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Public Sector Productivity Toolkit

A practical guide on measuring, managing, and enhancing productivity

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Public Sector Productivity Toolkit

Public sector productivity is a shared challenge for governments and institutions around the world. Whether in public health , education, defense, or municipal services, public agencies face rising demand, fiscal pressures, and the expectation to deliver more effective results with finite resources. These issues are not confined to any one country; they are part of a global conversation about how the public sector can remain resilient and trusted in an era of rapid change and against a landscape shaped by budgetary, policy, and geopolitical constraints.

In today's world, managing these considerations — through robust planning, data-informed decision-making, and collaboration across functions — is essential to sustaining performance and delivering results that matter to citizens. The ability to pivot quickly, while maintaining focus on long-term goals, is a hallmark of productive and resilient public services. Building this resilience means ensuring systems, culture, and leadership are adaptable — capable of absorbing change without losing sight of purpose. In an environment where priorities evolve rapidly, resilience becomes a strategic asset for sustained public good.

Despite its many strengths, evidence shows that productivity growth in the public sector has generally lagged behind the private sector, in part because services are complex, strategy and planning may be less well-defined(or understood), results are difficult to measure, and incentives often differ. This reality has created renewed interest among policymakers and professional bodies (many of whose members work in the public sector around the world) in defining, tracking, and improving efficiency while protecting service quality.

Since 2021, AICPA & CIMA have contributed to this global debate by publishing research and insights on productivity in both the private and public sectors. Drawing on our Integrated Performance Management Framework, we have emphasized that productivity is about more than metrics—it is about aligning people, processes, and technology with strategic results.

This Public Sector Productivity Toolkit has been designed as a practical resource for professionals, managers, and leaders across public services. It offers guidance, tools, and real-world examples to help participants:

- Strengthen governance, accountability, and strategy alignment across departments.
- Define productivity in meaningful ways at individual, team, and organizational levels.
- Track, measure, and report productivity more effectively, using public sector finance functions, HR, and operations as key enablers.
- Leverage digital technology and AI responsibly to increase data access, and enable smart decision-making.
- Build stronger workplace cultures and leadership practices that support continuous improvement.

The toolkit is structured around practical tools, checklists, and frameworks that can be directly applied in day-to-day work. By engaging with these resources, participants will not only gain insights into the importance of productivity but will also be able to take concrete steps towards improving productivity in their own teams and organizations.

The Public Sector Productivity Toolkit includes emerging lessons from a series of anonymized interviews with public sector professionals worldwide. The findings point to eight key areas where the Public Sector Productivity Toolkit can provide practical support and guidance:

1. Defining Productivity
2. Strategy and Public Sector Productivity
3. Governance and Public Sector Productivity
4. Improving Productivity Tracking and Measurement
5. Finance as a Catalyst
6. People and Culture
7. Leadership and Management Practice
8. Digital Technology and AI

This Toolkit builds on findings in earlier AICPA & CIMA reports which have focused on productivity and business partnering, explored in the Improving Public Sector Productivity report, and our Purposeful and Integrated Government report. Alongside these reports, the insights in the toolkit further highlight both operational challenges and opportunities for performance improvement.

1. Defining productivity

The term 'productivity' is widely used but inconsistently understood across public sector functions. In the interviews, definitions ranged from personal output management to organizational alignment with citizen results. Most participants agreed that traditional definitions—such as output per labor hour—do not adequately capture the knowledge-intensive, service-based nature of public sector work.

Public sector productivity is not a single, universal concept. Instead, it operates at several levels: how individuals manage their time and outputs, how teams deliver collectively, and how organizations' use resources to achieve results for citizens.

A recurring theme from the interviews was that definitions are often inconsistent or too narrow. For example, focusing purely on outputs risks ignoring quality, long-term value, and impact. A more useful working definition should combine efficiency (doing things right), effectiveness (doing the right things), and value (delivering results that matter).

This reflects the CIMA Integrated Performance Management Framework, which stresses alignment across individual, team, and organizational measures.

For public sector leaders, the challenge is not simply adopting a single definition but shaping shared definitions of productivity that fit their service context.

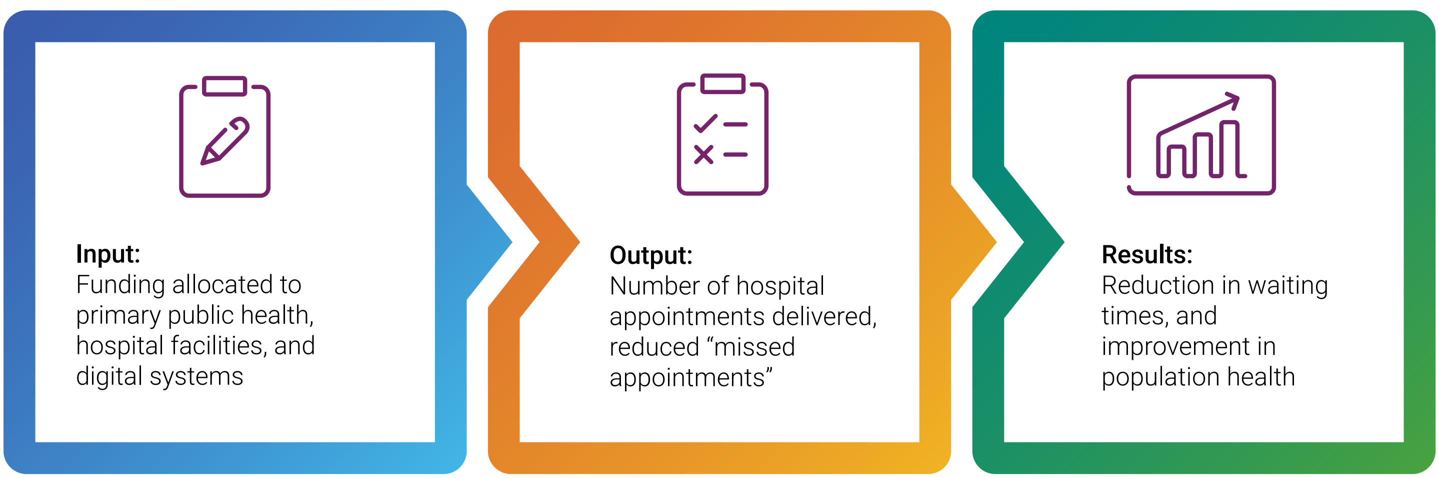
Defining productivity

Productivity is about making better use of resources - time, people, technology, and capital - to deliver better results.

Results and how to define them

In the public sector, results describe the real-world effects of government policies and services on citizens and wider society. They go beyond the immediate products or services delivered, and focus on the difference those services make.

Defining results requires clarity of purpose and alignment with public good. For example:



When defining results, leaders should:

1. Link results directly to citizen value (health, safety, education, wellbeing).
2. Ensure they are measurable, even if indirectly (e.g. citizen satisfaction surveys, quality indicators, long-term impact studies).
3. Consider time horizons, since some results may take years to materialize.
4. Align with strategic priorities, ensuring results connect to the organization's wider mission and/or policy objectives .
5. Engage stakeholders in co-design, including service users, staff, and partners, to ensure results are meaningful and inclusive.
6. Make a clear distinction between outputs and results to ensure the focus is on impact, not just activity.
7. Account for cross-departmental contributions, recognizing when results depend on collaboration across government or agencies.
8. Include both qualitative and quantitative measures, balancing numbers with stories, feedback, and lived experience.
9. Anticipate unintended consequences, asking how pursuing one result might negatively affect other areas (e.g. speed vs. quality).
10. Review and adapt results over time, ensuring they remain relevant in light of changing needs, resources, and/or contexts.

Measuring results

Measurement is often challenging in the public sector because results may be intangible, long-term, or influenced by multiple factors outside a single organization's control. However, this does not make measurement impossible. Instead, it requires combining:

Quantitative indicators (e.g. service uptake, performance statistics, demand forecasting).

Qualitative evidence (e.g. case studies, citizen feedback, independent reviews).

A good measurement system connects outputs to results, showing not only what was delivered but also whether it made a meaningful difference.

Cross-department results

Public sector results rarely sit within the boundaries of one department. For example, improving health results may involve health, education, housing, and local government, and their wider partnerships.

> "Results that go across one part of the public sector require shared ownership, with different actors recognizing their contribution to a collective mission."[1]

This reinforces the need for cross-departmental collaboration and for finance functions to link spending across public sector departments, organizations and/or silos. Without this, productivity risks being measured in narrow terms rather than system-wide results.

Productivity can be understood differently depending on the level of focus - individual, team, or organizational. The table below illustrates how these perspectives connect, showing how personal responsibility, team coordination, and organizational purpose together shape a comprehensive view of productivity.

What productivity personally means	What productivity means on a team level	What productivity means on an organizational level
Delivering high-quality outputs within working hours, avoiding overtime.	Clear roles and responsibilities, clear accountability, timely delivery, avoiding duplication and rework.	Efficient use of public resources to deliver value to citizens and meeting service objectives.

1 Seven Business Insights for a purposeful and integrated Government

Outputs vs Results

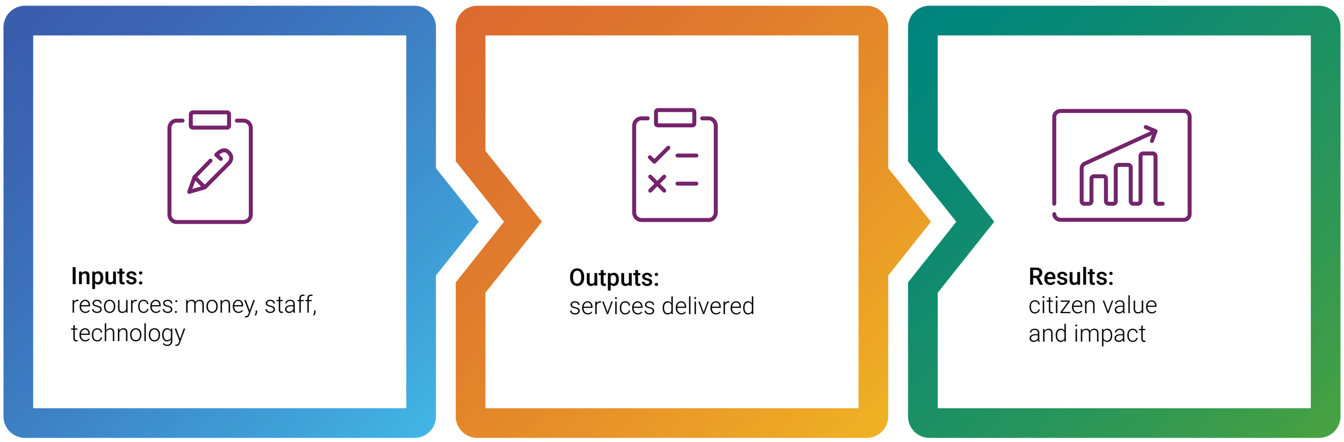
The distinction between outputs and results is critical:

> "Outputs are not the same as results. A result focus requires clarity about the real-world changes that policies are intended to deliver, rather than simply the volume of activity."[2]

This means that productivity in the public sector cannot be judged solely on results. It must also consider whether those outputs contribute effectively to the results that matter.

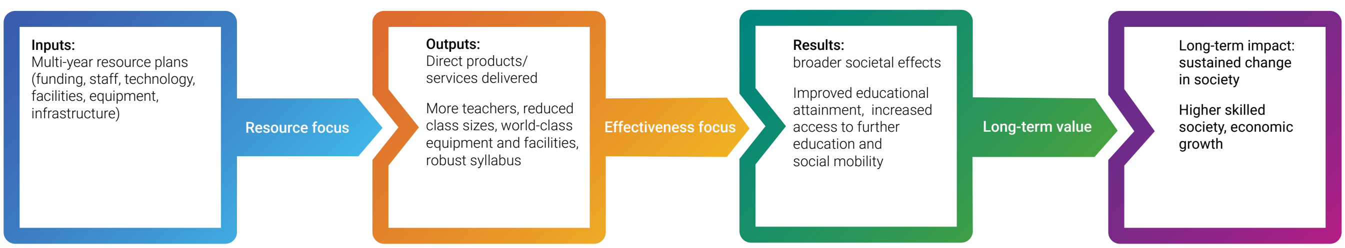
Flow Between Inputs, Outputs and Results

A high-level flow can be illustrated as:

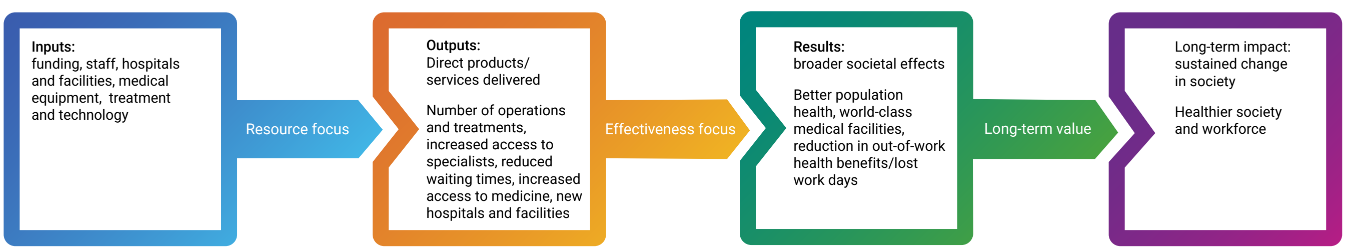


Productivity therefore measures not just efficiency in producing outputs, but also effectiveness in achieving results.

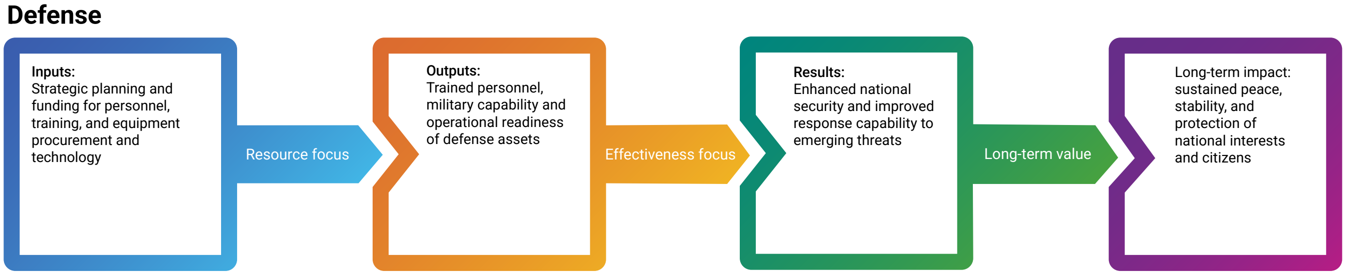
Education



Health



Defense



2 Seven Business Insights for a purposeful and integrated Government

Practical tool checklist: defining inputs, outputs, and results

Defining Inputs	Defining Outputs	Defining results
☐ Have we identified the financial, human, and technological resources needed? ☐ Are the sources of funding and resource allocations known and secure? ☐ Do we understand how inputs link to planned activities (e.g. budget for staffing, facilities, IT)? ☐ Are inputs tracked consistently across departments to avoid fragmentation?	☐ Have we described the direct products or services delivered (e.g. number of training sessions, hospital appointments, reports produced)? ☐ Are outputs quantifiable and time-bound? ☐ Do outputs directly link to the use of inputs (so the relationship is traceable)? ☐ Have we avoided confusing outputs with results (e.g. classrooms built ≠ improved education quality)? ☐ Do the outputs align to the desired results?	☐ Have we articulated the strategic priority or societal effect or change we want to see (e.g. growth, better health, safer communities, reduced inequality)? ☐ Are results linked to citizen value and public service objectives? ☐ Have we identified appropriate measures, both quantitative (KPIs, statistics) and qualitative (citizen feedback, case studies)? ☐ Do results account for cross-departmental contributions, where success depends on multiple actors? ☐ Is there a clear link from input ⇨ output ⇨ result ⇨ long-term impact? ☐ Can we track and measure the result?

Practical tool: risk table: public sector productivity

Category	Financial Risks	Operational Risks	Strategic Risks
Risks	• Budgets focused on short-term outputs rather than long-term results. • Fragmented cost tracking across departments. • Inefficient allocation of resources due to weak financial planning.	• Duplication of effort across teams. • Lack of consistent productivity metrics. • Over-reliance on manual processes and outdated systems. • Lack of capacity or capability to meet deliverables on time.	• Unclear priorities and lack of planning/ alignment between departments. • Productivity initiatives disconnected from government priorities and or policy objectives. • Weak accountability for cross-cutting results.
Key questions	• Are resources being allocated to results, not just outputs? • Do financial reports capture long-term value creation and efficiency, not only short-term spend?	• Are roles, responsibilities, and processes clear to avoid duplication? • Are performance measures consistent and reliable across teams?	• Are organizational priorities clearly defined and communicated? • Do cross-department collaborations align with wider policy objectives and missions results?
Mitigating actions	• Develop properly resourced multi-year plans including cost, people, third parties, private partnerships, agencies and private capital. • Introduce result-based budgeting. • Strengthen finance's operations business partnering. • Use integrated dashboards linking costs to outputs and results.	• Develop properly resourced multi-year plans including cost, people, third parties, private partnerships, agencies and private capital. • Implement continuous process reviews. • Provide training to build consistency in productivity measurement. • Establish accountability mechanisms for team leaders. • Use dashboards and performance metrics to track progress regularly and transparently.	• Create shared result agreements across departments. • Use governance boards to oversee cross-cutting missions. • Regularly review strategy to ensure alignment with citizen value.

2. Strategy and public sector productivity

One of the consistent challenges in public sector productivity is that no single department or team often owns an result in its entirety. For example, improving employment results may involve the education system, skills agencies, local employers, and welfare services working together supported by federal and state governments and budget authorities. This creates difficulties in defining responsibility, aligning budgets, and measuring results.

The result is that productivity initiatives sometimes focus too narrowly on outputs within silos rather than addressing the system-level results that matter most to citizens. Strategic alignment therefore requires not just clear objectives within organizations, but collaboration across institutions.

Introducing new public sector governance

Recent thinking highlights the importance of New Public Sector Governance (NPSG) in addressing these challenges.

> "Public sector productivity cannot be understood solely within the boundaries of traditional departmental or organizational silos. It requires a whole-system perspective that takes account of interdependencies across government, public agencies and local partners."[3]

NPSG emphasizes:

- Shared accountability for results that cross departmental and sectoral boundaries.
- Partnership working across government, business, and civil society.
- Co-design and collaboration with citizens and service users.
- Integrated data and measurement frameworks that capture performance across institutions, not just within them.

Strategy implications for productivity

For leaders and managers in the public sector, this shift has several implications:

Redefining success: Strategies should not only measure departmental efficiency but also progress against cross-cutting results(e.g. public health, climate goals, educational attainment).

Pooling resources: Finance and budget allocations may need to be coordinated across organizations to achieve shared objectives.

Building governance structures: Mechanisms such as joint boards, result agreements, and shared dashboards can help align efforts across departments.

Strengthening accountability: Leaders must balance being accountable within their own organization with contributing to wider system results.

Cascading strategy: from results to teams and individuals

One of the key challenges for public sector productivity is ensuring that strategic goals at the system or departmental level are translated into clear objectives for teams and individuals. The *Making Public Sector Productivity Practical* [4] report stresses that productivity must be grounded in results that are understood and owned throughout the organization.

> "Public sector organizations should honestly, transparently and consistently communicate performance measures internally, and where needed externally."[5]

Why drilling down matters

Improving productivity requires more than setting broad strategic goals. For change to take hold, those goals must be translated into clear objectives at the departmental, team, and individual levels. Drilling down ensures alignment between strategy and delivery, making it easier to track progress, assign accountability, and keep staff focused on the results that matter most. The points below highlight why this process is critical for public sector organizations.

1. **Clarity:** Teams need to understand not just what they deliver (outputs) but how this contributes to broader results.
2. **Engagement:** Individuals are more motivated when they see the link between their work and public good.
3. **Accountability:** Clear cascading goals help identify who is responsible for delivery at each level.
4. **Measurement:** Productivity indicators can be tracked consistently across levels, ensuring alignment.

3 Making Public Sector Productivity Practical
4 B. van Ark, *Making Public Sector Productivity Practical,* The Productivity Institute and Capita, 2022.
5 Making Public Sector Productivity Practical

Practical tool: strategy cascade framework

Level	Key focus	Questions to ask
Strategic results (government/organization)	Define the long-term results linked to public good creation.	• What societal change are we trying to achieve? • How do these results link to citizen priorities?
Agency or Program Objectives	Translate results into [cross] departmental goals and measurable outputs.	• Which outputs contribute directly to the result? • What indicators can we use to track progress?
Team priorities	Align team activities to agency/program objectives.	• How does this team's work contribute to departmental goals? • What processes need to improve to deliver?
Individual Goals	Define clear, measurable objectives for staff members.	• What is my role in supporting the team's priorities? • How will I know I've been successful?

Practical tool: shared result mapping example

Desired result	Departments/ agencies involved	Governance mechanism	Resources/inputs	Shared outputs	Shared indicators
Improved population health	Health agencies, state and local governments, nonprofit organizations.	Cross-agency steering group; periodic joint reviews.	Joint funding; public health staff; community partnerships.	Number of prevention programs delivered; vaccination campaigns.	Reduction in preventable illness rates; improvement in wellbeing scores.
Improved Infrastructure reliability and disaster preparedness	Environmental and infrastructural agencies, Transportation agencies, Energy agencies, state and local governments.	Multi-stakeholder climate taskforce; annual reporting cycle.	Capital investment; regulatory support; private sector collaboration.	Infrastructure modernization projects delivered; infrastructure upgrades.	Reduced Infrastructure disruption; Improved community resilience and service continuity.
Increased skills and employment	School districts and state education agencies , training providers, Business councils, workforce development agencies and employment services.	Regional or sectoral Skills board; shared monitoring framework.	Training budgets; partnerships with employers; facilities.	Training sessions delivered; apprenticeships created.	Increase in employment rate; reduction in skills gaps.

3. Governance and public sector productivity

Effective governance is the cornerstone of improving productivity in the public sector. Without clear structures of accountability and decision-making, results risk becoming fragmented, delayed, or diluted. As highlighted in the Seven Business Insights for a purposeful and integrated Government report, government faces a unique complexity: unlike private organizations, its objectives are shaped by competing demands across departments, policy areas, and time horizons, yet this makes good governance and integrated planning even more critical.

A well-governed public sector mirrors some features of effective corporate models: clear purpose, strong accountability, integrated planning, and rigorous reporting. Business leaders contributing to that report stressed that delivering long-term priorities requires "clarity and access to objective relevant data and management information, enabling evidence-based decision making". In practical terms, this means setting up governance arrangements that not only clarify who is responsible, but also create mechanisms for scrutiny, challenge, and adjustment as circumstances evolve.

Accountability and transparency

Trust in public institutions is closely tied to accountability. A recurring insight from both public and private sector practice is that governance must clearly identify who is responsible for delivering specific results and how progress will be tracked.

Accountability also depends on effective structures for oversight. Strategy delivery boards, for instance, are proposed to bring together elected officials, non-executives, and delivery partners. Their purpose is to ensure strategic alignment, remove barriers, and maintain focus on agreed objectives. Independent non-executives on government department delivery boards or similar governance arrangements can play an essential role in providing constructive challenges and ensuring transparency in decision-making.

The role of governance in driving productivity

Good governance does more than provide oversight — it actively enables productivity by:

- Aligning resources with results through integrated planning.
- Reducing duplication across departments and fostering cross-sector collaboration.
- Embedding a culture of scrutiny and evidence-based decision making.
- Enhancing stability, which reduces wasted effort and enables long-term planning.

By ensuring that decision-makers have reliable data, and by setting clear accountability for both results and risks, governance becomes a catalyst for improved productivity rather than an administrative burden.

Governance layer	Key responsibilities	Accountability mechanism
Federal and State Leadership	Set overall strategy, allocate national or regional resources; ensure integration across policy areas.	Public reporting; congressional and state legislative oversight; independent audits; citizen transparency platforms.
Cross-sector/ program boards	Translate strategy into deliverables, align priorities, across agencies, monitor progress on shared results.	Multi-stakeholder steering group; periodic joint reviews; independent expert challenge, legislative oversight.
Departmental/ agency leadership	Define agency/ program objectives; manage resources and delivery teams; ensure alignment with cross-sector results.	Departmental business plans linked to result frameworks; regular performance reporting. Executive leadership oversight.
Delivery teams/ local units	Implement programs and services, track day-to-day performance; ensure quality and efficiency.	Team-level performance dashboards; service reviews; feedback from citizens and service users. Department leadership.

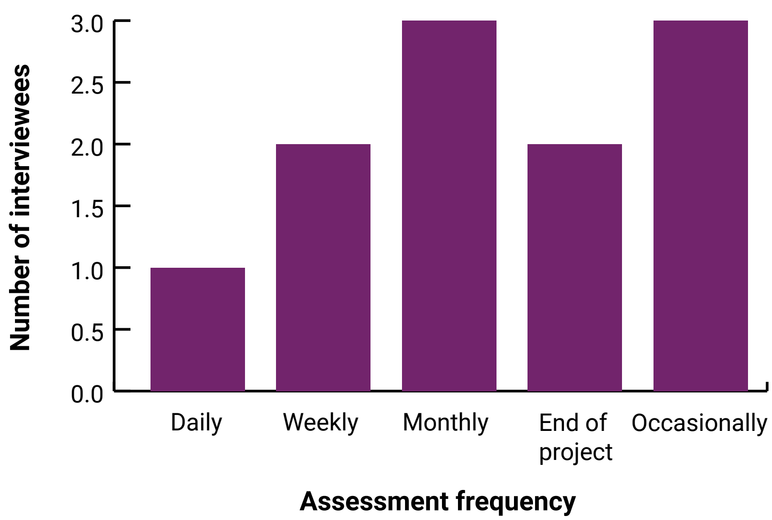
4. Improving productivity tracking and measurement

The majority of public sector professionals interviewed reported limited or inconsistent tracking of productivity. Where measurement occurred, it was often:

- Retrospective (e.g. end-of-project reviews).
- Disconnected from strategic goals.
- Focused on input/output metrics (e.g. number of reports, time spent) rather than value added or improvement.

Data emerged from interviews:

Frequency of productivity assessment by public sector teams



Those in health or audit functions were more likely to use structured dashboards or project management tools, but few interviewees could link these to broader organizational strategy or citizen-facing results. In finance functions, spreadsheet-based monitoring was the norm - useful but not dynamic or integrated.

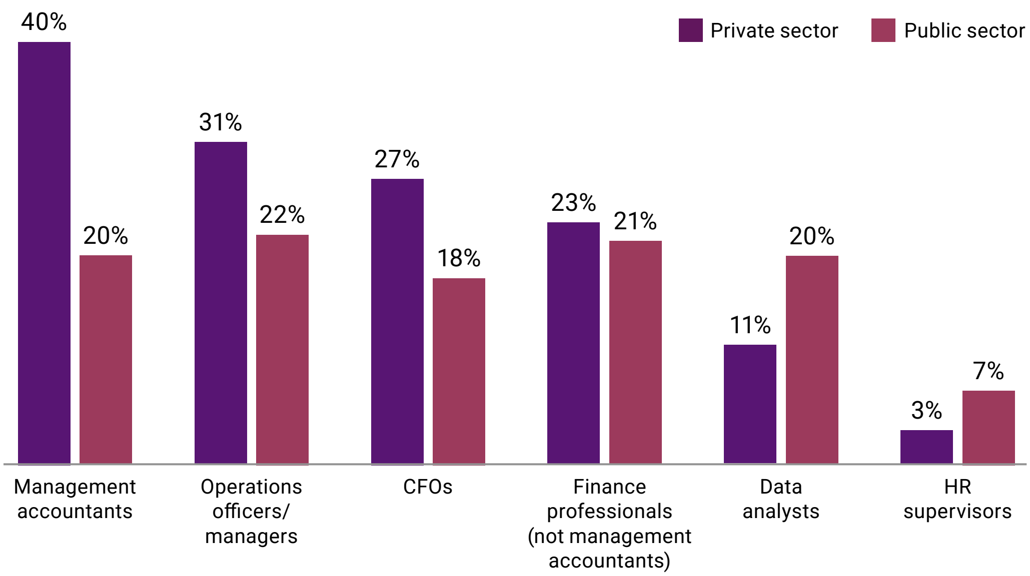
Responsibility for tracking productivity often falls between functions, leading to gaps. Finance and HR are the two functions most directly responsible: finance brings the financial and result perspective, while HR brings the people and workforce perspective. Operations adds the service-delivery perspective, ensuring that what is measured reflects how services are actually provided on the ground. Together, finance, HR, and operations can provide a more integrated, strategic approach to measurement, aligning resources, people, and delivery .

Why finance is central to productivity tracking

Recent findings from our Improving Public Sector Productivity report underscore a striking insight: over half (53%) of public sector respondents said their organizations do not track productivity, compared to just 26% in the private sector, where finance professionals—especially management accountants - are far more likely to own productivity tracking responsibilities.

> "Management accountants have a key role to play in tracking productivity and performance and can help the public sector with this challenge."[6]

Accountability for tracking productivity in organizations



Indeed, data from our report Improving Public Sector Productivity, illustrates that in the private sector, management accountants are most often responsible for tracking productivity. In the public sector, this responsibility is more dispersed - with roles spanning HR, operations, or data analysts - leading to blurred accountability and inconsistent results.

6 https://www.aicpa-cima.com/resources/download/improving-public-sector-productivity

Finance lens on productivity

From (traditional role)	To (business partner mindset)
Gatekeeper of budgets and rules	Focused on data and integrated reporting Enabler of results and shared value creation
Focused on cost-cutting and control	Focused on effectiveness, efficiency, and results
Operating in silos with limited collaboration	Collaborating across functions and departments
Producing reports after the fact	Providing data-driven forward-looking insights and scenario planning
Risk-averse, blocking change	Constructively challenging and enabling innovation within the defined risk appetite
Measuring outputs	Measuring results

Functional roles in tracking and supporting productivity

Function	Role in productivity	Examples of contribution
Leadership/strategy	Defines priorities, ensures alignment with mission results, and maintains accountability structures.	• Sets organizational goals linked to citizen value. • Reviews productivity metrics at executive level. • Creates cross-departmental accountability mechanisms.
Finance	Tracks and links resource use to outputs and results; ensures accountability for spending and value creation.	• Develops dashboards linking budgets to results. • Provides cost benefit analysis for productivity initiatives. • Partners with operations to allocate resources efficiently
Data/analytics	Provides measurement tools, insights, and evidence for decision-making.	• Builds dashboards and KPIs. • Tracks results across departments. • Supports evaluation of digital and AI tools.
HR	Oversees workforce planning, skills, and wellbeing, which directly affect productivity.	• Tracks staff turnover, absenteeism, and engagement levels. • Aligns training and CPD with productivity priorities. • Designs performance management frameworks.
Operations/quality delivery	Implements day-to-day activities that produce outputs and results.	• Monitors service efficiency (e.g. waiting times, case completions). • Identifies bottlenecks and process improvements. • Provides frontline feedback to leadership.

Accountability and functional coordination

Finance-especially finance acting as strategic business partners—helps ensure productivity tracking is not siloed. By aligning with HR and operational teams, finance professionals can:

- Centralize ownership - reducing fragmentation by coordinating responsibilities.
- Connect resources with results - linking spending, activity, and impact meaningfully.
- Standardize metrics - making measures consistent across departments.
- Provide independent oversight - safeguarding objectivity and driving follow-through.

Practical tool: accountability checklist for tracking productivity

Level	What productivity means	Who is responsible	Checklist
Individual level (personal responsibility)	Delivering high-quality outputs within working hours, avoiding overtime.	• Each staff member for self-management and time effectiveness. • Line managers to provide feedback, coaching, and workload balance.	☐ Do I have the right skills and training to do my job effectively? ☐ Do I have the right equipment, tools, and data to work productively? ☐ Do I understand how my role contributes to the wider team and organization? ☐ Do I understand my goals, and are they clearly linked to team and organizational results? ☐ Have I raised any concerns or barriers with my manager when needed? ☐ Do I take opportunities to suggest improvements in how work is done? ☐ Is my workload manageable within working hours without needing regular overtime? ☐ Do I make use of training or CPD opportunities to keep improving my performance?

Level	What productivity means	Who is responsible	Checklist
Team level (managerial responsibility)	Clear roles, timely delivery, avoiding duplication and rework.	• Team leaders and managers responsible for coordination and collaboration. • HR for monitoring engagement, workload distribution, and performance management frameworks.	☐ Are team roles and accountabilities clearly defined? ☐ Do we regularly review workload distribution and avoid duplication? ☐ Do dashboards or KPIs capture both team efficiency and collaboration? ☐ Are HR metrics (e.g. absenteeism, staff turnover) included in productivity assessments? ☐ Do team members have opportunities for skills development and peer learning? ☐ Are cross-team dependencies and handovers managed effectively? ☐ Do team reviews include both outputs (what was delivered) and results (impact achieved)? ☐ Do individuals have clear goals linked to results? ☐ Are performance reviews linked to quality as well as quantity of work? ☐ Are individuals empowered to suggest improvements and raise concerns? ☐ Do employees have the tools and data they need to work productively? ☐ Is workload regularly monitored to avoid burnout and excessive overtime?
Organizational level (strategic responsibility)	Efficient use of public resources while delivering value to citizens and meeting service objectives.	• Senior leadership for setting strategic priorities and embedding accountability. • Finance for linking resources to results, ensuring organization-wide consistency.	☐ Do finance teams provide integrated dashboards connecting expenditure, inputs, and results? ☐ Is productivity reviewed at board/executive level regularly? ☐ Are results clearly defined and linked to strategy? ☐ Do cross-department teams collaborate to track system-wide productivity? ☐ Are there governance structures in place to monitor accountability at all levels? ☐ Is there transparency in how productivity results are communicated to stakeholders? ☐ Are lessons from productivity assessments used to adapt strategy and resource allocation? ☐ Do individuals have access to productivity training/CPD? ☐ Do staff understand how their role contributes to the team's and organization's priorities?

Practical tool: finance business partnering for productivity

Key Insight: Finance business partnering enhances productivity by moving finance from transactional reporting to strategic collaboration—improving decision-making, performance monitoring, and value creation. CGMA Future of Finance 2.0 research shows the finance function is increasingly expected to advise, collaborate, and inform—not just report.

Role of finance	Description	Partnering solution
Decision support partner	Moves beyond standard reports to work directly with leaders, asking insightful questions that guide performance decisions.	Finance brings an integrated view across domains, aligning efforts toward shared results.
Performance storyteller	Translates data into narratives that connect inputs, outputs, and results across the organization.	Finance uses storytelling to connect data trends to organizational goals and citizen value.
Embedded collaborator	Acts as a connection point across functions' sharing expertise with HR, operations, and strategy to boost alignment and results.	Finance helps redefine value by mapping resources to outputs and results not just spend.
Digital and analytical enabler	Applies data, automation, and analytics to allow faster, deeper insights for tracking productivity.	Digital tools and automation enable timely, proactive productivity tracking and course-correction.

Case study 1: building a productivity-focused culture through finance business partnering

This case study is adapted from our Business Resilience Toolkit where business partnering played a central role in enabling long-term performance improvements. Applied to the public sector, the focus shifts from reducing costs to increasing productivity and public good.

A forward-thinking organization improved productivity significantly over a two-year period by embedding a culture that valued efficiency, effectiveness, and impact. A central feature of this success was strengthening finance business partnerships across functions.

Finance teams worked proactively with quality delivery, HR, and operations teams to:

- Identify opportunities to optimize the use of resources.
- Ensure decisions were backed by accurate and timely data.
- Align activities with organizational results and citizen value.

Success came from encouraging teams to think creatively about how to improve services, while finance professionals assessed feasibility and provided insight on resource allocation. Finance acted as a bridge, linking performance metrics with strategic results.

Progress was tracked monthly through integrated dashboards, which connected inputs (resources), outputs (services delivered), and results (citizen impact). To reinforce accuracy and transparency, an internal audit function was engaged to validate reported improvements, strengthening accountability and trust across the organization.

This proactive, collaborative approach not only enhanced productivity, but also built a stronger culture of partnership and shared responsibility. By embedding finance business partnering into everyday decision-making, the organization created a foundation for sustained improvements in efficiency, alignment, and public god.

5. Finance as a catalyst

The evolving role of finance in organizations now places finance leaders - particularly CFOs and management accountants - at the heart of productivity improvement. The report Unlocking Productivity: Collaborative Synergies for Chief Financial Officers highlights that "the finance function's scope has expanded … increasing the importance of the CFO/ senior finance leader in driving strategic productivity".

This expanded remit includes:

- Digital transformation and automation, such as using AI to handle repetitive tasks.
- Flexible budgeting approaches, moving away from rigid annual forecasts.
- A shift from transactional tasks to business partnering, co-creating value with other functions.

Key productivity drivers led by finance

The report identifies five core productivity levers that finance leaders can influence:

1. Innovation & Digital Adoption – enabling efficiencies through technology.
2. Skills & Wellbeing – investing in people to enhance productivity.
3. Mobilizing Finance – ensuring resources are allocated strategically.
4. Leadership & Management – guiding teams toward high performance.
5. Marketing & Communication – aligning productivity narratives across the organization.

Accountability and collaborative business partnering

Our report emphasizes that finance professionals must adopt a business partner mindset—working with operational, HR, and strategy teams to drive shared productivity. They should act less as gatekeepers and more as connectors, using data insightfully and sharing it openly.

This shift underscores the importance of accountability across functions, with finance accountable not just for budgets, but for productivity results.

Practical tool: finance responsibility checklist

Area	Key responsibilities
Strategic alignment	• Ensure resources follow results, not outputs alone. • Use flexible budgeting.
Business partnering	• Embed finance in operational decision-making, not just reporting. • Ensure finance is at front end when new productivity proposals being initiated.
Data and insight	• Use analysis to highlight inefficiencies, results, and opportunities strategically. • Report regularly.
Accountability	• Own productivity metrics, not just cost control. • Establish shared ownership of results.
Culture change	• Promote transparency and collaboration; move from gatekeeping to facilitation.
Reporting	• Are financial and productivity reports tailored to different audiences (board, managers, teams)? • Do reports integrate financial data with performance and result measures? • Is reporting regular, transparent, and designed to drive action rather than just compliance?

6. People and Culture

People and Culture are the foundations of productivity. Teams with strong leadership, shared trust, a common purpose, and clear values consistently perform better. Conversely, negative or fragmented cultures hinder performance, regardless of systems in place. Culture is a critical enabler of productivity. Productivity improves when staff feel safe, understand priorities, and see how their work contributes to wider organizational goals.

Skills development also emerged in the interviews as a cultural driver. Many public sector staff have not received training on productivity, yet many would show a strong appetite to learn. Linking skills development to team culture - through training, mentoring, and shared learning - helps embed productive practices sustainably.

From the Integrated Performance Management report we learn that strong cultures:

- Encourage continuous feedback rather than periodic reviews.
- Focus on development and growth, not just compliance or evaluation.
- Promote ownership and accountability at all levels.
- Recognize that productivity is about results and learning, not simply hours worked.

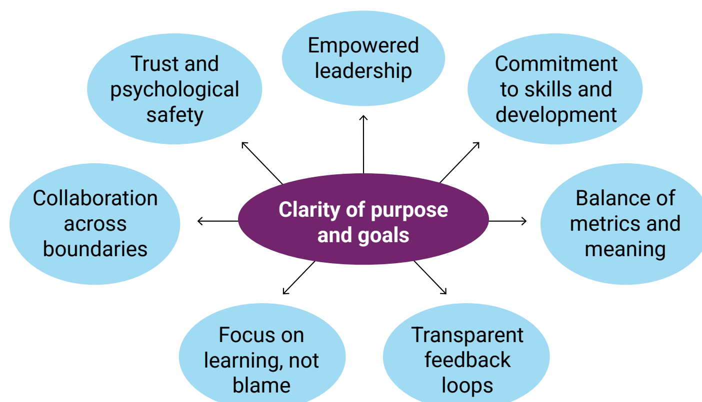
These cultural features overlap with what interviewees emphasized: productivity thrives when staff feel safe, understand priorities, and can see how their work contributes to wider goals.

> "Every business is a people business. … executives want to create a performance culture — an environment where people are empowered, trusted, and engaged, driving strategy and creating value."[7]

AICPA & CIMA's earlier report in partnership with the World Business Council for Sustainable Development (WBCSD), Reimagining performance management, highlighted that a productive culture is built on trust, fairness, continuous learning, and open communication. Traditional performance management often undermines culture by focusing narrowly on compliance and annual reviews. Instead, modern practice encourages:

- Continuous feedback rather than annual appraisals.
- Strengths-based approaches that focus on individual growth and contribution.
- Development-oriented performance conversations that link personal improvement with organizational goals.
- Fairness and transparency, ensuring employees feel valued and trusted.

Culture is central to driving performance. Organizations that embed fairness, openness and continuous dialogue foster engagement and productivity.



7 https://www.aicpa-cima.com/professional-insights/landing/integrated-performance-management

Practical tool: cultural readiness checklist

- √ Are priorities clear and communicated consistently?
  - – Do all staff understand how their goals connect to organizational results?
  - – Are objectives cascaded down to teams and individuals?
- √ Do team members understand the organization's wider mission and values?
  - – Can staff explain how their work contributes to public good?
  - – Are strategy and purpose reinforced in regular communications?
- √ Is collaboration encouraged and rewarded?
  - – Are cross-team dependencies managed effectively?
  - – Do teams share accountability for results, not just outputs?
- √ Are contributions recognized beyond output volume?
  - – Do we celebrate efficiency, innovation, and problem-solving?
  - – Are examples of good practice shared across teams?
- √ Do managers model inclusivity, openness, and accountability?
  - – Are leaders consistent in aligning behaviors with stated values?
  - – Do they reinforce both performance standards and support?
- √ Is underperformance addressed constructively and linked to development?
  - – Are clear expectations set from the outset?
  - – Is feedback timely, specific, and tied to growth opportunities?
- √ Do staff feel trusted to use judgment, rather than being micromanaged?
  - – Are staff empowered to take decisions within clear boundaries?
  - – Do leaders step in only when escalation is needed?
- √ Are cultural behaviors aligned with organizational strategy?
  - – Do behaviors support delivery of results?
  - – Are misaligned practices identified and addressed early?
- √ Do we encourage continuous feedback, not only annual reviews?
  - – Are feedback loops built into project cycles and team meetings?
  - – Do staff get real-time guidance to adjust and improve?
- √ Are learning and development opportunities embedded in performance management?
  - – Do staff have access to CPD, mentoring, or peer learning?
  - – Are skills gaps linked directly to productivity goals?
- √ Do we actively monitor staff engagement and wellbeing as part of productivity tracking?
  - – Are engagement surveys used to spot risks to delivery?
  - – Do we link workforce health with service results?

Case study 2: embedding continuous improvement in a public sector infrastructure organization

This case study illustrates how embedding continuous improvement builds a culture that supports productivity. During our interviews we came across a major public sector transport body that successfully improved productivity by embedding a culture of continuous improvement at both the team and organizational levels.

Challenges

Fragmented processes created duplication of effort.

Staff felt disconnected from organizational priorities, with productivity largely tracked through outputs (e.g. number of services run) rather than results (e.g. customer satisfaction).

Leadership changes led to uncertainty about priorities.

Actions Taken

Introduced a clear productivity framework, combining quantitative performance indicators with qualitative staff feedback.

Held regular team-level reviews, moving away from one-off annual assessments and instead adopting continuous dialogue around efficiency and results.

Finance acted as a business partner, creating dashboards that linked spending directly to service results, improving transparency and accountability.

Leaders invested in staff engagement sessions, clarifying strategic goals and empowering staff to propose improvement initiatives.

Results

Reduction in duplicated effort, saving both time and resources.

Improved staff morale, as employees reported greater clarity about priorities and how their work contributed to wider goals.

Service reliability improved, with customer satisfaction scores rising.

Finance became a trusted partner in decision-making, not just a controller of budgets.

7. Leadership and management practice

Leadership plays a distinct but complementary role to culture. Effective leaders set clear direction, provide coaching, and align team objectives with organizational strategy. Poor leadership, by contrast, often leaves staff unclear about priorities and disconnected from results.

The interviews revealed that staff want leaders who not only measure productivity but also develop their skills. Leaders who invest in mentoring, feedback, and professional development create more resilient and productive teams.

In high-performing environments, interviewees described:

- A sense of shared purpose and values
- Psychological safety to raise problems early
- Managers who actively aligned team objectives to strategic results

In contrast, productivity was low where:

- Teams felt unclear on priorities
- Staff worked long hours without visible impact
- There was limited performance feedback or coaching

Indeed, one recurring insight from interviews was that teams often felt unclear on priorities. This reflects a common challenge in public sector organizations: strategies are defined at the top but not always translated into meaningful objectives for teams and individuals.

> "Performance management must connect the goals of individuals with the strategic objectives of the organization. Without this alignment, staff lack clarity and productivity is undermined."[8]

Additionally, the Reimagining performance management report stressed that leadership should move away from controlling performance towards enabling it. Leaders must build trust, create clarity, and support growth. Effective leadership is therefore about:

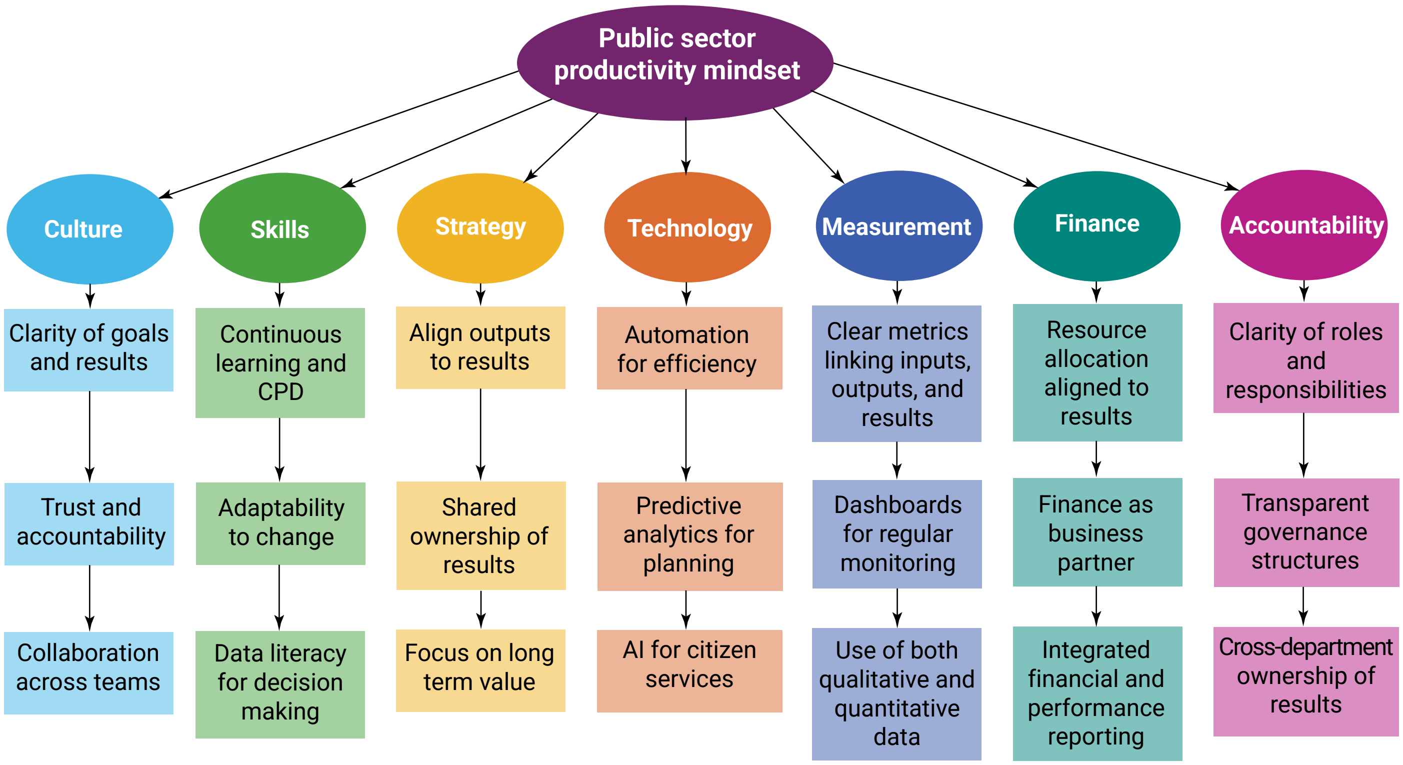
- Empowering teams to take ownership of results, rather than micromanaging.
- Clarity and alignment, ensuring everyone understands the organization's purpose and how their role contributes.
- Regular, meaningful conversations, not just annual appraisals.
- Coaching and mentoring, with managers acting as facilitators of development.
- Role-modelling fairness and openness, building trust across teams.

> "Creating a culture of performance and accountability, and allocating resources in ways that ensure efficient and effective execution of strategy are keys to achieving success."[9]

8 https://www.aicpa-cima.com/resources/download/reimagining-performance-management
9 https://www.aicpa-cima.com/resources/download/reimagining-performance-management

Public sector productivity mindset

This framework illustrates the mindset areas leaders should focus on when driving public sector productivity. It highlights four critical domains—Culture, Skills, Strategy, and Technology—each supported by key practices. By balancing these elements, leaders can create the right conditions for long-term productivity, aligning people, processes, and resources to deliver long-term public good.



Practical tool: leadership discussion prompts

- √ How do we define productivity at our level, and how is this communicated?
- √ In what ways do we align team objectives with organizational strategy?
- √ Do we provide feedback and coaching that connects performance to results?
- √ How do we balance efficiency with long-term sustainability and staff wellbeing?
- √ Are we modeling the behaviors we expect from our teams?
- √ How do we ensure staff understand the purpose of their work?
- √ Do we hold regular performance conversations that are forward-looking and developmental?
- √ Are managers providing coaching and mentoring to support growth?
- √ Do leaders act with fairness and openness, building trust?
- √ How do we empower staff to take ownership of results, rather than micromanaging?
- √ Are leaders actively role-modelling the behaviors they want to see in their teams?
- √ Do individuals in my team clearly understand how their goals contribute to departmental and organizational priorities?

Practical tool: leadership responsibilities and practices for productivity

Leadership level	Key responsibilities	Productivity practices
Senior leaders (executive/board)	• Set organizational purpose and strategic priorities. • Role-model fairness, openness, and trust. • Ensure results are aligned with mission and public good.	• Ensure everyone understands the mission and results. • Communicate vision clearly and consistently. • Build a culture of transparency and fairness. • Track and review whether results across departments are consistent and aligned.
Senior managers (heads of department/program leads)	• Translate strategy into agency/program objectives. • Align teams with wider organizational goals. • Bridge organizational strategy with operational delivery.	• Hold regular performance conversations that are forward-looking and developmental. • Encourage collaboration across teams. • Recognize and celebrate contributions, not just outputs. • Ensure departmental KPIs connect back to organization-wide results.
Line managers (team leaders/supervisors)	• Manage daily performance and support individuals. • Coach and mentor staff. • Reinforce alignment between individual tasks and wider results.	• Provide continuous feedback, not just annual appraisals. • Address underperformance constructively. • Empower staff to take ownership, avoiding micromanagement. • Make explicit how team outputs contribute to departmental and organizational results.

Practical tool: accountability questions for leaders

Level	Reflection questions
Personal leadership accountability	• Am I clear on what results I am personally accountable for? • Do I communicate accountability transparently to stakeholders? • Do I model the behaviors I expect from others (openness, fairness, ownership)? • Do I use evidence and data to back up decisions and explain trade-offs? • Am I willing to be held publicly accountable for both successes and failures?
Team accountability	• Does every member of my team understand what they are accountable for and why it matters? • Have I ensured that team goals are linked to organizational results, not just outputs? • Do we regularly review accountability structures to avoid duplication or gaps? • Do team members feel safe to take ownership and raise concerns without fear? • Is accountability shared fairly across departments where results overlap?

8. Digital Technology and AI

AI and digital automation tools were occasionally used but rarely embedded in routine practice. Where used, AI supported:

- Drafting communications
- Simplifying research
- Automating low-risk, repetitive tasks (e.g. invoice coding)

However, uptake was slow due to:

- Low organizational awareness or encouragement
- Lack of training in practical applications
- Uncertainty around privacy, risk, and appropriateness

Interviewees expressed both curiosity and caution, with several noting that AI would only improve productivity if:

- Teams had time and training to implement it
- Systems were in place to monitor and validate outputs
- Ethical and data governance frameworks were clearly defined

Digital tools and AI are beginning to show value in the public sector, though adoption is still limited. Where used, they typically support routine tasks, freeing staff to focus on higher-value work. However, successful deployment requires clear governance, training, operating model and workflow redesign, and risk management.

Technology and AI as future enablers of productivity

AI will reshape how public institutions operate, govern, allocate resources, manage risk, coordinate workflows and deliver public good. Digital technology and artificial intelligence (AI) have the potential to act as key enablers of future public sector productivity. While much of today's focus remains on efficiency and automation of routine processes, their true value lies in enabling smarter decision-making, better allocation of resources, and improved citizen results.

Importantly, adopting these technologies requires robust governance and training frameworks. As highlighted in earlier sections, digital tools only deliver value when staff are empowered to use them effectively, and when ethical considerations and data accountability are embedded in their deployment.

This positions technology and AI not just as tools of efficiency, but as enablers that will redefine how governments operate, govern, decide, and deliver public good.

We anticipate that the adoption of technology and AI within the public sector will increase over the short to medium-term as governments seek to maximize the perceived benefits of advancing technology, and public sector staff develop their digital skills and mindset.

As adoption expands, public sector organizations will need to strengthen:

- Governance and accountability frameworks
- Human oversight and assurance mechanisms
- Data integrity, privacy, and risk management controls
- Ethical and regulatory compliance structures
- Workforce digital, analytical, and AI-enabled decision-making capabilities
- Cross-functional coordination and operating model design

Practical tool: risk assessment checklist for digital and AI deployment

Risk area	Key questions
Purpose and alignment	• Does the tool directly address a defined problem or inefficiency? • Is it aligned with our service objectives and results? • Have we tested whether simpler, non-digital solutions could achieve the same effect?
Data quality and governance	• What data will the tool rely on? Is that data accurate, up-to-date, and complete? • Are data ownership and stewardship roles clearly assigned? • Does the tool comply with data protection and privacy regulations? • How will data be stored, accessed, and retained?
AI-specific risks	• Can we explain how the AI generates outputs (transparency and explainability)? • Has the AI been tested for bias and fairness across different groups of citizens? • How will staff be trained to interpret AI recommendations, rather than rely blindly on them? • Is there a clear escalation process when AI outputs conflict with professional judgement?
Security and resilience	• Has the technology been assessed for cyber risks? • Do we have contingency plans if the tool fails or produces errors? • Is there vendor support and a clear exit strategy if the tool is no longer viable?
User adoption and training	• Do individuals understand the opportunities presented by technology and AI? • Is there a structured training plan, including ongoing support, to build digital and AI literacy? • Will productivity gains be measured after implementation to validate the tool's impact?
Oversight and accountability	• Who is accountable for monitoring the tool's performance and ethical use? • Are governance structures in place to review digital/AI projects regularly? • Do we have a process to pause, adapt, or withdraw the tool if risks outweigh benefits?

Case Study 3: Leveraging Digital Tools and AI

This case study shows how the use of digital technology can enable more efficient and effective public quality delivery. During our interviews we came across an organization where staff were struggling with time-consuming manual processes for case management, leading to delays, duplication, and inconsistent reporting.

Challenges

Large-scale operations involved multiple teams with limited coordination, creating delays and inefficiencies.

Traditional reporting systems were manual and time-intensive.

Staff expressed concern about unclear productivity expectations.

Actions Taken

Piloted an AI-supported planning tool that automated routine data analysis and scenario modeling.

Developed a risk assessment framework (covering transparency, data bias, and accountability) before implementation to ensure responsible AI use.

Introduced cross-team collaboration boards, where finance and operations jointly tracked progress and results, reducing silos.

Provided training to staff on interpreting AI recommendations, ensuring human oversight remained central.

Results

Operational planning time reduced significantly, freeing staff for higher-value activities.

Staff reported improved clarity on productivity measures, as dashboards linked day-to-day outputs to long-term mission results.

Accountability strengthened through clear oversight structures, including finance and leadership sign-off on AI-supported decisions.

The organization built trust in digital tools while ensuring governance and ethical safeguards.

Conclusion

The challenges facing public services are complex, interconnected, and constantly evolving. Improving productivity is not a one-off exercise but a continuous process that requires alignment between people, processes, resources, and results.

This Public Sector Productivity Toolkit is designed to support that journey. By drawing on interviews with practitioners, research insights, and proven frameworks, it provides practical ways to:

- Translate strategy into action at every level of the organization.
- Strengthen collaboration between finance, HR, operations, and frontline teams.
- Build cultures and leadership practices that enable innovation and accountability.
- Use digital tools and data to make better decisions and deliver lasting value to citizens.

Above all, the toolkit is meant to be used, tested, and adapted. Its checklists, templates, and frameworks can serve as starting points for conversations and actions in your own context. By applying these resources, public sector professionals can create more resilient, effective, and result-focused organizations - delivering not just efficiency, but real public good creation.

Further reading

Improving Public Sector Productivity

Productivity Lessons Learned from the World - Skills and Productivity Report

Productivity Lessons Learnt from the World – Tax and Productivity

Productivity Lessons Learnt from the World - Trade and Investment

Tackling the UK Productivity Puzzle

Integrated Performance Management

Seven Business Insights for a purposeful and integrated Government

Reimagining performance management

Making Public Sector Productivity Practical

Unlocking Productivity: Collaborative Synergies For Chief Financial Officers

Future of Finance 2.0

Business Resilience Toolkit

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