

## THE PERPETUAL CRISIS IN PUBLIC MANAGEMENT

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The attack on government is older than the American Republic. When looking at the modern Tea Party movement, it is important to think back to the original Boston Tea Party. A tax on tea was opposed by dumping the tea into the Boston Harbor. This nation was created in a moment of antigovernment fervor. Still, when the party is over, the work of government must go on. The garbage must be picked up, the street lights and roads must be maintained, and the nation must be defended and kept secure. In the face of three decades of sustained attacks, American government continues to function and improve. While public management remains in a perpetual crisis, public managers must continue to rise to the occasion and deliver effective and efficient services. We see examples of excellent public management all over America, starting in our own backyard.

Government's response to Superstorm Sandy was well managed, well coordinated, and reasonably effective. The tragic shooting of twenty-six young students and teachers at Newtown, Connecticut's Sandy Hook Elementary School could have been far worse without the brave and rapid response of public school teachers, administrators, and government's first responders. Government is relied on for emergencies, and it typically comes through. But government also ensures that essential day-to-day services are delivered.

The parks in New York City are in the best condition they have been in for a generation. This is so, despite cuts in operating expenses and staffing over the past quarter century. The city's imaginative commissioners, from Robert Moses to Thomas Hoving and from Betsy Gotbaum and Henry Stern to Adrian Benepe, have all managed to do more with less and improve the parks.

Parks are more important in New York City than in many other American cities because although most of the land in New York City lies under single-family homes, most of the people in New York City live in apartments. For the children of apartment dwellers, the parks are backyards; they are where children go to run and play and toss a ball and be outdoors with their friends. Despite the improvements in the parks and the high level of the parks' conditions—84 percent rated acceptable in 2011, according to the NYC Mayor's Management Report (Bloomberg, Goldsmith, and Weinstein, 2011)—the city's parks and recreation department has been criticized for its management practices and suffers from a negative image in the media. In recent years, the department has been criticized for using welfare workers to clean parks, for charging nonprofit organizations that use the parks for programs sponsored by the nonprofits, for poor park upkeep, and for recruiting and promoting recent college graduates over civil service employees.

Reasonable people can criticize the Department of Parks and Recreation's management practices, but what is striking is the degree to which the public image of the department is dominated by these negative stories. There is little question that success is not as interesting a news story as failure or a scandal, but government's image suffers most from the public's lack of perspective. Government's accomplishments are rarely discussed, but its controversies and failures are front-page stories. The proliferation of mass media, social media, and web-based news outlets throughout the twenty-first century has added to government's negative image. Government is widely perceived as incompetent.

At many points in U.S. history, the American public has rallied against government incompetence and failings. Those periods wax and wane; in fact, after the country overcame the Great Depression and emerged victorious in World War II, the public expressed great confidence in the capacity of government to solve major public challenges. The current crisis of confidence in government in the United States began in the second half of the twentieth century—evidenced by opinion polls that trace a continuing decline in the public's trust in government starting

in the 1960s (Hetherington, 1998). Although opinions of government efficiency and waste rebounded a bit around 2002, following the 9/11 crisis, they continued to drop again to historic lows in the years following. In 2012, public opinion polls revealed that 38 percent of the public felt that their state-level government was efficient, whereas only 24 percent of those polled found the federal government to be efficient. Since 2002, favorable ratings of local, state, and federal government have all fallen, with the most severe decline occurring in the public's opinion of the federal government (Pew Research Center, 2012b). What this steady decline in confidence represents is widespread disdain for government, which has developed into a collective American consensus. The common view is that government creates rather than solves public problems, and that government programs and policies detract from rather than add to the quality of life.

Although mistrust of government is an accepted part of America's political culture, government is still expected to provide services and enhance our quality of life. At times, the American attitude toward government reminds us of the superficial edge of toughness that characterizes residents of our home city of New York: beneath the tough exterior of the average New Yorker beats the heart of a caring person who is always willing to lend a hand. Americans say they hate government, but they venerate American political institutions and, particularly at the local level, consider them a necessary and positive force in their communities.

In certain times of crisis, such as the attacks on New York's World Trade Center and the Pentagon in Washington, DC, we find renewed reliance, if not confidence, in government. When such renewed confidence is squandered by bungled responses to crises like Hurricane Katrina in 2005 and the 2010 BP oil spill in the Gulf of Mexico, we demand even more from government—more responsiveness, more preparedness, more coordination, more oversight, more compassion and support for the disaffected. You might call it a love-hate relationship. We love what it can do and hate it when we need to rely on it. Many Americans would prefer that government shrink and play a less significant role in our society, but in a complex world filled with threats and danger, we find ourselves looking to the government for security and safety. As the economy has become globalized, we also look to government to help us navigate the uncharted territory of increased global trade and interdependency. The real issue that we need to engage in is a debate about the extent and strategic direction of government involvement, not the necessity of that involvement.

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## The Current Crisis Defined

There is still a popular and, to some degree, substantive consensus that government is not capable of producing the public policies we might like to see implemented. In this view, the signs of failure—crime, drug abuse, homelessness, declining urban public schools, and corruption in high elected office—are everywhere. In contrast, we see the dramatic success stories of the private sector:

- FedEx, with its almost flawless computer-assisted delivery service
- iPods and iPads that include every song and movie we could ever think of
- Amazon.com and its ever-expanding selection of everything
- Consumer items ranging from lightweight laptop computers and smart-phones to cars that park themselves
- Increased emphasis on customer service from nearly every consumer business, with twenty-four-hour access and overnight home delivery of everything from mattresses to home entertainment systems

Consider the difference between standing in a long line at a local motor vehicle bureau, post office, or IRS office and driving up to the quick-service window of a drive-through fast-food restaurant, local bank branch, or FedEx outlet. In the past decade, government has been moving to modernize its ability to provide rapid, high-quality customer service, but for the most part, it lags behind the private sector.

Government is seen as wasteful and corrupt, business as lean and efficient—perceptions that are often justified, at least on anecdotal evidence. According to a Gallup poll conducted in 2011, the American public believes that the federal government wastes about half of what it spends and that it is more wasteful than both state and local governments (Jones, 2011). In the same year, President Obama and Vice President Biden were pushing forward with their Campaign to Cut Waste to combat the problem of government waste. The primary goals of the campaign are to reduce the wasteful allocation of funds under the budgets of federal agencies, reduce waste, and, hence, improve overall government performance. Other waste-cutting initiatives under this campaign include eliminating the printing and distributing of materials that can be found online and decreasing the number of vacant and unused lots that are currently under government ownership.

In order to achieve the goals of the Obama Administration's Campaign to Cut Waste, a new oversight and accountability board of eleven members

was established. Members of the board included agency inspectors general, agency chief financial officers or deputy secretaries, and an official from the Office of Management and Budget (The White House, 2012). The first year of the campaign received mixed reviews. Although federal agencies are supportive of the goals that the campaign seeks to achieve, many chief financial officers (CFOs), who are responsible for budgets and performance tracking, have questioned the effectiveness of such efforts. The results from a survey that was distributed to federal agencies participating in the campaign revealed concerns that (1) the effort might require resources that would be better and more effectively spent elsewhere and (2) the campaign's goals did not align well with the mission of some agencies (Clark, 2012).

These concerns about waste are well grounded, as there are always examples of wasteful or ineffective government practices. An infamous example of government waste is the bankruptcy of solar cell maker Solyndra, despite receiving \$528 million in federal loan guarantees. Solyndra received loans from the Department of Energy through the 2009 stimulus package. A federal loan guarantee is typically offered on a loan made by a commercial bank, but in the case of Solyndra, the company took out a loan directly from the Federal Financing Bank, which is part of the Treasury Department. As a result, when the company filed for bankruptcy and it became evident that it would not be able to repay its loan, the Obama Administration was attacked by its critics for participating in the deal. The criticisms included the absence of true technological innovation in the design of Solyndra's nonsilicon solar cells (a primary requirement of the loan guarantee program), a rushed review process in order for the administration to complete their first loan for this visible new program, as well as the appearance of corruption when the media reported that a large investor in Solyndra was also a fund-raiser for Obama's 2008 presidential campaign.

The bankruptcy of Solyndra brought the entire Obama clean energy program under scrutiny, despite the fact that out of about forty projects that had received loans through the program, only Solyndra and one other company had defaulted. An audit report released by the White House found that the Department of Energy's loan guarantee program needs "more rigorous financial oversight and must implement stricter performance standards" if it is to be successful ("The Solyndra Mess," 2011; Wald, 2012; Broder, 2012). Solyndra's failure has reduced the public's confidence in government's ability to spur economic development. A failed subsidy doesn't mean all subsidies are bad, and a poorly thought-out public

policy does not mean we need to abandon public policies and let the market determine everything. Yet daily news stories about government waste and fraud contribute to an overall image of government incompetence. It is difficult to argue with this perception, despite its inaccuracy.

A great number of government success stories could be cited if one wished to do so. Successful government programs have been established for rural electricity, food stamps, interstate highways, education, crime reduction, and many other endeavors. Even if such successes are recognized, critics argue that government programs are a drain on the economy, while ignoring the economic benefits of government programs such as the Internet (e-commerce), the space program (telecommunications satellites), the highway system (more efficient delivery of goods), and water and sewage systems (biological necessities). Yet without some of the most costly of government programs, such as the social security system, generations of young, upwardly mobile professionals might have to spend more time looking after their parents and less time creating wealth. Despite these logical counterarguments to government critics, the image remains quite negative.

Contracting specific tasks out to the private sector is typically viewed favorably by private sector proponents; however, overreliance on the private sector can contribute to perceptions of government waste and corruption. For example, a 2010 scandal by consultants hired in New York City to develop a new time card system resulted in fraud that may have wasted over \$80 million. Despite the fact that the fraud was committed by private sector contractors, the scandal was blamed on government—as it should be, because government is ultimately accountable.

Although the public sector has difficulty implementing programs, private management is certainly no panacea. Simply look at the Wall Street and housing finance crash of 2008, the Lehman Brothers bankruptcy, the BP oil spill, or the automobile industry bailout and we see that the private sector does not have a monopoly on management competence. The BP oil spill represents an event that contributed to increasing levels of mistrust in large institutions in general—both private and public. Although much of the blame for the BP oil spill can be found with BP management, insufficient oversight of the Deepwater Horizon rig by the Minerals Management Service of the U.S. Department of the Interior was also a major problem.

Until it was restructured in 2010, the goals of the Minerals Management Service were intertwined and conflicting. The first area of the agency's responsibility involved protecting the environment and regulating the fuel extraction processes employed by oil and gas companies. In addition, the Minerals Management Service also generated revenue from leasing land

to oil and gas companies who were operating on U.S. territory. Because of the increasing engineering complexity of the systems used in drilling operations, and in particular deep water drilling, in order to develop government regulations, the Minerals Management Service had to rely on the advice of oil and gas companies that were developing and using those technologies. The Minerals Management Service was restructured to include three separate entities: the Bureau of Energy Management, Regulation, and Enforcement (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Office of Natural Resources Revenue (ONRR). BP and its oil rig contractor, Transocean, were criticized for the environmental disaster in the Gulf, but a great deal of the blame has fallen on the government agency that was unable to keep up with advances in oil drilling technology (Blumenthal and Bolstad, 2010; Bureau of Ocean Energy Management, Regulation, and Enforcement, 2011; Barstow, Dodd, Glanz, Saul, and Urbina, 2010).

Failed public programs are more closely scrutinized by the media than are private sector failures. A failed private enterprise is just another of the more than eighty thousand businesses that fail in the United States every year (Dun & Bradstreet, 2011). Public sector failures are more difficult to hide, particularly if the failure involves a topic that is in the public eye, such as health care (even though the sector is dominated by private firms and self-employed doctors).

Despite many high-visibility ethics scandals among private companies that occasionally reach headline news, the public still retains a largely positive image of the wonders of the free market; over two thirds of the public believe that society is better off in a free market economy (Pew Research Center, 2012c). This image was crystallized by the collapse of communist states throughout Europe in the 1990s and the surge of privatization in its wake. Most acknowledge that the privatization of communist economies has had a painful human cost, but the goal of developing a Western-style consumer economy is seen to be worth the price. The image of the American culture of consumption, built on Western-style free-market enterprise, is perceived as a model that works, in contrast with the failure of state-run enterprises. In fact, the Bush and Obama bailouts and stimulus programs of 2008 and 2009 probably prevented a second Great Depression, but because they did not usher in a boom, they were seen by many as another failure by government. The result of this has been the discrediting of the usefulness—and even the feasibility—of efforts to coordinate, regulate, and influence the private economy. In cities, the planning that we have maintained is now hidden in the site-specific designs of

public-private partnerships. Efforts to regulate business practices continue, but they are done in an environment that favors deregulation. About half of the American public report feeling that government does more harm than good in regulating corporations (Pew Research Center, 2012a). In our view, we don't need less government; we need a more competent one. We don't need less regulation; we need more effective regulation.

Finally, we have seen a decline in the ethos of public service. In the 1990s, President Clinton worked hard to reignite the fervor for public service that he experienced as a youth during John F. Kennedy's presidency. He then impaired government's credibility when he had an illicit relationship with an intern and abused his pardon power on his way out of office. Barack Obama ran for president in 2008 as the candidate of hope, but by the 2012 campaign had to work hard to resist the antigovernment ideology promoted by his opponents. His narrow victory in 2012 was an indication of the electorate's divided views on the role of government in American life.

Despite the general disdain for government, there are countless examples of community spirit. We saw it in the massive public response in the aftermath of Superstorm Sandy. Occupy Wall Street was a prime example of Americans banding together to bring the issue of economic opportunity and the extreme concentration of wealth to the top of the political agenda. The Occupy movement began in September of 2011 when a small, slightly disorganized group of individuals started a protest against economic inequality and the political power of some corporations. Protestors called the wealthy "the 1%." Within weeks this protest against "the 1%," with the slogan "We are the 99%," became known to international media outlets, and similar protest groups began to form in other cities around the nation and around the world.

Politicians quickly jumped on the opportunity to use the Occupy movement to further their political agendas. Democrats consistently used the income disparity argument to promote Obama's jobs bill, while the Republicans contended that the "occupiers" were engaging in class warfare. The Occupy movement provided a counterweight to the Tea Party's notion that government and regulation have no role in the American economy. The American public understands that the deregulation of the finance industry helped destroy the value of their homes and savings. While the occupiers may not trust government any more than they trust corporations, they understand that industry cannot be allowed to operate without proper oversight.

A strong sense of community spirit can also be found in countless non-profit community groups and religious institutions, which are well regarded

by average Americans. They believe these organizations have been successful in making a difference in communities at home and abroad. On the other hand, government has lost its image as an institution through which people can do good and serve their fellow citizens, and government workers have suffered a significant decline in status over the past twenty years. It is increasingly difficult to convince public-minded students that they can effect change and improve people's lives by working in government. Even government's forceful response to the attacks on the World Trade Center and the Pentagon, and the demise of Osama Bin Laden, did not fundamentally change popular perceptions of government.

The sum of these trends has been to cause a long-standing crisis of confidence in public management. In this context, the term "crisis" refers to a widespread social dilemma that is incredibly difficult to halt or manage. While some crises are short term, such as a natural disaster, others are persistent—like an infection that is resistant to antibiotics. The crisis of confidence in public management falls into this latter category. We are not arguing that the crisis in public management is entirely a bad thing. The crisis presents tremendous opportunities to redefine and improve public management—opportunities that we will explore in this book. However, to a considerable extent the crisis is based on perceptions of government performance that are erroneous or at least only partially accurate.

Nor do we argue that government operations are always as effective and efficient as they could be. However, all organizations—government, private for-profit, and private nonprofit—are flawed. Each experiences dysfunction and failure. Government is the most regulated and visible of these three forms of organization, but this does not mean that it is the least capable of the three. Our view is that each form is best suited to particular functions and activities. Our hope is that out of the crisis of public management we will eventually come to recognize the strengths and weaknesses of each form of organization. However, for the present, public management must deal with a profound crisis of confidence—a perception that government can't get the job done.

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## Government's Response to the Crisis of Confidence

Initial reactions to the modern public management crisis came from those who first defined and articulated it: members of the conservative political movement. The tax-limiting initiatives in California and the Reagan "revolution" in Washington, DC, were concrete reactions to the crisis of public

management. The argument was continued and expanded by the Tea Party movement in recent years. The fundamental argument goes something like this: *If government can't deliver the goods, let's reduce the public sector and increase the private economy by reducing government's revenues. Furthermore, if government is the problem and not the solution, then we should certainly reduce the size of government—especially its domestic and social welfare programs. Moreover, in all cases, the market is better than the government at meeting the needs of the public.*

Paradoxically, tax cuts at the federal level, increased defense spending, and cut-resistant government entitlement programs have had the effect of increasing the size of the federal deficit. This was exacerbated by the George W. Bush tax cuts and war-related increases in defense spending after 9/11. The trend was continued by Bush's and President Obama's anti-recession spending in 2008 and 2009. As the federal share of state and local budgets was reduced, starting in the 1980s, state and local taxes were increased in many places to make up for the revenue shortfall. This was one of the causes of the Tea Party movement, as local property and school taxes rose at a rapid rate.

After the first decade of the attack on the federal government by political conservatives in the 1980s, the second decade of conservative attacks on public management finally included a response by government advocates. In the 1990s, we saw an effort to “reinvent” government and to reinvigorate the civil service. Two high-profile national commissions were established to set an agenda for reforming public personnel practices. The first, at the federal level, was a commission chaired by Paul Volcker, the former head of the Federal Reserve. The second commission focused on state and local public service; it was chaired by former Mississippi governor William F. Winter.

It soon became apparent that the effort to revitalize the civil service was addressing only one element of a series of problems with government management. Thomas Peters and Robert Waterman's best-selling private management book, *In Search of Excellence* (1982), described a quiet revolution in management technique that was taking place in a number of successful firms starting in the late 1970s and early 1980s (and continues to the present). Reduced hierarchies, a focus on quality, customers, and teamwork, and creative entrepreneurship were lauded in this landmark book. Public management scholars, journalists, and practitioners began to discuss the need to apply these ideas to public management. David Osborne and Ted Gaebler's *Reinventing Government* (1992) synthesized and popularized the ideas; the core reinvention concept was to rethink how government delivered, managed, and paid for public programs. *Reinvention* was born as an effort to “save” the public sector; it advocated promoting the collective

welfare by admitting that government sometimes did a poor job, and it proposed a series of creative methods that government could use to improve its performance.

Osborne and Gaebler's emphasis on entrepreneurship was criticized by public administration scholars for its avoidance of issues of constitutional law and representational democracy. These three questions are typical:

1. What gives this unelected bureaucrat the right to take risks with the public's money?
2. What is the role of elected officials in authorizing these creative programs?
3. How can these programs be held accountable and be overseen by elected officials?

Despite the reservations of public administration scholars, public administration practitioners jumped on the reinvention bandwagon with great enthusiasm. Bill Clinton and Al Gore campaigned on the platform of reinvention in 1992. Mayors in the 1990s—such as Stephen Goldsmith of Indianapolis, Ed Rendell of Philadelphia, and Rudolph Giuliani of New York—became proponents of reinvention. In the twenty-first century, many of the innovations begun in the 1990s have become routinized. One of the most important early reinvention initiatives took place at the federal level when then-President Bill Clinton gave Vice President Al Gore the assignment of applying reinvention concepts to the federal government. The administration asked David Osborne to help lead the effort, which became known as the National Performance Review, popularly known as the “reinventing government” movement.

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## The National Performance Review

Although clearly based on Osborne's reinvention philosophy, the National Performance Review was also rooted in the experiences of the Brownlow, Hoover, and Grace Commissions, the new public administration movement of the late 1970s, and even the privatization efforts of the 1980s. The review was initially conceived to focus on improved performance, but the commission leaders quickly succumbed to the political magic of cost cutting and led the final report with a commitment to cut \$108 billion over five years and reduce the federal workforce by more than 252,000 positions. Whether or not such cuts made sense, the importance of the report of the National

Performance Review was in the reinvention philosophy that it expressed in four basic principles: (1) cut red tape, (2) put customers first, (3) empower employees to get results, and (4) get back to basics. Equally important, the report did not leave the issues at a philosophical level; there were also action recommendations.

The results of the National Performance Review were mixed. Although the government claimed that a savings of \$137 billion in federal funds could be attributed to the review, as a *New York Times* editorial pointed out, the claim was essentially not provable: it was impossible to separate out the improvements brought about by the review from those related to the economic improvement of the nation as a whole (Broder and Henneberger, 2000). For example, although the federal workforce was reduced by about three hundred thousand during the mid-1990s, the largest reduction occurred mostly within the armed services sector, because of the end of the Cold War (Broder and Henneberger, 2000). Undoubtedly, the reinventing government movement was responsible for some of this reduction, but the more important point is how the movement's reform effort has shaped the current thinking in government.

Of course, this reinvention movement is neither the beginning nor the end of government reform efforts. As Paul Light's book *The Tides of Reform* points out: "Human beings have been reforming government ever since they invented government" (1997, p. 2). The key point for public managers today is to be aware of the culture, standards, and institutions that have evolved from the mid-1990s reform effort and what that means for the context in which public managers operate.

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## The Challenges of the Performance-Based Movement

The reinvention movement that started in the 1990s arguably made a lasting impact on how public agencies do business. Across all levels of government we have witnessed the widespread adoption of tools and policies like "performance measurement," "performance-based budgeting," and "managing for results" (Forsythe, 2001). President George W. Bush continued this management reform tradition in 2002 with his "Performance Improvement Initiative," presented through the White House's websites [results.gov](http://results.gov) and [expectmore.gov](http://expectmore.gov). Bush's performance management initiative adopted a Performance Assessment Rating Tool (PART) for all federal agencies and programs—monthly scorecards that summarize how well each federal agency executes the administration's performance initiative.

Numerous state and local governments established similar performance management programs—programs that focus on assessing how well public agencies are achieving their goals and making that information publicly available through the Internet and periodic reports. The City of New York implemented the Citywide Accountability Program, known as “CapStat,” in 2001 to track performance information. It was modeled after the city’s CompStat program, which the police department implemented in the mid-1990s to improve crime tracking and operational responses.

In 2011, the Obama Administration launched performance.gov, which is meant to act as a centralized source for tracking the performance of federal government agencies. The website aims to create transparency by providing data about the hiring, spending, and cost-cutting initiatives that are taking place at federal agencies (Marks, 2011).

Not surprisingly, the performance management movement has led to a boom in academic studies that have looked at how performance management programs develop and what makes them effective (Ingraham and Kneedler, 2000; Roberts, 2002; Moynihan and Ingraham, 2003; Moynihan, 2005; Swiss, 2005; Heikkila and Isett, 2007). For example, under the 2010 Government Performance and Results Modernization Act, federal agencies must appoint a senior-level officer, the Performance Improvement Officer (PIO), who is charged with the task of ensuring that “the mission and long-term goals of their agencies are achieved through strategic and performance planning, measurement analysis, regular assessment of processes and the use of performance information to improve results” (Partnership for Public Service and Grant Thornton LLP, 2011). A survey of these officers highlighted some of the trends in the primary challenges to achieving effective performance improvements across agencies (Partnership for Public Service and Grant Thornton LLP, 2011):

- They often lack top-leader support for building a strong performance culture, holding people accountable, and making programs and services more effective.
- They do not have enough authority to improve government performance and results.
- They often have multiple responsibilities that include budget and financial issues, causing them to give performance management less attention. On average, less than 50 percent of a PIO’s time is spent on performance management, because other duties are considered more important.
- Performance improvement is often seen as an exercise to comply with a meaningless external requirement, rather than an opportunity to improve.

The performance management movement by no means eliminated the lapses in ethics that plague some public servants, nor can the trend ensure that agencies will actually perform well. A complementary reform effort has focused on the increasing use of government oversight mechanisms. Recent oversight reforms have been launched in direct response to the recognition of contracting and procurement failures related to the Hurricane Katrina response, the wars in Iraq and Afghanistan, Homeland Security, and related management failures.

Between 2005 and 2007, an estimated five hundred new federal positions were added in the federal Government Accountability Office (GAO) and Inspector General Office (Burman and Kelman, 2007). In 2008, the GAO employed about 3,100 individuals, and by 2011 the size of the workforce had grown to 3,200 (Coburn, 2011; Kaiser, 2008). Many of these positions are devoted to performance measurement and management. A number of states and local governments have followed suit. The State of New Jersey, widely known for its political corruption scandals (“pay-to-play”), started its Office of the Inspector General in 2005. The New Orleans City Council voted unanimously in 2006 to authorize creation of the city’s first Office of the Inspector General. Since 2006, many other cities across the country have established an Office of the Inspector General, including the city of Philadelphia, whose mayor appointed former U.S. Attorney Amy Kurland as its Inspector General.

The increased use of smartphones and GPS has made tracking and reporting performance less expensive and more accessible. We can track our FedEx packages from start to finish. Every scan can be sent to the customer’s smartphone. Government and management in general are under pressure to know what the organization is doing at all times. Eventually the only limiting factor may be our own brains and our ability to absorb all these data.

These initiatives to make government more accountable indicate that the crisis in public management has not passed. Not only does public skepticism over government performance continue, but the reinvention movement has still been overshadowed in many ways by the anti-tax and antispend philosophy that became entrenched in the American political psyche in the 1980s. In the 2000 presidential election, Al Gore sidestepped the reinvention ideas of the National Performance Review and, like George W. Bush, pitched himself as the candidate for smaller government. Through two more election cycles, despite the rising costs of a war in Iraq, most politicians in both political parties continued to embrace this philosophy. For example, when Barack Obama was

campaigning for President in 2008, he observed that Ronald Reagan's "sense of dynamism . . . changed the trajectory of America" more than any other administration (Bosman, 2008).

The focus on tax cuts and downsizing adds an additional challenge and has made it even more difficult for government to respond to the crisis of confidence and persistent public problems. Two government contract analysts have noted:

. . . there are not enough contracting and program management people to develop sound strategies for major procurements and then manage these contracts after award so they produce results and stay within reasonable cost. The procurement workforce was downsized by about a quarter during the 1990s . . . During the last six years, requirements have increased and spending has grown by over 80 percent while the government contracting workforce has remained basically the same size [Burman and Kelman, 2007].

The Obama Administration identified the stark contrast between growth in federal procurement spending and workforce size, and in turn developed the Acquisition Workforce Development Strategic Plan: Fiscal Years 2010–2014 (Field, 2009). The plan outlines the need for growth as well as processes and action plans for workforce planning, training, development, and management infrastructure.

It appears that public managers, elected officials, and citizens need to be continuously reminded that the underlying tenets of the 1990s reform efforts included recommendations for institutional and structural reforms—not simply "starving the beast," as tax-cut proponents are fond of saying (B. Bartlett, 2007). Underlying the reform efforts was the recognition that inefficiencies are really driven by the rules of government budgeting, personnel, planning, construction, and contracting, which are not designed to ensure rapid and efficient operations. Whether a health care facility was built by a private firm or by the government, the project would use similar private design and construction firms to actually build the facility. In New York State, the Wicks Law makes it difficult to hire general contractors, which means that even private firms working on New York government construction projects end up wasting time and money. In most jurisdictions, public construction takes more time than private construction because of lengthy government procurement procedures.

Improving government performance therefore requires not simply tracking performance, but also making changes to the institutions and

policies that currently can make it difficult for public managers to work efficiently or effectively. Of course, if we are to reduce the rules of governing hiring, we must develop a method for ensuring that political patronage does not reemerge. If we are to reduce contracting oversight and regulation, we must develop a method for ensuring that public procurement is competitive and as free of fraud as humanly possible. The political challenges and tradeoffs in revising the overarching institutional setting governing public managers has been much debated and scrutinized in the academic literature (Knott and Miller, 1987; Wilson, 1989; Horn, 1995). Cohen and Eimicke (2008) argue that holding government contractors accountable requires contractors not only to simply carry out the terms outlined in their contract, but also to “act as the agents of a representative system where the directions they receive are designed to both respond to public views and ensure that government function effectively” (p. 86).

For the purposes of this book, we ask the reader to consider three basic methods for ensuring effective but honest management:

1. Hold managers accountable for performance. If the parks are dirty, fire the parks commissioner.
2. Hold agency chiefs responsible for fair procurement and hiring rules. One element of performance is adherence to standards of merit hiring and competitively bid contracts. Again, if a bid is rigged or a manager is hiring his or her incompetent cousins, fire that manager.
3. Strengthen inspector generals and enforcement and empower whistleblowers so that corrupt officials are fired and jailed. But do not conflate a manager seeking to cut corners to deliver a service with someone who is stealing from the public’s treasure.

At each level of government and in each institutional setting, rules will structure the feasibility of meeting these three conditions—and thus how easily we can assure accountability. Even if policies and rules are in place that support these standards, sometimes the politics of the day will prevail. Take the Whistleblower Protection Act of 1989, which was designed to allow public servants to report fraud and abuse without fear of losing their jobs. Negative reactions to whistleblowers by the Bush Administration, through investigations or gag orders, threatened those protections, leading Congress to propose legislation to amend the Whistleblower Act in 2007. After being put on hold during the Bush Administration, the Senate has continuously approved the Whistleblower Protection Enhancement Act, but the Act then failed in Congress after being passed by the Senate in 2010 and 2011 (J. Davidson, 2010, 2011).

The issue of accountability will always persist, but we argue that to some degree it is a nonissue. Before a bureaucrat can develop and implement a public program, that program must be authorized by elected officials. The willingness of elected officials to permit such discretion may vary. We, of course, urge them to permit creative experimentation. This is not without precedent, although there are risks involved in permitting public entrepreneurship.

One of the best examples of those risks is the story of Robert Moses, perhaps the quintessential public entrepreneur. At the peak of his power, he had massive influence on the development of New York City's infrastructure. For nearly fifty years, he built roads, parks, stadiums, bridges, beaches, and housing. He grew so powerful that he was beyond the control of New York's mayors and governors until New York's Governor Nelson Rockefeller finally reduced his authority in the late 1960s. The lesson of Robert Moses is that unelected officials can become too powerful, and that is a danger in some places where innovative government is taking place. However, as long as elected leaders stay involved in the process and keep their grants of authority limited in scope and time, there is no reason to believe that creative government and representative government are conflicting concepts. Again, though, creativity and agility will require us to adapt our rules on budgeting, personnel, and procurement. We also need to develop and communicate a more realistic understanding of what public programs can achieve and a more accurate description of what they have achieved.

Finally, we need to do a better job of training current and future public managers. That is one of the aims of this book: to help make public managers more strategic, creative, and flexible—more fundamentally effective. We believe that the creative values in reinvention can be coupled with a sense of ethical responsibility to the public and its representative institutions. We further believe that a professional public manager pursuing an explicit personal and organizational strategy can deliver effective public programs and help address the crisis in public management.

The work of public service is an honorable profession. But it is also a profession requiring skillful use of analytic techniques, management practices, creative thinking, and modern technology. Social science is learning more about how to think about policy choices. It is helping us learn more about how people can interact and be more effective in group settings. Computer and communications technology is making it easier for us to teach, learn, and exchange the information needed to be more effective decision makers and more productive workers. Managers in government, in the private nonprofit sector, and in parts of the private for-profit sector must learn to use this new knowledge to make their organizations more

effective. The effective public manager of the twenty-first century will need to be creative, innovative, and entrepreneurial, as well as a lifelong learner. Stability, complacency, and routine will increasingly be replaced by change, new problems, and new solutions. We need to get used to it.

### **Instructor's Guide Resources for Chapter One**

- Class Presentation (PowerPoint Slides)
- Sample Assignments
- Chapter Summary

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