

# Solving the public services productivity puzzle

Insights from civil servants on the power of innovation

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# INTRODUCTION

**Over the years, civil services around the world have tried a range of initiatives to improve productivity – often with mixed results.**

Now, more than ever, governments face unprecedented demands and must focus on fresh ways of addressing the issue.

New Global Government Forum research finds that nine in ten civil servants globally say their organisation faces a productivity challenge.

In July 2024, Global Government Forum surveyed 277 public servants around the world to understand their views on productivity, the actions they're taking, and where they see the greatest potential to drive results. The report also draws on expert input from senior civil servants in Global Government Forum's network.

Read this report to understand:

- The scale and nature of the productivity challenge facing public service organisations.
- The strategies government organisations are deploying to improve productivity and where they see the greatest opportunity for further gains.
- The role that technology plays in boosting productivity today and in the future.
- The potential for AI to improve productivity in government organisations.

**Global Government Forum surveyed public servants around the world to understand their views on productivity**



# PART 1: THE PRODUCTIVITY IMPERATIVE

Government organisations are under unprecedented pressure to do more with less in the face of a perfect storm of trends, such as increasing demand for services and budget limitations amid low growth. This is compounded by issues such as labour shortages and inflation spikes that embed higher costs. Another major driver for change is the rising expectations of citizens.

In Global Government Forum’s survey, 91% of public service respondents said they face a productivity challenge, with 56% characterising it as significant or very significant.

Against this backdrop, governments have no choice but to act.

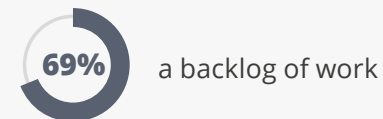
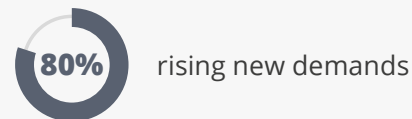
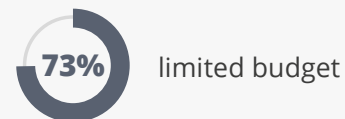
Productivity is often discussed in terms of cost and time efficiencies, and, as Daniel Dufour, director general

of innovation and head of the digital accelerator for the Department of Natural Resources Canada (NRCan), noted: “We also always want to look at effectiveness.”

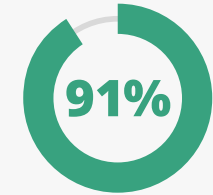
Claudia da Costa Martinelli Wehbe, director for government innovation in the Secretariat of Management and Innovation within Brazil’s Ministry of Management and Public Service Innovation, **echoed this thinking.**

She said efficiency is key in a constrained fiscal context but added: “I believe our mandate to create value for citizens and societies and to improve service delivery leads us to focus on performance more broadly, capturing quality, responsiveness and impact to our services.”

There are many issues facing public service organisations that impact productivity. Survey respondents cited the biggest reasons\* for the productivity challenge as:



\* agreed or strongly agreed it was a significant productivity challenge



of public servants say they face a productivity challenge





## PART 1: THE PRODUCTIVITY IMPERATIVE

Expanding on the complexity of the productivity challenge, Wehbe said: “In the public sector, we have institutions created in the 19th century, using technologies from the 20th century to solve problems from the 21st century.”

Outdated organisational structures and technology can hinder government effectiveness in some areas. There is also a mismatch between processes and skills and the key challenges faced by governments today, such as climate change, social inequality and rapid technological advancements.

Wehbe also pointed to “legalistic tradition and our bureaucratic rigidity that [limit] our ability to mobilise sticks and carrots to promote better performing people”.

She highlighted the important link between employee well-being and productivity, backed up by [recent global research from Gallup](#). The study found that – across all sectors – just 23% of employees feel engaged, while 62% say they are not engaged and 15% are actively disengaged. Gallup estimates that low engagement costs the global economy US\$8.9 trillion annually, or 9% of global GDP.

Jennifer Robinson, global public sector strategic advisor at SAS, agreed with Wehbe that public sector organisations face obstacles to doing things differently – even though this is often necessary to unlock productivity. “Having the right culture that sufficiently enables public servants to embrace risk is not easy,” she said. However, a lack of flexibility inhibits the ability to really push the envelope in terms of being innovative.

Other emerging issues include heightened concerns about data privacy and security which may limit technology implementation, coupled with a delay in clear guidelines from governments to inspire confidence in innovation.

“If you want to improve productivity, you need to address all of these considerations,” Robinson said.

### Top government productivity challenges:



Limited staff



Rising new demands



Budget constraints



A backlog of work

**Productivity is not just efficiency:  
“We also always want to look at effectiveness.”**

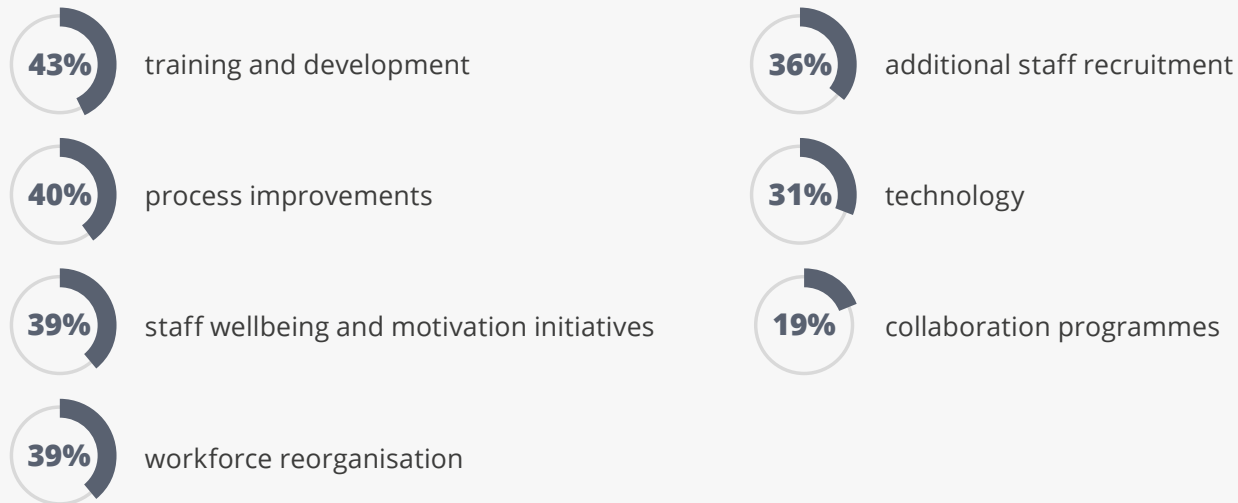
Daniel Dufour,  
Department of Natural Resources, Canada



# PART 2: A MULTI-PRONGED APPROACH FOR A MULTI-FACETED CHALLENGE

For the reasons we've set out, improving productivity is a priority for many government organisations, who are using varied approaches to drive improvements. Most survey respondents said they had introduced measures to boost productivity in the last 12 months.

The approaches most frequently adopted\* by public services organisations across the world were:



\* respondents could select as many measures as were applicable

43%

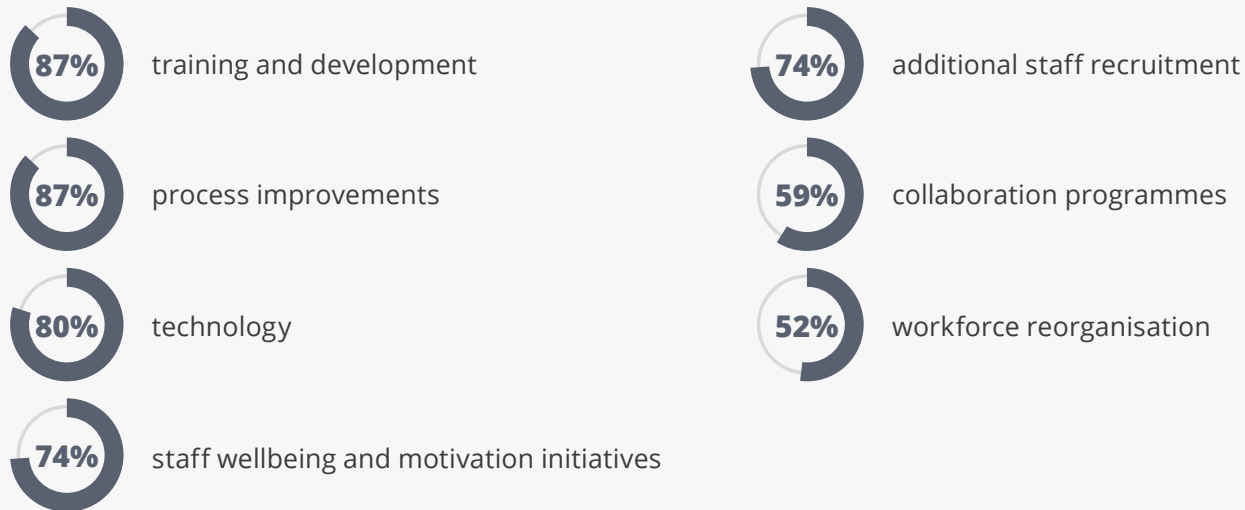
said their organisation had introduced training and development programmes in the last year to boost productivity



## PART 2: A MULTI-PRONGED APPROACH FOR A MULTI-FACETED CHALLENGE

The results also revealed significant untapped potential.

In terms of impact, respondents expect the following to be most effective\* at improving productivity:

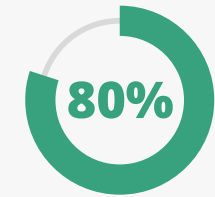


\* agreed or strongly agreed that the measure would significantly improve productivity

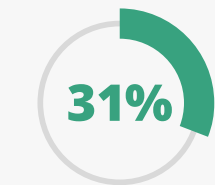
Wehbe stressed the importance of a “human-centred approach” to boosting productivity in Brazil.

For example, a behaviour insights unit was established to increase the use of behavioural science in policy

formulation and as a “way for us to bring in more scientific data on how people actually behave and interact with public services”, she said.



expect technology to have a significant impact on productivity



have introduced technology to boost productivity within the last year



## PART 2: A MULTI-PRONGED APPROACH FOR A MULTI-FACETED CHALLENGE

The Ministry of Management and Innovation in Public Services also established the **LA-BORA!** government innovation lab to create more public value by enhancing employee experience. The lab develops and tests tools and runs workshops, mentorship schemes and more to promote more innovative and productive practice in the public sector.

Areas of focus include the future of the public service, the role of diversity, equality and inclusion strategies, and the use of data storytelling around employee experience.

“We want to help leaders foster positive emotions, psychological safety, collaborative relationships and creative freedom in the workplace,” said Wehbe. So far, the lab has helped over 60 organisations in the Brazilian public sector and provided more than 300 services, reaching over 80,000 people through its work.

The ministry has also developed a management and performance programme, known as PGD (Programa de Gestão e Desempenho), which is focused on moving from measuring productivity through inputs such as hours spent in the office to outcomes. Wehbe said the approach – which she defined as a move from “frequency control”

to “results control” – could have a “seismic impact” on the way organisations function.

### Flexibility increases productivity in Brazil

For instance, under one initiative, employees have greater flexibility regarding their schedule and location. They are evaluated against a working plan they have developed with their manager on how they will contribute to the organisational unit.

“This is a way we’re connecting the strategy of the organisation with the daily work so people can be productive, but in the right way,” said Wehbe.

To date, 163 organisations have implemented PGD. Data from a subset of the participating institutions has **indicated** that 93% of those reporting saw a reduction in expenses, 75% saw an increase in productivity, 53% saw a decrease in absenteeism, and 77% saw an increase in product/service quality.

“It allows a lot of flexibility and this has shown to be an important factor for increasing productivity, reducing absenteeism and also improving product and service quality,” Wehbe said.

**“We’re connecting the strategy of the organisation with the daily work so people can be productive, but in the right way.”**

Claudia da Costa Martinelli Wehbe, Ministry of Management and Public Service Innovation, Brazil



## PART 2: A MULTI-PRONGED APPROACH FOR A MULTI-FACETED CHALLENGE

Nigeria, meanwhile, is using incentives to encourage officials to boost output and innovation. In partnership with the private sector, the government offers high-performing individuals benefits such as endowments, plots of land and low-interest mortgages. “Once you’re able to reward good performance, then everybody in the ministry wants to be the star,” **said Dr. Folosade Omolara Yemi-Esan**, head of the Nigerian civil service.

Other approaches focus on redesigning services. Singapore has been rebuilding services to put citizens’ life events at their heart, rather than departmental structures. “When you redesign all the related services around moments of life, you can extract efficiency gains,” **said Leo Yip**, head of Singapore’s Civil Service. “That means better productivity, but also better service delivery effectiveness.”

Technology also clearly has a major role to play in boosting productivity. In terms of technologies, respondents expected artificial intelligence (AI) to have the most impact

on productivity, followed by project management tools, communications platforms, document collaboration and data sharing tools.

### AI’s ‘transformational’ potential for government

Robinson said: “The good news is that AI is on the scene and can help governments tackle some of these productivity challenges.”

She noted that there has been a high uptake of applications powered by large language models, such as ChatGPT and Microsoft Copilot, and these are already delivering benefits in tasks like summarising government documents and launching citizen-facing chatbots.

It’s early days, though: “Many governments still have a large opportunity to take on some of these other technologies that will be transformational,” she said.

# AI

is expected to be the technology that has the most significant impact on productivity





# PART 3: HARNESSING DATA AND AI TO BOOST PUBLIC SERVICE PRODUCTIVITY

The survey revealed that 44% of respondents said they expect AI to boost productivity in their organisation. A third said they don't know whether it will, suggesting a greater role for education, training and experimentation.

Speaking earlier this year during his tenure as the permanent secretary of the UK's Cabinet Office, Alex Chisholm **called AI** “the single best thing we've got to try and improve the way government works”. He said it could boost productivity by 30-45% and dramatically improve service quality.

Various projections back this up. A recent **report from The Alan Turing Institute** found that AI could help automate around 84% of repetitive transactions across 200 government services, while the **Boston Consulting Group projects** that generative AI will boost productivity in the public sector by US\$1.75 trillion annually by 2033.

“AI is revolutionising public service, saving both financial resources and time. With tools like Copilot, we're not just enhancing productivity but also empowering public servants to focus on what truly matters – delivering impactful, personalised services to citizens,” said Kirk Arthur, worldwide government solutions lead, Microsoft. He cited **recent research** from Microsoft which found that the UK's public sector could save £17bn by 2035 and claw back 23 million hours a week by adopting generative

AI tools to automate tasks such as managing information and data, transcribing and note-taking, and triaging tasks and actions.

With these gains in mind, many governments around the world are **already experimenting with AI**.

- France is using a generative AI tool called Albert to accelerate the daily tasks of public service workers, such as handling tax queries, analysing regulations, and transcription.
- The Canadian government has begun using robotic process automation to “automate tedious tasks such as transferring information between systems, streamlining internal operations and increasing efficiencies of officers' workflows”.
- Other examples include **using AI to better understand the effects of tax reform in Belgium**, and to reduce financial fraud and error in **Spain and Estonia**.
- The UK's Cabinet Office has been trialling a '**Redbox Copilot**' with a view to broader use across the civil service. The ChatGPT-style tool is designed to search and analyse government papers and rapidly summarise them into briefings. Civil servants can ask questions and chat about the content of letters, briefings, minutes, speech transcripts and other internal papers.

**AI is “the single best thing we've got to try and improve the way government works”.**

Alex Chisholm, then permanent secretary, UK Cabinet Office



## PART 3: HARNESSING DATA AND AI TO BOOST PUBLIC SERVICE PRODUCTIVITY

Survey respondents also saw the potential of using AI to be more productive. In particular, they saw the greatest opportunities in the use of:



natural language processing, such as chatbots and virtual assistants, text analysis and document summarisation



computer vision for tasks such as surveillance/monitoring and infrastructure inspection



machine learning and predictive analytics, such as for demand forecasting and resource allocation



to support HR and recruitment tasks such as talent acquisition and employee engagement



robotic process automation



customer service, such as sentiment analysis and automated support

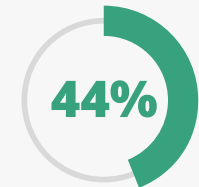
The challenge for governments is how to now harness this powerful technology at a greater scale while mitigating risks.

Robinson said: “We are seeing a slower uptake of AI in the public sector than in the private sector.” She pointed out that the biggest issue holding back AI deployment in government is the need to have a mandate to protect the privacy and security of citizens and the data that

they hold, as well as working with tight budgets, legacy infrastructure and skills shortages.

However, many governments are taking steps to empower their staff to try out new technologies with guardrails in place.

NRCan’s Dufour highlighted the success of initiatives to boost the use of digital and data. **NRCan’s Digital Accelerator (DA)** is composed of data scientists who



of public servants expect AI to boost productivity





## PART 3: HARNESSING DATA AND AI TO BOOST PUBLIC SERVICE PRODUCTIVITY

work to bring the benefits of AI and machine learning into projects and build capacity across the department. These data scientists collaborate with colleagues who may not be familiar with AI and data on concrete projects to drive outcomes.

“A big focus of the DA is to create that digitally driven culture,” said Dufour.

The **Program of Applied Research on Climate Action in Canada (PARCA)**, meanwhile, is focused on leveraging behavioural science to inform climate policy.

“It has been extremely powerful in terms of onboarding behavioural scientists and working across the department to enable the integration of what social sciences can do,” said Dufour.

It’s also been critical in fostering a culture of “thinking outside of the box” with regard to what could be achieved with new talent and technologies.

Dufour also highlighted the **Public Service Data Challenge**, an initiative that is run by Global Government Forum in partnership with Natural Resources Canada and Statistics Canada. The challenge invites public servants to submit proposals for using data to improve public

services. Last year’s winning team from Agriculture and Agri-Food Canada (AAFC) recently launched **AgPal Chat**, the government’s first public-facing generative AI chatbot, which provides quick, detailed information on agricultural programmes and services at the federal, provincial and territorial levels.

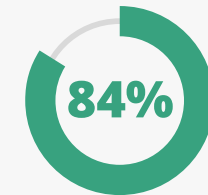
### Data acts as ‘fuse’ for productivity in Canada

Across the initiatives, Dufour said the common theme has been data as “a fuse” to ignite and foster productivity and innovation across the government.

Singapore, one of the most advanced countries when it comes to AI in public services, has also taken steps to put solid foundations in place. The civil service first launched a wide range of programmes to improve the workforce’s understanding of AI, to raise skill levels, and to encourage people to experiment. These included training, workshops and a digital test environment.

“You need to have a culture of being able to start small, and to fail quickly – and cheaply,” **said Sim Feng-Ji**, deputy secretary in Singapore’s Smart Nation and Digital Government Office.

AI could help automate



of repetitive transactions across 200 government services





## PART 3: HARNESSING DATA AND AI TO BOOST PUBLIC SERVICE PRODUCTIVITY

Digital leaders then sought use cases that were “relatively low risk, but quite easy to adopt”. For example, Sim Feng-Ji cited search functions guiding citizens to the right public services and transcription software to aid civil service notetaking. More than 500 such projects are now up and running, he added.

Sim Feng-Ji’s office inspects and approves proposed applications via an AI Development Group, which includes representatives from across government. Over time, departments steadily expand their use of AI into more advanced and complex fields.

SAS’s Robinson agrees with taking a strategic approach and starting small. “An organisation’s AI strategy begins with data governance. Because data are the essential ingredients of AI models, the quality of data will influence the AI results,” she said.

Kirk Arthur, Microsoft, highlights the importance of governments laying the foundations for AI deployment. This includes creating frameworks that encourage the use of new technologies while committing to retaining human oversight and adhering to fairness and accountability;

ramping up efforts to break down data silos and treat data as a strategic asset; and upskilling employees.

### AI and job roles

Productivity discussions can also raise concerns about job losses, but Robinson pointed out: “Machines do not replace the skills that humans bring to the table. AI can free humans up from tasks like processing huge datasets, running complex calculations, and identifying patterns and trends that are hidden in the data, but they can’t replace intuition, creativity, empathy and versatility.”

“The work of humans is going to become more refined. With AI performing repetitive and tedious tasks, our jobs will be spent performing more creative and thought-provoking work,” Robinson added. “While we will see more automation, humans should stay in control of their use of AI. It is important that humans oversee the input, manage the models’ performance, and qualify the output. The important thing is finding the right technologies to address our challenges and finding that right complement between humans and technology.”

Generative AI could boost public sector productivity by

**US\$1.75 trillion**

annually by 2033





# KEY TAKEAWAYS

**The productivity challenge facing government organisations is significant and complex.**

Addressing this requires a multifaceted approach that leverages the latest technology while also taking into account human and organisational factors.

An essential foundation is for government organisations to create a culture for innovation – whether that is empowering staff to work in new ways or providing permission and guardrails so that teams can experiment with technologies such as AI which offer significant potential to boost productivity.

By balancing human capabilities and technological advancements, governments can address productivity challenges and deliver better services to their citizens, ensuring a more efficient and responsive public sector.

## Knowledge partner commentary

“

**By dramatically enhancing citizen services, improving productivity, analysing vast amounts of data, and accelerating creative problem-solving, AI promises to be a force multiplier for government workers and act as a catalyst for more responsive and impactful public services. The era of AI is no longer on the horizon – it is here, and it provides an opportunity for government officials and policymakers to harness emerging technologies for the benefit of the citizens and communities they serve.”**

**Kirk Arthur** Worldwide government solutions lead, Microsoft

“

**From better citizen experiences to greater employee satisfaction, integrating generative AI (GenAI) into data analysis offers vast opportunities for improved productivity and decision-making. When getting started, organisations should have a clear strategy and focus on smaller projects so they can learn, recalibrate their approach as they go and recognise tangible value. For GenAI to be successful, projects should be built not only to meet current needs but also to prepare for future growth and innovation.”**

**Jennifer Robinson** Global public sector strategic advisor, SAS



## Find the answers to your productivity puzzle

Now, you have perspectives into the challenges, priorities and mindsets of public sector leaders. What's next?

Learn more about how data, analytics and AI-informed decisions can help prepare for uncertainty and respond to complex, evolving public sector challenges.

Find out how **public sector analytics from SAS** can help you do more – better, faster and easier.





# FURTHER INFORMATION

## About this report

In July 2024, media and events platform Global Government Forum (GGF) surveyed 277 public servants who are part of its worldwide network. GGF partnered with SAS and Microsoft on this report to better understand the challenges and views of civil servants, and to share real-world examples of innovation to boost productivity.

## About SAS

SAS is a global leader in data and AI. With SAS software and industry-specific solutions, organizations transform data into trusted decisions. SAS gives you THE POWER TO KNOW®. [sas.com/public-sector](https://sas.com/public-sector)

## About Microsoft

Microsoft (Nasdaq “MSFT” @microsoft) creates platforms and tools powered by AI to deliver innovative solutions that meet the evolving needs of our customers. The technology company is committed to making AI available broadly and doing so responsibly, with a mission to empower every person and every organization on the planet to achieve more.



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