Public Service Decentralisation Governance Opportunities and Challenges

CPMR Discussion Paper
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FOREWORD

This paper is the thirty-third in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the following eight departments: Finance; Environment, Heritage and Local Government; Health and Children; Taoiseach; Transport; Communications, Marine and Natural Resources; Social and Family Affairs; Office of the Revenue Commissioners and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to

people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found on its website: www.cpmr.gov.ie; information on Institute of Public Administration research in progress can be found at www.ipa.ie.

Background

This discussion paper identifies and analyses a number of key governance issues that are relevant to 'decentralisation' as a concept in public sector reform. It explores, particularly within the context of contemporary Irish experience, some of the key opportunities and challenges for effective leadership and collegiality in a geographically decentralised Irish civil and public service: areas which may have been comparatively neglected, in both research and policy terms, in the past but which demand further attention for effective implementation of current initiatives. The research draws upon:

- an extensive review of the national and international literature on civil/public service decentralisation, as well as effective leadership and positive collegiality in the commercial and non-commercial sectors;
- in-depth discussions with those engaged, at a senior level, both in Ireland and elsewhere with developing and implementing decentralisation programmes;
- in-depth discussions with the chief officers in a cross-section of Irish public bodies directly affected by the current programme, as well as senior trade union representatives and senior private sector managers;

In this regard, it must be stressed that the geographical decentralisation programme currently in hand for the Irish public service will have a direct and/or indirect impact not just on those specific bodies identified for decentralisation under the current programme but will have an impact across the public service as well as in other sectors. Indeed the changes that are afoot are of a scale and character that should lead to a fundamental recasting of the Irish system of public administration.

Policy context

Since 1994, the Irish public service has been engaged upon a long-term programme of public service modernisation, also known as the Strategic Management Initiative (SMI), broadly along New Public Management (NPM) lines. While Ireland's efforts at geographical decentralisation long pre-date the SMI and have not, until now, had significant, explicit implications for the modernisation agenda, a considerable sense of urgency has now been injected into this gradually, self-modernising administrative system. For, into a previously consensual and gradualist policy environment, the Minister for Finance in December 2003 announced the Irish government's commitment to the voluntary decentralisation of over 10,300 posts in civil service departments/offices and agencies to over fifty locations across twenty-five counties throughout the country. Of this total, over 3,000 of the posts earmarked for relocation are in state agencies. Additionally, the government decided that, save in exceptional circumstances, any new agencies/bodies being established in the future should be located in areas compatible with this new programme. While decentralisation has not formed an explicit plank of either current or past Irish public service reform initiatives and while Ireland's experience to date has demonstrated little devolution of fiscal and other high-level decision-making functions from central to local levels, the spatial decentralisation of Dublin-based public service employment and functions to non-metropolitan locations has been a feature of Irish administrative re-organisation at least since the 1960s.

Broadly speaking, there have been two previous phases of geographical decentralisation in Ireland: (a) dispersal during the period 1967 to 1987; followed by (b) a complex period of dispersal, deconcentration and regionalisation (1988-2003). Thus, even before the new programme is implemented, previous national-level initiatives, together with the adoption of regional strategies by some departments/offices, have already resulted in a complex spatial mosaic of public service locations. Together with dispersed functional units, this complex mosaic includes regionalised and/or county-based offices supported by networks of branch, district and local offices. However, there is little doubt that, although it builds upon these

earlier initiatives, the current decentralisation programme will present unprecedented management and operational challenges at the departmental/organisational and public-service wide levels. It will also be important to learn from experiences in the past regarding leadership and collegiality in a geographically complex civil service in order to help plot the future.

The current proposals will not only mean that the majority of civil service, as well as public service, posts will be based outside Dublin but no fewer than eight government departmental HQs will be located away from the capital, while the government itself and many other departments and stakeholder organisations will continue to operate from the centre. As a consequence, an entirely new approach to the governance of the service will be required and, in particular, new models of leadership and collegiality developed. This dramatic policy initiative, in the short-term, has not only reverberated throughout the administrative system, but, in the longer term, has the potential to present hitherto un-thought of opportunities for radical reform and improvements in the way the Irish public service operates.

Learning from others

A number of other countries have implemented decentralisation initiatives in the past number of decades. For example, in the Netherlands and UK up to the end of the 1980s the decentralisation of public service employment away from the capital had been used as part of a regional development strategy to relieve long-term unemployment in declining industrial areas. More recently, evidence from secondary sources indicates international experience of relocation and decentralisation in a wide range of countries and/or other public administrations; e.g. France, Germany, Norway, Japan and Canada (British Colombia). Internationally, the geographical decentralisation of the civil and public service is seen as an opportunity to secure improved efficiency on the back of business process re-engineering (BPR), new working practices and modernisation.

However, this research found that, although some useful inferences can be drawn from a review of available international evidence, it is difficult to identify in other public administrations in OECD a direct comparator for the

current programme of Irish decentralisation. This lack of a comparator relates to the scale of the current programme, its scope, timing and, above all, its inclusion of proposals to relocate entire organisations in locations away from the capital city and centre of political life. For example, the UK approach specifically excludes the movement of head offices of government departments away from London.

Leadership and collegiality

Available research evidence suggests that both effective leadership and positive collegiality are key features of good governance and the significance of both these qualities is at a premium within the context of a geographically complex, decentralised civil and public service. Such qualities of good governance as leadership, effectiveness, participation, coherence, programme delivery and effective stakeholder engagement are particularly relevant in the context of the decentralisation programme given the continuing location of the Oireachtas and a number of departments in central Dublin and the particular challenges posed by the geographical decentralisation of others. Indeed, it is important to note that, as early as March 2004, the Decentralisation Implementation Group was beginning to acknowledge the importance of these qualities in forming 'a post-decentralised civil service': 'The geographic relocation and dispersal of staff may help to reinforce existing moves towards greater devolution of authority and responsibility to, and within, organisations. There will be an onus on management at organisational and sub-organisational level to exercise greater *de facto* responsibility for HR, finance and other organisational matters. A more geographically dispersed civil service needs to be balanced by sufficiently strong common values and culture to support effective system-wide co-operation and decision-making. It will be necessary to reinforce, and invest more heavily in corporate culture and ethos' (*First Report of the Decentralisation Implementation Group to Minister for Finance* p.28). These opportunities and challenges are explored in this research at corporate/service-wide, interdepartmental and intradepartmental levels

A review of the latest international literature and best practice management frameworks clearly highlights that

not only is effective leadership the cornerstone upon which organisational excellence is built, it also:

- gives strategic direction: it develops and communicates vision, mission and values;
- achieves change and focuses efforts on customer service;
- develops and implements a system for organisational management and performance review;
- motivates and supports people, acting as a role model;
- manages the relationships with politicians and other stakeholders, acting in a socially responsible manner.

These qualities hold true across the public and private sectors. Effective and visible leadership is required to promote an emphasis on co-operation, consensus, persuasion and the like. A key quality of leadership is also the capacity to operate in a collegial manner and to support collegiality between and within organisations. Together with positive collegiality, these qualities of effective leadership apply at three levels: the corporate or service-wide; the inter- and the intra-departmental. The key research question for this study was to consider the extent to which these qualities of leadership and collegiality could be affected by the geographical dispersal of the public service organisations concerned and, specifically, to identify and discuss opportunities and challenges thus presented.

Opportunities and challenges
There is little doubt that the current decentralisation programme will have a profound impact on structures, communication frameworks, networking fora and the relationship interface between the civil service, the political and stakeholder systems. How this is managed is vital in terms of the effects on customer service and the efficiency of business processes during the transition phase and beyond. As such, if effectively managed and implemented, it could represent a unique opportunity to fundamentally revisit and restructure the ways in which the civil and wider public services conduct their business.

There is little doubt that the movement of public service bodies away from Dublin will provide an unprecedented

opportunity for a fundamental overhaul of work done and the way it is done, through the use of business process re-engineering and other techniques. Concerns from the past regarding blocked career progression for those in dispersed and regional civil service offices could be ameliorated by adopting a regional approach to facilitate promotion across public service bodies. Otherwise, a move away from Dublin would very definitely become a one-way journey. Because of the travel imperative for contact with the minister and meetings with other public servants, while the burden of travel will be greatly increased, especially when engaged in EU and other international work, it is very likely that both the frequency and management of meetings will become subject to stricter discipline. The use of ICT will help communication but it is expected to be only a limited substitute for face-to-face collegiality.

The discussions that took place during this research also suggest that it could be timely to re-explore the potential benefits of a Senior Civil Service. Such an incremental step could support the development of leadership skills training and help sustain collegiality at the service-wide level. Respondents frequently expressed concern that local pressures could lead to a parochial mind-set developing. For instance one respondent said: 'Leadership has not historically been considered as a skill that can be learned – it has been regarded rather as Churchill described 'greatness': you can be born with it, achieve it or have it thrust upon you. Yet recent thinking in both the private and public sectors sees the development of the skills of leadership as essential to the effective delivery of any programme of change – and that all efficient organisations are in a state of ordered change'.

It was outside the scope of this research to suggest or even less to prescribe firm recommendations for further action. That needs to be on the national agenda for another day. However, although no organisation is scheduled to decentralise before the end of 2006, there is little doubt that, if the current decentralisation programme is to rise above the very considerable logistical issues (around staffing/training and physical infrastructure) that have understandably pre-occupied the implementation agenda to date, then serious consideration of the governance opportunities and challenges arising from this programme

need to rise up that agenda. Only two of these issues have been initially reviewed and discussed in this paper: namely effective leadership and positive collegiality. However, it is clear from this research that, if Ireland is to retain its hard won and justified reputation for first rate civil and public services, as well as its international standing, positive action is required across a wide front to turn leadership and collegiality challenges into opportunities.

On the basis of this research evidence, such action should include constructive, informed and positive support being given to a wide range of issues, including:

- Giving urgent attention to the development of a service-wide Knowledge Management initiative to minimise loss and open up new opportunities for knowledge sharing on a collegial basis, within, between and across those public service bodies significantly affected by the decentralisation programme. Allied to this is the need to map more clearly, and understand better, current formal and informal networks within the service. These will need to be significantly recast. Resort to ICT and large amounts of travel appear to only offer partial solutions.

- Implementing a coherent, service-wide change management programme, which recognises and empowers leadership within and across the civil and wider public services. Again models appear to exist, based upon international best practice, which could inform this process, as could the more systematic in-depth analysis of private sector experiences. It would appear also that the timing could be opportune for a revisiting and reassertion of core public service values that could help to maintain consistency in the considerably more geographically complex and younger service of the future. Allied and supportive of this approach could be the further examination of the implications for Ireland of the explicit development of a senior civil and public service.

In summary, there is little doubt that the current leaders of the Irish public service have had decentralisation thrust upon them, even though it may be up to their successors to fully operationalise the resultant changes

from new and diverse localities. While issues of staffing and infrastructure are understandably pre-occupying minds presently concerned with implementation, action will need to be commenced soon to rearticulate, and sustain, the values of the Irish public service and to cultivate the leadership skills necessary for the next generation of secretaries general and chief executives so that the modernisation programme set in motion a decade ago is sustained and re-invigorated. In a decade from now, a new generation of leaders should be leading an entirely recast, modernised civil and public service, in diverse places but with shared values.

1

Introduction and background

1.1 Background

This discussion paper seeks to identify and analyse a number of key governance issues that are relevant to 'decentralisation' as a concept in public sector reform. It explores, particularly within the context of contemporary Irish experience, some of the key opportunities and challenges for effective leadership and collegiality in a decentralised civil and public service: areas which may have been comparatively neglected, in both research and policy terms, in the past but which demand further attention for effective implementation of current decentralisation initiatives.

1.2 Research approach

Methodologically, the research upon which this discussion paper is based draws upon:

- an extensive review of the national and international literature on civil/public service decentralisation, as well as effective leadership and positive collegiality in the commercial and non-commercial sectors;
- in-depth discussions with those engaged, at a senior level, both in Ireland and elsewhere with developing and implementing decentralisation programmes;
- in-depth discussions with the chief officers in a cross-section of Irish public bodies directly affected by the current programme, as well as senior trade union representatives and senior private sector managers.

Drawing upon this range of sources, it has been possible to obtain a distinct view of some of the significant governance opportunities and challenges presented by the Irish decentralisation programme and the broader drive for public service modernisation. This discussion paper is

intended to encourage and stimulate informed discussion and debate amongst those affected by, or interested in, the current programme.

In this regard, as will be seen later, it must be stressed that the decentralisation programme currently planned for the Irish public service will have a direct and/or indirect impact not just on those specific bodies identified for decentralisation under the current programme but will also have an impact across the public service as well as in other sectors. In combination with research and other studies being undertaken to support the roll out of the decentralisation programme, this research is intended to add value and make an original contribution to understanding and responding constructively to some of the specific governance opportunities and challenges arising from the current governmental initiative.

1.3 Paper outline

The discussion paper is structured in the following manner:

a) Following this brief introduction, some of the diversity of concepts relating to 'decentralisation' are introduced and explored, including their relevance to Ireland.

b) The key features of the current Irish public service decentralisation programme are then outlined and this programme placed within the context of past initiatives.

c) Irish experience is also placed in the wider context of relevant international decentralisation initiatives.

d) The key governance concepts of public service leadership and collegiality are then discussed in depth.

e) Some of the potential implications of large-scale decentralisation for effective leadership and positive collegiality in the civil and public service are then explored.

f) Based upon Irish experience, opportunities and challenges are identified that are germane to other researchers and policy makers in this field.

Detailed supporting material is annexed together with accompanying notes and a full bibliography.

2

Decentralisation and reform

2.1 Introduction

Decentralisation has been implemented in many countries to move decision making for public services closer to the citizens and to increase the effectiveness and responsiveness of public authorities. However, the term 'decentralisation' is used in a variety of contexts and it is important to capture some of this diversity of meaning before proceeding further.

2.2 A diversity of meanings

The OECD (2005) broadly defines 'decentralisation' [or devolution] as comprising a transfer of 'public functions from higher tiers to lower tiers of governance. It can be administrative (transfer of civil servants and public functions to local level), fiscal (devolution of fiscal resources and revenue generating powers), political (devolution of decision-making powers) or a mixture of these' (p.1). As such, the concept of decentralisation is often perceived in hierarchical terms, involving the top-down/vertical movement of administrative, fiscal and/or political/decision-making functions. Such functional movement can be intra-organisational (e.g. within government departments) or inter-organisational in character (e.g. from central to local administration).

However, functional decentralisation can also be horizontal or diagonal in direction, for example through 'agencification' or the transfer of powers/competencies from central departments to 'autonomous' agencies[1]. To add to this diversity of typologies, 'decentralisation' can also be geographical or spatial in form: characteristically involving the movement or relocation of the entire/partial administrative functions of agencies and/or the head office/other functions of civil service departments from the

political capital/centre to non-metropolitan locations. Given Ireland's past experience and future plans, it is geographical decentralisation that is the primary focus of this discussion paper.

2.3 Ireland: a small, highly centralised country?

At this stage, it must be acknowledged that Ireland is frequently perceived as a small and highly centralised country. If, as the OECD (2005) argues, 'decentralisation' requires the transfer of public functions from higher to lower tiers of governance, so as to be closer to the citizens, then Ireland is perhaps unfertile ground for such a study. As Callanan (2003) has recently noted, 'Centralisation is strongly imbued within Irish administrative culture' (p. 477). Unlike other EU countries, Irish local government has only limited involvement in social provision (housing) and its principal services are in the areas of local planning and development control, the maintenance of local roads and drainage schemes, refuse collection and the provision of parks, libraries and other community facilities. As a consequence, health, social welfare and education are not significant local government functions in Ireland.

However, plotting the balance of power between central and local government in Ireland is not the main concern of this discussion paper. Rather, its primary focus is upon better understanding past, present and planned Irish approaches to geographical decentralisation and, in particular, drawing governance lessons of wider application in terms of leadership and collegiality within the civil and wider public service. For, in this sphere, changes are afoot that are of a scale and character not only to challenge our existing understandings of the significance or otherwise of geographical decentralisation but that should lead to a fundamental recasting of the Irish system of public administration.

As a consequence of previous civil service-wide and departmental decentralisation initiatives over the past four decades, approximately 14,000 or 47 per cent of total civil service staff are already located outside Dublin (see Boyle and Humphreys, 2001)[2]. As will be seen later, as a result of

the new government programme, over half of all civil service posts, including some of the most senior, will soon be located away from Dublin. Not only will such radical change raise significant leadership and collegiality opportunities and challenges for the effective running of 'Ireland Inc', the initiative, which is unique in European terms, could challenge existing preconceptions of a centralised civil service and a small, highly centralised country.

Decentralisation and public service modernisation in Ireland

3.1 Policy context

Since 1994, the Irish public service has been engaged upon a long-term programme of public service modernisation, also known as the Strategic Management Initiative (SMI), broadly along New Public Management (NPM) lines (see, for example, Pollitt and Bouckaert, 2004). However, it can be argued that, in many ways, Ireland's approach to modernisation to date has been somewhat unremarkable. As Pollitt (2005) has recently observed, 'the case of Ireland is not a very interesting one, in the sense that the headline reforms are absolutely in the international mainstream'.

Nevertheless, some aspects of Ireland's approach have been distinctive, particularly the ways in which these headlines have been implemented. For example, at least until now, modernisation has been primarily driven by senior officials themselves, rather than at cabinet or parliamentary levels, and has been taken forward within the context of national-level partnership agreements between government and the social partners (see http://www.bettergov.ie/). Ireland has also pioneered the introduction of strategy statements by government departments and their accountability to the Oireachtas (National Parliament) (see Boyle and Fleming, 2000). A number of independent reviews have indicated that while progress has been slow, significant advances have been made in the modernisation agenda over the past decade, for example in the area of quality customer service (QCS) (see Boyle and Humphreys, 2001; PA Consulting, 2002).

It will also be seen later that Ireland's efforts at geographical decentralisation long pre-date the SMI and have not, until now, had significant, explicit implications for the modernisation agenda. However, as a consequence of a recent government decision, a considerable sense of urgency has now been injected into this gradually,

self-modernising administrative system. For, into a previously consensual and gradualist policy environment, the Minister for Finance in December 2003 announced the Irish government's commitment to the voluntary decentralisation of over 10,300 posts in civil service departments/offices and agencies to over fifty locations across twenty-five counties throughout the country. Of this total, over 3,000 of the posts earmarked for relocation are in state agencies (Budget 2004, p. A.7). Additionally, the government decided that, save in exceptional circumstances, any new agencies/bodies being established in the future should be located in areas compatible with this new programme. Details of these proposals as originally outlined are in the Annex 1. While it would be fair to say that statements of intent regarding a new programme of decentralisation had been trailed in political and administrative circles during the late 1990s, the scale and dramatic character of the programme announced in late 2003 have reverberated throughout the Irish public service[3].

3.2 Forty years of geographical decentralisation

As previously indicated, decentralisation, in any of its varied forms, has not formed an explicit plank of either current or past Irish public service reform initiatives. However, while Ireland's experience to date has demonstrated little decentralisation of fiscal and other high-level decision-making functions from central to local levels, the spatial decentralisation of Dublin-based public service employment and functions to non-metropolitan locations has been a feature of Irish administrative re-organisation at least since the 1960s (see Humphreys, 1983). In reviewing past experience, Joyce, Humphreys and Kelleher (1988) argue that the geographical decentralisation of public service functions (and functionaries) from the centre to the local, in Ireland, has had two main (but not mutually exclusive) variants:

- *Dispersal* occurs when parts of a centralised organisation are relocated away from the capital, to one or more regional locations. There is no transfer of power

to the local area; the nature of the work to be done is centrally determined.

- *De-concentration* (or *regionalisation*) takes place when an organisation delegates discretion to its managers at sub-national levels. For instance, a regional structure for service delivery is set up, with each regional manager having discretion as to the precise mix of services to be provided under his or her aegis, subject to general central budgetary and policy guidelines.

Joyce et al (1988) also note that, up to that time, neither of these forms of civil service decentralisation had incorporated a significant degree of devolution[4].

Broadly speaking, there have also been two previous phases of geographical decentralisation in Ireland: namely (a) dispersal during the period of 1967 to 1987; followed by (b) a complex period of dispersal, deconcentration and regionalisation (1988-2003). Further details of these programmes are provided in Annex 2. During the latter period, as part of their modernisation drive, the Department of Social and Family Affairs and the Office of the Revenue Commissioners in particular engaged upon a concerted regionalisation strategy, linked to Information and Communication Technology (ICT) enabled, internal reforms (organisational restructuring) to improve the quality of service delivery (see Humphreys, Fleming and O'Donnell 1999).

3.3 A complex mosaic
Thus, even before the new 'decentralisation' programme is implemented, previous national-level initiatives, together with the adoption of regional strategies by some departments/offices, have already resulted in a complex spatial mosaic of public service locations. Together with dispersed functional units, the picture includes regionalised and/or county-based offices supported by networks of branch, district and local offices. Without worrying unduly about the detailed geography, some impression of the resultant complexity of this mosaic can be

given for two departments by way of illustration.

- *Department of Agriculture and Food* already has six main department offices, located in Dublin, Cavan, Castlebar, Maynooth, Portlaoise and Johnstown Castle. Nationwide, there are also eleven laboratory locations (Raphoe, Sligo, Athlone, Back Weston, Dublin – scheduled to move to Back Weston in 2005, Kildare, Kilkenny, Knockalisheen, Limerick, Cork, Middleton) and forty local offices (Letterkenny, Raphoe, Donegal, Sligo, Ballina, Claremorris, Tuam, Galway, Carrick-on-Shannon, Castlerea, Roscommon, Longford, Monaghan, Ballybay, Dundalk, Drogheda, Navan, Naas, Tallaght, Wicklow, Mullingar, Athlone, Tullamore, Loughrea, Ennis, Nenagh, Limerick, Thurles, Tipperary, Clonmel, Waterford, Enniscorthy, Carlow, Kilkenny, Tralee, Killarney, Clonakilty, Cork, Mallow, Dungarvan.

  Under the current decentralisation programme, it is planned to move (a) the Department's head office and ICT staff to Portlaoise, (b) its Cork City laboratory staff to Macroom, and (c) local Cork City and Mallow staff to Fermoy. Additionally, its is planned to move a number of its associated agencies, Bord Bia and Bord Glas to Enniscorthy and Teagasc to Carlow Town.

- *Department of Social and Family Affairs*: In addition to offices providing national-level services in Dublin, Sligo, Letterkenny, Longford, Waterford and Dundalk, the department's regional structure means that delivery of services is structured on ten regional offices, in Waterford, Cork, Limerick, Galway, Longford, Sligo, Dundalk and three in the Dublin area. Within these regions there is a network of fifty-eight Social Welfare Local Offices and sixty-nine branch offices.

  Under the current decentralisation programme, it is planned to move (a) the department's head office and ICT staff to Drogheda; (b) Client Eligibility Services to Buncrana; (c) General Benefits to Donegal Town; (d) Client Identity, Employment Support, Information Systems (IS) and Control to Carrick-on-Shannon; (e)

Internal Audit, Freedom of Information (FoI), Training/Development and Supplementary Welfare to Sligo Town. Additionally, its is planned to move a number of its associated agencies as follows: Comhairle and Reach to Drogheda and Combat Poverty Agency to Monaghan Town.

However, there is little doubt that, although it builds upon these earlier initiatives, the current decentralisation programme will present unprecedented management and operational challenges at the departmental/organisational and public-service wide levels. It will also be important to learn from experiences in the past regarding leadership and collegiality in a geographically complex civil service in order to help plot ways forward for the future.

3.4 Policy implementation

Although the detailed governance arrangements for the implementation of the new programme are outside the scope of this discussion paper, it is still helpful to summarise them here for contextual purposes. At the strategic level, a Decentralisation Implementation Group (DIG) has been established, which reports directly to a Cabinet Sub-Committee, comprising the Taoiseach (Prime Minister), Tánaiste (Deputy Prime Minister), Minister for Finance as well as Minister for the Environment, Heritage and Local Government. In each of the departments/offices directly affected by the new programme, Decentralisation Liaison Officers (DLOs) have been appointed and dedicated decentralisation units established that report to the management advisory committee (MAC) and the minister. The Office of Public Works (OPW) has developed an Accommodation Acquisition Strategy, with a Public Private Partnership (PPP) approach being preferred. There have been a number of other significant developments in relation to the programme as a whole, most notably:

- the publication of the *Reports of the Decentralisation Implementation Group* in March, July, November 2004 and June 2005 respectively (http://www.decentralisation.gov.ie/)

- in May 2004, the launch of the Common Applications Facility (CAF) operated by the Public Appointments Service (http://www.publicjobscaf.ie/)
- additionally, departmental/agency implementation plans have been prepared, within the context of the DIG Reports.

From the outset, it was acknowledged by the DIG that a 'big-bang' approach to implementation would neither be desirable nor feasible. Accordingly, in November 2004, the DIG recommended eleven departments/bodies as 'early movers' to fourteen locations. These 'early movers' total 2,130 staff and include the head offices/headquarters of:

- Department of Arts, Sport and Tourism (Killarney, Co. Kerry): 300 km from the Oireachtas (Parliament) in Dublin.
- Department of Defence (Newbridge, Co. Kildare): 42 km from Dublin
- Office of Public Works (Trim, Co. Meath): 43 km from Dublin
- Prisons Service (Longford Town, Co. Longford): 123 km from Dublin and
- Social and Family Affairs (Drogheda, Co. Louth): 49 km from Dublin.

In addition, a further 1,362 potential 'early movers' have been identified, involving five departments and six locations, together with seven 'state agencies' totalling 723 staff. In its most recent Progress Report (30 June 2005), the DIG treats all the departments in this phase as 'early movers' but adopts a more individualised approach to the agencies.

While in international terms, these linear distances from Dublin may not appear lengthy, they need to be interpreted within the context of improved, but still limited road, rail and internal flight connectivity particularly for 'cross-country' journeys.

3.5 A radical step

The current proposals will not only mean that the majority of civil service, as well as public service, posts will be based outside Dublin but that no fewer than eight government departmental HQs will be located away from the capital, while the government itself and many other departments and stakeholder organisations will continue to operate from the centre (see Annex 1)[5]. There is no doubt that both the size and character of the programme envisaged have the potential to transform radically many aspects of the way the civil and wider public service conducts its business. As a consequence, an entirely new approach to the governance of the service will be required and, in particular, new models of leadership and collegiality developed. This dramatic policy initiative, in the short-term, has not only reverberated throughout the administrative system, but, in the longer term, has the potential to present hitherto un-thought of opportunities for radical reform and improvements in the way the Irish public service operates.

An international perspective
on decentralisation

4.1 Learning from others

A number of other countries have implemented decentralisation initiatives in the past number of decades. For example, Joyce, Humphreys and Kelleher (1988) reviewed experience in the Netherlands and UK up to the end of the 1980s. In both these countries, the decentralisation of public service employment away from the capital had been used as part of a regional development strategy to relieve long-term unemployment in declining industrial areas. More recently, the Lyons Review (2004) presents evidence from secondary sources on international experience of relocation and decentralisation in a wide range of countries and/or other public administrations; e.g. France, Germany, Norway, Japan and Canada (British Colombia). Fuller details of the current UK-wide and Scottish Executive's decentralisation initiatives are given in Annex 3.

4.2 Limited precedence?

While available international evidence is limited, the geographical decentralisation of the civil and public service is seen as an opportunity to secure improved efficiency on the back of business process re-engineering (BPR), new working practices and modernisation. Drawing upon the international analysis provided by the Lyons Review (2004), evidence suggests that the benefits of relocation are seen not just in terms of delivering savings in operating costs but more choice for the customer (Norway) and better delivery of services. There was also some explicit recognition of the need to address perceptions of remoteness and policy making dominated by the capital (Japan, Scotland, France). Germany is an interesting example of a highly devolved country, which is still decentralising at the regional level (Lander) to promote economic growth within the Land. At

the same time, the administrative capital is being moved from Bonn to Berlin. In addition to previous moves of administrative capital (e.g. in Australia to Canberra and Brazil to Brasilia), both Japan and Korea are currently planning to move their political and administrative capitals away from Tokyo and Seoul respectively. It is not however proposed to move the Irish seat of government from Dublin. There is also some evidence, for example in the Netherlands, that administrations that had previously geographically decentralised are now transferring functions back to the capital. The picture is therefore mixed.

4.3 Irish approach unique?

Although some useful inferences can be drawn from a review of available international evidence, it is difficult to identify, in other public administrations in OECD, a direct comparator for the current programme of Irish decentralisation[6]. This lack of a comparator relates to the scale of the current programme, its scope, timing and, above all, its inclusion of proposals to relocate entire organisations in locations away from the capital city and centre of political life. For example, the UK approach, specifically excludes the movement of head offices of government departments away from London. The analyses contained in both the Lyons (2004) and the associated Experian (2004) reports also suggest that proposals of the scale and character currently envisaged in Ireland would both present governance opportunities and raise significant challenges for the public service. These governance issues can now be explored more substantively by drawing upon a detailed literature review of public and private sector sources.

Good governance: effective leadership and positive collegiality

5.1 Concepts and terms

Available research evidence suggests that both effective leadership and positive collegiality are key features of good governance and the significance of both these qualities is at a premium within the context of a geographically complex, decentralised civil and public service. A number of definitions of good governance make that clear. For example, the Australian National Audit Office (ANAO) states that, 'Broadly speaking, corporate governance generally refers to the processes by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, *leadership*, direction and control exercised in the organisation' (1999, p.1).

The definition of governance cited by the Commission of the European Communities (2001) is also relevant. Here, governance has been defined as 'rules, processes and behaviour that affect the way in which powers are exercised and particularly as regards openness, participation, accountability, effectiveness and coherence' (p. 8). In this context, Stoker's work (1998) is particularly apposite because of its emphasis on the role of stakeholders or actors beyond government and the significance of effective relationships and networks [collegiality] for good governance. Such references to leadership, effectiveness, participation, coherence, programme delivery and effective stakeholder engagement are particularly relevant in the context of the decentralisation programme given the continuing location of the Oireachtas and a number of departments in central Dublin and the particular challenges posed by the geographical decentralisation of others (see also OECD, 1995).

Understandably, since the announcement of the current decentralisation programme in late 2003, implementation activity, both centrally and for those organisations most

directly involved, has focussed upon logistical and other pressing operational issues, such as property management, communications infrastructure, HRM and industrial relations[7]. Thinking ahead, however, less high-profile but nonetheless significant governance opportunities and challenges need to be addressed by the decentralisation programme if the momentum for public service modernisation is to be strengthened not dissipated. This body of literature can now be reviewed to assist in identifying some of these governance opportunities and challenges.

5.2 Changing leadership and leading change

There is already an extensive body of private sector orientated literature on effective leadership that can be drawn upon for this purpose. For example, Kelly (2004) identifies three such essential ingredients: namely, a clear and unambiguous emphasis upon (a) standards of performance; (b) values and organisational design that engage people and (c) a clear path and direction. In considering the key role of effective leadership, however, it is important not to over-emphasise the 'great' person idea of leadership. In this context it should be recalled that Tosi et al (2004) found that charismatic leadership style was more closely allied to CEO remuneration than firm performance! Storey and Mangham (2004) also note disenchantment with the charismatic/transformational leadership approach and they suggest that collective or distributed leadership should be favoured.

Drawing once more primarily from experience in the private sector, Storey and Mangham (2004) stress that effective leadership operates within a 'constellation' of interlocking factors including industrial and organisational context, perceived need, behavioural requirements, development methods, stakeholder priorities/ideological context and outcomes. They state that a more collective or distributed style is more in tune with organisational cultures and structures that lean towards empowered teams, distributed responsibility, network forms, and which extol the value of knowledge workers. A more

collective/distributed leadership style would certainly appear to be more appropriate and flexible in the complex environmental settings within which many Irish public service bodies will be operating both now and in the future.

Indeed, this point is even more pertinent when more public-sector leadership approaches are considered. For, although Pollitt (2003) has noted that in many countries there have been intensive efforts to manage public organisations and public programmes in new ways, and that 'the boundaries between the public sector, the voluntary sector and the commercial sector seem to have become considerably more complex and ambiguous' (p.ix), a number of authors have questioned the appropriateness of transferring culturally and/or private-sector specific examples of effective leadership uncritically to a public sector context. For example, Alimo-Metcalfe et al (2002 and 2004) argue against adopting inappropriate models of leadership (like the 'great' person) available readily from private sector orientated literature. Comparing and contrasting US and UK experiences, they stress that leadership is fundamentally about engaging others as partners in developing and achieving the shared vision, and, as such, it relates to distributed leadership – 'how else, one might ask, can the daunting challenges of delivering modern public services be achieved?' (2004, p. 179).

5.3 Collegiality and leadership

So, if the preferred style of leadership in a decentralised context is to be distributive, what implications does this have for collegiality? Kotter (1995) notes that, while management is the key task in making hierarchies function well, leadership is needed to deal with the changes required in networks. Handling relationships between those involved in policy and service delivery requires that underlying cultural norms are questioned and changed where necessary. Leadership is required to promote an emphasis on co-operation, consensus, persuasion and the like. A key quality of leadership is, therefore, the capacity to operate in a collegial manner and to support collegiality between and within organisations. Within this context, the

particular quality of 'collegiality' is relevant. However, the concept of 'collegiality' is sometimes seen exclusively within the academic context and is capable of ambiguous interpretation. It therefore does deserve clarification within the context of this discussion paper.

In simple terms, colleagues may be regarded as those sharing a common purpose and respecting each other's abilities to work toward that purpose. Thus, the term 'collegiality' involves respect for another's commitment to the common purpose and an ability to work toward it, e.g. through a leadership role. In more formal terms, Waters (1989) defines collegial structures as 'those in which there is a dominant orientation to a consensus achieved between the members of a body of experts who are theoretically equal in their levels of expertise but who are specialised in their areas of expertise' (p. 956). Collegiality can, of course, be either positive or negative in its orientation. For the purposes of this research, the focus is on positive collegiality. Within the context of a distributive leadership style, positive collegiality therefore requires a commitment to a common purpose and an ability to work towards it. As will be seen later, within the context of a geographically complex civil and public service, new measures may be necessary to sustain national/international rather than local core values.

Such a point is emphasised elsewhere in the literature. While often cited in the academic context (see, for example, Bennett, 1998 and Bess, 1988), collegiality is frequently, though not exclusively, associated with 'professionalisation' (see Rose, 2004). Positive collegiality is inextricably linked with shared organisational values and high ethical standards. Recent research by Gerring, Thacker and Moreno (2005) also explicitly links good governance and collegiality. For example, they argue that effective leadership depends upon the bringing together of key stakeholders and inducing them to reach agreement. In so doing they identify qualities of good governance such as cooperation, solidarity and reciprocity, i.e. collegiality. Langhorst (1999) also explores the concept of 'virtual collegiality'. 'Virtual collegiality is the extension of collegial

behaviours through computer-mediated communication and other technological means … Virtual collegiality does not replace or substitute for face-to-face and other traditional forms of collegiality; rather it augments them through additional opportunities for communication. The simple premise is that collegiality and communication are kindred activities, and that an increase in one should effect an increase in the other' (p. 32). Within the context of a geographically decentralised service, the support of 'virtual collegiality' could be a helpful way of developing further existing models which rely upon regular face-to-face contact.

5.4 Collegiality and networks

From a conceptual point of view, the civil service can also be regarded collegially as a 'social network': i.e. a set of actors that exchange resources that tie them together. Resources may include data, information, goods and services, financial or other forms of support. Each kind of resource exchange is considered a social network relation, and individuals who maintain the relation are said to maintain a tie. The strength of their tie may range from weak to strong depending on the number and types of resources they exchange, the frequency of exchanges, and the intimacy of the exchanges between them. Additionally, combining an adequate knowledge base with appropriate network connections provides the means for diffusion of innovations as well as setting the stage for their adoption (Rogers, 2003). It will be seen later that the informal and formal networks have had, and are likely to continue to have, a key role in Irish public service modernisation.

From a public service perspective, therefore, analysis of networks to assist in understanding the effectiveness of existing collegial arrangements should not just be focused upon task-oriented work [formal] groups. Learning groups, whether in work (e.g. research and development; brainstorming groups) or educational settings, also benefit from exposure to a wide range of ideas and opinions offered by collegial networks. The literature suggests that exchanges among all members of a group are important for

broadening an individual's learning experience, exposing them to facts, ideas, approaches and opinions different from their own. Accordingly, the effective sharing of knowledge/knowledge management (KM), both within and between organisations, is of vital importance within the context of the current decentralisation programme.

5.5 Knowledge management (KM)

According to the OECD (2003a), KM involves using established management tools (e.g. performance management tools, human resources and incentive tools, new information technology etc.) with the objective of improving knowledge sharing within an organisation and with the outside world. However, as the OECD (2003b) emphasises, government organisations have different incentives, strengths and weaknesses compared to private companies in relation to the management of knowledge. On the one hand, the pressure of competitiveness and the incentives to lower costs are traditionally less important. In addition outcomes are typically less clear and less measurable. Finally, management structures tend to be quite hierarchical which, it is suggested, provide fewer incentives for innovation and teamwork. However, conversely, the activities of governments are frequently knowledge intensive, with the need to maintain a whole-of-government perspective an important consideration. This will be especially important to maintain and further develop when head, as well as operational, offices are distributed across the country.

Within the context of KM best practice, Knight and Howes (2003) stress that 'Nothing happens without leadership: those responsible for running the organisation must inspire and encourage all staff through the change programme, continuing on after implementation to ensure lasting change'. O'Riordan (2005) argues that knowledge management matters because it enables organisations to be more efficient and effective. Companies like IBM have quantified the impact of knowledge management in terms of the opportunity cost of time savings. The parallel for the public sector is that knowledge management supports the

optimal use of resources, enhanced level of customer service and, consequently, improved value for money. However, O'Riordan (2005) also argues that this is not to imply that KM does not require considerable effort and change on the part of organisations. Experience has shown that developing a good knowledge management strategy systematically encompasses all of the management tools at the disposal of top management or the organisational leadership. Such issues are of particular urgency and relevance within the context of the proposed decentralisation programme.

Opportunities and challenges for leadership and collegiality

6.1 Introduction

Within the context of this discussion of key governance issues, it is important to note that, as early as March 2004, the DIG was beginning to acknowledge the importance of these qualities in forming 'a post-decentralised civil service'. 'The geographic relocation and dispersal of staff may help to reinforce existing moves towards greater devolution of authority and responsibility to, and within, organisations. There will be an onus on management at organisational and sub-organisational level to exercise greater de facto responsibility for HR, finance and other organisational matters. A more geographically dispersed civil service needs to be balanced by sufficiently strong common values and culture to support effective system-wide co-operation and decision making. It will be necessary to reinforce, and invest more heavily in corporate culture and ethos' (*First Report of the Decentralisation Implementation Group to Minister for Finance*, p.28). There is little doubt that the challenges and opportunities presented by the programme with regard to leadership and collegiality are considerable but not insurmountable.

6.2 In-depth discussions with key informants

Within the context of the current Irish decentralisation programme, these issues were examined in this research at three levels by way of in-depth interviews with a range of key informants:

- *Corporate/service-wide*: Discussions were held with senior officials in the Departments of Finance and the Taoiseach, members of SMI Implementation and other service-wide groups/networks, as well as senior employer, trades union officials and senior managers in the corporate sector.

- *Inter-departmental*: Discussions were held with those working in leadership roles in order to lead service delivery and/or develop policy initiatives across organisations (e.g. in moving forward cross-cutting issues).

- *Intra-departmental*: Discussions were held with senior managers/leaders in a small number of departments/ offices and agencies to explore the implications of the decentralisation programme for the effective operation of the senior management team or MAC. The bodies chosen included both those that had been previously engaged in relocation and/or decentralisation, as well as those included for the first time, to a significant degree, in the current programme.

The aims of the in-depth discussions were to:

- establish current arrangements regarding corporate, inter- and intra-departmental leadership and collegiality;

- identify examples of and/or opportunities for good/best practice in relation to effective leadership or collegiality issues that would be relevant to the adoption of decentralised structures.

6.3 Corporate/service-wide opportunities and challenges

In summarising views at the corporate or service-wide level, a number of opportunities and challenges were identified by respondents, which it will be important to analyse further and address for effective implementation of the current programme:

- *Improving leadership and collegiality*: Time and again, it was acknowledged by respondents that the current (i.e. pre-decentralisation) arrangements for leadership and collegiality were perceived as being sub-optimal. In that respect, decentralisation, while offering considerable

challenges, could offer real opportunities for recasting current arrangements in a more effective format. It was felt that effective implementation of the decentralisation programme would offer a real and dramatic opportunity to address some of the persistent challenges remaining within the modernisation programme. On numerous occasions, and despite the acknowledged advances that have been made to date to facilitate more effective cross-departmental working as part of the public service modernisation programme, points were made by respondents that exemplified, in their mind, the very strong 'silo' mentality still evident in the Irish civil service. The radical nature of the decentralisation programme could help break that mould once and for all.

- *Need to maintain international perspective*: Particularly since EU entry in 1973, but also as a result of active engagement at UN and OECD levels, there is a strong sense, within the civil service, of Ireland being able to 'punch above its weight' internationally. For example, in relation to the leadership and management of EU Presidencies, Ireland has gained an acknowledged reputation for success (see Humphreys 1997). At a practical level, it was strongly felt that concrete efforts would need to be made to ensure that representation of 'Ireland Inc' internationally would not be jeopardised by any complications resulting from the decentralisation of senior staff to provincial locations.

- *Localism*: At the other end of the spectrum, it was strongly felt that, especially based upon past experience with the dispersal of smaller operational units to country areas, it would be essential for officials to be helped not to lose the wider view. There were concerns that, unless countered, localism and narrowness of perspective/ambition could develop at the cost of a sense of national and international service. One of the critical success factors they identified in relation to this corporate-level leadership role was the very effective, task orientated 'can do' spirit of collegiality which

enables the comparatively small team of largely Dublin-based staff to deliver the country's national and international objectives effectively and which has been adopted as a model by other EU Member States.

- *Face-to-face contacts*: Quite apart from the formal structures that are in place, for example, throughout the Troika phase of a Presidency, it is a widely held view amongst experienced civil servants that high levels of face-to-face contact between knowledgeable and trusted colleagues is an important contributor to such success as has been achieved to date in the public service modernisation programme. Such quality interaction will need to be sustained in the new, geographically decentralised environment.

- *Networking*: It was felt that, in many ways, this 'communicative' and often informal style of working, which supports, sustains and underpins formal relationships, has been facilitated by the geographical proximity of senior staff in central Dublin. Active networking, 'en marge' discussions and face-to-face meetings are an established pattern of working for senior civil servants (not to mention more junior grades). It was felt that they added significantly to the opportunities not only for policy development and problem solving but, even a stage before that, for policy formulation and problem prevention. Formal and informal networks were seen as 'the glue' that held the national civil service together. Some of these are identified in Annex 4 for illustrative purposes. Given the degree of geographical decentralisation now envisaged, it was felt essential by respondents that innovative solutions be developed to allow new mechanisms by which such networking could continue to flourish.

- *Corporate and specialist knowledge*: Most decentralising organisations felt that decentralisation would involve a very large turnover of staff across the public sector, raising concerns about potential corporate memory loss, e.g. in terms of knowledge of how the civil service operates. Such 'churning' of staff would affect not just

decentralising organisations, because staff moving to the new provincial locations will be drawn not just from across the public service in Dublin, but also from locations already outside Dublin. Expert knowledge could be difficult to replace as people moved posts and/or found that areas in which they had developed specialist knowledge were to move without them. It will be essential to adopt a strategic approach within organisations, as well as across the service, to minimise the risks of such losses and, looking forward, to use the decentralisation programme as an opportunity to respond to some of the key issues raised by O'Riordan (2005).

- *Leadership accountability*: Even more significantly, regular communication and interaction with the political domain is a key aspect of a civil service leadership role. Effective ministerial contact with the department and departmental contact with the minister are key aspects of good governance. While ministerial styles vary, productive face-to-face contact between the minister and senior civil servants is a critical success factor for the smooth running of central government. Indeed, following as they did the recent publication of the Travers Report (2005), all the interviews with senior civil servants for this study re-emphasised the crucial role of secretaries general as accounting officers for their departments. Accordingly, mechanisms would need to be developed to ensure that this accountability relationship, which had been a key feature of public service modernisation to date, could be strengthened as part of the new arrangements being developed under decentralisation.

- *Political interface*: From the perspective of the current decentralisation programme, there were frequently expressed concerns raised in terms of the impact on communication between secretaries general and ministers given that cabinet meetings are normally held mid-week in Dublin. As a consequence, it was anticipated that, for some departments, most of the

senior management team (together with some policy/planning staff) would need to remain in Dublin from Tuesday to Thursday. Counter-balancing measures would need to be put in place to ensure that this did not result in a negative impact on the administrative and operational sides, resulting in a potential 'aloofness' of senior management in a department with decentralised offices. Solutions in this area would also require a whole-of-government approach to facilitate regular ministerial contact with the decentralised office, e.g. through the scheduling of Dáil business in Dublin to optimise such opportunities.

- *Career progression*: It was felt by respondents that, given the perceived correlation between involvement in policy work, exposure to the political domain and career progression at senior levels within the service, steps would need to be taken, service-wide, to ensure that decentralisation would not be detrimental to collegiality through the development of a 'two-tier' civil service. One tier could be largely Dublin focused with enhanced opportunity for 'high-level' work and one tier largely located away from Dublin focused on operational work. It was felt that a perceived 'pecking order' already exists between departments and steps would need to be taken to ensure that this was not accentuated, e.g. for those departments whose head offices are to be relocated away from Dublin.

6.4 Interdepartmental opportunities and challenges

In taking forward corporate or service-wide issues, such as the modernisation programme itself, it has been seen that there are already a significant number of cross-departmental high-level teams (see Annex 4). Such a situation is replicated, at policy level, where crosscutting issues are addressed and improved co-ordination is sought (see Boyle, 1999). At the moment, many departments are actively developing cross-departmental working. For example, the Department of Social and Family Affairs is involved in cross-departmental committees covering issues

such as lone parents, poverty, pension issues, homelessness, education issues etc. These are not in the social welfare domain alone but involve a number of departments. Such fora allow departmental people to get together and discuss issues in a holistic way in terms of all aspects of services. As previously indicated above, it was also felt that these committees enable department staff to get to know other department personnel on a personal basis, with a number of side meetings held on other issues. It is felt that personal contact and problem solving are inextricably linked. Given the likely newness of many of the staff in policy areas, after decentralisation, it was felt critical by many respondents that the opportunity was grasped to ensure new structures were in place to guarantee regular cross-departmental contact.

Additionally, it was felt that senior staff are subject leaders in specific policy areas. The issue of corporate memory within departments, particularly at principal officer (PO) level, in policy areas and on the service delivery side, is invaluable when implementing new procedures or policies. Such individuals have an organisational memory and tacit knowledge of whether an approach succeeded in the past or not, which is invaluable in terms of efficient implementation of proposed policies and services. It was also anticipated that in both departments and agencies earmarked for decentralisation, a higher proportion of specialist and professional staff would opt to stay in Dublin than those in 'general service'. Once more, the need to adopt a strategic KM policy initiative was particularly reinforced by such concerns.

6.5 Intradepartmental issues and challenges

It was noted, by some respondents, that collegiality at the most senior level within the civil service can be limited, at present, because of the nature of the secretary general's position. It was felt that secretaries general 'run their own businesses' and this does not always encourage a sense of positive collegiality. Concerns regarding accountability had been further prioritised in the light of the Travers Report.

It was felt, within departments, that the successful implementation of decentralisation would depend on internal and external factors such as length of transition period to set up new offices and settle staff (new and old) into the new location, the commitment of management (heading up the decentralised offices), career progression and the extent of interaction with networks, communication tools and the maintenance of positive collegiality. In the future, the effectiveness of new offices was felt to depend on interaction with and between senior managers and their staff at centre and local levels, the effective use of systematic information and communication technology (ICT) tools and the development of effective collegiality and networking responses. It was felt that having ministers visiting decentralised locations would encourage local managers to gain more access to the political system and raise issues with the minister. It was felt that lessons learned from previous decentralisations emphasised the need for care in maintaining effective, collegial contact between decentralised offices and the centre. The importance of local management commitment to run the business at decentralised locations and support from the senior management team is important, particularly having a senior person (e.g. assistant secretary) to report to on the MAC regularly. It was felt to be important to have strong communication between Dublin and decentralised offices driven by the motivation and commitment of the local management team.

Respondents believed that decentralisation would affect everybody at every level in the organisations relocating. At senior management level (MAC), over the next ten years, there was also felt to be a natural order of change when many MAC members in departments would retire[8]. But, decentralisation could speed up this process and it was felt that, to an extent at least, the pace of demographic change would depend on how fast decentralisation is implemented. Some departments are initiating reviews of their MAC and structures, and assessing the possibility of 'mobile' assistant secretary (AS) posts. In terms of advances in ICT systems assisting with any problems that may emerge in

decentralised locations and other locations, the majority of organisations felt ICT was a useful tool to network and communicate but no substitute for face-to-face communication or to gauge the mood of a meeting or to ensure participation by all members at that meeting. It was certainly not a panacea, although the potential for improved virtual collegiality could not be overlooked.

Finally, a number of decentralising bodies expressed a concern that they would need to be supported centrally in their efforts to continue effective stakeholder engagement. While they would be moving away from Dublin, many other organisations (including representational groups) would be staying in the capital. Again, the SMI has seen considerable improvement in consultation by public bodies with their customer bases (see Humphreys, 2002). It was felt strongly by respondents that such consultation and wider engagement could not be allowed to suffer as a consequence of the decentralisation programme.

Overall, respondents felt, without exception, that the direct and indirect changes resulting from the current decentralisation programme were of such a scale and character as to be the most radical introduced into the Irish system of public administration in living memory. Although on occasion critical of the way the programme had been embarked upon, respondents could see, and were keen to grasp, the opportunities thus presented.

Moving forward

7.1 Introduction

This research study has shown that, broadly speaking, corporate governance refers to the processes by which organisations (departments/offices/agencies) are directed, controlled and held to account. The term encompasses a number of key qualities or characteristics, such as authority, accountability, stewardship, leadership, direction and control exercised in the organisation (ANOA, 1999). Other important qualities of good governance include: openness, participation, effectiveness and coherence (CEC, 2001). As best practice in public and private sector organisations indicates, effective leadership and positive collegiality are cornerstones upon which organisational excellence is built. In turn, all of these governance factors are influenced by the effective utilisation of geographical and other locational factors by the organisation concerned. Additionally, it is important to appreciate that the scale and character of the decentralisation currently being implemented by the Irish public service is such as to have a direct and/or indirect impact not just on those specific bodies identified for decentralisation under the current programme but will also have an impact across the public service as well as in other sectors.

7.2 Key governance issues: leadership and collegiality

A review of the latest international literature and best practice management frameworks clearly highlights that not only is effective leadership the cornerstone upon which organisational excellence is built, it also:

- gives strategic direction: it develops and communicates vision, mission and values
- achieves change and focuses efforts on customer service

- develops and implements a system for organisational management and performance review
- motivates and supports people, acting as a role model
- manages the relationships with politicians and other stakeholders, acting in a socially responsible manner.

These qualities hold true across the public and private sectors. Effective and visible leadership is required to promote an emphasis on co-operation, consensus, persuasion and the like. A key quality of leadership is also the capacity to operate in a collegial manner and to support collegiality between and within organisations. Together with positive collegiality, these qualities of effective leadership apply at three levels: the corporate or service-wide; the inter- and the intra-departmental. The key research question for this study was to consider the extent to which these qualities of leadership and collegiality could be affected by the geographical dispersal of the public service organisations concerned and, specifically, to identify and discuss opportunities and challenges thus presented.

7.3 Opportunities and challenges

There is little doubt that the current decentralisation programme will have a profound impact on structures, communication frameworks, networking fora and the relationship interface between the civil service, the political and stakeholder systems. How this is managed is vital in terms of the effects on customer service and the efficiency of business processes during the transition phase and beyond. As such, if effectively managed and implemented, it could represent a unique opportunity for fundamentally revisiting and restructuring the ways in which the civil and wider public services conduct their business.

There is little doubt that the movement of public service bodies away from Dublin will provide an unprecedented opportunity for a fundamental overhaul of work done and the way it is done, through the use of business process re-engineering and other techniques. Concerns from the past regarding blocked career progression for those in dispersed

and regional civil service offices (see Humphreys et al, 1999) could be ameliorated by adopting a regional approach to facilitate promotion across public service bodies. Otherwise, a move away from Dublin would very definitely become a one-way journey. Because of the travel imperative for contact with the minister and meetings with other public servants, while the burden of travel will be greatly increased, especially when engaged in EU and other international work, it is very likely that both the frequency and management of meetings will become subject to stricter discipline. The use of ICT will help communication but it is expected to be only a limited substitute for face-to-face collegiality.

The discussions that took place during this research also suggest that it could be timely to re-explore the potential benefits of a Senior Civil Service (see EIPA, 1998, the XVI International Congress on the Training and Development of Senior Civil Servants 2001 and OECD, 2003c). Such an incremental step could support the development of leadership skills training and help sustain collegiality at the service-wide level, where respondents frequently expressed concern that local pressures could lead to a parochial mind-set developing. 'Leadership has not historically been considered as a skill that can be learned - it has been regarded rather as Churchill described 'greatness': you can be born with it, achieve it or have it thrust upon you. Yet recent thinking in both the private and public sectors sees the development of the skills of leadership as essential to the effective delivery of any programme of change – and that all efficient organisations are in a state of ordered change' (Simpson, 2005).

It was outside the scope of this research to suggest or even less to prescribe firm recommendations for further action. That needs to be on the national agenda for another day. Likewise, not one organisation is scheduled to decentralise before the end of 2006. However, there is little doubt that, if the current decentralisation programme is to rise above the very considerable logistical issues (around staffing/training and physical infrastructure) that have understandably pre-occupied the implementation agenda to

date, then serious consideration of the governance opportunities and challenges arising from this programme need to rise up that agenda. Only two of these issues have been initially reviewed and discussed in this paper: namely effective leadership and positive collegiality. However, it is clear from this research alone that, if Ireland is to retain its hard won and justified reputation for first rate civil and public services, as well as its international standing, positive action is required across a wide front to turn leadership and collegiality challenges into opportunities.

On the basis of this research evidence, such action should include constructive, informed and positive support being given to a wide range of issues, including:

- Giving urgent attention to the development of a service-wide KM initiative to minimise loss and open up new opportunities for knowledge sharing on a collegial basis, within, between and across those public service bodies significantly affected by the decentralisation programme. Allied to this is the need to map more clearly, and understand better, current formal and informal networks within the service. These will need to be significantly recast. Resort to ICT and large amounts of travel appear to only offer partial solutions.

- Implementing a coherent, service-wide change management programme, which recognises and empowers leadership within and across the civil and wider public services. Again, models appear to exist, based upon international best practice, which could inform this process, as could the more systematic in-depth analysis of private sector experiences. It would appear also that the timing could be opportune for a revisiting and reassertion of core public service values that could help to maintain consistency in the considerably more geographically complex and younger service of the future. Allied to and supportive of this approach could be the further examination of the implications for Ireland of the explicit development of a senior civil and public service.

In summary, there is little doubt that the current leaders of the Irish public service have had decentralisation thrust upon them, even though it may be up to their successors to fully operationalise the resultant changes from new and diverse localities. While issues of staffing and infrastructure are understandably pre-occupying minds presently concerned with implementation, action will need to be commenced soon to rearticulate, and sustain, the values of the Irish public service and to cultivate the leadership skills necessary for the next generation of secretaries general and chief executives so that the modernisation programme set in motion a decade ago is sustained and re-invigorated.

As one Irish private sector interviewee observed, 'The public service must embrace this decentralisation programme as an opportunity to improve service and to use ICT and other forms of communication effectively. In the short-term, it will divert attention but the challenge is to look at this as an opportunity to improve services and to modernise. Otherwise it will be seen as an intractable problem'. Perhaps some concluding words from Charles Handy (1995) are appropriate here. 'As in the Renaissance, it will be an exciting time, a time of great opportunities for those who can see and seize them, but of a great threat and fear for many. It will be difficult to hold organisations and societies together. The softer words of leadership and vision and common purpose will replace the tougher words of control and authority because the tough words won't bite anymore. Organisations will have to become communities rather than properties, with members, not employees, because few will be content to be owned by others'. In a decade from now, a new generation of leaders should be leading an entirely recast, modernised civil and public service, in diverse places but with shared values.

Details of the current decentralisation programme by department (including agencies)[a]

The following table outlines the departments, agencies and jobs it is proposed to transfer out of Dublin. It also shows the target number of jobs for each location. The government may make further adjustments to the detailed provisions below where necessary to ensure continued effective delivery of public services.

Department	Organisation/Agency	Location	Approx. Nos.
Agriculture and Food	Department HQ	Portlaoise	400
	Cork City laboratory staff	Macroom	70
	Local Cork City and Mallow staff	Fermoy	100
	Bord Bia (Food)	Enniscorthy	75
	Bord Glas	Enniscorthy	10
	Teagasc Advisors (Research)	Carlow	100
	ICT Staff	Portlaoise	125
	Sub-total		880
Arts, Sport and Tourism	Department HQ	Killarney	140
	Arts Council	Kilkenny	45
	Fáilte Ireland (Tourism)	Mallow	200
	Sports Council	Killarney	25
	Sub-total		410

[a] These totals include the 835 IT and 500 health sector jobs not geographically assigned in the original announcement. The table also includes numerical and geographical changes subsequently announced.

Department	Organisation/Agency	Location	Approx. Nos.
Communications, Marine and Natural Resources	Department HQ	Cavan	425
	Seafood/Coastal Zone Divisions and Bord Iascaigh Mhara (Fisheries)	Clonakilty	150
	Central Fisheries Board	Carrick-on-Shannon	40
	Sustainable Energy Ireland	Dundalk	39
	Sub-total		654
Community, Rural and Gaeltacht Affairs	Department HQ	Knock Airport	140
	Department Staff	Na Forbacha	10
	ADM	Clifden	40
	Foras na Gaeilge*	Gweedore	30
	Sub-total		220
Defence	Department HQ (incl. Coiste an Asgard)	Newbridge	200
	Defence Forces HQ	Curragh	300
	Sub-total		500

Department	Organisation/Agency	Location	Approx. Nos.
Education and Science	Department HQ	Mullingar	300
	Department Staff	Athlone	100
	National Education Welfare Board and NCAA	Portlarlington	70
	Higher Education Authority	Athlone	45
	NQAI/HETAC/FETAC (Qualifications)	Edenderry	75
	Sub-total		*590*
Enterprise, Trade and Employment	Companies Registration Office, Office of the Director of Consumer Affairs, Work Permits, Labour Inspectorate, Employment Rights (Information), Redundancy and Insolvency	Carlow	250
	Enterprise Ireland	Shannon	300
	FÁS (Training)	Birr	220
	Health and Safety Authority	Thomastown	110
	National Standards Authority	Arklow	140
	Sub-total		*1,050*

Department	Organisation/Agency	Location	Approx. Nos.
Environment, Heritage and Local Government	Department HQ	Wexford	270
	Environment Infrastructure and Services	New Ross	130
	Local government, Heritage and Planning (parts of), Accommodation, PPP and IT	Waterford	200
	Housing (part of)	Kilkenny	60
	Local Government Computer Services Board (LGCSB)	Drogheda	90
	National Building Agency	Wexford	55
	Sub-total		*805*
Finance	Centre for Management and Organisation Development, NDP, Finance Directorate and Information	Tullamore	130
	Department IT	Kildare	35
	Revenue Staff (incl. Operations Policy and Evaluation)	Athy	300
	Debt Management	Kilrush	50

Department	Organisation/Agency	Location	Approx. Nos.
	Debt Management	Listowel	50
	Debt Management	Newcastle West	50
	Revenue IT	Kildare	380
	Office of Public Works (OPW) HQ	Trim	275
	OPW Staff	Kanturk	100
	OPW Staff	Claremorris	150
	OCS and LAC (Civil Service Commission)	Youghal	100
	Ordnance Survey Ireland	Dungarvan	300
	Valuation Office	Youghal	100
	Sub-total		*1,970*
Foreign Affairs	Development Co-operation Ireland	Limerick	130
	Sub-total		*130*
Health and Children	Health Service Executive	Naas	300
	Information and Quality Authority	Cork	50
	Sub-total		*350*

Department	Organisation/Agency	Location	Approx. Nos.
Justice, Equality and Law Reform	Asylum and Immigration	Tipperary	200
	Data Protection Commissioner	Portarlington	20
	Equality Authority	Roscrea	40
	Equality Tribunal	Portarlington	40
	Garda HQ (incl. civilians)	Thurles	200
	Garda Complaints Board	Roscrea	20
	Land Registry	Roscommon	230
	Prison Service HQ	Longford	130
	Probation and Welfare Service	Navan	100
	Sub-total		*980*
Social and Family Affairs	Department HQ	Drogheda	300
	Client Eligibility Services	Buncrana	120
	General Benefits	Donegal	230
	Client Identity, Employment Support, IS and Control	Carrick-on-Shannon	225
	Department IT	Drogheda	225

Department	Organisation/Agency	Location	Approx. Nos.
	Internal Audit, Freedom of Information (FoI), Training and Development, Supplementary Welfare	Sligo	100
	Combat Poverty Agency	Monaghan	25
	Comhairle (Citizens' Advice)	Drogheda	85
	Reach	Drogheda	15
	Sub-total		*1,325*
Transport	Road Haulage Division	Loughrea	40
	Bus Éireann	Mitchelstown	200
	Irish Aviation Authority	Shannon	100
	National Roads Authority	Ballinasloe	90
	National Safety Authority	Loughrea	10
	Railway Safety Commission	Ballinasloe	20
	Sub-total		*460*
Overall total			***10,324***

*The relocation of Foras na Gaeilge will require the agreement of the North/South Ministerial Council

Previous Irish decentralisation initiatives

Phase One: Dispersal (1967-1987)

It was originally envisaged in 1967 that the entire Departments of Education and (then) Lands would be moved from Dublin to Athlone (County Westmeath) and Castlebar (County Mayo) respectively. However, this original plan was scaled down, due mainly to management and staff opposition, and in 1971 it was decided that only selected sections of each of the two departments would be relocated. The departments concerned identified sections which were relatively self-contained and which comprised a high proportion of younger staff at lower grades. In 1974, a similar plan to relocate the entire Department of the Gaeltacht to Na Forbacha (Furbo) in County Galway met the same outcome.

In its *Programme for National Development 1978-1981*, the government announced a programme for the transfer of at least 2,000 officers in general service grades to about eight medium-sized urban areas in the provinces. In addition, all new government sector services were to be located outside Dublin, unless there were compelling reasons to the contrary. It was announced that the new Vehicle Registration Unit of the Department of the Environment was to be located at Shannon, County Clare. The unit was located in Shannon in November 1982, with a staff of approximately seventy, about thirty of whom had been recruited locally. A programme for the relocation of approximately 3,200 civil servants to twelve different provincial towns was announced officially in October 1980. Yet, following a review of the 'decentralisation' programme in 1981, the government deferred further action because of cost considerations.

Phase Two: Dispersal, Regionalisation and Deconcentration (1988-2003)

A second phase of decentralisation was commenced in 1987 whereby 2,380 staff would be transferred to eight regional centres. The first tranche involved the relocation of about 850 staff to Cavan (150), Galway (200), Ballina (200) and Sligo (300), from, respectively, the Departments of Agriculture, Defence, Environment and Social Welfare. A second tranche transferred nearly 2,500 staff to a further eight provincial centres: namely Athlone (180), Dundalk (300), Ennis (170), Killarney (140), Letterkenny (190), Limerick (800), Nenagh (200) and Waterford (400). When the two phases were completed, a further 10 per cent (approximately) of civil service posts were relocated outside Dublin. It is clear from the scale of some of these relocations that they went beyond the previous dispersal of small, functional units. In the case of the Office of the Revenue Commissioners, it involved the movement of the Office of the Collector-General to the Mid-West Region accompanied by a major programme of business process re-engineering and modernisation. As in the case of the (now) Department of Social and Family Affairs, a concerted regionalisation strategy was developed linked to internal reforms to improve the quality of service delivery (see Humphreys, Fleming and O'Donnell 1999).

Examples of public service decentralisation from other administrations

Current UK public service approach

At the outset, it is important to appreciate that, as in Ireland, the current proposals for the dispersal of public service employment in the UK build upon past experiences. In particular, the Hardman Review (1973) led to the transfer of 'self-standing' business units away from London to pre-ordained locations in the interests of regional policy. As Lyons (2004) observes 'They helped give rise to a narrow and mechanical conception of 'relocation' – a kind of chess game played within the machinery of government' (p. 5). In contrast to previous UK approaches, Lyons (2004) adopts a strongly business driven and regional development focus to the current programme. He maintains that the evidence is clear that organisations that have dispersed activities from London and the South East of England enjoy significant cost savings, reduction in staff turnover and improvements in the quality of service they deliver. Specifically on the issue of civil service leadership, Lyons advocates that London as capital needs a governmental core supporting ministers and setting the strategic policy framework. In every other respect the status quo is open to challenge. To support his work, Lyons (2004) was informed by studies undertaken by an extensive consultation/information gathering exercise, as well as commissioned studies undertaken by King Sturge (2003) and Experian Business Strategies (2004).

Scottish Executive

While the above approach would also apply directly to UK civil servants located in Scotland, the Scottish Executive's Relocation Policy covers the executive's departments and agencies, non-ministerial departments and the sponsored public sector (Public Service Reform Group, 2005). The

overarching objectives of this policy are to (a) ensure that the government of Scotland is more efficient and decentralised; (b) provide cost-effective service delivery solutions; and (c) assist areas with particular social and economic needs. The policy relates to bodies throughout Scotland and not just those currently based in and around Edinburgh. When the executive establishes a new unit, agency or public body or where an existing one is merged or otherwise re-organised, this triggers a location review and there is the presumption against locating in Edinburgh. Where a significant 'property break' is reached, e.g. through the termination of an existing lease, this also triggers a review and location options are considered that could include Edinburgh. The Scottish Executive's relocation policy covers 30,000 public sector jobs of which two-thirds are currently Edinburgh based. Over the past three years or so, thirty-two bodies (representing 4,445 posts) have been reviewed, with 1,424 posts moved to date. So far relocations have included Aberdeen, Dundee, Falkirk, Inverness and locations in the Highlands and Islands.

Centre for Management and Organisation Development (Department of Finance)/Department of the Taoiseach Networks

Network	Description	Membership
Assistant Secretary (AS) Network: CMOD	The aim of the network is to establish a forum where senior civil servants can actively participate in information sharing, stimulating debate and solution brokering in a collegiate gathering. The provision of a safe space to promote constructive interaction between those at assistant secretary and equivalent level contributes to the embedding of strategic change across the civil service. The network host's developmental and instructive events on a range of strategic issues as identified by the executive committee and the wider membership.	Assistant Secretary (AS)
Departmental Training Officers Network: CMOD	The objective of the network is to provide a forum to share information and address issues of common concern. The network operates through a series of half-day meetings, with presentations and discussion on topical training issues.	Higher Executive Officer (HEO) /Assistant Principal (AP) level

Personnel Officers Network: CMOD	The aim of the network is to provide a forum for personnel officers to discuss issues in relation to the implementation of HR policies and other initiatives coming from the Department of Finance and to provide input into the policy formulation process. It is also an opportunity to make contact and to share experiences in relation to HRM issues at local level. The network meets on a quarterly basis.	Principal Officer (PO)/ Assistant Principal (AP) level
Performance Management and Development System (PMDS) Network: CMOD	A network of PMDS coordinators with responsibility for the rollout of Performance Management and Development to staff at all grade levels in government departments. The objectives of the network are to provide a forum for those engaged in the rollout of PMDS to share information and to address issues of common concern, such as training of staff, rollout of individualised feedback and evaluation of PMDS across the civil service. The network holds meetings with presentations by members and external experts and also meets in workshop style to discuss specific topics.	AP level
Women Managers': Network CMOD	The Women Managers' Network provides training and development and networking opportunities for women managers across the civil	Over 500 members from across all government

	service. The network has over 500 members and meets quarterly. Membership is open to women managers from HEO/AO upwards.	departments and offices. HEO/AO upward.
QCS Officers Network: Department of the Taoiseach	The QCS Officers Network was set up in October 2000 to provide a forum for QCS Officers to discuss items of interest, to be kept up to date on new developments and to share best practice on all aspects of customer service. The network has an important role in discussing how to implement initiatives agreed by the Quality Customer Service Working Group and is responsible for supporting and promoting the QCS initiative at local level. The group is also involved in highlighting customer service issues that could be addressed to the Quality Customer Service Working Group. The chief executive officer of the Public Appointments Service chairs the network and membership is drawn from government departments/offices and state agencies. The group meets regularly at two monthly intervals.	Membership at HEO/AP level.

| Change Management Network: Department of the Taoiseach | The Change Management Network was established in July 2002. Assistant Secretary, Department of Transport, chairs the network and its membership comprises senior managers representing some thirty departments and offices from across the spectrum of the civil service.The origins of the Change Management Network can be traced back to the PA Evaluation of the Strategic Management Initiative/Delivering Better Government Modernisation Programme published in 2002. This landmark report reviewed progress achieved to date under the modernisation programme. As part of its findings, the report highlighted a particular need to extend the range of supports available to departments and offices with a view to enhancing the implementation of the modernisation programme. It also identified a need to strengthen networks as a tool for sharing ideas and best practice. The network meets at regular intervals and its primary role is to: (a) provide a valuable forum for discussion and the sharing of experience and best practice among senior civil servants charged with overseeing the modernisation process; (b) provide a channel for effective and timely dialogue between the central departments and managers in line departments and offices with responsibility for implementation of the modernisation agenda; and (c) assist and support the integration of | Departments Participating Agriculture and Food, Arts, Sport and Tourism, Community, Rural and Gaeltacht Affairs, Defence, Education and Science, Enterprise, Trade and Employment, Environment, Heritage and Local Government, Finance, Foreign Affairs, Health and Children, Justice, Equality and Law Reform, Social and Family Affairs, Transport, Taoiseach, Attorney General's, Public Appointments Service, Courts Service, Houses of the Oireachtas, Prison Service, Land Registry, Legal Aid Board, Director of Public Prosecutions, Office of Public |

	the various strands of the modernisation programme in departments and offices.The network's meetings usually comprise a mix of presentations and focussed discussion regarding a variety of different components of the modernisation programme. Topics recently discussed by the network have included issues associated with risk management, performance indicators, business process improvement and regulatory reform and the new recruitment framework for the civil service.	Works, Revenue Commissioners, Ordnance Survey Ireland, State Laboratory, Valuation Office, Membership at PO/AS level

[1] Indeed, there is already a growing corpus of cross-national research in this area to parallel the growth in such agencies themselves (see http://www.publicmanagement-cobra.org/) (see also Pollitt et al, 2004). Results from Ireland indicate that any resultant decentralisation of decision-making powers can be uneven. McGauran, Verhoest and Humphreys (2005) estimate that of the +600 commercial and non-commercial agencies currently operating in Ireland, almost 60 per cent have been established in their present form since 1990. Superficially, this could be seen as significant horizontal or diagonal 'decentralisation'. However, in reality, while such bodies may have significant policy autonomy, their HR management and financial autonomy is often much lower.

[2] Within the wider context of the public service, it must also be borne in mind that approximately 68 per cent of local authority staff and 61 per cent of health staff are already located outside Dublin. Ireland's system of public administration is already geographically decentralised.

[3] While the outcome of this new programme should be an Irish civil service that has been significantly re-engineered in shape and space, the expressed policy rationale remains firmly grounded in terms of economic and social development, rather than public service modernisation per se (see Fitzpatrick Associates, 2005). Of course that does not mean that it will not also have important implications for the SMI. From a regional policy perspective, there is continuing concern, both at the political and popular levels, about the spatial imbalance in economic development within Ireland, resulting in congestion and other related problems in the greater Dublin area and more limited employment and economic development opportunities away from the larger urban areas. Within this setting, it is not perhaps surprising that the spatial distribution of public service jobs has once again come under scrutiny. 'Although Dublin remains vital to economic development, the Government's *National Spatial Strategy* recognised that Ireland also needs a more even spread of development. Unbalanced development is not sustainable in the longer term, economically, socially or environmentally. More balanced regional development will contribute to sustainable long-term economic growth to the benefit of all citizens' (*Budget* 2004, p. A.8). While the degree of detailed fit between sites chosen for the decentralisation of public service organisations under the current programme and the National Spatial strategy is limited, and has been the subject of adverse comment (see McDonald, 2005 and Walsh, 2004), the basic policy rationale remains unchanged.

[4] *Devolution* involves the transfer of power from the centre to the local area. Resources, discretion and responsibility are transferred to local bodies, usually subject to some form of democratic control.

[5] Departments largely unaffected by decentralisation in terms of the majority of their 'core businesses' and central policy functions include: Enterprise, Trade and Employment; Finance; Foreign Affairs; Health and Children; Justice, Equality and Law Reform; Taoiseach and Transport, together with the Office of the Attorney General and Comptroller and Auditor General.

[6] For example, an essential driver for the current UK initiative is the economic imperative stimulated by the Gershon Efficiency Review (2004) requiring public service bodies to achieve 2.5 per cent annual efficiency targets. Such an imperative places the potential savings from office relocation and differential salary rates in non-metropolitan locations at a premium for organisations. There is no such driver in Ireland. The UK approach also specifically excludes the movement of head offices of government departments away from London. The choice of UK regional locations for inward movement is also strongly influenced by the opportunities offered by specific locales and has to be justified in business terms.

[7] See the Reports of the Decentralisation Implementation Group referenced in the Bibliography.

[8] While these data do not specifically relate to senior management grades, recent analyses by the Department of Finance suggest that the proportion of staff aged over fifty is projected to increase from 25 per cent presently to around 45 per cent in ten years' time. The CPMR is currently undertaking further research in this area.

[9] For example, O'Riordan (2005) points out that large multi-nationals like IBM Ireland maintain a knowledge management team of approximately 100 staff to co-ordinate KM activities globally. 'Emphasis is placed on understanding business processes, how people work, what they do, in order to provide the most effective support. This high level of understanding is critical to developing knowledge management systems and supports that are relevant and therefore used' (p. 48).

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