicate complex ideas to others clearly. This approach emphasises knowledge transfer.

c *The Change Agent Approach*

One might instead have identified a promising model of outcomes-focused practice and then tried to move participants in that general direction at an accelerated pace, through persuasion – including testimonials from those who had used the model – as well as step-by-step instruction. It is an exercise in applying theory and promoting a particular vision of practice. To the extent that one has confidence in the initial model, efforts might also be focused on external dissemination beyond project participants. The effectiveness of this approach depends heavily upon the quality of the initial model. If the model is appropriate and readily adoptable, short-term tangible benefits would be potentially large. This is the pure hothouse approach.

d *The Mutual Adjustment Approach*

This approach starts with a few fixed points in the form of basic principles to guide outcomes-focused development. Like #3 above, it also starts with an existing model of outcomes-focused practice to structure the group's activity, but treats the model as provisional or 'emerging,' rather than as a near-final product. Participants are encouraged to try on parts of the model, and to provide free and frank feedback, based on experience, about the model's strengths and weaknesses.

The dialogue between theory and practice leads to revision and tailoring of the model (and may point to a need for other models or hybrids) as well as lessons learned about implementation. The effectiveness of this approach depends partly on the quality of the initial model, but it is more a function of the model's malleability, the capacity of participants to give relevant and timely feedback from their experiences, and the ability of project staff to incorporate this feedback without forfeiting consensus.

5.4.2 Elements of all four approaches can be spotted in the Pathfinder documents. The agency representatives who criticised Pathfinder's collaborative practice implied that the Secretariat favoured, or included individuals who were temperamentally more suited to, a combination of the codification and change agent approaches. The critics seemed to favour something more like the open forum approach, but not as extreme.

5.4.3 Mutual adjustment highlights the two-way, reciprocal nature of collaboration. Some evidence exists to show that the Secretariat attempted to incorporate feedback and modify its models in response to criticism. For example, when Pathfinder departments complained that the existing good practice examples were daunting rather than inspiring, the Secretariat simplified the expectations and concepts for its presentations at the MfO training sessions. Likewise, when Pathfinder agencies expressed a desire to hear from a wider set of agencies, the Secretariat shifted examples for state indicators and drew on outcomes statements from 15 different Statements of Intent, again in the context of MfO training. Representatives from one Pathfinder agency would argue, however, that these efforts were inadequate and did not address the real substance of the dissenting views.

5.4.4 Among participating agencies, collaborative efforts appear to have been uneven. Out of 15 presentations proposed by Pathfinder agencies, nine eventuated. On four occasions, the Secretariat invited participants to present case studies of problems encountered in their agencies' outcomes work. On two of these occasions, senior managers blocked the presentations because they did not wish to air their agencies' failures, however small, even within Pathfinder's protected environment. Some working group members provided far more written feedback on draft materials than others did. Some provided more oral feedback. Some provided only sporadic feedback in either form. Some working group members made a larger effort to track down additional material beyond what the Secretariat provided.

5.4.5 In the end, the available evidence is not adequate to settle the dispute over how collaborative the project was in practice. On balance, as noted above, most participants rated it good. In focus groups and interviews, the Secretariat and participating agencies by and large commended each other for hard work and commitment. Many agency respondents made a point of expressing their appreciation for the Secretariat's expertise, diligence, and professionalism. But it also seems clear that there was scope for greater openness on the part of the Secretariat, particularly at the beginning of the process, and scope for more concrete contributions from Pathfinder agencies throughout.

Section 6: Can the Pathfinder Process provide a model for future Interagency Policy Development?

6.1 All respondents, even the critics, agreed that Pathfinder is a promising model for future collaborative policy development among departments. It might be particularly useful for helping selected groups of agencies work together toward development of joint outcomes frameworks – a subject on the minds of many of my respondents.

6.2 In particular, the three-part Pathfinder structure received universal endorsement: department-chaired Sponsors Group and Working Group + dedicated Secretariat that takes direction from the participating agencies. Only one respondent raised the possibility of including an additional member or two from the departments on the Secretariat, but did not press the point. By and large, the existing structure is perceived as having the potential to balance the need for strong central agency commitment to a project with the need for departmental ownership of results. Beyond structure, respondents noted the importance of filling key positions – particularly the Sponsors and Working Group chairs and the Secretariat – with the right people and ‘skills sets’.

6.3 Effective replication of Pathfinder’s ‘new way of working’ will depend upon maximising the ingredients for success and addressing, or at least anticipating and managing for, the obstacles that Pathfinder has revealed. These are listed in the executive summary.

Section 7: Conclusion and Recommendations

‘No fretful orchid hot-housed from the dew, But hale and hardy as the highland heather.’

Atlantic Monthly 1898, quoted in the *Oxford English Dictionary*

7.1 Pathfinder was designed as a ‘hothouse’ to accelerate the growth and development of results-oriented government. The evidence suggests that it fell short of the hothouse ideal, largely because it was also asked to embody other models of collaboration simultaneously, and partly because it may be impossible to involve real officials from real departments in a project while protecting them from the pressures of day-to-day management and agency (and inter-agency) politics. However, the final result of this real-life experiment probably has made a more robust contribution to outcome-focused government in New Zealand than might have emerged from a more artificial, climate-controlled exercise (if such a thing was possible). Although the full effects of Pathfinder will not be known for at least several years (and will never be measured), the evidence suggests that several of the key Pathfinder messages are likely to prove highly durable. These include:

- the distinction between state and impact indicators,
- the value of using results chains to link outputs to outcomes,
- the value of managing for intermediate outcomes,
- the relevance of outcome-focussed practice for a range of agency types (but the need for varied techniques), and
- the long developmental timeframes needed to embed outcomes.

7.2 These messages appear to be a reflection of the participating departments’ level of outcomes development at this point in time. If the Pathfinder material continues to circulate and to undergo revision based on experiential feedback, perhaps under the MfO banner, then some of the more advanced messages, for example regarding performance measurement, will also take root.

7.3 Pathfinder’s considerable achievements, enumerated in the executive summary, lead to a half dozen major recommendations:

- a *Replicate next-generation Pathfinder selectively.* When Government wishes to learn about a new area of state sector practice in which consensus around good practice has not yet formed, a next generation of the Pathfinder model – **incorporating the lessons learned thus far** – offers an excellent vehicle for experiential learning and for the development of robust and practical outputs. See the executive summary – ingredients for and obstacles to success – for lessons learned.
- b *Continue the R&D function within MfO.* Pathfinder accelerated our understanding of good outcome-focused practice, but has only scratched the surface of what can be learned about different types of business in different sectors and from different professional perspectives. Thus, Pathfinder’s R&D contribution to MfO must be continued in some form, with a focus on continually identifying new and better practices suited to particular functions.
- c *But resist the temptation to run Pathfinder on a larger scale within MfO.* Pathfinder teaches about the central role of relationship-building and two-way reciprocity within collaborative ventures. This is hard to achieve on a large scale.
- d *Continue to disseminate Pathfinder’s existing materials.* The more advanced techniques that Pathfinder has developed will not be relevant to most New Zealand departments at least for several years, not until the basics of outcome-based management are in place. Government faces the challenge of re-releasing portions of this more advanced material, perhaps several times, when departments seem to be ready for it. The timing and tone of these re-releases will be important. They should be accompanied by continued repetition of the ‘assist and assess’ message and include real opportunities for constructive feedback in the ‘listen and learn’ mode.

- e *Continue to search for better answers to the fundamental questions that the Working Group raised about measuring government's impact.* Disagreements and concerns about measurement models are likely to resurface as long as the managing-for-outcomes theme is pursued, even if a soft accountability message is stressed. MfO's R&D staff should continue the search, begun under Pathfinder, for more robust impact measurement models in general, and for different models that can be applied in different circumstances. This is a subject that may merit a next-generation, Pathfinder-type effort at collaborative development.

- f *Upgrade the 'listen and learn' role of central agencies.* Repeating the collaboration message is not sufficient. Central agencies need systems for learning from departments, both to improve advice and make it more practical, and also to counteract departmental suspicion. Demonstrating the 'assist' role alongside the 'assess' role will help, but better yet is consistent demonstration of the 'listen and learn' role as well. Pathfinder made significant progress in that direction, but more can be done.

Annex 1: Pathfinder Building Blocks

Short-Term Wins: Building Blocks for Long-Term Gains

Original Version

1. Define and measure 'mission critical' outcomes for key client / service groups
2. Define logic linking outcomes to outputs (for development and testing)
3. Assess impact of discretionary interventions (& power of prioritisation tools)
4. Evaluate cost-effectiveness of interventions, against outcomes achieved
5. Define prioritisation systems to maximise outcomes from intervention resource
6. Benchmark the performance of business units / nations in achieving outcomes
7. Focus strategic and annual plans on improving 'mission critical' outcomes
8. Redesign planning and operational systems to achieve enhanced outcomes
9. Improve management capability and core outcomes across agencies / sectors

Pathfinder's documentation was reorganised in 2003 into four groups of related documents that constitute an integrated suite. This was done partly in response to feedback from users and Working Group members. The four groups are:

Pathfinder Overview - provides a high-level description of the Pathfinder 5 step model.

Pathfinder Building Blocks - provide management with a summary of each step, and more detailed technical information for managers charged with implementation.

- Building Block 1 Identifying Outcomes
- Building Block 2 Outcome Indicators
- Building Block 3 Intervention Logic
- Building Block 4 Assessing Impact
- Building Block 5 Maximising Outcomes from our Interventions

Pathfinder Learning Documents - highlight real issues that management of various Pathfinder agencies have raised as they build their own outcome information systems, and how this issues can be overcome.

- Managing for outcomes in complex policy environments
- Managing for outcomes: the Local Authority approach & some implications for central government
- Pathfinder Learnings
- Operational systems that enhance outcomes

Pathfinder Support Papers - to assist management with the inclusion of outcome information in other generic management processes.

- Strategic Planning
- Interagency collaboration towards outcomes
- Benchmarking

Annex 2: Terms Of Reference & Request For Proposal: Evaluation Of The Pathfinder Project

Background

The Pathfinder Project was established as a 'hot house' for developing outcome management systems and a vehicle for agencies collaborating on a voluntary basis to:

- develop outcome measures, and management tools and frameworks;
- demonstrate operationally viable ways of improving state sector outcomes.

The broader objectives of the Project were to:

- create a 'hot house' in which alternative ways of managing for outcomes could be identified, discussed and shared between participants;
- produce and disseminate knowledge on outcome-focussed management methods to the broader public service; and
- demonstrate the viability of focussing the Public Sector Management System on improving outcomes as well as delivering outputs.

Participating agencies are: Child, Youth and Family, Department of Conservation; Department of Corrections; Department of Labour, Inland Revenue; Land Safety Transport Authority; Ministry of Health; and New Zealand Customs. The State Services Commission and the Treasury jointly sponsor and support the project.

Pathfinder was initiated in August 2001, and has identified effective approaches used by participants (and other agencies) to actively manage for improved outcomes. The concept was developed to help departments fulfil their ambitions to focus on outcomes.

Participants control the Sponsors Group and Working Group. A Secretariat, staffed by SSC and the Treasury, collates learning, produces documents and provides training to the public service. SSC and the Treasury invited participation.

During Pathfinder's lifetime, there has been a shift to outcomes focused management and planning within the public service as a whole. This represents a major shift in government thinking and focus, and contains a number of mandatory elements. The impact of this shift will be addressed in the MFO evaluation process. Our focus is therefore on the project itself, particularly how the Pathfinder 'mechanism' (agencies developing policy in collaboration) has worked and if it can be / should be replicated.

The project is due to finish in June 2003 and completion work has already commenced. As part of the wind up of the project, participating agencies, through the Pathfinder Sponsors' Group, have requested an evaluation of the Pathfinder project.

Statement of Purpose

We are seeking expressions of interest to conduct an independent evaluation of the Pathfinder project. In particular, participating agencies want to:

1. understand how well the Pathfinder collaborative process worked and if it can provide a model for future interagency policy development;
2. understand to what extent Pathfinder assisted participating agencies move to an outcomes focus in the management of their business;

3. gain an impression of the impact of Pathfinder's outputs on public service agencies; and
4. assess the value of the project in rolling out Managing for Outcomes.

The final product, in the form of a written report and supporting material, should therefore identify:

- the success factors and the limitations of using the collaborative process adopted by Pathfinder in developing cross-agency policy, tools and processes;
- the extent to which these success factors and limitations are specific to Pathfinder;
- recommendations on if, and under what circumstances, should a similar collaborative process be used in the future;
- participating agencies' views on to what extent Pathfinder assisted them in moving to an outcomes focus in the management of their business;
- the extent of adoption of Pathfinder concepts among participating agencies and a sample of public service agencies engaged in the Managing for Outcomes process; and
- how Pathfinder concepts were used in rolling out Managing for Outcomes.

Project scope

In carrying out this project the consultant will:

1. Have access to background material, including (but not limited to):
 - MFO Guidance for departments (August 2002);
 - Pathfinder guidance & documentation;
 - information on hit rates and downloads from the Pathfinder website;
 - responses to Pathfinder specific questions in the MFO online survey;
 - a sample of draft 2003/04 SOIs;
 - comments on Pathfinder concepts and material from academic sources, OAG, interested international parties (Treasury Board of Canada, World Bank, OECD);
 - Review of Centre Innovation project comments;
 - KPMG Awards judge's comments;
 - Pathfinder's mid-project survey; and
 - feedback from Symposium 1.
2. Convene and conduct four focus groups as follows.
 - Pathfinder working group (limited to attendees from June 2002 onwards);
 - Pathfinder sponsors' group;
 - Pathfinder secretariat; and
 - A non-Pathfinder agency focus group, comprising a selection of non-Pathfinder agencies drawn from the Pathfinder symposium 1 attendees.¹⁴

¹⁴ Excluding the 11 agencies being interviewed as part of the MFO evaluation process.

3. Conduct an analysis of relevant documents to assess the uptake and adoption of Pathfinder concepts and material by departments and the MFO steering group:
 - to supplement the information from the focus group, the Sponsors' Group requires an analysis of relevant documents to assess the uptake and adoption of Pathfinder concepts and material by departments and the MFO steering group. This would include the source material identified above. To help in this process the consultant will be provided with source material with the Pathfinder concepts and their origins already highlighted by the Pathfinder secretariat.

Output

We envisage that the consultant will conduct the focus groups identified above.

We would like a written report (up to 25 pages) of “Pathfinder Project: Evaluation Findings and Recommendations” that includes:

- an Executive Summary;
- a discussion of the methodology used;
- analytical output linked to recommendations and conclusions;
- any necessary appendices, including all processed focus group data where relevant; and
- a comprehensive list of all contacts, sources used and access to any sources not in the public domain.

We envisage that the report will have a wide distribution. It must be suitable for public distribution and consultation with a wide range of stakeholders. The consultant should assume that the report may be circulated to leaders/managers and specialists in government (NZ and internationally), and local and international academics with an interest in public sector management.

The consultant should design the focus groups to protect findings, as much as possible, against unnecessary methodological problems.

Out of Scope

We do not expect the final report will provide:

- A broad investigation into the quality of Pathfinder material
- An analysis or critique of the content of Pathfinder material, including, for example, website content, Building blocks and related documents, Pathfinder's terms of reference.

Annex 3: Focus Group and Interview Questions (For Sponsors' and Working Groups)

Overview: Tell me about your agency's experience with Pathfinder. (SG & WG):

- To what extent did PF participation help you move toward an outcomes focus in the management of your business?
- What were the most useful aspects of PF participation, from your agency's perspective?
- What were the least useful?
- What does your agency need to move further toward an outcomes focus?

Collaboration (SG & WG)

- Have you formed relationships/networks/contacts with other agencies through participation in PF?
 - If so, what is their value?
 - Do you expect these relationships to continue after PF finishes?
- Tell me about the learning/sharing process?
 - What have you learned from the other PF agencies?
 - What have you shared?
 - Did PF enable this? How?
- Are there barriers to collaborative learning/sharing/policymaking around state sector outcomes?
- How might collaborative learning/sharing/policymaking be done more effectively in the future?

Adoption (WG)

- Did your agency achieve its milestones/short-term wins? How?
 - What were the main ingredients in your success?
 - What role did PF play?
 - Can you distinguish between the roles played by PF and MfO?
 - What factors held you back?
 - Did PF help to reduce these barriers?
- Tell me about the Building Blocks. [For each BB, briefly, ...]
 - Are you familiar with BBi?
 - Is your agency using BBi or planning to use it?
 - If so, how have you tailored BBi to your needs?
 - Is it contributing to your agency's development of an outcomes focus?
 - Did it contribute to your SOI?

- What are the barriers to adopting BB_i?
- How did the PF concepts/models/ideas fit with your agency's roll-out of 'Managing for Outcomes.'?

Promotion (SG & WG)

- Did your involvement in PF lead to recognition for your expertise in the MfO field within your agency? For example, were you invited to participate in additional planning activities, etc?
- How effective was the Sponsors' Group in championing outcomes-focussed planning and management?
 - Breadth of promotion?
 - Depth of promotion?
- What were the barriers to promotion?
- How might promotion be done more effectively in the future?

Model for the future? (WG & SG)

- Would you recommend that government use a similar collaborative process in the future to improve state sector outcomes?
 - If so, which elements most deserve emulation?
 - Which elements need to be modified for future applications?

Annex 4: Focus Group Participants and Interviewees

The evaluator would like to thank the following people for offering their time to this project. Special thanks go to Bryan Dunne for coordinating the contacts and the documentary search and to Roger Waite for help in gathering materials.

Grant Baker	Department of Conservation
Torsten Baker	Department for Courts
Carl Bakker	Treasury
Leon Bakker	Department of Corrections
Geoff Bascand	Department of Labour
Greg Claridge	State Services Commission
Martin Connolly	Customs Service
Valmai Copeland	IRD
Kel Crofskey	Ministry of Justice
Bryan Dunne	Treasury
Gillian Durham	Ministry of Health
Marg Harvey	Department of Labour
Pete McIndoe	National Library
Sacha O’Dea	Ministry of Housing
Jim Olson	Office of the Auditor-General
Craig Owen	Te Puni Kokiri
Brenda Pilott	Department of Child, Youth and Family
Sudha Rao	National Library
Julie Rowan	Ministry of Women’s Affairs
Rose Ryan	Department of Child, Youth and Family
Martin Small	Land Transport Safety Agency
Sheila Swan	Ministry of Health
Jeff Taylor	Ministry of Agriculture and Fisheries
Roger Waite	Treasury
Frank Zhang	Department of Conservation