Services, Counsel & Values: Managing Strategically in the Public Sector

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Introduction

Public management is in the throes of great change. In some countries, it is even undergoing a form of re-invention as hoped for since the early nineties\(^1\). Much of this change is bound up with innovation in the way public services are delivered, managed and accounted for. New structures and processes abound and there is widespread borrowing from private sector practice. However, the pace and scope of change often leaves senior management – even the committed champions of change – at a loss for guidance in pursuing new waves of change or in managing the consequences of those recently implemented. Their concerns have much in common with private sector managers in industries and companies beset by revolution and restructuring: how to understand what is happening in the environment while having to respond and decide immediately; how to take action without new models of new realities; how to cope with unexpected and unintended consequences of actions already taken; how to stay in command of such rapid evolution and provide the leadership that others seek anxiously; how to manage strategically rather than tactically when context is poorly understood, options are many and ill-specified and leadership is more important than ever before.

In this chapter I will address some of these concerns by discussing the core and unchanging strategic responsibilities of the senior public manager; the context in which the interpretation of these responsibilities is being re-cast and by suggesting some of the strategic management challenges and dilemmas that arise\(^2\).

Public Managers Managing Strategically

Popular discussion of public management most commonly focuses on the ability to deliver services. For most citizens, that is what the apparatus of state does. It is a feature of daily life, experienced through the delivery of traditional core activities of justice, education, health and defense but also through the provision of a vast array of public services and transfers ranging from the weather forecast to renewing motor tax or the collection of refuse. The difficulty for public service providers and managers is that for many of these services, their provision earns no plaudits but delay, breakdown, inefficiency or high cost stirs immediate wrath. As with so-called organisational ‘hygiene’ factors, meeting these needs makes no one particularly satisfied - it merely prevents us, as citizens, from becoming dissatisfied\(^3\). There are no thanks, but there is instant complaint.
Behind this most public face of strategic management responsibility lies another equally important aspect, but one experienced in a very restricted forum: in the market for advice and wise counsel, particularly at the interface of the political and administrative systems. While the capacity to deliver public services exists in the realm of mass, if not universal, experience the delivery of advice inhabits a restricted domain occupied by those who must make decisions central to a country’s wellbeing and those appointed to provide them with counsel that is well judged, independent, evidence-based and timely. This aspect of public strategic management is traditionally held and nurtured by the Mandarinate – the most senior public managers – and shaped through formal learning, considerable experience, socialisation into a value system and by a particular system of appointment and succession planning. To state the obvious, the delivery of public services ultimately depends on the quality of policy decisions. No amount of capacity to deliver services efficiently will make the wrong service a good one. Yet how the capacity to provide wise counsel is shaped remains unclear. Policy emerges from an unstable brew of political-administrative interaction, analysis, evidence, judgement, expediency and incident.

And finally, but most fundamental, is the capacity to act in a value based, value driven manner. The civil and public service is not a value free, amoral, social mechanism of delivery. Its legitimacy and the security of civil society rests in its capacity to preserve and assert its independence, to never fail in its commitment to probity and in its skill in ‘speaking truth to power’. If that capacity is lost, political advisors, consultants, outsourcers, and assorted charlatans and sorcers quickly begin to drive the strategic management process; ‘spin’ drives government and the legitimacy of state and government is readily undermined.

So, we have three vital dimensions of strategic public management: the delivery of public services, observable by all citizens as a feature of daily life; the provision of effective advice to the politicians who decide policy, observed by few and reliant on fewer still; and capacity to deploy and renew basic values of good public management, lying beneath the surface of action but fundamental to good government. Each aspect is bestet by pressing challenges and their resolution will come only by struggling with a variety of paradoxes and dilemmas.

The Evolving Context of Strategic Public Management

Constant themes

It seems obvious that effective strategic management should always be a central concern of public managers. Without the capacity to make good decisions and to implement them well, ineffective government is the best expectation one might have; the worst expectation is a failed state. The stewardship of strategic management capacity is therefore a central responsibility. In a normative sense, every senior public manager must devote effort, as a priority, to understanding, building and deploying the capacity to
manage strategically. This does not change although it may be more and less difficult at different times.

This is not an easy task. It often demands concentrated effort to allocate time towards assessing future needs and to shaping the capacity to respond, implement and learn. Especially when more immediate and tactical pressures demand response often driven by the political process, impatient citizens and media seeking another problem and to fix the blame, not the problem. In the context of public management, capacity is predominantly concerned with people – with understanding the future’s demands on knowledge and intellectual assets; with acquiring, developing and sharing human capital. Given a background of classical bureaucracy and the ideal of the generalist civil servant, such thinking runs against the grain of some deeply embedded assumptions and practice. It may also conflict with practice in the selection and development of leaders who must take on the mantle of stewardship without a great deal of tailored preparation. Some of those newly arrived in leadership positions may not fully recognise the responsibility. Some may consider it someone else’s responsibility.

However, these are unchanging demands, many shared with colleagues in the private and voluntary sectors. There is always a struggle to manage strategically when the pressures and immediate rewards of managing tactically are so great. The contemporary context generates some unique pressures that are best seen from the perspective of public demand and from patterns in international evolution.

**The new themes**

From the ‘demand side’, citizens and politicians are far more demanding than was formerly the case with regard to performance. They expect ‘performance’ where formerly they placed more emphasis on process and presence: to be there and to act in a rule based manner was, often enough, acceptable. Now, they demand that capacity to decide, design and implement be immediately available and results delivered. They expect these results to match the best international standards. They expect the apparatus of government to be responsive, and to deliver performance in a manner that is fast, flexible, efficient and innovative - but also well-considered, cost effective, compliant with demanding governance and accountability requirements and true to values of an independent public service. If there are deep rooted conflicts between some of these imperatives, it is seen as the job of public managers to get on with it and resolve such conflicts as arise – without compromising the desiderata. Management, as most senior managers discover, deals in paradox and dilemma; public management a little more-so than private.

General expectations are increasingly set by reference to the private sector and increasingly to the standards of global corporations of which so many citizens are employees, customers or avid readers of promotional descriptions. In this context, the citizen is consumer, setting commercial standards and expecting choice to solve problems of poor performance. This is the essence of the notion of the ‘performing state’4. Citizens and their public representatives expect high performance, calibrated in relation
to private sector corporate standards and, when faced with underperforming monopoly state providers, see radical reform or competition and choice as the ‘obvious’ remedies.

Audience democracy adds to these pressures by pushing the related debate and decision making into a very public arena whose landscape is significantly determined by media, interest groups and pundits. In an audience democracy the political decision maker is drawn into a more public and ‘instant’ process of deliberation and decision that may leave the pace and content of traditional political and administrative processes floundering or by-passed. In a more traditional democracy, debate and consideration by a deliberative parliamentary type mechanism supported by a reflective civil service providing considered advice created a buffer zone between public demand, government decision and state action. The buffer provided time for thought, analysis, debate and resolution. It dampened over-reaction and consequent over-compensation. In an audience democracy this buffer disappears as public demand and political decision making meet and react more instantly on a stage choreographed by media, special interest groups and political ‘spin’. It is a stage on which the communication media also assume the mantle of monitoring implementation on behalf of ‘the public’. At its worst, ‘gotcha’ journalism and weak political leadership can suppress almost all deliberative process and leave the apparatus of state swinging in the wind from one episode of policy making and implementation to the next. Anecdote based policy overwhelms evidence based policy; strategic management is driven out by tactical reaction; public management degenerates into an old-fashioned shambles as managers rush from one minor crisis to the next. This is an exterme scenario, but one of which we nonetheless catch glimpses internationally.

Do these changing circumstances demand a ‘new’ approach to strategic public management? The question is not easy to answer objectively as the data on state performance are so difficult to generate and to correlate with public management practice. In terms of general international discourse one would say yes, in light of the general sense of frustration that is voiced about the perceived performance of the state and the frequent attribution of poor performance to various aspects of state incapacity ‘to get the job done’. This critical commentary is commonplace among citizens, politicians and media commentators. However, it must be acknowledged that the absence of some level of such commentary would be extraordinary – and indeed perhaps impossible in a democracy - since one person’s reason for satisfaction with the state may be another’s cause for complaint: my successful planning application will commonly create a disgruntled neighbour. Demand for health care is infinite, so any limits will be rejected by some. An efficient tax regime or prison service is unlikely to win plaudits from its best ‘customers’. It is of the essence of the state’s duty to regulate conflict. It cannot be popular with everyone, all the time. There is not such simple optimising rule as satisfy customers, at a profit.

Surveys of attitude provide one thread of evidence as to generalised perceptions and satisfaction. International comparative data provide another means of calibrating performance on a relative basis. One might consider the incidence of public inquiries, tribunals, commissions of investigation, special reports or international agency complaints and fines, as an indicator of the incidence of failure, in so far as they
investigate the malfunctioning of public service organisations. With considerable variation across countries, many surveys show general confidence in public institutions on a downward course, along with many other traditional institutions. Various public statistics on public outputs and outcomes indicate mixed results across countries and no clear correlation between the quantity of input (normally money, sometimes personnel or capital) and the level of output, never mind the quality of output or outcome.

Other evidence that provides international comparisons is limited and provided principally by World Bank, European Central Bank, the Global and World Competitiveness Reports and the Cultural Planning Office of the Netherlands. Such reports, especially the annual competitiveness reports stress measures of public sector performance that are believed to relate to economic and business prowess. Most measures of public output or process efficiency reveal considerable room for improvement – better health, education, justice, or social inclusion achievements. But these are calibrated against constantly moving standards and their interpretation is often that things could be much better rather than that they are shamefully broken.

The argument, rather, hinges not so much on failure and crisis as media and critics suggest but rather on the widespread demand within countries and the public service itself for improved, and in some cases transformed, capacity to perform to increasingly high expectations. It hinges on a sense of needing enhanced capacity for an uncertain future in which past successes do not guarantee continuing success. And on a more negative note, it turns on the failures recorded in various inquiries, commissions and reports on the way in which public affairs have sometimes been mis-managed.

**The evolving themes**

These growing demands, located in the desire for a ‘performing state’ and increasingly embedded in an audience democracy where anecdote based policy threatens to overwhelm evidence based policy, have emerged against a backdrop of clearly evolving patterns in public management over the past two decades. One is the changed legitimacy of private sector management practice and the other is the international diffusion of new public management practice and ideas.

The perceived status of private sector management practice grew very significantly in the past several decades among public sector managers and politicians. Managerial practice in large private sector firms became increasingly visible and accessible through research, publication, business schools and international consultancy. A new generation of European firms grew into substantial national enterprises and subsequently into multinational companies of scale and staying power. Their management was professional and assumed role model status for a new generation of politicians who were increasingly likely to ask of the public service ‘why can’t you be more like the private sector?’ or, no doubt more irritatingly for the civil servant, ‘if only you would behave like the private sector we wouldn’t be in this mess’. For many civil servants interaction with the private sector prompted similar thoughts. The result was that the receptivity of the political-
administrative system to models and methods from private sector management practice changed quite radically – from ‘that has nothing to do with us’, or even ‘that would be abhorrent to us’, to an attitude of open minded learning and borrowing. In consequence, a flow of ideas and theory from the management disciplines became possible and joined the international flow of ‘new public management’ ideas. Sectoral thinking (public, private, voluntary) receded as a conceptual foundation, replaced by concepts of process and activity based organization which reveal underlying commonality with variation shaped by different contexts.

International civil service reform is a second important thread in the fabric of contemporary public strategic management. The experience of most OECD member countries forms part of a pattern of international scope, centered originally on the impact of reforms emerging from Westminster based administrations, America, and other European administrations as well as those in Asia and in many emerging economies. Strategic management practice is interwoven with this international pattern.

By the early nineties reform was ‘in the air’. Reform in the UK, New Zealand, Australia and the United States was a matter of frequent coverage in popular media as well as discussion in political and administrative circles. Two politicians with far-reaching impact – Thatcher and Regan – came to power in part on the back of tax revolts and disillusion with ‘big government’. Active membership of the European community and of organisations such as OECD had brought public managers and politicians into contact with a European, Antipodean and American brew of early reform movements. Senior and middle ranking managers increasingly found themselves active members of an international network of peers interested in reform.

An active international diffusion process concerning reform existed and continues, mediated by individual agents of change and by institutional actors. Champions of change found they had new international fora – conferences, research groupings, journals and books where ideas could be tested and experience shared. Consultancy firms discovered a new and profitable growth market in transferring and translating private sector practice and technique to public sector application. This engagement provided channels through which the ideas and experience of international reform and the ideas of the ‘new public management’ flowed freely between nations.

These ideas and their diffusion were not uniform in content or timing. Each country carries its unique traditions of public management. International patterns, new ideas and evolving practice intermingle with each country’s history to produce new variations. Pollitt & Bouckaert’s seventh comparative study of public management reform distinguished between ‘Anglo-Saxon countries (Australia, Canada, New Zealand, UK) which they believe “are much more open to the ‘performance-driven’, market-favouring ideas of the NPM (new public management) than others”; countries of a Rechtsstaat tradition, interested in reform but resistant to NPM ideas (Germany, France); and a north-western European group (Finland, Netherlands, Sweden) with “a general disposition towards consensual, often meso-corporatist styles of governance”. When they examined the different paths taken by public management reform processes in the countries studied, they concluded that there is neither random variety nor a convergent pattern in what has happened. As few countries share either common starting positions or common aspirations about end states, it is little wonder that there are no identical reform paths
from the present to the future. However, they do suggest that there are patterns or clusters among countries reflecting how each has pursued reform.

A conservative policy of maintaining the status quo by trying to improve structure and practice is used to characterize Germany and the EC. A group of modernizers, who cleave to a belief in a large role for the state in civil society while demanding fundamental change in the way the administrative apparatus is managed, is seen as including Canada, France, the Netherlands and Sweden. Their reforms center on results oriented budgeting, evaluation, a new approach to human resource management, decentralization and devolution, and strategic planning. A third cluster consists of those they call the marketisers, whose approach is to introduce competition and market mechanisms on the widest possible scale to all former activities of the public sector. Here they position Australia, New Zealand and the UK with occasional appearances from Finland and Sweden. Finally they identified a cluster of minimalists, for whom only the ultimate core functions of the public sector should be retained when everything possible has been privatized and outsourced. They found no permanent members of this last cluster but occasional temporary residence and rhetorical cluster among the UK, New Zealand, Australia and the USA. Pollitt & Bouckaert regard this overall four-part pattern as “rough and approximate”, because of variation in political and administrative approaches through time and variations in socio-economic circumstances.

Matters of substance (the ‘what’ of reform) are measured by Pollitt & Bouckaert in terms of financial, personnel, organizational and performance measurement reforms. Matters of process (the ‘how’ of reform) are measured in terms of the balance of top-down / bottom-up decision making, legal structures and organizational process.

In personnel management, while a unitary service has not been breached, the international pattern of reform lies in a search for greater flexibility, responsiveness, results orientation, and appropriately skilled civil servants. The shift in promotional criteria from seniority and qualification to results and responsiveness was clearly present.

Turning to the ‘how’ of reform, to its process, three aspects were noted: the balance of top-down / bottom-up process; the use of new organizations and structures and the aggressiveness of reform action (ranging from a ‘forge ahead’ to a ‘tip-toe’ approach). By and large, the more ‘purist’ NPM countries have followed a pattern of top-down implementation, the extensive use of new organizations and an aggressively rapid pace.

In another commentary on international patterns in the first wave of reform of public management, Schick finds some virtually universal themes and ideas as well as some generally contested ideas. The common themes include comprehensive rather than piecemeal reform, reform that is not confined to specific administrative processes, devolution based reform, incentive rather than rule-driven reform and reform focused on operations and service delivery. The common ideas include being goal-driven and measured, empowering managers, devolved authority and accountability, and being output and outcome focused.
Schick also isolates a set of ideas that are contested in the reform process - within and between countries. These include the appropriate extent of citizen choice, the outsourcing of services, the adoption of private sector models and the separation of service delivery from policy. A common theme of all reform movements has been to urge government to concentrate on quality in its ‘steering’ activity and to leave ‘rowing’ to others where possible\(^\text{13}\).

In summarizing the fortunes of reform movements internationally, Schick notes a number of features\(^\text{14}\). He notes that the process takes considerable time; that the regular institutionalization of change is an essential process in order to make it possible to move on to each next phase, an important reminder of the possibility of regression and relapse at any time. High aspirations and brave beginnings are not enough. Those managing change must also attend to the detail of embedding new ways in the structures, systems and culture of the organization.

An increasing interpenetration of private sector strategic management practice and the increasing convergence of the basic commitments and concepts associated with change and renewal in public and private sectors characterises established international patterns of evolving practice. The current pressures demanding performance, speed and responsiveness are also felt in common although their impact in the public management domain is generally more complex, more fraught with intrinsic goal conflict and managerial dilemma and more difficult to manage in the absence of singular and unambiguous performance measures.

**Challenges and Dilemmas**

Returning to the three central management responsibilities: service delivery, wise counsel and the stewardship of values, we will now consider how each is shaped by evolving practice and contemporary pressure and identify three particular challenges to managers in each area.

**Service Delivery**

The challenges here are, above all, the provision of high quality efficient service; the management of scope and public sector boundaries; and management of the linkage to the concept of the ‘competing nation’.

The provision of high quality efficient service delivery is quite simple to declare as a goal. The challenge lies in its delivery. At the heart of the modern reform movement in public management lay a simple shift in voter preference. Emerging from the post war period of growth in state activity and welfare provision, voters began to resist the associated tax burden, to interrogate the ‘value-for-money’ of services received and to reject ‘big government’. This position became progressively more acute and more divorced from ideological debate. The demand is now for excellence in service benchmarked against private sector standards but without any willingness to pay extra. The familiar pattern in private sector competitive markets of consumers demanding ‘more-for-less’ is translated into the public domain. Citizens have become consumers in this sense. The consequence is the need for public services to be managed in much the same way as commercial services. Securing efficiencies demands the ‘industrialisation’
of service provision, largely based in the engine of information and computing technology and on associated organizational and skill changes. Simultaneously, access, transparency, speed and customisation of service are required to meet quality expectations. And the dilemma is how to do all this within an unchanging tax burden – how to re-engineer the system, invest in new technology and skills and configure new services but lower the cost per unit of service delivered.

It seems clear that this challenge and associated dilemma cannot be met simply by adaptation of existing organizational arrangements. A central breakthrough in private sector practice when faced with similar dilemmas in the nineties was to reconceive the organizational apparatus as a bundle of activities linked through processes that could be unbundled and realigned in new ways in governance and spatial terms. Realignment of governance meant that hierarchy and ownership was not the only answer to large organizational undertakings. Once the component activities could be identified, described and routinised, they could be undertaken by ‘anyone’ and outsourcing and network organization was born. With the rapid advance of globalization and the liberalization of trade regulations, these activities could then be redistributed spatially across the globe. The central question for the organization became which activities to hold within its own ownership and which to outsource or engage network partners to undertake. At the heart of this strategic design challenge lie decisions about the scope of the firm and the boundaries of the organization.

The same challenges now arise in a most urgent form for public management. Where they have arisen before they were most often dealt with as questions of ideology and political philosophy. Now they are also questions of management and organization design and sit squarely in the management arena. So the old questions must be revisited, but from a fresh and urgent perspective: what are the ‘pure’ public services that cannot be provided other than through the public sector? Of the rest, how should their component activities be re-designed and allocated among various providers in the private, voluntary and public sectors with the goal of providing the citizen with maximum quality, efficiency and responsiveness? The challenge is immense in relation to the existing knowledge base, the need to design network and outsourcing arrangements that comply with public sector standards and accountability and the nature of the industrial relations environment. But the potential gains are great too, in terms of efficiency, responsiveness and speed and the relative ease of introducing competition. An even greater gain may be the freedom for public management to concentrate on its core responsibilities, unburdened by the need for operational service provision.

Finally there is a challenge to manage service provision in a manner that relates positively to national competitiveness. The interplay of government institutions, regulation and public services with national competitiveness is receiving increasing attention. Annual country competitiveness reports draw attention to the popular perception of this interdependency with their stress on government performance, public infrastructure and public service provision as essential components of collective competitiveness. These considerations effectively introduce market forces and considerations to public service management at second hand: public services influence the cost and quality of firm’s products and these have to compete in a global market. Competitiveness in that global market is partially determined by the variations in public
service provision at nation level. In this way, the management of planning permission and regulation for the construction of new business premises becomes a component in national competitiveness as do the provision, cost and quality of infrastructural services and legal, intellectual property and personal freedom factors. The consequent managerial challenge is complex. The public manager must address the strategic implications of delivering value-for-money services in a resource constrained environment; of delivering these services through various governance arrangements across the public, voluntary and private sectors; and of calculating the national competitiveness effect of the various options and combinations. Effective service delivery becomes a multi-level challenge of local, national and international scope.

Wise Counsel

Here we encounter some very different challenges and dilemmas. No amount of excellence in service delivery will compensate for poor policy decisions. Poor policy decisions unrelated to substantial service provision may have even more disastrous impact: decisions on foreign policy, on international negotiations and agreements, on security, on human rights, on justice and law reform, on educational philosophy deeply effect the fortunes and wellbeing of a nation. The list is extensive and does not require over elaboration to make the point. Such decisions are substantially forged at the interface between senior politicians holding departmental or sectoral briefs and their senior civil servants. Sometimes they are honed at cabinet table or presidential office, particularly where they have whole-of-government implications, stand at the centre of electoral policy or are at the eye of a political storm.

Three central challenges for senior public managers are how to acquire and develop the skills that underpin the ability to provide good advice; how to provide advice while cleaving to the professional imperative to ‘speak truth to power’; and how to construct the interface between policy decisions and implementation.

How the necessary skill is developed is an age old and as yet unresolved question. Machievelli wrote his advice to the Prince but not his advice to his successor. One of the founders of Harvard Business School’s educational philosophy wrote on the subject of ‘why wisdom can’t be told’ in relation to the formation of senior managers. Yet is is precisely this poorly defined skill that is at the heart of status and prestige among senior public managers. The tradition of the ‘generalist’ civil servant was one dimension in the shaping of the skill. Civil servants through extended service in a variety of functions and departments absorbed a very varied set of experiences that prepared them for the inherent variety and surprise that drives so much of the policy advice requirement. Along with life-long service, it also armed them with an extended informal network that channeled information, influence and power in a flexible and responsive manner. In some systems earlier educational formation was believed to be pivotal: ‘Enarchs’ in France, firsts in history or classics from Oxbridge, Ivey League background, or other forms of educational elitism. The vital factor in these cases may not have been so much the education itself but the common formation providing the elite with inbuilt networks predating public management careers, shorthand means of communication and shared values.
Undoubtedly, mentoring and championing has also played a significant role as high potential was identified and careers guided in many informal ways long before there was discussion of succession planning and career development. So the roots of the ability to provide wise counsel stretch back into early educational experience and forward into the accumulation of breadth and depth of general management experience in public management. But the ability also has a unique personal dimension – the capacity to be a counselor at the most senior level in a nation’s affairs but not to overstep the line into being a decision maker on policy and to accept the responsibility for implementation of decisions, even when they run counter to what would have been one’s personal choice. This is an unusual and scarce personal quality. Dilemmas abound in its deployment: how to give advice even-handedly when one may have a preferred option; how to be intimately involved in decision making but retain an impartial independence; how to be satisfied with giving advice when the ability to make the decision is equally present; how to hold mastery of a complex policy issue but act in support of political decision makers who may be less knowledgeable and driven by political necessity as well as analytical optima; how to ‘speak truth to power’ when it is unpalatable yet retain trust and the role of expert counselor?

Acquiring and developing the relevant skills and exercising them effectively have always been pressing challenges but they have become more urgent in a period when the traditional patterns of formation cease to hold. The role of educational elites appears to be lessening as educational access and achievement diversifies, as a public sector career-for-life lessens as a commonplace, as public management ceases to be a preferred career for the best and the brightest, as increasing numbers of specialists are recruited to focused and professional roles, as departments hoard talent more aggressively rather than support periodic redeployment to broaden experience, as systems open up to mid career recruitment from other sectors. All of these factors wash away the foundations of a learning-by-doing approach to development and a lengthy process of apprenticeship and selection. They undermine a predominantly tacit approach to development and selection. When this happens, tacit processes and knowledge must be converted to explicit to allow for codification and transmission in shorter time periods. And as happens with all professions, knowledge and its acquisition becomes a more formal, continuing and active process. The ‘professionalisation’ of senior public management becomes a strategic priority for the public service. One of the inherent dilemmas universally encountered in such periods of transition is driven by the fear engenderer in some members of the ‘old order’ as their mysterious skill base is rendered explicit. The dilemma is whether to defend poorly understood tradition which has made or push for professionalisation. If I pursue the latter, do I make myself redundant, do I lose the power of priesthood, do I stand naked like the emperor with no clothes if too much is made known and knowable?

Finally, we have the challenge of constructing the interface between policy decisions and their implementation. Because the policy interface role is of such high status it is not unusual for the consequences of decision to be seen as anticlimactic – ‘mere management’ in the eyes of some; work for the less intellectually gifted and perhaps just a little boring. A study of Canadian civil servants noted that some felt that the system ‘emphasises good policy outcomes while paying insufficient attention to good management’15. Recruits form outside the service “frequently noted that they were in the midst of intelligent, cultured and well-read intellectuals. But this also meant that
sometimes the debate seemed to be too academic – without sufficient link to the practical consequences”. There is a dangerous fault line here between the world of policy and that of implementation. Private sector practice teetered on the same line in the days of strategic planning when planners and strategists occupied the lofty heights of corporate headquarters, produced plans for approval by the chief executives office and for implementation by ‘management’. That particular set of practices collapsed early in the eighties with the construction of strategic management as a discipline emphasising the unitary nature of strategy and implementation and the imperative to line managers strategizing and strategists managing in the line. However, there is considerable evidence that the old illusion is still maintained in public sector practice. Initial rounds of capability reviews in the UK documented a startling paradox. A cross-Departmental comparison of reviews in 2006 showed three of the top five ranked capability elements related to strategy while three of the bottom five elements related to delivery. In public management practice it still seems possible to construe strategy as abstract, unsullied by the messiness of execution. Yet this may be precisely the root of the problems with delivery, of the infamous implementation deficit that characterizes so many public management systems. If the Mandarinate divorces thinking from doing, strategy from implementation, a systemic fault is created. The challenge – intellectually as much as practically – is for senior management who provide vital advice to see that advice in terms of implementation consequences and, in turn, to derive as much satisfaction from policy implementation as from involvement in its formulation.

**Stewardship of Values**

Underlying public service values are generally agreed on in Western democracies and I will concentrate on these. Their central themes are probity, non-partisan independence, equity in treatment of the citizen and the fearless provision of independent advice. These commitments have generally been protected by significant security of job tenure and by various unions and staff associations. In turbulent times, clear values that are strongly held are one of the few unchanging guidance mechanisms that provide a means of navigation through poorly understood and rapidly changing circumstances. They remain unambiguous when many other points of reference become unclear.

Values also underpin the institution of government and are central to the legitimacy of the state. If legitimacy is threatened, the state is threatened. If legitimacy is lost, the state is lost. There are too many dramatic examples of the consequences of such loss for any country whose institutions of state are perceived as legitimate to risk their failure. It is well to remember that loss of legitimacy can be piecemeal but cancerous in its spread. An inequitable and mismanaged tax system invites citizens to subvert it. Inequity in the provision of public services presents the state as partisan and invites alienation and the decay of civil society. Obscure, opaque, convoluted management-by-rules invites subversion, bypassing, special relationships or preferred treatment and lurches towards petty corruption. Pulling even a small thread in the fabric of public service values risks unraveling the entire garment of good government. *Stewardship of values is at the heart of the strategic management mandate.*
The three particular challenges that relate to values are stewardship of their continued institutionalisation; the differentiation and development of values; and their interpretation and reinforcement through leadership behaviour.

The stewardship of values has much to do with their organizational institutionalization. Schein argues that organizational culture has three levels: behaviour of the organisation’s members; values to which people attribute their behaviour – although stated and operating values may prove different; and assumptions and beliefs which grow from values into the realm of the ‘taken for granted’ where they are scarcely noticed in any conscious manner but nevertheless drive behaviour powerfully because they guide ‘the way we do things here’. The task of institutionalizing and reinforcing values therefore operates at all three levels and demands vigilance as well as action at all three. As government systems move, by demand in the arena of public service delivery, to a more consumer based model behaviours, values and assumptions also shift. Being ‘client centered’ and ‘customer oriented’ demand new behaviours and values in action. They are forged in some degree of contest with older behaviours and values. By-and-large these emergent values will be appropriate to the new world of public service delivery but danger also lurks in this process of emergence. Consumer values of ‘you get what you pay for’ or ‘you get what you can afford’ can, for example, be destructive of essential values of equity of access and provision. Values are therefore constantly in the making and demand ‘management’ to ensure that bedrock values are not damaged while appropriate new values become, in due course, part of the taken for granted. Senior public managers face the challenge of guiding the preservation and evolution of a value system that will ultimately anchor their system’s legitimacy. The face the challenge that doing this may often create dilemmas for them such as arise when values reduce efficiency (as equity of access often does) or when decisions must be made about delivery systems that span public, private and voluntary sectors that have different and even conflicting values.

The process of values differentiating and developing has been noted above as a necessary and natural aspect of the evolution of the public sector and its management. Both processes are the consequences of change and this presents two further challenges – that of engendering the process when oftentimes faced with resistance and that of managing the process ‘safely’ once change is set in progress. Civil service systems are notoriously self-reinforcing, closed to much of the outside world by traditional patterns of early recruitment, long periods of socialization and career long service. Some would argue that they are almost hermetically sealed in a social sense; that they are ‘closed systems’ acting in a largely self-referenced manner. Such systems will have difficulty in recognizing their own underlying features because behaviours and values are significantly guided by unrecognized assumptions and the invisible power of the ‘taken-for-granted’. Change in this context is particularly difficult if it confronts the deep and the unspoken principle. So managing the emergence of new values will never be easy and may involve difficult and sensitive engagement with culture at a systemic level. By contrast, the safe passage to the establishment of new or modified values may also be fraught. New values relating to efficiency, or to engagement in the provision of advice in the volatile forge of an audience democracy, require high degrees of self awareness and self reflection if they are to stay constant to unchanging values such as equity and independence.
It is perhaps stating the obvious to assert that a central leadership role for the senior public manager is to give life to values through personal behaviour, through stating their values and consistently applying them in daily activity, and through visiting publicly the value assumptions and the taken-for-granted. While these desiderata sound uncomplicated they are difficult to practice as any reflective senior executive will confirm. Values are ultimately what are seen in action, in the cut and thrust of debate, in the making of trivial and major decisions, in the elaboration of options and the framing of advice. Because life in general, and public management in particular, are complex and messy undertakings, the line of progress from value basis to action is seldom uncomplicated. Values are therefore interpreted through continuous testing and significant conflict and struggle. Public managers must be self conscious of this struggle which they play out in front of their organisations on a continuous basis and through which they provide the leadership that shapes how values remain constant, how they evolve and how they emerge.

In Conclusion

The world of public management is replete with change and challenge in a manner that has not been experienced in western democracies for several generations. The challenges have few easy solutions and are more likely to present the manager with dilemmas and paradoxes. The core tasks of delivering public services, providing wise counsel to political decision makers and securing the foundation stone of public service values remain constant in nature but are in flux in interpretation and expression.

The context of the strategic public management job shapes practice in powerful ways, while some basics of the senior management task remain unaltered. New demands form citizens and politicians create the fabric of the performing state where the central expectation to to get things done, now. Combined with the effect of audience democracy, this generates a demand for public service that is better, cheaper, faster, compliant, accountable and transparent. Ideas spill over from private sector practice, sometimes well adapted, sometimes unthinkingly imitated. The diffusion of new public management practices has spread inexorably but with different impact depending on the history and character of each country’s public service traditions. Some ideas and principles have achieved almost universal acceptance, at least in concept; others are contested. Each country and its public servants must therefore configure their own response to challenges that are general as well as those particular to any one administration.

Delivering services requires simultaneous advances in efficiency and quality; a rethink of the boundaries and scope of the state; and a new engagement with the causal relations between public service and regulation and national competitiveness. The crafting of effective advice presents major challenges in terms of understanding the nature of the skills involved, their formation and their adaptation to new circumstances. The maintenance of the independence on which the provision of good advice must rest requires special effort in a faster, more transparent and potentially less reflective policy context. And a serious concern remains about the connection of policy, strategy and
implementation with the senior public manager standing on the dangerous fault line.
Values and their expression through action ultimately secure the safety and legitimacy of
the state and civil society. The challenge of stewardship in a rapidly evolving system is
considerable. Just as many inertial forces act against the evolution of the value system,
so too the rapid pace of change in behaviour brings dangers of inappropriate change that
may become institutionalised without full awareness. Not surprisingly, this places a
pressing leadership responsibility on public managers at all levels to manage the value
system actively and to act out values in an exemplary fashion.

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