

Valuing Governance: When Sovereign meets System Governance

Abstract

This is the third and final Opinion Piece on Valuing Governance; it moves beyond sovereign governance to system governance. This requires disparate actors and organisations to work collaboratively across time, space and level in pursuit of shared purposes. This article explores the essence of this governance form, highlighting the differences between this and other forms, before setting out the key determinants underpinning its effective deployment. It draws on the experiences of some health and social care leaders in Wales, and captures their learning from the application of system governance in respect of the Test, Trace and Protect Programme ([Test, Trace, Protect in Wales: An Overview of Progress to Date | Audit Wales](#)), introduced as part of the Covid-19 response. Finally, it sets out Wales' opportunity to emerge from the pandemic with a strengthened collaborative working culture, by applying the principles of effective system governance that are outlined below.

Introduction

In our first two Opinion Pieces [Valuing Governance: Re-setting the Dial](#) and [Valuing Governance: Building a mature governance model \(Developing 'Grown-up' Governance\)](#), we explored the way public sector organisations placed an over-reliance on governance architecture at the expense of examining how people think and act in practice. We proceeded to explore striking the right balance in 'blending' architecture with human agency. In this Opinion Piece, we investigate the system-level implications of re-setting the governance dial.

System governance involves an amalgam of public, private, and third-sector organizations engaging in some kind of joint effort and shared purpose. The advantage of such arrangements is that they bring together policy makers and implementers to share expertise and information, and increase resource availability. Critically, such arrangements constitute a distinct way of co-ordinating and involve a separate governing structure from that in markets and hierarchies. This form of governance is evidenced in a plethora of collaborative arrangements and structures across the Welsh public policy landscape. These are of differing types, form and duration; are manifested at different spatial levels; involve various agencies; and are driven by multiple motivations – some voluntary and others mandated.

System governance is fundamentally different from governing in markets and hierarchies because:

- Power relationships are contested, diffuse, negotiated and divided, unlike those in single sovereign organisations where power is vested in hierarchical positions reinforced by control over resources, including people, land/estate and budgets.
- The type of problems being faced are invariably 'wicked' in that they are cross-boundary in nature (organizational, social, professional, jurisdictional, temporal and inter-generational); they are socially constructed and framed in

different ways; they are complex, entangled with other problems, making it difficult to trace causal connections; the problems are often intractable with no optimal solutions; and cannot be resolved by agencies acting autonomously.

- Goals can be unclear, ambiguous and shifting with multiple motivations driving the participating actors.
- Individual organizations and actors are the subject of multiple and conflicting accountabilities.
- Participating organizations are steeped in different cultures, operating systems and values.
- Varying systems of resource allocation, performance management, and scrutiny combine to create a condition of contorted oversight.
- Agencies from public, private and third – sector organizations are subject to different roles, responsibilities, legal and statutory underpinnings.

The Determinants of Effective System Governance

Acknowledging the urgency of designing and implementing effective collaborative solutions to pressing social, economic and environmental problems and issues such as Covid-19, health inequalities, poverty and deprivation and climate change, there is a pressing need to understand the key determinants of system governance, and how existing and future policy interventions can be made to work effectively in practice. Research suggests that the determinants influencing effective systems governance are a mixture of, and interplay between, structural and agential factors. Structural factors include: social and economic context, legislative background, financial frameworks, resources and incentives, history and experience of system governance, accountability and performance systems, culture, mechanisms for learning, and public engagement. Added to this daunting list are the key agential components of leadership, professionalism, skills and competencies and personal experience. The primacy of either structural or agential factors is highly contested in the research literature with protagonists favouring one at the expense of the other and, arguably, adopting unnecessarily polarised positions. Perhaps a more realistic position to adopt contends that, while actors manufacture outcomes, the parameters of their capacity to act – the constraints and opportunities – are set by the structured context in which they operate. So, whilst acknowledging the difficulties of understanding how the individual determinants combine and interact in the face of a wide spectrum of policy challenges and issues, effective system governance design needs to build in, enable and sustain, a number of critical determinants set out below. The way in which these determinants map across to the values based governance model (Figure 1) in our first Opinion Piece – People and Control Systems Blending Well – is illustrated in brackets (See Appendix 1 for Figure 1).

- A clarity of shared purpose in which individual organizational self-interests are mobilised and re-framed to achieve wider collective gains and benefits (Fully recognizing complexities of the system).
- A collaborative culture based on trust, reciprocity and sustainable personal and professional relationships (High levels of staff engagement and commitment / supports professional challenge and curiosity) (Full understanding of the relational nature of service delivery / collaborative approach).
- A leadership approach that is shared, catalytic and distributed recognising the dispersed nature of power in this governance setting (Purposeful, high impact,

- leadership based on compassion / humility).
- A teamwork approach that draws on the diversified expertise, knowledge and skills of different professionals and agencies. (Liberates responsibility and accountability – nourishes human agency).
- Capacity building and training programmes that nourish and deliver collaborative and boundary-spanning skills and competencies in the actors who perform in this way of governance at all levels of the hierarchy (Blending of controls with confidence / trust in individuals).
- A performance management framework that is outcome-focussed, with a clear identification of what each contributing agency is expected to deliver (understanding of the relational nature of service delivery/collaborative approach).
- A collective accountability and scrutiny arrangement that allows public service providers, service users and the public to hold collaborative initiatives to account (Outcomes driven, with a focus on social value).
- An environment that fosters learning and knowledge creation, and builds structures, mechanisms and capabilities to embed this at individual, organizational and systems levels (Promotes organisational and individual learning).
- An environment that stimulates innovation, experimentation and creativity, with the accompanying tolerance of risk – conditions that are necessary to tackle complex and “wicked” issues (Agile, flexible, creative, high levels of courage and accepted risk taking; creates solutions).

Effective System Governance in Wales

Models of system governance in Wales are evidenced in a cascade of initiatives involving different permutations of agencies attempting to tackle a wide range of problems and issues. Covid-19 has provided a ‘burning platform’ around which the system has coalesced, demonstrating effective system governance - contact tracing being a key example. The Test, Trace and Protect Programme exemplifies the way in which policy makers and implementers across the system have designed and delivered an effective collaborative solution.

To ensure that our Opinion Piece reflects the real world experiences of health and social care leaders in Wales, we shared our thinking with a number of them. We asked them map the characteristics of effective system governance that we had identified across to the implementation of the Test, Trace and Protect Programme (TTP). We used this example because of the findings set out in the Audit Wales report (link identified above).

This report found that:

“The TTP programme has seen different parts of the Welsh public and third sector work together well, in strong and effective partnerships, to rapidly build a programme of activities that is making an important contribution to the management of COVID-19 in Wales”.

The report went on to stress the effectiveness of partnership working and the need to capture the learning from this experience:

“It has been particularly encouraging to see how well public sector partners have worked together at a national, regional, and local level to combine specialist expertise with local knowledge, and an ability to rapidly learn and adjust the programme as we’ve gone through the pandemic. It’s important that the positive learning is captured and applied more widely.”

The report concludes by saying that:

“Whilst roles and responsibilities within the system were not fully understood by all in the early stages of the pandemic, they became clearer as the programme evolved and responded to the challenges of incidents, outbreaks, and rising transmission rates.

The TTP programme has clearly demonstrated that the public service has the ability to work well across organisational and professional boundaries, and to work at pace to get things done. As the attention moves on to different responses to the pandemic, such as the current vaccination rollout programme, and then ultimately, the recovery and resetting of services once the significant peaks in the pandemic start to recede, it is important that the positive learning from the TTP programme is captured and used to shape the way that public sector organisations work together and tackle challenges in the future.”

We wanted to find out whether we had captured all the relevant characteristics and whether some were more important than others. Respondee were supportive of the characteristics identified; they made the following additional points:

- That leadership and the right agential, human behaviours, should be regarded as having greater weight than organisational and process issues. It is important to remember that everyone in leadership positions during the Pandemic has been operating in a climate of fear and entering the unknown, This has called on leaders to act with urgency, mutual dependency and in a solution-focussed way; the architecture put in place through Programme Board arrangements could not have delivered the results without the right leadership drive and ownership;
- That the elements identified represented a ‘menu’ and that those involved in any system enterprise might call on some elements more than others, fostering a maturity of approach over time;
- That, once the Covid-19 ‘burning platform’ receded, the test would come in terms of how embedded effective system governance had become, and whether there would be a return to institutional and organisational primacy of purpose and focus.

Concluding Remarks

In this Opinion Piece, we set out to explore the system-level implications of re-setting the governance dial, through identifying and testing the determinants of effective system governance; we cited a key example of the way in which leaders across the system coalesced in response to the ‘burning platform’ of Covid-19. Leaders supported the determinants identified, adding valuable perspectives. A key test will, of course, come when the pandemic becomes endemic and the unprecedented sense of emergency recedes. System governance is predicated on effective collaborative

working, which has been at the heart of public policy and public service reform since the inception of the then Welsh Assembly in Wales in 1999. Collaborative working has been embedded through legislation, funding and Ministerial priority setting. The many actors and organisations engaged in Wales at different levels, sectors and organisations, have the opportunity to build on the learning that has emerged from the Covid-19 'burning platform'. Such learning has the potential to take collaborative working to a new level. It will, however, call for: more investment in mature forms of collaborative working, underpinned by a sympathetic configuration and alignment of collaborative structures and architecture; a collaborative culture based on trust, reciprocity and openness; a determined commitment to cultivate collaborative capabilities and competencies at all levels of management and leadership through training, education and learning. Wales has the opportunity to emerge from the pandemic with a strengthened collaborative working culture, underpinned by effective system governance architecture owned across the system. The key question is whether the country will grasp that opportunity.

Appendix 1

Figure 1: Values-Based Governance Model

