



CHAPTER ONE

THE CHALLENGE OF EFFECTIVE PUBLIC ORGANIZATION AND MANAGEMENT

When terrorists crashed jets into the twin towers of the World Trade Center and forced the term *9/11* into the American vocabulary, the attack ignited a drive in the United States and other nations to organize ourselves to repel such atrocities in the future. Within a year, the president proposed and Congress established the new Department of Homeland Security, which involved a vast reorganization of the federal government to bring together twenty-two existing federal agencies and 170,000 employees into this new agency.

The attack also drew attention to the people, the essential component of any organization, who work in public service. Around the nation citizens donned baseball caps and T-shirts bearing the initials of the New York City Fire Department and the New York Police Department. Wearing these caps and shirts, people came together in vigils and ceremonies to commemorate all of the people lost in the attack, but also to pay tribute to the self-sacrificing heroism of the emergency personnel who rushed into the burning buildings at the cost of their lives. Commentators and journalists around the world praised the leadership of the mayor of New York during the crisis.

Intense public discourse swirled around questions about how these terrible events could have been prevented. Journalists and public officials demanded to know whether the terrorists' success exposed weaknesses in the way agencies such as the CIA, the FBI, and the Immigration and Naturalization Service were organized and managed. Congress launched a special investigation into these

apparent lapses. An FBI agent received national publicity and testified before Congress after she alleged that a memorandum warning of suspicious activities had not made its way up the hierarchy of the FBI and had not received serious attention at higher levels. Thus, an organizational and managerial problem—inadequate communication and handling of crucial information that needs to move up and through organizational channels—allegedly contributed to the September 11 disaster.

In state and local governments in the United States, and in the governments of other nations, similar inquiries sought to assess how effectively these governments were organized to combat terrorism. One of the great organizational challenges in responding to the threat of terrorism involved how to coordinate disparate and far-ranging organizations.

As Congress, the president, the media, experts, and interest groups deliberated over how to design the new Department of Homeland Security, they debated many questions long familiar to public administration scholars and practitioners. How much authority should the leaders of the new agency have? Should the employees of this agency have employment rights and protections under the civil service rules of the U.S. government? If so, would the agency's leaders be deprived of the flexibility they would need to hire, remove, and transfer employees, and hence impede the performance of the new agency? How should the new agency be structured so as to bring together the necessary activities and coordinate them while at the same time dividing up responsibilities in the appropriate way? The debate over these questions illustrated the issues and values that infuse the processes of organizing and managing in government. These issues include how to ensure the effectiveness of the organization and its accountability within the political system, and how to protect the public interest. These concerns about power and authority and about democratic processes and values translated into specific practical concerns in the organization and management of the new agency. The president asked for flexibility in the hiring, assigning, and discharge of employees of the Department of Homeland Security. This involved relaxing the rules of the federal civil service system that govern such processes and provide civil service employees with various protections. Public employee unions and some members of Congress opposed the loss of these protections for employees of the new agency. The president and others argued that flexibilities would help the leaders and managers of the new agency rapidly place the best people in jobs, motivate them, move them around, and remove them if necessary. The opponents of these flexibilities pointed to the threat of abuses by superiors in the agency and to the need to protect the rights of the employees.

In sum, the response to one of the greatest crises in American history focused on the organization and management of government activities and the people

in them (Wise and Nader, 2002). The response thus illustrated a central theme of this book: government organizations and the people in them perform crucial functions, and their effective organization and management are essential to the well-being of the nations and communities they serve. While the September 11 attacks underscore this point in a dramatic and terrible way, the topic has a long history. Governments in the United States and in other nations, and the organizations within those governments, have followed a continuing pattern of organizing, reorganizing, reforming, and striving to improve performance (Kettl, 2002; Light, 1997; Pollitt and Bouckaert, 2000). In the process, they have operated within a context of constitutional provisions, laws, and political authorities and processes that have heavily influenced their organization and management.

Toward Improved Understanding and Management of Public Organizations

All nations face decisions about the roles of the government and private institutions in their society. September 11 slowed some parts of an antigovernment trend around the world during the last several decades that has influenced decisions about the role of public organizations. This trend has spawned a movement in many countries to curtail government authority and replace it with greater private activity. This skepticism about government implies that there are sharp differences between government and privately managed organizations. During this same period, however, numerous writers have argued that there has been too little sound analysis of such differences. They have contended that the elaborate body of knowledge we have on management and organizations has paid too little attention to the public sector. At the same time, they have said, the large body of scholarship in political science and economics that focuses on government bureaucracy has had too little to say about managing that bureaucracy. This critique has elicited a wave of research and writing on public management and public organization theory by experts and researchers who have been working to provide more careful analyses of organizational and managerial issues in government.

This chapter elaborates on these points to develop another central theme of this book: we face a dilemma in combining our legitimate skepticism about public organizations with the recognition that they play indispensable roles in society. We need to maintain and improve their effectiveness. We can profit by studying major topics from general management and organization theory and by examining the rapidly increasing evidence of their successful application in the public sector. The evidence indicates that the governmental context strongly influences organization and management, often sharply constraining performance. Just as

often, however, governmental organizations and managers perform much better than is commonly acknowledged. Examples of effective public management abound. These examples usually reflect the efforts of managers in government who combine managerial skill with effective knowledge of the public sector context. Experts continue to research and debate the nature of this combination, however, as more evidence appears rapidly and in diverse places. This book seeks to base its analysis of management in public organizations on the most careful and current review of this evidence to date.

Ambivalence Toward Government

The proposal to bestow vast authority and responsibility on the massive new Department of Homeland Security is strikingly ironic given the prevailing opinion about public organizations and their actions during the last several decades. Nations around the world have pursued privatization policies by selling state-owned enterprises to private operators. In the United States, contracting out of government services to the private sector has increased sharply at all levels of government (Savas, 2000). Antigovernment sentiment has swept the United States. Opinion surveys have revealed seething resentment of taxes and the widespread conviction that government operates in wasteful and ineffective ways. Angry criticisms have focused on the government with such intensity that the term *bureaucrat bashing* has come into use. Both Jimmy Carter and Ronald Reagan attacked the federal bureaucracy in their election campaigns. President Carter pressed for deregulation of industry, reduction of federal red tape, and major civil service reforms to combat alleged sloth and inefficiency among federal employees. President Reagan more aggressively impugned government and sought reductions in funding and authority for many federal programs and agencies. When Bill Clinton won the presidency from George Bush, the change suggested some weakening of the antigovernment trend, because Clinton was the more liberal and progovernment of the two candidates. Nevertheless, President Clinton initiated the National Performance Review (NPR), a major review of the operations of the federal government, claiming that the federal government worked poorly and needed a drastic overhaul. In addition to eliciting many presidential directives and congressional actions aimed at achieving such reforms (described in Chapter Fourteen), the NPR cut employment in the federal workforce by about 11 percent, or over 324,000 employees. George W. Bush has led the drive to strengthen the role of government in homeland security and antiterrorism, but at the same time has pushed for privatization of social security. He issued the *President's Management*

Agenda, which announced as one of his major priorities increased “competitive sourcing,” in which federal agencies would open their functions to competition from private sector providers.

These presidential policies, mirrored by similar ones at other levels of government in the United States and in many other nations, reflect the assumption that government activities differ from those of the private sector and that government performs less effectively and efficiently than private sector organizations. In the United States, these beliefs have served as fundamental principles of the political economy. Many political ideologues and economic theorists have treated them as truisms, and surveys have found that the majority of citizens accept them.

Americans regard government with more ambivalence than hostility, however. Government in the United States, at all levels, stands as one of the great achievements of the nation and as one of the most significant institutions in human history. No major nation operates without a large, influential public sector. Government in the United States accounts for a smaller proportion of the gross national product than do governments in most of the other major nations of the world, including economically successful ones. Taxes in the United States are low by international standards; as a percentage of the gross domestic product, the taxes levied by governments in the United States are among the lowest of the major industrialized nations. The contention that government in the United States is a massively ineffective, expensive, wasteful, overweening institution is not supported by international comparisons. Americans show an implicit recognition of this fact. Some of the same surveys that find waning faith in government also find fundamental support for a strong governmental role (Lipset and Schneider, 1987; Katz, Gutek, Kahn, and Barton, 1975). Even as the antigovernment trend just described has played out, demands for a strong and active government have continued and, as illustrated repeatedly in the chapters to follow, government organizations and employees have often responded by performing very well.

Hirschman (1982) has argued that sentiments for and against government activity wax and wane cyclically in the United States and other countries. It remains to be seen whether September 11 will lead to a fundamental shift in the way Americans regard their government. Certainly they will continue to play out the time-honored paradox of conferring massive funding and responsibility on government agencies and officials even as they castigate and ridicule them (Whorton and Worthley, 1981; Sharkansky, 1989). Thus, the United States will continue to struggle with a complex version of the dilemma faced by all nations. We know that both government and private activities have strengths and weaknesses and that both are crucial. The challenge lies in designing the proper mix and balance of the two and in doing what we can to attain effective management of both (Lindblom, 1977).

General Management and Public Management

This book proceeds on the argument that a review and explanation of the literature on organizations and their management, integrated with a review of the research on public organizations, supports understanding and improved management of public organizations. As this approach implies, these two bodies of research and thought are related but separate, and their integration poses a major challenge for those interested in public management. The character of these fields and of their separation needs clarification. We can begin that process by noting that scholars in sociology, psychology, and business administration have developed an elaborate body of knowledge in the fields of organizational behavior and organization theory.

Organizational Behavior, Organization Theory, and Management

The study of organizational behavior had its primary origins in industrial and social psychology. Researchers of organizational behavior typically concentrate on individual and group behaviors in organizations, analyzing motivation, work satisfaction, leadership, work-group dynamics, and the attitudes and behaviors of the members of organizations. Organization theory, conversely, is based more in sociology. It focuses on topics that concern the organization as a whole, such as organizational environments, goals and effectiveness, strategy and decision making, change and innovation, and structure and design. Some writers treat organizational behavior as a subfield of organization theory. The distinction is primarily a matter of specialization among researchers; it is reflected in the relative emphasis each topic receives in specific textbooks (Daft, 2001; Hellriegel, Woodman, and Slocum, 2000) and in divisions of professional associations.

Organization theory and organizational behavior are covered in every reputable, accredited program of business administration, public administration, educational administration, or other form of administration, because they are considered relevant to management. The term *management* is used in widely diverse ways, and the study of this field includes the use of sources outside typical academic research, such as government reports, books on applied management, and observations of practicing managers about their work. While many elements—finance, information systems, inventory, purchasing, production processes, and others—play crucial roles in effective management, this book concentrates on organizational behavior and organization theory. We can further define this concentration as the analysis and practice of such functions as leading, organizing, motivating, planning and strategy making, evaluating effectiveness, and communicating.

A strong tradition, hereafter called the “generic tradition,” pervades organization theory, organizational behavior, and general management. As discussed in Chapter Three, most of the major figures, both classical and contemporary, in this field have applied their theories and insights to all types of organizations. They have worked to build a general body of knowledge about organizations and management. Some have pointedly rejected any distinctions between public and private organizations as crude stereotypes. Many current texts on organization theory and management contain applications to public, private, and nonprofit organizations (Daft, 2001).

In addition, management researchers and consultants frequently work with public organizations and use the same concepts and techniques they use with private businesses. They have argued that their theories and frameworks apply to public organizations and managers because management and organization in government, nonprofit, and private business settings face similar challenges and follow generally similar patterns.

Public Administration, Economics, and Political Science

The generic tradition offers many valuable insights and concepts, as this book illustrates repeatedly. Nevertheless, there is a body of knowledge specific to public organizations and management. We have a huge government, and it entails an immense amount of managerial activity. City managers, for example, have become highly professionalized. We have a huge body of literature and knowledge on public administration. Economists have developed theories of public bureaucracy (Downs, 1967), political scientists have written extensively about it (Hill, 1992; Meier, 2000; Stillman, 1996), and they usually depict the public bureaucracy as quite different from private business. Political scientists concentrate on the political role of public organizations and on the relationships that these organizations have with legislators, courts, chief executives, and interest groups. Economists analyzing the public bureaucracy emphasize the absence of economic markets for its outputs. They have usually concluded that this absence of markets makes public organizations more bureaucratic, inefficient, change-resistant, and susceptible to political influence than private firms (Barton, 1980; Breton and Wintrobe, 1982; Dahl and Lindblom, 1953; Downs, 1967; Niskanen, 1971; Tullock, 1965).

In the 1970s, authors began to point out the divergence between the generic management literature and the literature on the public bureaucracy and to call for better integration of these topics (Allison, 1983; Bozeman, 1987; Hood and Dunsire, 1981; Lynn, 1981, 1996; Meyer, 1979; Perry and Kraemer, 1983; Pitt and Smith, 1981; Rainey, Backoff, and Levine, 1976; Wamsley and Zald, 1973;

Warwick, 1975). These authors noted that organization theory and the organizational behavior literature offer elaborate models and concepts for analyzing organizational structure, change, decisions, strategy, environments, motivation, leadership, and other important topics. In addition, researchers tested these frameworks in empirical research. Because of their generic approach, however, they paid too little attention to the issues raised by political scientists and economists concerning public organizations. For instance, they ignored the internationally significant issue of whether government ownership and economic market exposure make a difference for management and organization.

Critics also faulted the writings in political science and public administration for too much anecdotal description and too little theory and systematic research (Perry and Kraemer, 1983; Pitt and Smith, 1981). Scholars in public administration generally disparaged as inadequate the research and theory in that field (McCurdy and Cleary, 1984; Kraemer and Perry, 1989; White and Adams, 1994). In a national survey of research projects on public management, Garson and Overman (1981, 1982) found relatively little funded research on general public management and concluded that the research that did exist was highly fragmented and diverse.

Neither the political science nor the economics literature on public bureaucracy paid as much attention to internal management—designing the structure of the organization, motivating and leading employees, developing internal communications and teamwork—as did the organization theory and general management literature. From the perspective of organization theory, many of the general observations of political scientists and economists about motivation, structure, and other aspects of the public bureaucracy appeared oversimplified.

Issues in Education and Research

Concerns about the way we educate people for public management also fueled the debate about the topic. In the wake of the upsurge in government activity during the 1960s, graduate programs in public administration spread among universities around the country. The National Association of Schools of Public Affairs and Administration began to accredit these programs. Among other criteria, this process required master of public administration (M.P.A.) programs to emphasize management skills and technical knowledge rather than provide a modified master's program in political science. This approach implied the importance of identifying how M.P.A. programs compare to master of business administration (M.B.A.) programs in preparing people for management positions. At the same time, it raised the question of how public management differs from business management.

These developments coincided with expressions of concern about the adequacy of our knowledge of public management. In 1979 the U.S. Office of Personnel Management (1980) organized a prestigious conference at the Brookings Institution that featured statements by prominent academics and government officials about the need for research on public management. It sought to address a widespread concern among both practitioners and researchers about “the lack of depth of knowledge in this field” (p. 7). Around the same time, various authors produced a stream of articles and books arguing that public sector management involves relatively distinct issues and approaches. They also complained, however, that too little research and theory and too few case exercises directly addressed the practice of active, effective public management (Allison, 1983; Chase and Reveal, 1983; Lynn, 1981, 1987, 1996). More recently, this concern with building research and theory on public management has developed into something of a movement, as more researchers have converged on the topic. Beginning in 1990, a network of scholars have come together for a series of National Public Management Research Conferences. These conferences have led to the publication of books containing research reported at the conferences (Bozeman, 1993; Brudney, O’Toole, and Rainey, 2000; Frederickson and Johnston, 1999; Kettl and Milward, 1996) and of many professional journal articles. In 2000, the group formed the Public Management Research Association to promote research on the topic. Later chapters of this book cover many of the products of their research.

Ineffective Public Management?

On a less positive note, recurrent complaints about inadequacies in the practice of public management have also fueled interest in the intellectual version of ambivalence about public organizations and their management that tends to be shown by public and political officials. We generally recognize that large bureaucracies—especially government bureaucracies—have a pervasive influence on our lives (Chackerian and Abcarian, 1984). They often blunder, and they can harm and oppress people, both inside and outside the organizations (Adams and Balfour, 2001; Denhardt, 1999; Hummel, 1994). We face severe challenges in ensuring both the effective operation of these organizations and our control over them through democratic processes. Some analysts contend that our efforts to maintain this balance often create disincentives and constraints that prevent many public administrators from assuming the managerial roles that managers in industry typically play (Warwick, 1975; Lynn, 1981; National Academy of Public Administration, 1986; Ban, 1995; Gore, 1993; Thompson, 1993). Some of these authors argue that too many public managers fail to engage seriously the challenges of motivating their subordinates, effectively designing their organizations and work

processes, and otherwise actively managing their responsibilities. Both elected and politically appointed officials face short terms in office, complex laws and rules that constrain the changes they can make, intense external political pressures, and sometimes their own amateurishness. Many concentrate on pressing public policy issues and, at their worst, exhibit political showmanship and pay little attention to the internal management of the agencies and programs under their authority. Middle managers and career civil servants, constrained by central rules, have little authority or incentive to manage.

Experts also complain that too often elected officials charged with overseeing public organizations show too little concern with effectively managing them. Elected officials have little political incentive to attend to “good government” issues such as effective management of agencies. Some have little managerial background, and some tend to interpret managerial issues in ways that would be considered outmoded by management experts. Many legislators and politically elected or appointed executives adhere to an “administrative orthodoxy” (Warwick, 1975; Knott and Miller, 1987). They believe that sound management in government agencies requires a strict hierarchy of accountability, strict accounting and control, elaborate reporting requirements, and tightly specified procedures. This orientation conflicts sharply with contemporary management thought and the practices of many of the most successful business firms.

The Dilemmas of Improving Public Management

Concerns about ineffective public management have led to a continuing series of efforts to reform and improve it, at all levels of government in the United States and in nations around the world (Kettl, 2002; Osborne and Gaebler, 1992; Pollitt and Bouckaert, 2000). Later chapters describe many of these efforts. Ironically, in view of the complaints about political leaders paying too little attention to management, when they have paid attention it often has not worked or has backfired significantly. The reforms have often taken on a negative, control-oriented character, especially in the United States, where political leaders often justify such reforms by connecting them to public stereotypes and resentments of the government bureaucracy and its bureaucrats. This has in turn raised serious concerns about damage to the public service.

Having attacked the federal bureaucracy in their election campaigns, Presidents Carter and Reagan moved to control and curtail it. Carter administration officials developed the Civil Service Reform Act of 1978 as a management-improvement initiative, and the original objectives of the framers of the initiative were very positive and enlightened (Pfiffner and Brook, 2000). Ultimately, how-

ever, the act's provisions emphasized steps to make it easier to discipline and fire federal employees, to base their pay more directly on performance, and to make it easier for politically appointed agency heads to select and transfer the career civil service managers who work under them. Even so, administration officials attracted little political support for a "good government" initiative. They found they could mobilize support most effectively by stressing the difficulty of firing lazy, incompetent civil servants. Newspapers seized on this angle enthusiastically (Kettl, 1989). Later, surveys found that the act had resulted in high levels of insecurity and discouragement among federal managers.

President Reagan attacked federal agencies even more aggressively than President Carter did and worked for cuts in their authority, funding, and staffing. Reagan administration officials sought to increase the president's authority over federal agencies and to squelch resistance to his initiatives from career civil servants. These officials increased the number of political appointees to high levels within federal agencies. In effect, this demoted career civil servants by placing administration loyalists in positions above them (Volcker Commission, 1989). In addition, aggressive funding cutbacks disrupted many agencies (Rubin, 1985). Some agencies floundered when politically appointed executives were indicted for illegal actions.

Experienced observers began to warn of a crisis in the public service and a need for revitalization (Volcker Commission, 1989; Thompson, 1993; Denhardt and Jennings, 1987). Surveys found serious morale problems, with large percentages of career managers reporting that they intended to leave government and that they would advise their own children against a career in federal service. Other surveys found that students showed little interest in public service careers. Paul Volcker, who chaired the Federal Reserve Board during the Carter and Reagan administrations, served as chair of the National Commission on the Public Service (1989), also called the Volcker commission, which brought together a panel of distinguished public servants to direct an analysis of the crisis and recommend remedies. The commission's report recommended steps to improve public support for public service; to improve pay, performance, recruiting, and training; and to improve relations between political appointees and career civil servants.

The concerns about the state of the civil service were heightened by incidents that suggested that the pressures on the public sector and public agencies seriously affected their performance. For example, the explosion of the space shuttle *Challenger* in 1986 was the greatest disaster to befall the American space program up to that point. Analysts blamed the catastrophe in part on political pressures on the National Aeronautics and Space Administration (NASA) that overpowered professional criteria in the agency's decision-making processes (Kettl, 1988, p. 143; Romzek and Dubnick, 1987).

Nevertheless, in many ways the pattern continued. As described earlier, the NPR under the Clinton administration drew on the justification that the federal government needed vast improvements in its management. Vice President Gore (1993), in leading the NPR, expressed positive regard for federal employees and said the federal administrative system, not the people, caused the problems. The NPR included a major cutback in federal employment, however, and by the end of the Clinton administration federal managers were expressing concerns about understaffing in relation to the workload they faced (Light, 2002a; National Council of Social Security Management Associations, 2002).

Not surprisingly, the George W. Bush administration did not have many nice things to say about the Clinton reforms. As further discussed in Chapter Fourteen, the second President Bush was the first president to have a management degree, and early in his administration he indicated an interest in management by issuing the *President's Management Agenda* (U.S. Office of Management and Budget, 2002). In this report, the Bush administration attacked the Clinton administration's elimination of 324,580 employees as a poorly planned, across-the-board cutback in which people were let go without assessing their importance to agency missions. The *Agenda* announced five primary government-wide initiatives: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration. The U.S. Office of Management and Budget (2002) then issued "agency scorecards" to twenty-six major federal agencies based on discussions with experts in government and universities. The scorecards used a "traffic light" grading system for each of the five government-wide initiatives. Green meant success, yellow meant mixed results, and red meant unsatisfactory. Of the 130 "traffic lights" awarded to the twenty-six agencies on the five initiatives, only 19 were yellow, 1 was green, and the rest were red.

The trend has played out at other levels of government as well. In 1996, the state of Georgia attracted national attention when Governor Zell Miller led a reform initiative in which newly hired state government employees would not receive civil service job protections that state employees had had for many years (West, 2002). Governor Miller's public calls for reform echoed those of Jimmy Carter at the federal level almost twenty years earlier, emphasizing the need to shake up a stodgy bureaucracy and slothful bureaucrats. Around the same time, Governor Jeb Bush sought similar reforms in Florida using similar justifications.

In all these reform efforts, there were positive features and messages as well as negative ones. The political leaders often emphasized the value of good public servants and the objective of protecting good workers from those who shirked their duties. The leaders of the reform efforts probably harped on bad management to get public attention and support, and to get the attention of public employees,

who might resist changes as they are allegedly notorious for doing. All of the efforts nevertheless show the continuing tendency to justify reforms by claiming that public management is in very bad shape.

As suggested earlier, many informed observers worry that this tendency to harp on bad public management can demoralize and damage the public service. In 2002, a second Volcker Commission convened to renew efforts to revitalize the public service. Also, a successful businessman donated a large amount of money to support the formation of the Partnership for Public Service. The Partnership is a nonprofit organization devoted to promoting public service through such steps as improving recruitment for government work. It joined the U.S. Senate Governmental Affairs Committee (U.S. Senate, Committee on Governmental Affairs, 2000, 2001) and the U.S. General Accounting Office (2002a, 2002b) in calling for a response to a “human capital crisis” in the federal government. Using the term *human capital* to emphasize the crucial value of the human beings in an organization, those associated with this movement have pointed out that a huge percentage of the federal workforce will become eligible for retirement in the near future. They have also pointed to surveys of good students in universities that have found that only one out of ten rates the federal government as a good place to work. In addition, rapid changes in information technology and other areas have changed the skills and personnel needed in all types of organizations, and increased competition for people with the necessary skills. All of these challenges, aggravated by the sharp cuts in the federal workforce in the 1990s, appear to be contributing to a crisis in the federal service, according to the members of this movement. Similar challenges face state and local governments (Walters, 2002) and European nations as well (Office of Economic Cooperation and Development, Public Management Committee, 2002).

Significantly, by the middle of 2002, surveys were finding declining morale and work satisfaction among federal managers and employees (Light, 2002a). They also found, as they have for years, that many public managers and employees also criticized the management systems in which they worked, thus underscoring the point that reforms often target problems that public employees themselves complain about. The problems in public service do not arise simply because some political leaders and reformers say unflattering things about the public bureaucracy and public employees. The agonies and ironies of the repeated attempts at reform and improvement reflect ongoing dilemmas in controlling and managing public organizations. Still, the negative turns that many reforms take tend to damage the reforms themselves and the public service they aim to reform. An objective of this book is to assess and disseminate valuable concepts about organizations and management that can support more effective management and more positive and effective management reforms.

Effective Public Management

For pursuing the objective just mentioned, there is plenty of help available. The sharp criticisms of government and government agencies and employees that predominated public discourse about them in the 1980s and persisted in various ways through the 1990s evoked a counterattack from authors who argued that public bureaucracies perform better than is commonly acknowledged (Doig and Hargrove, 1987; Downs and Larkey, 1986; Goodsell, 1994; Milward and Rainey, 1983; Tierney, 1988). Others described successful governmental innovations and policies (Holzer and Callahan, 1998; Poister, 1988b; Schwartz, 1983). Wamsley and his colleagues (1990) called for increasing recognition that the administrative branches of governments in the United States play as essential and legitimate a role as the other branches of government. Many of these authors pointed to evidence of excellent performance by many government organizations and officials, and to the difficulty of proving that the private sector performs better. Attacks on government agencies often misplace the blame, targeting the public bureaucracy for problems that arise from legislative or interest-group pressures. In addition, government bureaucracy serves as an easy target because of public stereotypes and misunderstanding. For example, years ago a Roper poll asked a representative sample of Americans how much of every \$100 spent on the social security program goes to administrative costs. The median estimate was about \$50; the actual figure is about \$1.30 (Milward and Rainey, 1983). More recently, administrative costs of the Social Security Administration have equaled only 0.8 percent of total benefits paid out to 140 million beneficiaries (Eisner, 1998), so the agency has evidently cut its costs even further, and further eroded the accuracy of negative stereotypes about inefficient public bureaucracy.

In response to this concern, as well as to the concerns about the adequacy of the literature and of our knowledge about effective public management, the literature continued to burgeon in the 1990s and into the new century. As later chapters show, a genre has developed that includes numerous books and articles about effective leadership, management, and organizational practices in government agencies (Ban, 1995; Barzelay, 1992; Behn, 1994; Borins, 1998; Cohen and Eimicke, 1998; Cooper and Wright, 1992; Denhardt, 2000; Doig and Hargrove, 1987; Hargrove and Glidewell, 1990; Holzer and Callahan, 1998; Ingraham, Thompson, and Sanders, 1998; Jones and Thompson, 1999; Light, 1998; Linden, 1994; Osborne and Gaebler, 1992; Popovich, 1998; Rainey and Steinbauer, 1999; Riccucci, 1995; Thompson and Jones, 1994; Wolf, 1993, 1997). In addition, books are appearing that defend the value and performance of government in general (Glazer and Rothenberg, 2001; Light, 2002b; Neiman, 2000; Esman, 2000). It

remains to be seen whether the terrible events of September 11 will lead to a change in the general public orientation toward government (Hirschman, 1982). Clearly, however, a movement is under way that asserts that government organizations can and do perform well, and that we need continued inquiry into when they do, and why.

The Challenge of Sustained Attention and Analysis

The controversies just described reflect fundamental complexities of the American political and economic system. That system has always subjected the administrative branch of government to conflicting pressures over who should control and how, whose interests should be served, and what values should predominate (Waldo, [1947] 1984). Management involves paradoxes that require organizations and managers to balance conflicting objectives and priorities. Public management often involves particularly complex objectives, and especially difficult conflicts among them.

In this debate over the performance of the public bureaucracy and about whether the public sector represents a unique or a generic management context, both sides are correct, in a sense. General management and organizational concepts can have valuable applications in government; however, unique aspects of the government context must often be taken into account. In fact, the examples of effective public management given in later chapters show the need for both. Managers in public agencies can effectively apply generic management procedures, but they must also skillfully negotiate external political pressures and administrative constraints to create a context in which they can manage effectively. The real challenge involves identifying how much we know about this process, and when, where, how, and why it applies. We need researchers, practitioners, officials, and citizens to devote sustained, serious attention to developing our knowledge of and support for effective public management and effective public organizations.

Organizations: A Definition and a Conceptual Framework

As we move toward a review and analysis of research relevant to public organizations and their management, it becomes useful to clarify the meaning of basic concepts about organizations and to develop a framework to guide the sustained analysis this book will provide. Figure 1.1 presents a framework for this purpose. Figure 1.2 elaborates on some of the basic components of this framework, providing more detail about organizational structures, processes, and people.

Writers on organization theory and management have argued for a long time over how best to define *organization*, and have reached little consensus. It is not a good use of time to worry over a precise definition, so here is a provisional one that employs elements of Figure 1.1. This statement goes on too long to serve as a precise definition; it actually amounts to more of a perspective on organizations:

An organization is a group of people who work together to pursue a *goal*. They do so by attaining resources from their *environment*. They seek to transform those resources by accomplishing *tasks* and applying *technologies* to achieve effective *performance* of their goals, thereby attaining additional resources. They deal with the many uncertainties and challenges associated with these processes by *organizing* their activities. Organizing involves *leadership* processes, through which leaders guide the development of *strategies* for achieving goals and the establishment of structures and processes to support those strategies. *Structures* are the relatively stable, observable assignments and divisions of responsibility within the organization, achieved through such means as hierarchies of authority, rules and regulations, and specialization of individuals, groups, and subunits. The division of responsibility determined by the organizational structure divides the organization's goals into components on which the different groups and individuals can concentrate—hence the term *organization*, referring to the set of organs that make up the whole. This division of responsibility requires that the individual activities and units be coordinated. Structures such as rules and regulations and hierarchies of authority can aid coordination. *Processes* are less physically observable, more dynamic activities that also play a major role in the response to this imperative for coordination. They include such matters as determining power relationships, decision making, evaluation, communication, conflict resolution, and change and innovation. Within these structures and processes, *groups* and *individuals* respond to *incentives* presented to them, making the contributions and producing the products and services that ultimately result in effective performance.

While this perspective on organizations and the framework depicted in the figures seem very general and uncontroversial, they have a number of serious implications that could be debated at length. Mainly, however, they simply set forth the topics that the chapters of this book cover and indicate their importance as components of an effective organization. Management consultants working with all types of organizations claim great value and success for frameworks about as general as this one, as ways of guiding decision makers through important topics

FIGURE 1.1. A FRAMEWORK FOR ORGANIZATIONAL ANALYSIS.

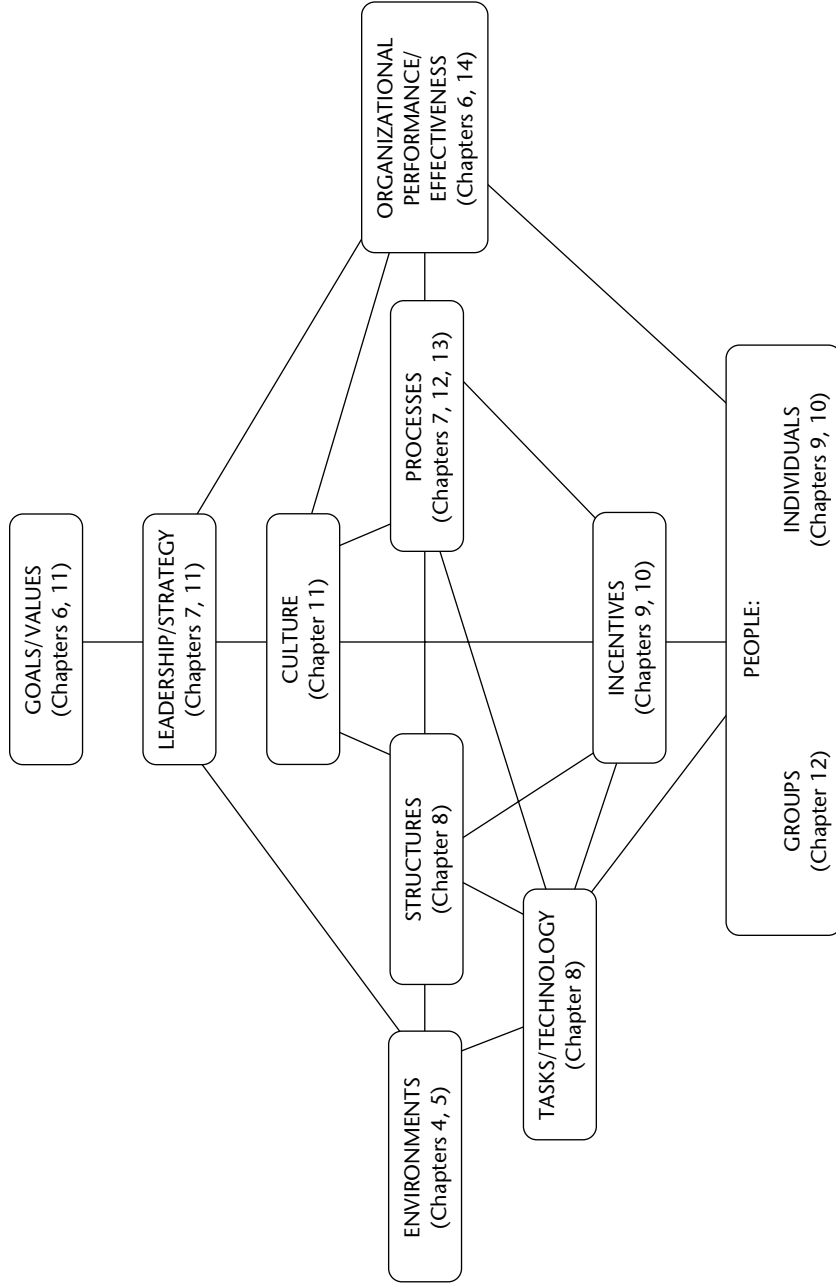
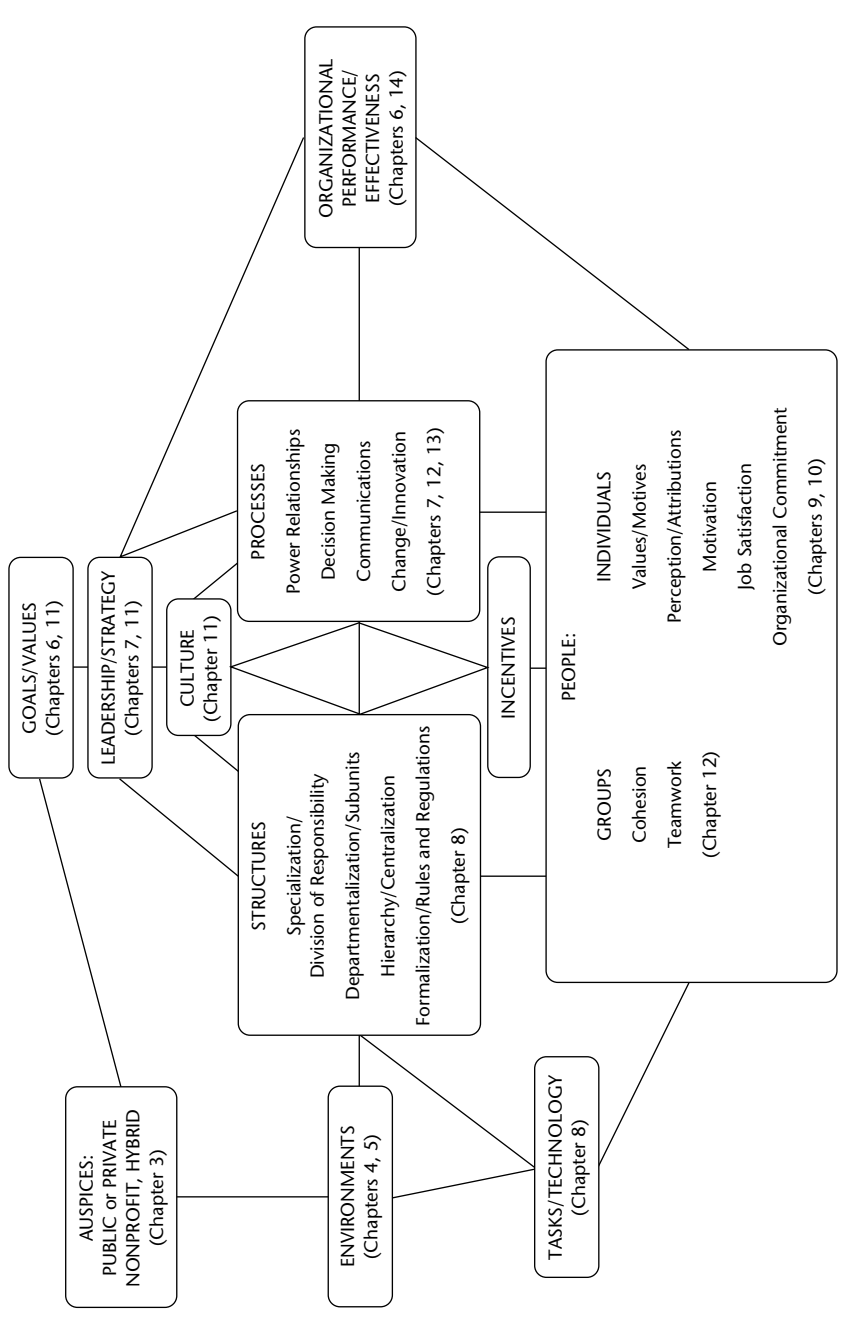


FIGURE 1.2. A FRAMEWORK FOR ORGANIZATIONAL ANALYSIS (ELABORATION OF FIGURE 1.1).



and issues. Leaders, managers, and participants in organizations need to develop a sense of what it means to organize effectively, and a sense of which aspects of an organization they should think about most in trying to improve the organization or organize some part of it or some new undertaking. The framework presented here offers one of many approaches to organizing one's thinking about organizing, and the chapters to come elaborate its components. The final chapter provides an example of applying the framework to organizing for and managing a major trend, the contracting out of public services.

Summing Up Some Key Points

This chapter has advanced the following points and assumptions for the book.

The terrorist attacks on September 11 and the major emphasis on an organizational response to them illustrate the crucial roles that public organizations play. They also contrast sharply with an antigovernment trend in the public's attitudes and actions in the United States and in many other nations. Many people assume that government organizations cannot perform as effectively or efficiently as private ones. Yet this assumption is not grounded in sound evidence, and it runs against some important themes in organization theory and management.

In the United States, this antigovernment trend involves a measure of ambivalence. Citizens support a strong role for government in many ways and make many demands on government and government agencies. They support the delegation of large amounts of authority and funding to government agencies and officials. These pressures indicate the continuing need to improve the performance of government agencies.

We can improve public management and the performance of public agencies by learning from the literature on organization theory, organizational behavior, and general management and applying it to government agencies and activities. The literature on organizations and management has not paid enough attention to public sector organizations and managers. This book integrates research and thought on the public sector context with the more general organizational and management theories and research.

This integration has important implications for the debates on whether public management is basically ineffective or often excellent, and on how to reform and improve public management and education for people who pursue it. A sustained, careful analysis, drawing on available concepts, theories, and research, and organized around the general framework presented in this chapter, can contribute to advancing our knowledge of these topics.