

# Public Sector Management Practices Survey Pilot, 2023

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# Background



Previous ONS-ESCoE co-research identified the importance of the measurement of management practices as an intangible capital to understand productivity.



Research shows that better managed firms are more likely to be more productive, innovative and adaptable. Bloom et al have found higher management quality is strongly associated with better [educational outcomes](#) and [hospital performance](#).



The PSMPS pilot introduces a consistent approach to measuring management quality across the public sector, while providing an opportunity to understand whether the measurement of management practices translated to the public sector



Understanding the role of management practices as inputs contributes to the PSPR aim of improving the methodology for measuring PSP



Results should be considered as preliminary and are designated as Official Statistics in Development

# Design and Delivery

# Survey delivery

- Delivered under the National Statistician's Public Services Productivity Review (PSPR)
- Developed in consultation with an Expert Advisory Group of stakeholders and academics; ONS experience of running MES with ESCoE
- Designed and tested inhouse by ONS
- Data collection contracted to NISRA and DMS

# Survey Content

Building on ONS (2018, 2021) and earlier work by Bloom, Sadun and Van Reenen (2013) we derive a management score based on:

- Continuous Improvement
- Key Performance Indicators
- Targets
- Employment Practices

Management practice scores range from 0 to 1

- Organisations score 0 if they do not respond to ongoing problems, base promotion decisions on factors other than merit, and do not track performance or set targets.
- Organisations score 1 if they continuously review their processes with the aim to minimize future challenges, carry out regular performance reviews, train employees and base hiring and promotion decisions on merit.
- Overall management practices score is an average of all questions

# Example Question

## Continuous Improvement

**12. In 2023, in general what is the most common response to problems faced within this organisation? (scoring)**

- a. We resolve the problems but do not take further action (1/3)
- b. We resolve the problems and take action to try to ensure they do not happen again (2/3)
- c. We resolve the problems and have a continuous improvement process to anticipate similar problems in advance (1)
- d. No action is taken (0)

# Survey design

- Online questionnaire, respondents invited by mail
- One form per organisation with a unique access code
- Leaders respond on behalf of the whole organisation
- Survey based on an amended MES, maintaining the core scoring questions
- Topical questions added based on user need

# Data collection

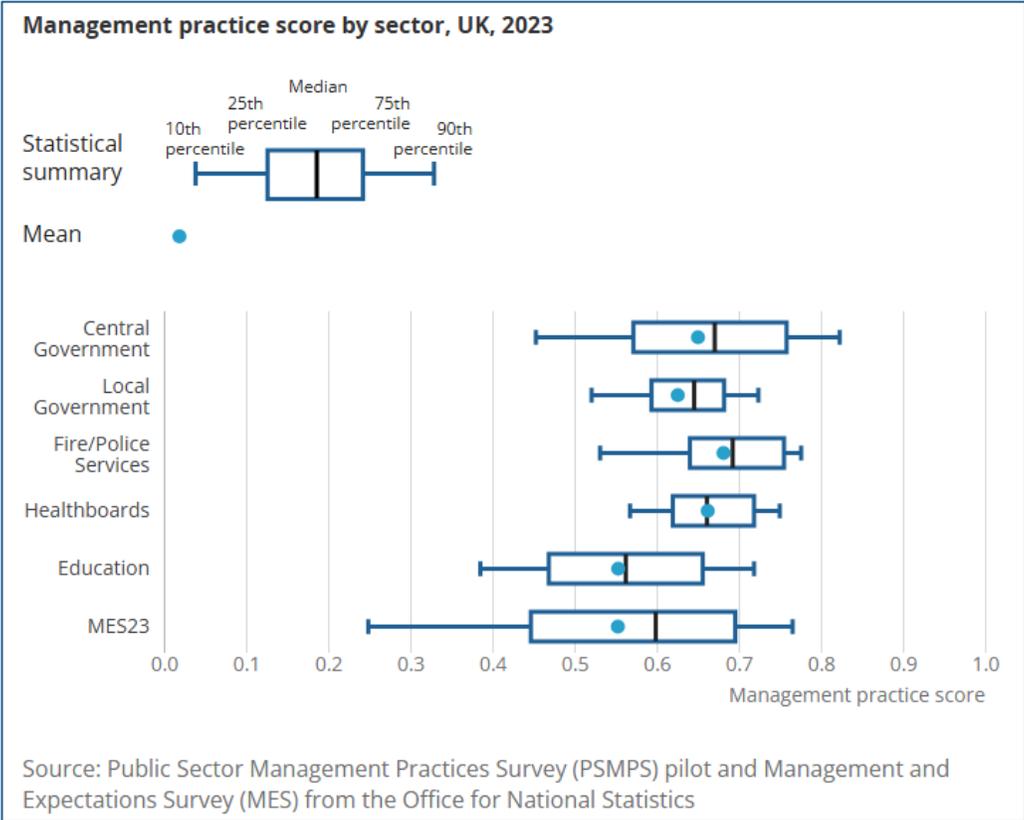
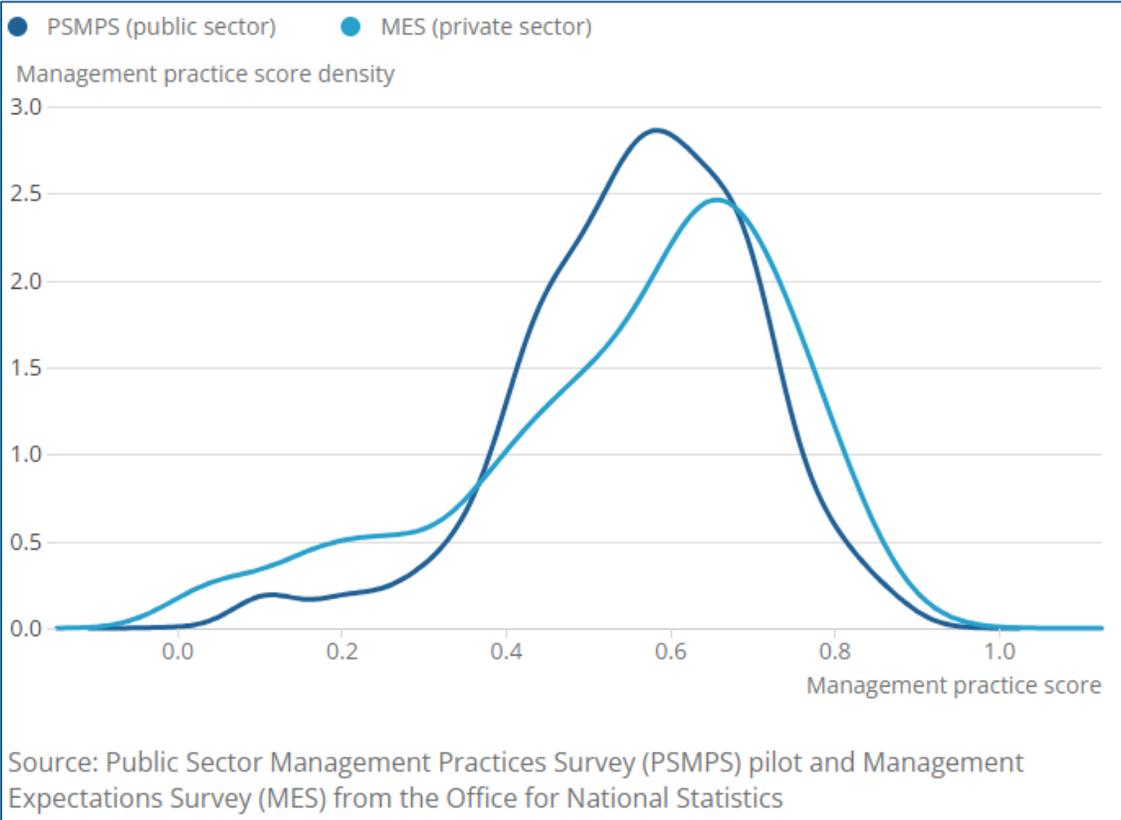
	Response rate	Completed	Sample
<b>Local Government</b>	38%	146	388
<b>Central Government</b>	33%	80	242
<b>Fire and police</b>	35%	33	95
<b>Health boards</b>	20%	56	281
<b>Education</b>	16%	1404	8928
<b>Health and social care local units</b>	4%	189	4525
<b>All</b>	13%	1908	14459

- Fieldwork 26<sup>th</sup> April-21<sup>st</sup> June 2024
- Early response success but fieldwork extended to 18<sup>th</sup> July
- Promoted in cross-government forums and networks; nudged leaders of departments where contacts were available

# Results

*Results should be considered as preliminary and are designated as Official Statistics in Development*

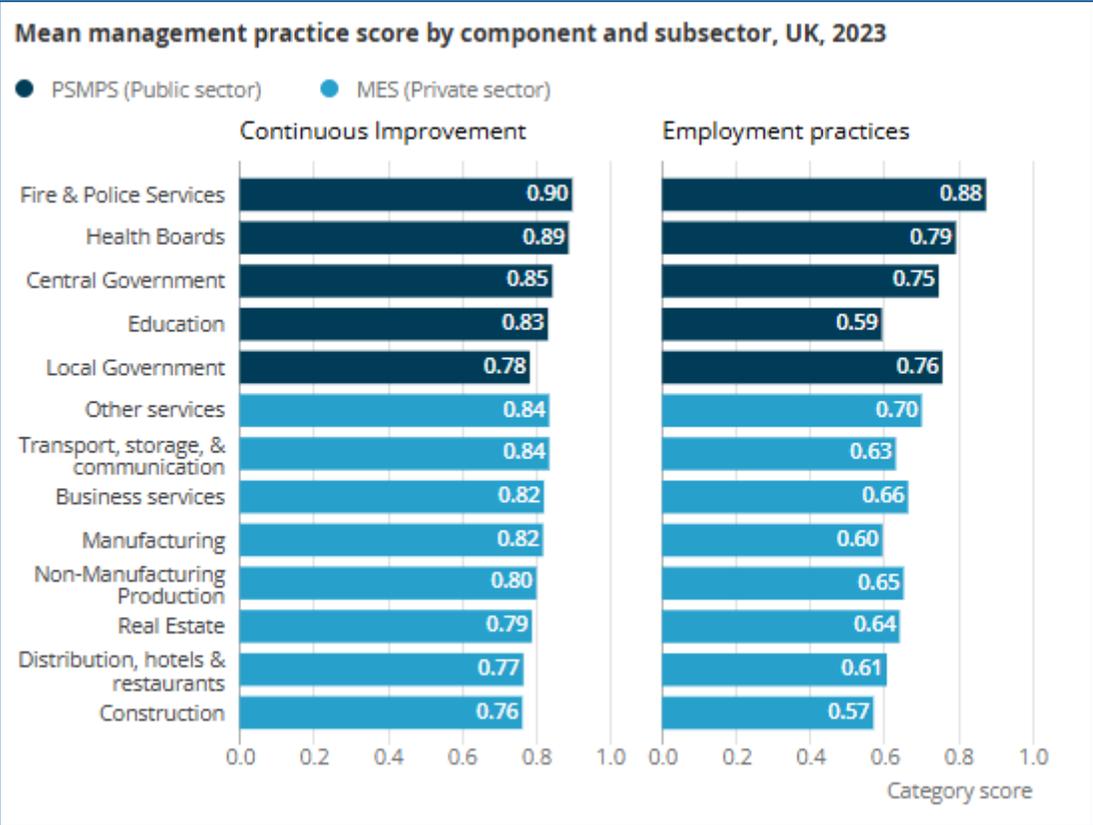
# Overall management practice scores



- Mean public sector management practices on a scale of 0 to 1 were 0.56; the median was 0.58
- This compares to 0.55 (mean) and 0.60 (median) in the private sector
- This is explained by the longer tail of lower scoring firms in the private sector

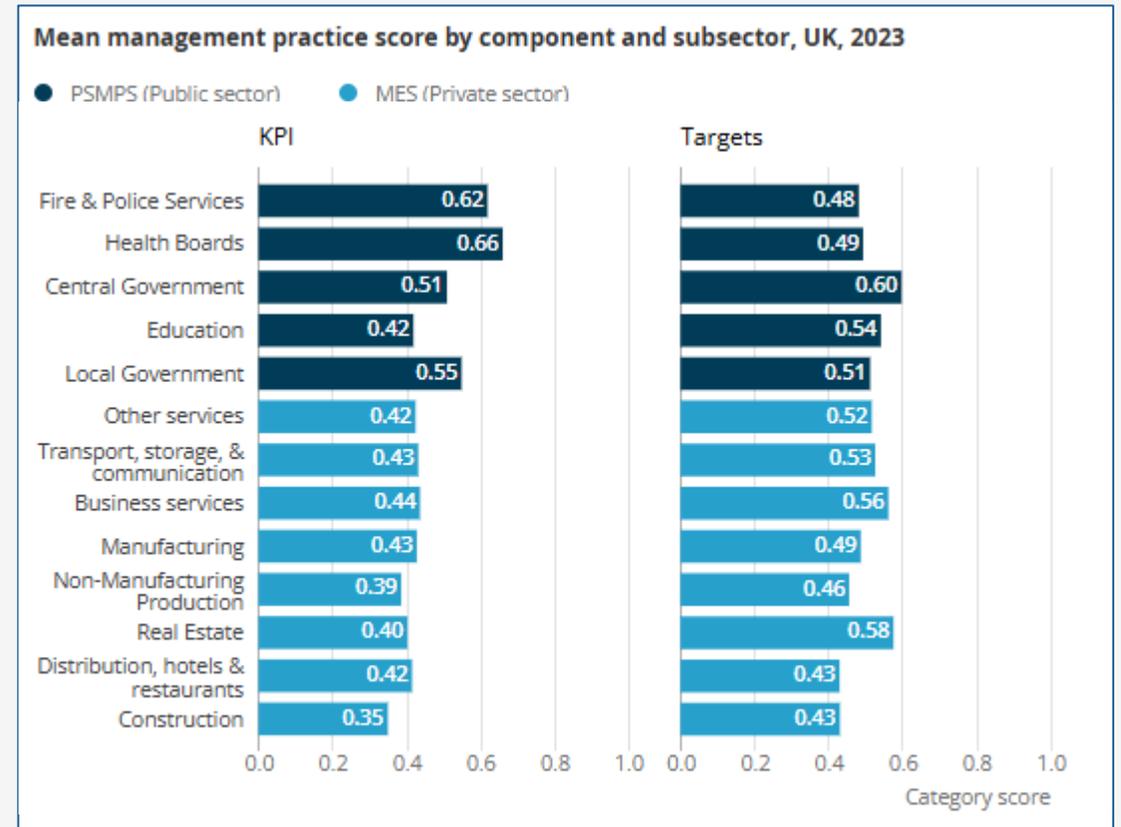
# Continuous Improvement and Employment Practices

- The highest score in continuous improvement and employment practices categories is in the public sector
- Lower employment practice scores tend to be due to underperformance and time spent on L&D
- “No promotion” is what brings down education employment practice scores



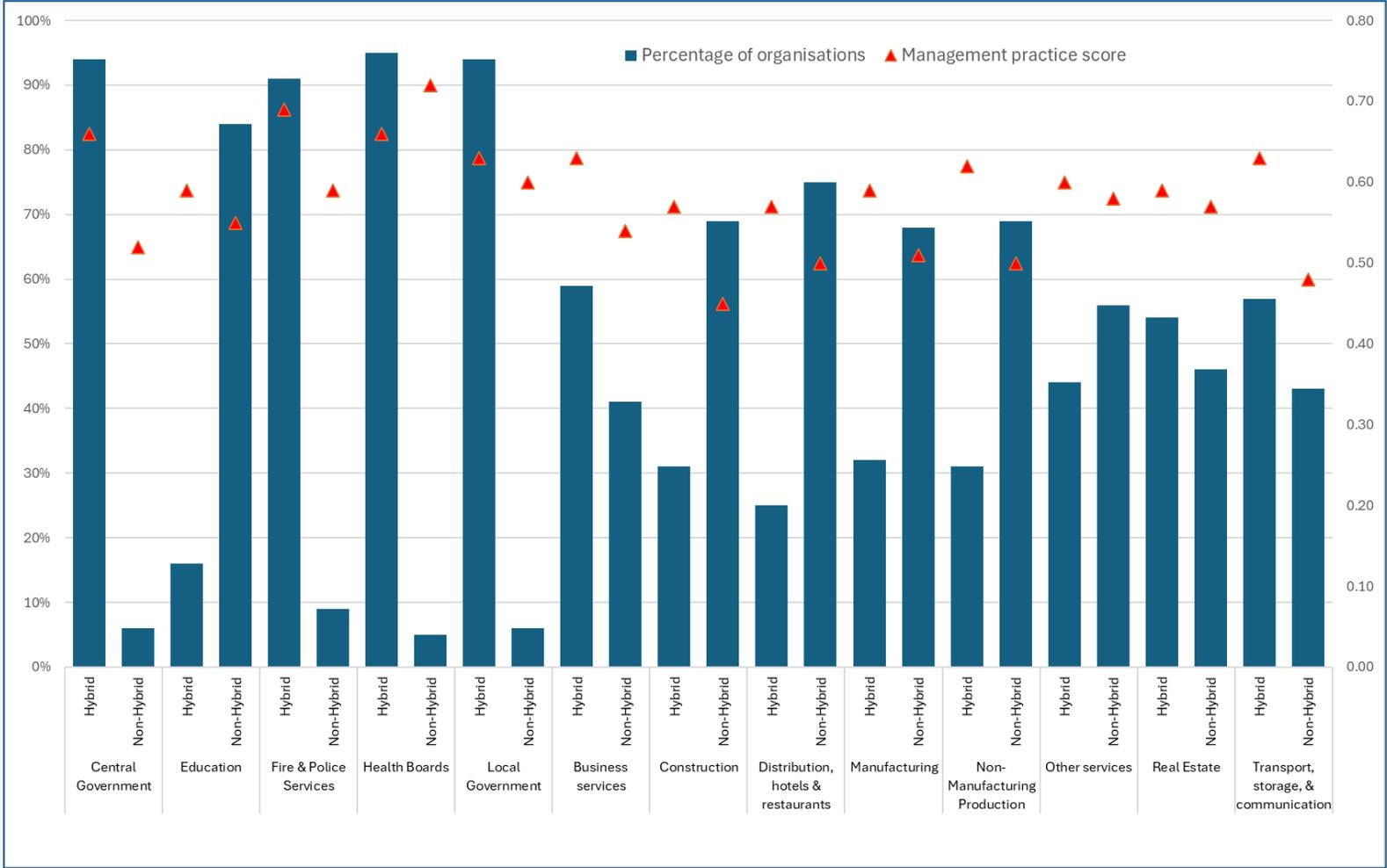
# KPIs and Targets

- The highest score in KPI and targets categories is in the public sector
- Education KPI is low for public sector, but higher than most of the private subsectors
- The public sector scores well for KPIs due to a higher number of KPIs and frequent review by non-managers
- The public sector scores less well in targets due to lack of financial bonuses, but offset by good awareness of targets in the workforce



# Hybrid working

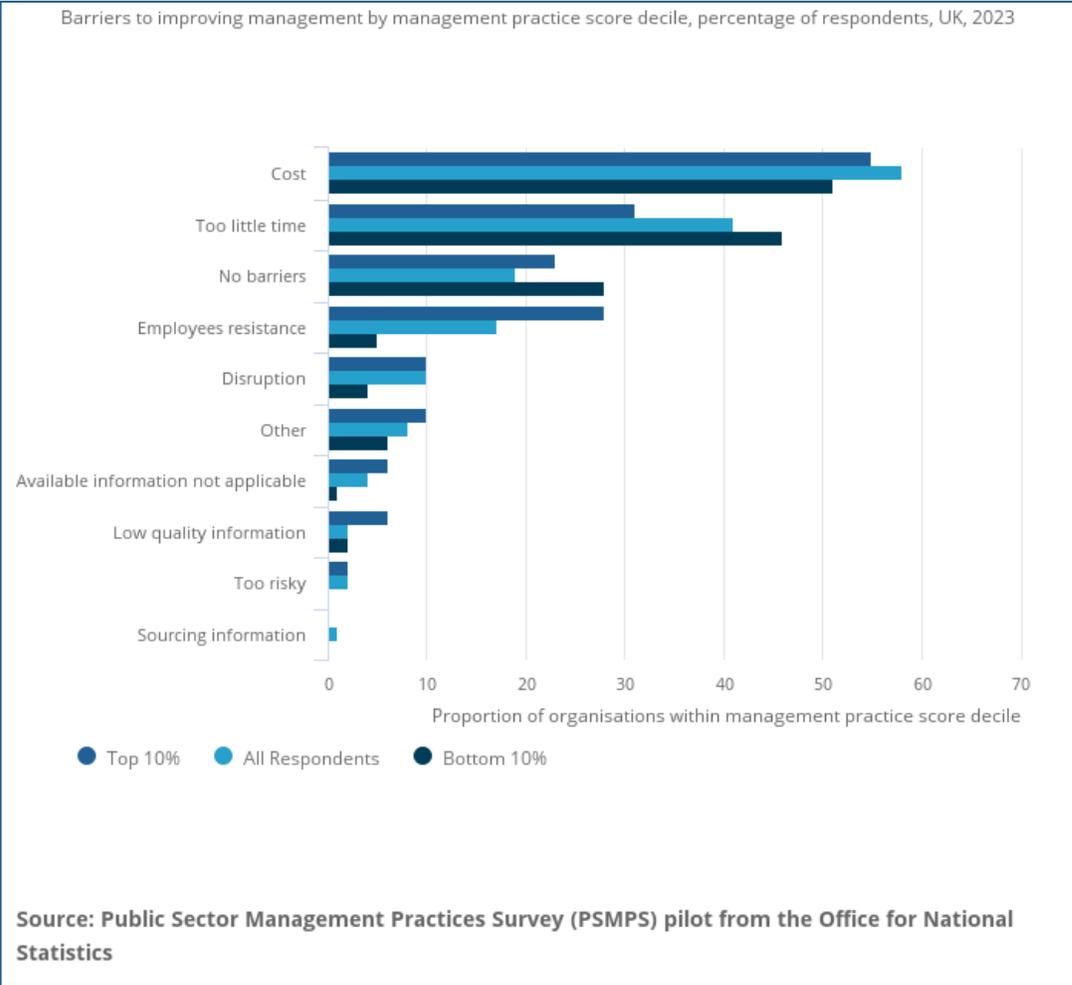
- Average management practice scores are higher where managers work in a hybrid way compared to fully remote/onsite
- This is consistent across subsectors, except for health boards
- Expected subsector differences in hybrid working prevalence e.g. construction, education



# Improving management

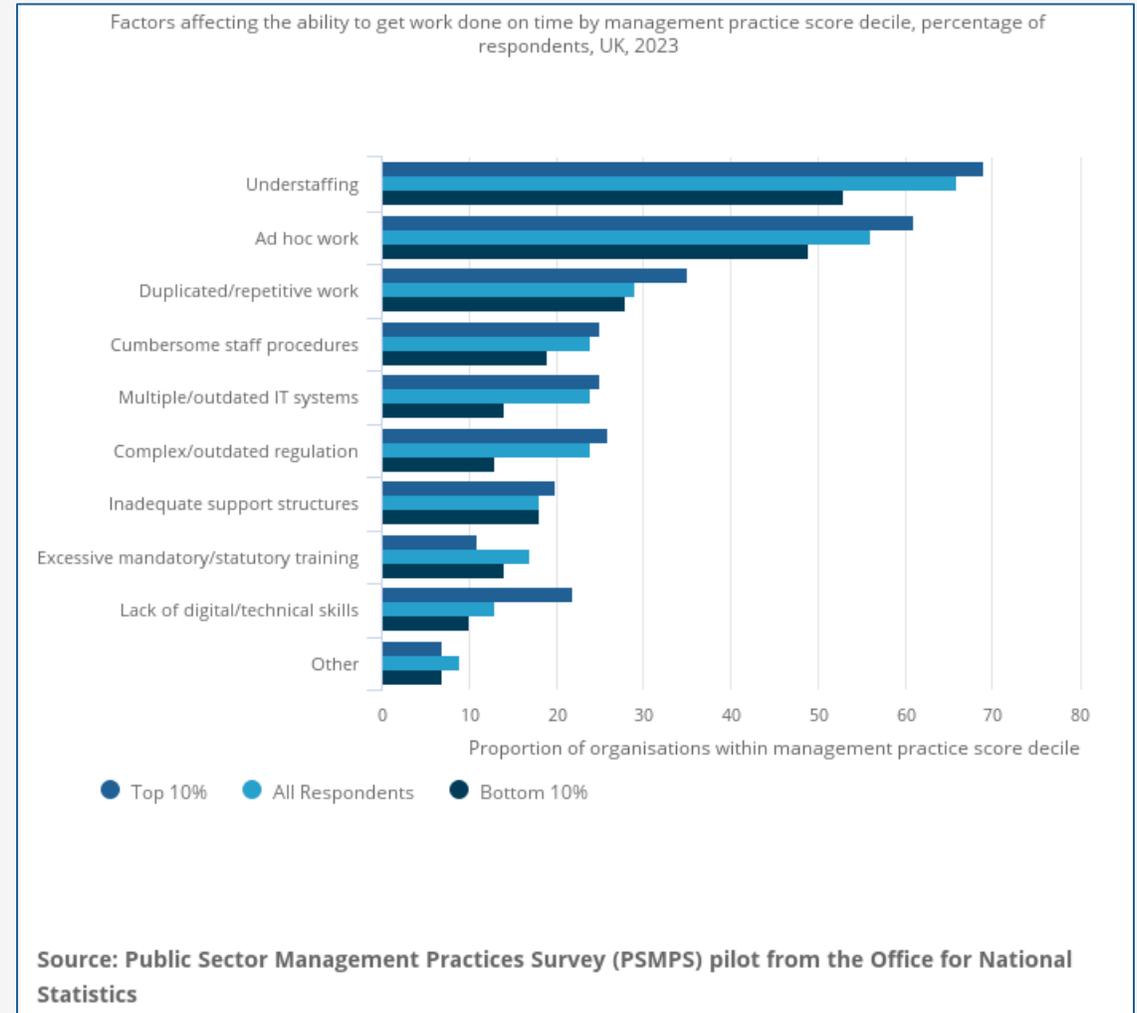
# Common barriers to improving management

- Cost and time are the most common barriers to improving management in public service organisations
- 18% of organisations reported facing no barriers (~one third in the private sector)
- “Employee resistance” as a barrier is the greatest variation between top (28%) and bottom (5%) deciles



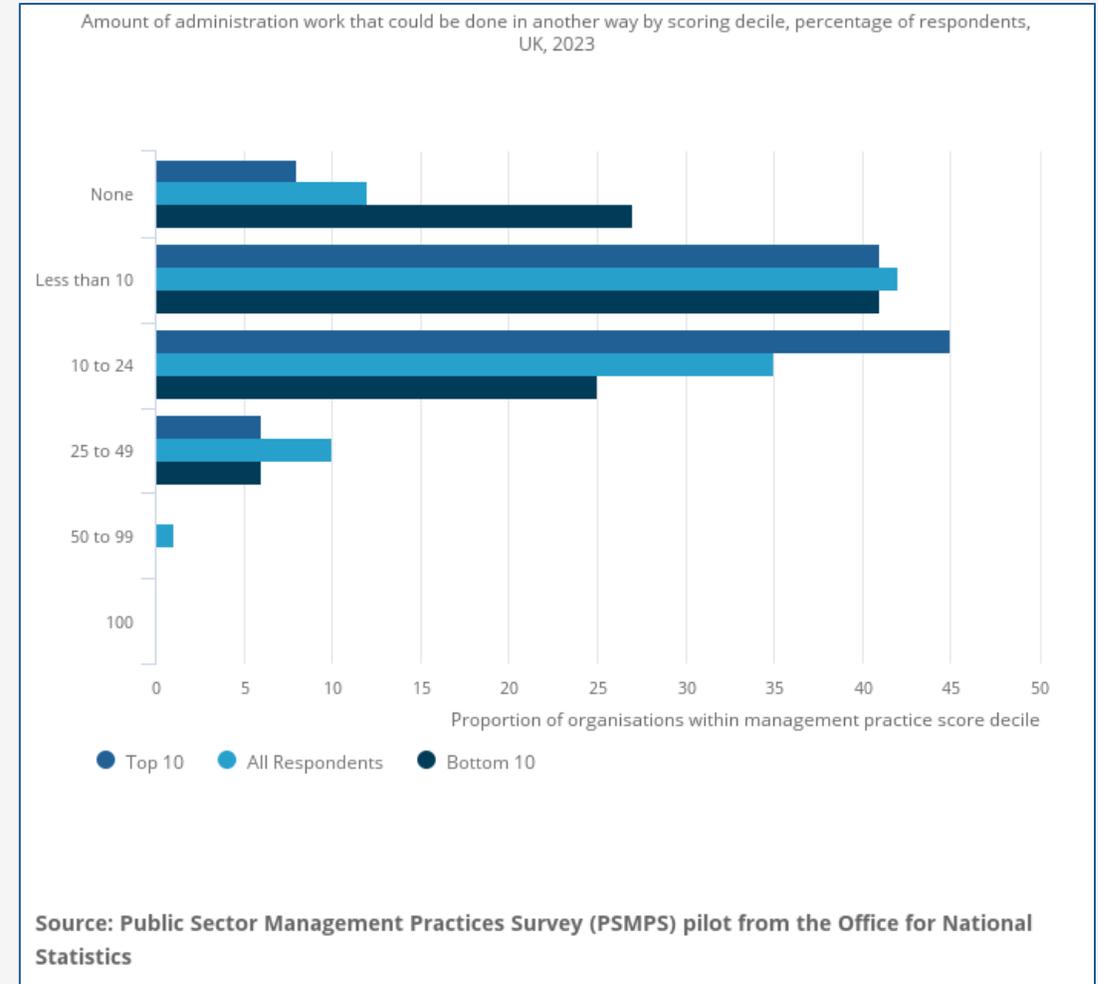
# Barriers to completing public sector work on time

- Understaffing (66%) and ad-hoc work (56%) were reported as the two most common factors reducing the ability to complete work
- Excessive mandatory/statutory training is the only factor more common in the bottom decile of public sector management practices



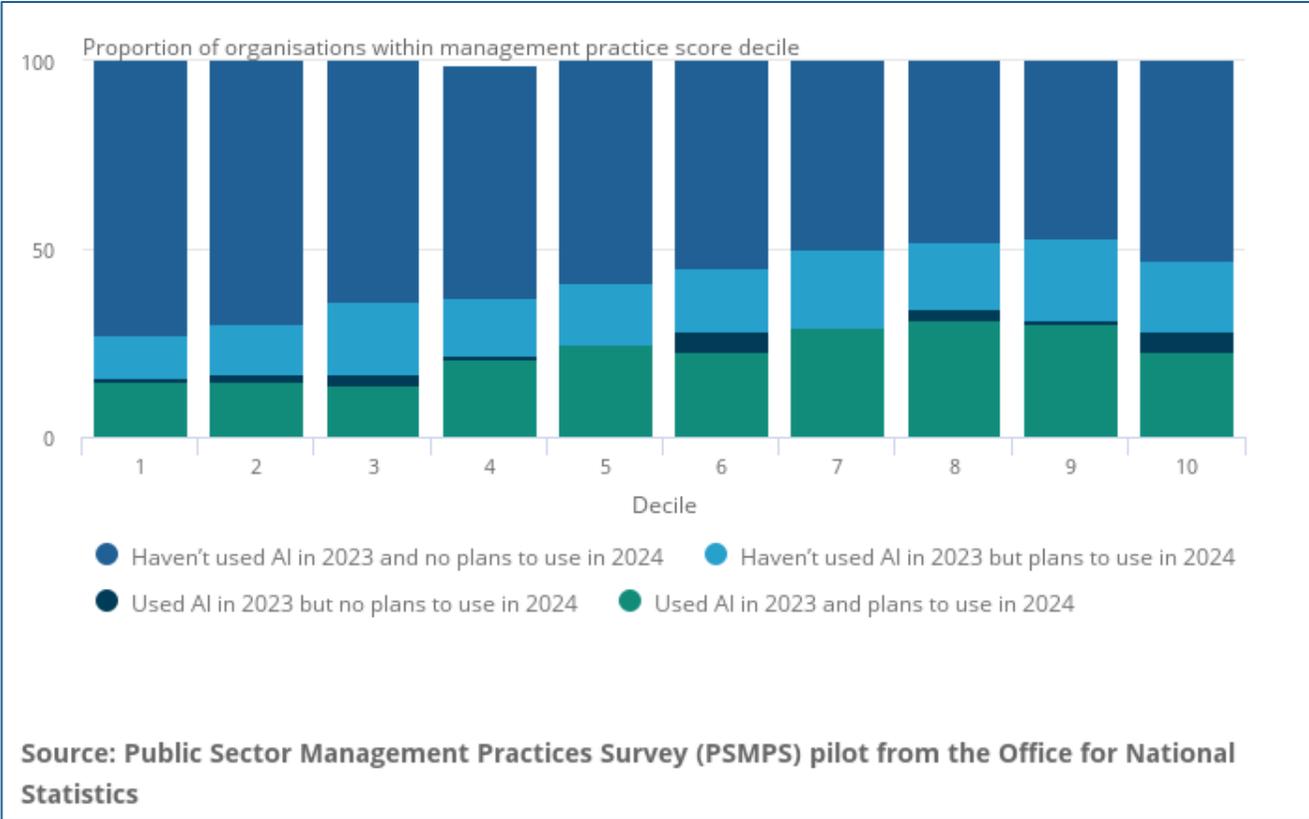
# Amount of work that could be done in a *different* way in a typical week

- Better-managed public sector organisations report 10-24% of work could be done in a different way e.g. through automation or streamlining
- Less well-managed organisations are more likely to report there is no opportunity to work in another way



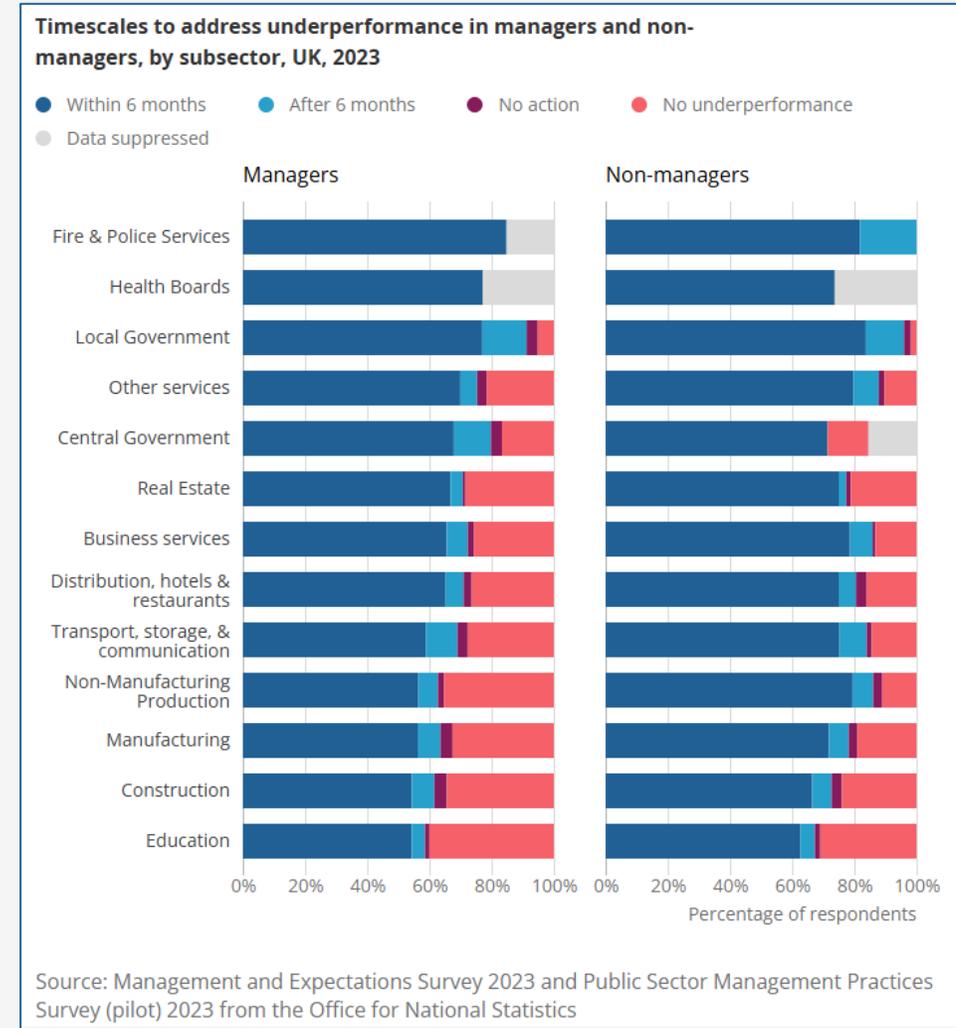
# Public sector adoption of artificial intelligence

- Organisations in the top decile are 1.7 times more likely than the bottom decile to have adopted or plan to adopt artificial intelligence
- We separately find that 16.5% of public sector organisations which had used AI report more than 25% of work in a typical week could be automated



# Addressing underperformance in public and private subsectors

- *Best practice* is to address underperformance within six months
- Fewer reports of underperformance in managers than non-managers
- Highest reports of no underperformance were in education



# Reflections

# Main points recap

- Average public sector management practices are similar to the private sector average, with variation by subsector
- Better managed public sector organisations are more likely to identify opportunities to deliver work in innovative ways
- Only around one-fifth (19%) of public sector organisations surveyed reported facing no barriers to improving how they were managed, compared with almost one-third (32%) of private sector organisations

# Lessons learned

- Adopting the MES approach enabled delivery at pace
- Stakeholder engagement and collaboration with academia was crucial
- Management practice concepts appear not entirely comparable across public and private sectors
- PSMPS response rates emphasise the need to work with sectors to get our foot in the door
- Parts of the public sector did not welcome the approach to capturing external metrics; some respondents struggled to answer questions

# Next steps

- Data made available in IDS/SRS later this year
  - Bringing in other data will help understand the role of management in delivering public service outcomes
  - We welcome collaborations on future work in this area
  - Email [psmps@ons.gov.uk](mailto:psmps@ons.gov.uk)
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