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A PhD Journey

Theories of Public Management – Developments in Public Management Theory

Traditional Management Theory Thrust Forward

Taylor's *The Principles of Scientific Management* (1911) was based on measurements of work processes and outcomes. The application of his principles would lead managers and workers to the best conditions under which to create and nurture business. The concepts were adapted to fit government and were used to test, promote, create position descriptions, record employee evaluations, etc. In 1937 Gulick proposed his own framework of applying scientific management to government and created the acronym POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting, Budgeting) to reflect the seven major functions of management (Gulick, 1937 in Frederickson et al, 2012) which served as the standard through the late 1950's.

In 1938 Chester Barnard identified and set forth the acceptance theory of authority which discussed that authority is more about those that accept the authority of another over others than it is in naming an authoritative person and hence the attention given. He described the power present at the bottom of the hierarchical model, and promoted the functions of the executive having less to do with administration and more to do with securing cooperative efforts from employees through feedback, a traditional communications model (Frederickson et al, 2012).

Another modification came via the Hawthorn studies where it is thought that worker productivity comes not from authority but rather from observer attention (Frederickson et al, 2012). While simplistic this has led to the examination of worker behavior affected by communication principles and thus represented an important shift from scientific management to human behavior related postulates and the challenge began again to record findings in a more scientific manner, data heavy, as opposed to anecdotal findings with assumptions made. The struggle to identify with "real" science begins here.

Evolution of Management Theory

The 1950's through 1970's of management theory was primarily comprised of developing and testing middle-range theories like group, role and communication theories. This comprised the guts of public administration theory originating in business management.

In 1960, Theory X (managerial control and oversight) Theory Y (integrate individual and organizational goals;

encourage creativity) represented a change in management theory that was particularly important. Before now, mostly the scientific representation of management was exercised; Theory X and Theory Y represented less scientific management and more logic or sociological experience (Frederickson, et al, 2012).

Group (usually organizational theory) Theory in classical management control is exercised by policy, rules, regulations and oversight. In group theory, the effective group will develop shared goals and values, norms behavior, customs, and traditions (Homans, 1950; Shaw, 1981 in Frederickson et al, 2012). Effective management in this context nurtures, cultivates, and supports group goals and norms that are compatible with and supportive of the institutions purposes and goals.

Role Theory suggests that each office or position is understood to be rational and defined in its relationship to others and the organization as a whole and often to the organization's purposes. Role Theory studies people in common roles and measures persisting patterns between persons in those roles inside and outside the organization. Each officeholder performs in a role set, a contextual set of relationships with other who hold particular role expectations toward the officeholder in general (p 107-108). Managers acts as figureheads performing symbolic duties, as leaders building relationships with subordinates, or as liaisons emphasizing contacts at the edges of the organization. Based upon personal characteristics during time, managers take on combinations of these characteristics (Frederickson et al, 2012).

Communication Theory interacts with public management through efficacy of communication. Communication Theory is a mix of cybernetics, linguistics, and social psychology (Frederickson et al, 2012). The language resembles systems theory: input, throughputs, outputs, feedback loops, entropy, homeostasis. Regarding the work of a group or organization in communications theory, scholars anthropomorphize the organization to provide organizational guessing, organizational memory, organizational consciousness, organizational culture, organization will and organizational learning all based upon principals of communication (Frederickson et al, 2012).

As it applies to public administration, theorists argue that most consist of downward communication, emphasizes task directives, and policies or procedures of the organization. Agency mission, vision, is typically neglected, resulting in poor function and morale of the organization. Effective communication with other agencies and agency publics is a part of managerial communication theory. Communication with external publics involves the publics to be segmented and messaging to be developed for each public as well as the ability to receive feedback via loop in order to develop and modify communication based on situational analysis. Often this doesn't occur well in public administration. Listening is frequently a problem (Frederickson et al, 2012).

In the 1970's, 1980's, 1990's theories begin treating budgeting and personal staff functions as if they were management and do not include individual treatment of management or middle-range theories. Doctrines of administration developed for use here and simplified in Frederickson (p. 113-114) but originate from Hood and Jackson (1991). In public management theory, the devil is bureaucracy. Items written that claim to "banish bureaucracy or to reinvent government" (Osborne and Gaebler, 1992 in Frederickson et al, 2012) are very much preferred reading. Cultural dominance of entrepreneurial public management on public administration is the new normal.

These doctrines described above are referred to as New Public Management (NPM) or “new managerialism.” The effect is two-fold on the adaption and integration of NPM, application of the early principles of management have made for a cleaner, more efficient, professional government; however, with that has come a very much larger and expensive government (Frederkson et al, 2012).

Gudelis and Guodis (2011) describe NPM as follows:

New Public Management is the business sector’s gift to public administration. It calls for a qualitative dynamic, in clear contrast to the traditional public administration model, typically characterized by a lack of flexibility and focused on process and procedure rather than goals and results. Among the primary aims of NPM reforms are the reduction of expenses to public administration and increased effectiveness and quality in the work of civil servants (p. 3).

Leadership as Public Management

Promoting buy-in and demonstrating commitment across the organization is greatly enhanced when the framework for leadership development incorporates employees at all levels of the organization. Even if resource limitations will only accommodate marginal programs, promoting opportunities for nonsupervisory employees to understand their role in leading at all levels provides a powerful platform from which to influence performance, culture, and climate (Westbrook, 2012 p. 3).

The topic of leadership as public management is precisely where politic and administration meet. Frederickson discussed the prominence of leadership as an energizing and legitimating idea in resurgence. Visionary skill mainly features the ability to look beyond public administrators’ immediate needs and results and in turn to create public value.

Visionary skilled public administrators have strategic vision using metaphor and persuasive language to envision the future for the public. Since visionary skilled individuals can identify problems and set the goals, they feel more positive and certain with their jobs. In other words, they are more likely to have higher job satisfaction on the high level of visionary skill (Fu, 2012 p. 3).

In contrast, the traditional discipline of public administration focuses on efficiency and economics as well as its business counterpart. Therefore, strategic leadership for public administrators should pursue organizational goals and complete functional responsibility through leadership functions (Fu, 2012). Yet, organizational goals such as efficiency and economics, sometimes are contradictory to societal expectations, which can possibly be very time consuming and resource demanding to achieve. Visionary skilled public administrators realize that they sometimes should give up organizational goals and aim at creating public value instead. As a matter of fact, contextual factors create cognitive dissonance for public administrators, such as organizational goal vs. public value, both accepted and denied impacts of politics, and interpreting potential tension and conflict without solution (Fu, 2012).

Thus, visionary skill as a form of leadership in public administration can cause difficulties when put to test through research science. As in the Frederickson text, best practices and studies into leadership, usually fail to impress much like NPM literature due to the fact that they are grounded in observational findings and only describe or account of events that are nearly impossible to replicate.

Fu (2012) goes on to conclude in his dissertation that the political dimension of public leadership is a largely understudied empirical phenomenon where scholars have only captured the tip of the iceberg, leaving numerous questions for future study. Going beyond interpersonal political skills, explanations are sought of how behavioral skill integrates different political dimensions into public management. The results would have practical implications for providing and developing more effective leadership skills in public organizations.

Managing by Contract

Contracting out as a theory of management is not a new concept. Typically managed internally by a project manager saddled with oversight of the exterior contractor, privatization works best with a number of characteristics align under specific conditions and the outcome is more economical, less political, and/or faster than what could be performed in house. Donahue (1989) identified four contingencies upon what principal-agent theory is comprised of in order to be successful and the irony of this theory according to Frederickson (2012), is that rarely are they all met.

Public accountability is compromised when inefficiencies, corruption, and vendor opportunism result in government contracts (Girth, 2010). The problem as Frederickson (2012) points out is not the theory or result of management by contract, but in the cost and loss of controls as fewer and fewer employees become responsible for more and more contracts. While this concept has made for a smaller government, it is at this time that NPM concepts are at odds with managing by contract as a result of ineffective contract management, lack clear accountability [governance], and reduce the capacity of public managers to manage.

Accountability in the Age of Transparency

As NPM ages, the technology surrounding implementation of services improves and helps to provide potential solutions particularly to the lack of accountability and transparency of both the contractor and the government. Many governments have embraced information and communication technologies (ICTs) as a means to increase government transparency and to reduce corruption. The latter goal has received a considerable amount of emphasis in newer applications of ICTs.

The use of social media is a central part of some of these more recent transparency and anti-corruption initiatives. By reviewing transparency initiatives and issues related to the use of ICTs, social media, and e-government, exploration has already begun on uncovering the ways in which these technologies facilitate collaboration between governments and members of the public in promoting transparency (Bertot, Jager, and Grimes, 2012).

Advances in communication and computational technology have drastically increased opportunities for the public to participate in governing activities. Organizations can integrate serious games into the design of open governance platforms to improve the understanding of how the platform affects the working relationship with the public when solving collective challenges. Contributions of serious games are how to foster dialog, educate, solicit feedback, and mobilize individuals (Kelley and Johnston, 2012 p. 1-2).

Well-designed responsive participatory pathways can encourage individuals to take action on issues that

are important to them while receiving value and enjoyment in contributing to the overall welfare of the state (Kelley and Johnston, 2012).

Risks and Returns of NPM

New Public Management is grounded in direct observations that account for activities, events, etc. and are extremely difficult to replicate as well as difficult to defend based on the bounty of anecdotal data and almost complete lack of quantitative data; Frederickson, et al refer to the mastery of this product as “artistic” (2012, p. 120) in nature as it deals in intuition and experience and is reinforced by communication and relationships nurtured.

Public administration and scientific management [which borrowed from business management theories] are two closely related disciplines. The subject of research in these disciplines was what distinguished them from each other since their inception at the end of the nineteenth century. Scholars of public administration have been interested in the issues of public sector management, and researchers of business management—in the management of business organizations. Those disciplines have been made more united by transferring methods, theoretical insights and models from business management into public administration, while the reverse has not been common (Gudelis and Guogis, 2011).

In general terms, success is achieved when the strategy or policy choice taken produces the intended outcome. In the context of the public sector, a successful outcome is one which maximizes the welfare of society, defined broadly as the sum of each citizen’s individual welfare (Luke, Kearins, and Verreynne, 2011).

Finally, in 2005 Dunleavy theorized that the central theme in NPM has been efficiency, more than effectiveness. To restore the legitimacy of the state, we need to think about changes in government and bureaucracy in relation to serious long-term societal problems and the day-to-day problems of citizens. As a rebuttal, in a 2010 keynote speech where he delivered study results from *Value for Money* (2009), Jouke de Vries explored NPM via current political theory and concluded:

Though the NPM paradigm is in trouble, it is still far too early to speak in terms of a third-order change, and keeping in mind the fact that a traditional paradigm never completely disappears. As we have seen, there are some alternative theories, but at this time, they do not have enough power to bring about a serious breakthrough (p. 90).

Throughout time, the limits of NPM have come under much scrutiny. In order to advance public management theory, sustained, rigorous, empirical research is needed to discover hard data and not just taking old doctrine and rebranding it as new theory (Frederickson et al, 2012).

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