

A PROPOSAL TO DEVELOP AN INTELLECTUAL BEACH-HEAD
FOR THE FIELD OF PUBLIC MANAGEMENT

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May, 1981

I. Introduction:

A first rate professional school is a delicately balanced enterprise. On one hand, it seeks to be helpful to those practicing the profession - to speak to them in useful and familiar terms about their daily tasks. On the other hand, it strains to maintain intellectual ties with the academy - to maintain high academic standards as it confronts the practical problems of its profession, to mine recent academic work for findings of professional relevance, and to focus the attention of academics on practical problems. Moreover, beyond these relatively specialized constituencies, an outstanding professional school will seek to engage the interest of the broader public through intellectual achievements that offer material help or enlightenment.

Should a professional school lose contact with any of these sources of support, it risks deterioration or irrelevance. If the concern with professional problems disappears, the school will revert to traditional academic departments. If the contact with supporting disciplines erodes, intellectual vitality and rigor may disappear and with them the prospects for improving professional practice. If the school focuses too narrowly on the techniques and problems of their profession, they will lose perspective about their role in the broader society, and will fail to engage the interest of the broader community.

The past decade's development of public policy programs has made significant contributions to schools providing professional training for the public sector. A major reason is that these programs brought schools that had long been dominated by ties with the existing profession into contact with two new sources of support: vital academic disciplines and the interest of the broader community. Links to academic disciplines were forged through applications of sophisticated quantitative techniques. The intellectual excitement of using micro-economic reasoning, statistics, and operations research techniques to "solve" important public policy problems brought into professional schools of government faculty and students who would otherwise have been in law schools, business schools, or graduate departments of political science and economics. At the same time, the focus on the substance of public sector problems invited public interest and comment. Many people were interested

in learning about problems such as health care, pollution, energy, crime and poverty.

The effect of focussing on sophisticated technique and the substance of policy problems was to enlarge our conception of the public official, and enhance his status. No longer was he the neutral administrator whose virtues lay in tidy administration. Instead, he was concerned with the substance of policy and was armed with sophisticated techniques to guide his judgments. Great excitement was generated by this change of role. Significant intellectual energy was unleashed on the design of public policy programs. And very talented students were attracted to the enterprise.

From our vantage point, an opportunity to take an equally important step in the development of professional education for the public sector now exists. The opportunity is to focus intellectual attention on the problem of "public management." The opportunity is significant for the same reasons that the original focus on "public policy" was important.

First, public management is now the central problem confronting the professional community of public officials. Just as the problem of policy design and evaluation dominated the professional agenda of an expanding and diversifying public sector, the problems of management and consolidation will dominate the professional agenda of a retrenching public sector.

Second, the subject holds significant potential for a wide, cross-disciplinary conversation. As we focus on the institutional arrangements through which we try to make and implement government policy, political scientists, law professors, and business school professors are naturally brought into the conversation. Even macro-economists are increasingly concerned about the institutional aspects of business-government relations.

Third, just as the idea of "public policy" altered our conception of public officials, so will the concern with "public management." Joined to newly established substantive responsibilities are widened institutional responsibilities. The official must become aware of himself as someone who is shaping the institutions of government as well as merely responding to them,

and as someone who actually accomplishes substantive purposes as well as merely conceives of them. This altered conception of the professional role carries the excitement of great intellectual and personal challenges.

In the rest of this proposal, we will outline our approach to developing the field of "public management" and request a major grant of \$306,773 over two years, from the Sloan Foundation to support this enterprise. In undertaking this proposal we are aware of the risks. We are emboldened, however, by the success of two other equally chancy ventures: the development of programs in public policy, and the development of professional business schools. These enterprises succeeded by combining a focus on important professional problems, with an interdisciplinary group of talented practitioners and scholars, against a background of developing knowledge and technique. The same ingredients exist now for the development of public management. Thus, with a little luck, this investment could be as significant as those that created the program in public policy. With somewhat more luck, the investment could be as significant as those that shaped professional training for private sector managers in the 1920's and 1930's. In fact, the development of the field of public management seems like a natural next step in the continuing development of professional schools of government that began with public policy programs.

II. The Challenge of Public Management

After 4-5 decades of expansion innovation and diversification, the public sector is in trouble. Claims (in the form of mandated goals and public entitlements) have grown at an unprecedented rate. Resources (in the form of tax revenues and public support and credibility) have not kept pace. Moreover, despite the pressure to accomplish more with fewer resources, it seems to many that government operations are "fat": overstaffed, badly deployed and underutilized. And, ironically, efforts to improve government performance with additional layers of oversight and performance appraisal seem to increase costs and sap morale without improving performance. While it would be too much to suggest that the public sector is now "bankrupt", it does seem clear that its "creditors" are anxious.

Viewed from this perspective, the problems of government seem to be primarily problems of management: of choosing and accomplishing feasible and attractive goals. Lacking sufficient managerial discipline, government has yielded to the temptations of promising more than can be delivered. Lacking managerial skills and commitments, it has shown irresponsibility and incompetence in the pursuit of its goals. Thus, what government needs is better management; a more disciplined sense of what can be accomplished with limited resources, and greater skill and accountability in achieving those goals.

While this analysis is persuasive, it contains a temptation that must be rejected. The analysis may seem to suggest that the existing problems of the public sector are temporary and easily resolved - the unfortunate results of expansion in the public sector that can now be reversed, or simple managerial incompetence that can be ended with the application of well known techniques of private management. Our view is not so sanguine. We believe that the problems that must be addressed are more deeply rooted and require more special efforts for resolution.

First, we believe that a large public sector is not a temporary aberration, but an enduring feature of modern life. Too many tasks of coordination exist in an uncertain and interdependent world; too many public projects (ranging from defense, to energy, to educating the population) remain to be achieved; and too many people see advantages in securing governmental assistance for their purposes to imagine any dramatic reduction in the size and importance of the public sector in advanced, industrial democracies. Its dominant purposes may change (e.g. from priority on social equality to the pursuit of the common defense); its institutional structure may shift (e.g. from primary responsibility vested in the federal government to greater reliance on state and local governments; and from direct government production to increasing reliance on private procurement), and its status may be reduced. But radical changes in the real size and importance of the government do not seem likely. Indeed, it is striking that the "radical" changes being urged by the current administration involve not absolute reductions in the size of government, but rather a slowing of the rate of growth. So, the problems of the public sector are not likely to be solved simply by making it smaller.

We are also skeptical that the problems can be solved by simple applications of well known management techniques borrowed from the private sector. The tasks of modern government are large, exceedingly complex, and relatively novel. We now expect government to manage the national economy, to promote national defense by buying and deploying a technologically sophisticated military apparatus, to protect the national environment from toxic substances that are the unfortunate by-products of remarkable technological advances, and to manage social interaction in ways that reduce discrimination and control social violence.

Moreover, the institutional framework within which public sector managers operate to accomplish these tasks (the elaborate arrangement of "separated institutions sharing powers" established by our constitution) is sufficiently complex and distinctive to suggest that lessons drawn from private sector experience are likely incomplete. And finally, it is important to remember that American government has been at the task of managing large public enterprises for only a few decades. Many of the tools and techniques we rely on to accomplish public purposes (e.g. tax incentives, loan guarantees, grants-in-aid, regulation and enforcement, and procurement) are quite novel and, from the point of view of management theory, quite anomalous since they leave responsible managers with too little power to accomplish their purposes. Consequently, it is not surprising that so little is known about accomplishing large and complex goals through such elaborate institutional structures as comprise the modern public sector.

We believe that a useful step can be taken by developing an academic field of "public management" concerned with the practical problems of managing successfully in the public sector. This conclusion is based on a straightforward argument: government must perform more reliably and effectively; this depends (at least in part) on more effective management; more effective management depends (again, at least in part) on learning more about the contexts within which public managers try to operate, and capturing and codifying current "best professional practice" in a coherent body of knowledge and technique. This conclusion is also based on the judgments that the world of large scale public sector management is too new to be adequately captured by previous

doctrines of public administration (which focused primarily on the fair and efficient delivery of well defined public services rather than policy making, or operating through the complex institutional arrangements which are the core of today's problems in public management), and sufficiently different from private sector management to make that body of knowledge only tangentially useful. In short, we believe that our society stands today at approximately the same position the private sector occupied during the 1920's. A vast expansion in the scope and importance of business had occurred. The institutional forms of business organizations had changed markedly, and with them the problems and challenges of management. The urgent task of that time was to note the significance of the institutional changes and capture and codify the learning that had occurred during the years of dramatic business expansion. That effort resulted in the development of professional training for business managers. We believe that a similar, equally important opportunity now exists to lay the intellectual basis for the professional training of public sector managers.

III. Developing the Field of Public Management

The ultimate objective in developing the field of public management is fairly clear: a coherent body of knowledge and technique useful to public sector managers, and convenient to teach. The general approach we take to reach this objective is based on a simple concept: learning from experience. Each day, public managers confront and solve (more or less successfully) a wide variety of managerial problems. Viewed from a research perspective, this vital world of professional practice is an enormous laboratory full of natural experiments testing different ways of thinking about and solving managerial problems. The research task is to explore this world as systematically as possible: noting the kinds of problems and tasks managers confront, finding out how they think about these problems, and how they act, and identifying which actions succeeded and why. As a first step, then, research involves opening our doors to this experience as wide as possible. This, in turn, suggests the importance of: 1) carefully observing managerial thought and action in the form of case studies of managerial efforts; 2) engaging practitioners as part of our faculty; and 3) drawing extensively on the professional experience of participants in our executive and mid-career programs.

While these activities expose us to the tasks and techniques of practitioners, they are not sufficient to build a field of public management. Three additional tasks must be accomplished. First, the institutional context within which public managers operate must be reliably charted. The institutional framework of government changes over time. Tasks change. Instruments for achieving purposes are adapted. And patterns of deference and influence among institutions shift. With each of these, the job of the public manager may change. Thus, in recent years, the growing role of courts, congressional oversight and the media have importantly changed the job of public managers. In earlier decades, civil service systems fundamentally changed the job. Today's inspectors-general, the Freedom of Information Act, and the Civil Service Reform Act are significantly changing these jobs. Thus, a broad institutional perspective must be developed as a backdrop for understanding and evaluating current professional experience.

Second, the recent experience of managers as they describe it must be evaluated to see what succeeded and what failed. Since our ambition is to strengthen current practice, not leave it as it is, we must examine current practice somewhat critically. We must distinguish the "best practice" from average or poor practice, and we must ask ourselves whether we can't imagine ways to improve the current best practice.

Third, the diverse experience of practitioners scattered across the broad institutional landscape must be ordered and condensed into courses that can be taken by people who will serve in many different institutional positions and be assigned a wide variety of tasks. This task involves abstracting from the details of the actual events to slightly more general notions of the common tasks and circumstances of managers.

These tasks (developing a broad institutional perspective, evaluating and criticizing current practice, and developing and ordering a coherent set of management tasks and problems) depend crucially on academic interests and talents. Moreover, they depend on time to make the observations of institutions and managerial practice and to develop the implications of the observations. Yet the enterprise should never stray too far from existing professional problems and practices for these discipline and focus the research enterprise. Thus, in developing the intellectual base for the field of public management, academic research must be focussed on existing institutions and practices, and academic

aspirations for elegance and coherence must be directed towards teaching professionals to do their jobs.

If this close association between professional practice and problems on one hand and academic inquiry on the other can be maintained, a remarkable synergy can be created. Not only does the close relationship guarantee that the curriculum of the School will reflect the knowledge and concerns of the world of practice, but it also stimulates the practical world to become more self-conscious about its own practice and more experimental in its approach. As a result, it gradually becomes easier for the academic world to draw useful lessons from the practical world. It is this kind of mechanism that has allowed law schools, medical schools, and business schools to develop with their professions. It is unfortunate that less of this activity has occurred in the area of public management. It is the combination of the demonstrated potential and the current lack of activity that makes Harvard's efforts in this area unusually promising and important.

IV. Harvard's Institutional Capabilities

Several key features make the Harvard School of Government at this particular time an important base from which to launch a research effort to define and develop the field of public management. In fact, three observations about the School's current position suggest that a two year commitment of research funds could produce high quality research products that lend momentum to the development of the field.

First, Harvard is at a stage in its own thinking about the field of public management when research funds could be effectively used. It has an irrevocable commitment to the field rooted in the teaching programs to which it is committed, and the kinds of courses implied by those programs (e.g. the existence of executive programs and mid-career programs for government managers as well as pre-career programs). Moreover, it has enough accumulated experience in teaching courses on public management based on concepts from the business school, political science and schools of public administration that is not starting from scratch, but not so much experience that it cannot now be importantly influenced. In short, the School has a commitment to the rough outlines of an intellectual field concerned with the distinctive challenges of managing in the public sector, but the conception is not yet set in concrete.

Second, the School has regular access to an important stock of empirical information about operating and managing in the public sector. This stock is contained in over 100 case studies with plans to produce 20-30 more over the next 3 years. It is also contained in the experience of people such as Hale Champion, Michael Dukakis, Philip Heymann, Larry Lynn, Manuel Carballo, Richard Darman, and Roger Porter, all of whom are currently full time members of our faculty (or on leave) and have had recent, substantial government experience. Finally, it is contained in the experience of the several hundred participants in executive and mid-career programs whom we see daily in our classrooms.

Third, the faculty committed to teaching and research in the field of public management constitutes a critical mass with the right amount of teaching and research experience, and the right blend of interests and competence to make effective use of research funds. The group is large enough to insure that the teaching pressures will not inevitably drive out thinking, writing and research. At the same time, the group is small enough to allow genuine collaboration, and expose the faculty to the useful stimulation and discipline that teaching (especially the teaching of very experienced students) provides. The faculty has the right amount of experience in the sense that our academics now have enough practical experience, our practitioners enough academic experience, and our academics and practitioners together have enough experience with the outlines of the KSG curriculum to guarantee that they share both a common language and set of concerns. Finally, the faculty has the right blend of interests: ranging on one dimension from those concerned with concrete, particular-situations to those with real talents for abstraction; on another dimension from concerns with politics, interest groups and legislation through interest in managing policy at the top of large executive branch agencies, to concerns about creating operational capacities to deliver specific services; and on still another dimension from concerns with federal to local governmental positions. Thus, there is an opportunity and a capacity for a collaborative effort to develop the field across a broad front.

V. The Research Program

The basic concept of the proposed research program in public management is to:

- 1) Allow faculty members who have made substantial investments in developing knowledge, concepts and techniques useful to public sector managers

sufficient time to develop these ideas in coherent, written form;

2) Support their efforts with continuing observation of institutions and practices; and

3) Assure linkage between them and colleagues from other disciplines at Harvard, from other schools of public policy and public management, and from the world of practice. Because the process will be dynamic, a detailed description of the products is less instructive than an outline of the areas in which research will be done. In each case, however, the individuals responsible, and the kinds of research products can be specified.

A. Overall Leadership and Direction

The research effort will be led by Mark H. Moore, Guggenheim Professor of Criminal Justice Policy and Management. He will devote one half of his time for the next two years to this enterprise. Since he has been the primary architect of this area at the Kennedy School for the last 4 years, and has been a leading participant in the development of the field since 1970, he is in an excellent position to provide overall leadership. Moore will be assisted by an Executive Committee for the project which will include Hale Champion, Executive Dean of the School; Philip B. Heymann, Professor of Law and Public Policy; Laurence E. Lynn, Professor of Public Policy; Richard E. Neustadt, Lucius N. Littauer Professor of Public Administration, and James Q. Wilson, Henry Lee Shattuck Professor of Government at Harvard.

B. Specific Projects

At this stage, we plan to initiate research activities in five distinct areas of concern to public managers. In each area we have a nucleus of people, concepts and materials. Moreover, although some areas are more advanced than others, we can plausibly expect significant research products in each area. The specific areas and the likely products are the following:

1. Constitutional Reform and Comparative Public Policy

This area will be led by Richard E. Neustadt. It will be an investigation of the major structural determinants of government action, and an exploration of the

advisability and possibility of major reforms in the organization of the U.S. Government. Relevant questions to be considered include the future role of political parties in creating governing coalitions; the impact of congressional reform and the growth of congressional staffs on government functioning; the impact of the Administrative Procedures Act and the future role of courts in shaping governmental action; and so on. The approach will often be comparative - drawing on the experience of Canada, Great Britain and other Western Democracies. Other people to be brought into the conversation are Hugh Heclo, Professor of Government at Harvard; Gary R. Orren, Associate Professor of Public Policy; Ernest May, Professor of History, Michael Pittfield, Mackenzie King Professor and formerly Secretary of the Privy Council in Canada; and Don K. Price, Professor of Public Administration, emeritus. The research builds on the work of a faculty seminar that began meeting this year, and will continue through next year. In 1982, when Professor Neustadt completes his current work on "Uses of History," the pace will increase. Likely results are monographs and articles concerning the current governability of the U.S.

2. Strategic Planning and Managing Policy Development

This area will be led by Laurence E. Lynn. It will tie together three strands of work that have been separately developed at the Kennedy School. One strand involves the work that Philip B. Heymann, Stephen Hitchner and Joseph Bower have done on adapting the idea of "corporate strategy" for use in the public sector. A second strand is Mark H. Moore's work on "feasibility estimates" and "implementation analysis" which seeks to develop systematic methods for determining how easily a given policy idea can be accommodated within a given institutional setting. The third strand is the work that Roger Porter, Richard Darman and Laurence E. Lynn have done on the design of systems to support decision making by high level public executives. Beyond the individuals listed above, the group working in this area would include Steven Kelman, Assistant Professor of Public Policy; Gregory Treverton, Lecturer in Public Policy; Michael Nacht, Associate Professor in Public Policy; and Michael Pittfield, Mackenzie King Professor. The likely products in this area include: 1) a book by Moore in implementation analysis which builds on 8 years of teaching a course in this area; 2) a lengthy monograph on the concept of "institutional strategy applied in the public sector by Zoellick, Heymann and Moore; and 3) lengthy monographs on the design of policy management system by Porter, Zoellick, Pittfield, Lynn and Darman based on a research seminar run over the last 2 years.

3. Promoting Performance and Accountability

This area will be led by Mark H. Moore. The focus of research in this area will be on how managers can alter the operating performance of their organizations. One part of the research will be on how managers can shape the performance of their own organization by using traditional instruments of managerial influence such as organizational structure, budgeting and accounting systems, personnel systems and leadership. A second part, however, will be concerned with a problem that may be unique to public sector managers--the problem of altering the performance of an organization that the manager does not directly control. From the standpoint of traditional management theory, this is an anomalous situation. But however odd in theory, in the actual activity of the government, "indirect management" is quite common. From the point of view of federal managers, many domestic intergovernmental programs have these characteristics. Similarly, most public sector managers who are responsible for regulatory programs also face the problem of indirect management. Procurement programs in both defense and social agencies also present difficulties associated with the indirect management. In the area of "direct management," key people besides Moore are Steven Kelman and Herman Leonard--both Assistant Professors of Public Policy at the Kennedy School. In addition, we would hope to include Robert Behn from Duke University and Stephen Rosenthal and Colin Diver from Boston University. In the area of "indirect management," the key people include Hale Champion, Executive Dean of the School, Manuel Carballo, Lecturer in Public Policy, and Robert Reich, Lecturer in Public Policy. In addition, we hope to include Lester Salamon of the Urban Institute. Likely products are: 1) cases investigating the actual effects of managerial systems on operating performance; 2) research monographs on the inter-relationships of the tools of managerial influence; 3) research comparing the different forms of indirect management; and 4) monographs on effective tools to be used in situations of "indirect management."

4. Negotiating and Shaping Mandates

This area will be led by Philip B. Heymann. Its focus will be on the techniques that public sector managers use to deal with the fact that they share their authority over public sector operations with many others--with political superiors, with legislative overseers, with the press, with interested constituencies, and with the general public. This area has already been pioneered by

Philip Heymann who has chapters of a book already drafted on the techniques of "entrepreneurial advocacy" in the public sector. Small amounts of sustained support will push the book to completion. Two additional enterprises also seem worthy of support. Gary Orren, Associate Professor of Public Policy, drawing on years of political science research on public opinion, voting behavior and interest groups, plans to develop diagnostic tools and techniques useful for "constituency management" by executive branch officials. He has already taught a course on this subject twice and needs time to develop the concepts in written form. James K. Sebenius, Assistant Professor of Public Policy, will develop useful guides for public officials about setting up and conducting negotiations. He is unusually qualified to do this due to an eclectic academic training that includes theoretical work on inter-active discussion making, and practical experience with the elaborate negotiations needed in the Law of the Sea negotiations. Beyond this, we expect to develop projects in the areas of press relations and legislative liaison and have people ready to do the work, but have not yet decided to whom these tasks should be given. Likely outputs in this area are: 1) a book by Philip B. Heymann on "entrepreneurial advocacy" in the public sector; 2) monographs by Gary Orren on selected aspects of constituency management; 3) monographs by Sebenius on the typical settings for negotiations in the public sector, and useful techniques for managing the negotiation process.

5. Public Sector Financial Management

This area will be led by Herman B. Leonard, Assistant Professor of Public Policy. It will include examination of public sector accounting practices, analyses of the problems of managing cash in public sector agencies, probes into the neglected area of public sector capital budgeting and management of capital assets, summary reviews of institutional questions affecting the availability of tax revenues, and a close look at the use of financial instruments and institutions to accomplish public purposes (e.g. student loans, mortgage guarantees, and so on). Other people we hope to involve in this area include Helen Ladd, Associate Professor of City and Regional Planning; Frank Raines, Adjunct Lecturer in Public Policy; and Regina Herzlinger, Professor of Business Administration. Likely outputs are: 1) basic research on the current state of public sector accounting; 2) basic research on the current use of financial instruments and institutions to accomplish public policy goals; and 3) monographs on public sector financial management.

C. Collateral Activities

While the major thrust of this research effort is to build on existing capacities at the School, there is a risk that the activities will become too parochial. To prevent this, it is valuable to make sure that the Kennedy School faculty is in close consultation with others working generally in this field. One way to accomplish this is to involve such people in the informal groups organized around each topic. To a degree, this has already been accomplished. Two other devices are: 1) to provide funds to support visiting faculty members drawn from other academic institutions and the world of professional practice; and 2) to provide funds to support research conferences in the area of public management. While such efforts are more expensive than informal consultation and research seminars, they are also more effective antidotes to excessive parochialism.

D. Budget

The proposed budget for this program of research is presented in Appendix #1. The total amount requested is \$306,773. Most of the funds support time for current faculty to develop and expand their current conceptions of the field.

E. Personnel

Current resume's of faculty to be centrally involved in this program are presented in Appendix #2.