The Field of Public Management:

A Brief Outline

Mark H. Moore

For many years, the task of deploying public resources to accomplish public purposes has been described as "public administration." Recently, some have begun talking about an enterprise called "public management." A crucial question is whether this change in terminology represents something more fundamental than mere semantics. Our answer to this is "yes." We think the words suggest an important change in the way the society and public officials should think about the responsibilities, skills and accountability of those who have discretionary authority over the use of government resources. The principal differences have to do with the degree of initiative vested in public officials, and the extent of their involvement with issues of politics and social value as well as administration and efficiency.

Public Administration v. Public Management

In traditional conceptions of public administration, the responsibilities of public officials were restricted to the efficient implementation of policies established by legislatures or elected executives. Since the policy mandates were assumed to be relatively coherent, stable and precise, public officials had little room for initiative. Their central task was to make sure that resources were deployed efficiently to produce the desired results, and that the responsible agency would be accountable to its political overseers. Their training focused on organizational design, budgeting, personnel management, and the design of financial information systems.

In contrast, the emerging concept of public management sees public officials as having an important role in policy-making as well as in administration. The concept of public management rejects the traditional <u>assumption</u> that policy mandates are coherent, precise and stable in favor of the <u>observation</u> that in many of the most important areas of governmental activity, the mandates are inconsistent, vague, and changeable. This means that in deploying public resources, public officials often have a great deal of discretion not only with respect to the means to be used to achieve given purposes, but also with respect to the balance to be struck among competing policy purposes. It also means that there is both an opportunity and a necessity for public officials to involve themselves in the political debates surrounding their areas of responsibility. Public officials are often drawn into these debates as contending political forces seek to bolster their preferred policy positions with the expertise of disinterested public officials. Moreover, public officials can often shape these debates in both susbstantive and process terms at their own initiative by the information they make available to oversight agencies and the press. In short, the concept of public management sees public officials as potentially concerned with ends as well as means, with values as well as techniques, and with political as well as administration.

To many, widening the responsibilities of public officials towards "public management" threatens democratic governance. It seems to shift some of the initiative and power in establishing public purposes away from elected representatives towards non-elected bureaucrats. This, in turn, increases the risk that the bureaucrats will become less accountable to the people, and more likely to use public resources to feather their own nests, or pursue their own idiosyncratic conceptions of the public interest.

If this were the intended or likely result of shifting from a doctrine of "public administration" to a doctrine of "public management", there would be little merit in encouraging such a shift. But the concept of public management is not intended to shift power to non-elected officials, nor to weaken their accountability. Instead, it is intended to make better use of their knowledge and talents in formulating policy, and to strengthen rather than weaken their accountability in operations.

In essence, the doctrine of public management finds the principal threat to accountable and effective governmental performance not in the failure of public officials to be responsive to political mandates, but instead in the inability of the political process to produce tolerably coherent, stable and precise mandates from an informed political debate about the values to be pursued, and the means to be employed in specific public enterprises. It seeks to solve this problem by engaging public officials in the debate not only about what can be produced, but what should be produced. They are valuable in this domain not only because they will inevitably exercise substantial influence over the implementation of any policy that is chosen, and not only because they possess valuable substantive knowledge rooted in operating experience, but also because of their knowledge of the political interests that criss-cross their programs. In short, public officials can play an important role in integrating the worlds of policy and administration rather than leaving them as far apart as they now are. So the concept of public management does not mean that public officials escape accountability: it means that they participate in setting out the terms of their accountability in more useful ways than they now do.

Implications for the Education of Public Officials

If public officials are responsible for ends as well as means, for policy as well as administration, and for invention and adaptation as well as reliable execution, then much in their professional training must be changed. Perhaps the most important changes go to issues of managerial style and temperament. In traditional concepts of public administration, the managerial style was to be discrete to the point of passivity when issues of value and politics were being discussed. Dignity and standing were vested only in the long memories and neutral competence of the officials, not in their vision of public value. While they might secretly have policy preferences of their own, and might covertly pursue those through internal and external political maneuvers, their public face was of respectful service to their political masters.

In contrast, the style required of public managers is at once more assertive, and more open. On one hand, the concept of public management authorizes (and obliges) public officials to take responsibility for the broad questions concerning the public value they are creating through their activities, and to have ideas about how they might do more. In short, they should have more initiative than is tolerated in the concept of public administration. On the other hand, they should cultivate a much greater willingness to consult and learn from the political process that authorizes their actions than is true of public administrators. They should view politics as an important way of learning what the public wants, and see the task of improving the quality of the political debate as an important part of their task rather than something that is faintly illicit, mysterious, and dangerous.

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An equally important and related change would be to heighten the understanding of and commitment to the normative obligations that attach to those who govern in a democracy. This includes an obligation to strengthen the deliberative process that authorizes their actions - that is, to improve the politics surrounding their activities - as well as to achieve attractive results, and to be accountable for the efficient use of public resources.

Intellectual Domains Within the Field of Public Management

Finally, the intellectual and cognitive part of their education must change. Exactly how the intellectual enterprise should be constructed remains uncertain and open to experimentation. But to get started in this enterprise, the Kennedy School has divided the field into three broad domains: political and institutional analysis; managing organizational production and capacity; and political management. The areas are centered over the institutions and functions of government quite differently than traditional conceptions of public administration. And they draw on different disciplines and intellectual traditions.

Political and Institutional Analysis

The central task of political and institutional analysis is to improve the ability of public officials to make judgements about the capacity of a particular set of institutions, at a particular point in time, to adopt and implement given policies. The intellectual core of this domain includes theories of the causal factors that determine governmental decisions and implementing actions. The relevant literature in this field includes analyses of how issues get on the government's policy- making agenda, what factors influence the choice of policies, and studies of how policies, once adopted, are more or less successfully implemented.

Somewhat less central to this domain, but still within it, are the issues of how social science knowledge or policy analyses influence the choices and actions of government. This, of course, is nothing more than a subset of the question of what influences governmental policy choice. But it is a subset of special concern to academics who are interested in influencing public policy, and are curious about the relative weight of their particular contribution to policy-making. While this enquiry begins as a positive inquiry about the nature of policy-making, it often becomes normative when it begins to ask the question of what form social science findings or policy analyses must take to produce an important impact on governmental decision-making, and what the proper stance of those who deal in "truth" should be with respect to those who deal in "power."

[The third possible element of this field is much broader and less "nuts and boltsy" than either of the elements described above. It examines the question of how institutional structures and forms affect the performance of institutions. This issue can be addressed more or less broadly, more or less abstractly, and more or less prescriptively.

At the broadest level, this area would be concerned with an exploration of alternative institutional arrangements for whole societies; e.g. what should be public and what private, and

how the institutions in both public and private sectors should be organized. In short, the field would focus on alternative constitutions that could be written for societies, and their likely properties in terms of economic performance and social justice.

At an equally abstract but slightly less macro level, one could explore the question of how particular organizational forms affected the performance and legitimacy of organizations in the public and private sector; for example, in the public sector, a detailed exploration of "public authorities" as an institutional form; or, in the private sector, an exploration of the implications of employee ownership of firms.

Alternatively, instead of investigating these matters at an abstract level, one might begin by examining concrete institutions. For the largest macro questions, this would require cross-national investigations. For the smaller institutions, it might involve evaluations of interesting or novel inventions. It could even involve observations of the historical evolution of important institutions such as the Congress, the Courts, or the Presidency.

At this stage, of course, we have included all of political science in the definition of this field. This is no accident for this domain draws more heavily on political science and political scientists than some of the other fields defined below. Indeed, it was constructed by trying to answer the question of what political scientists (both their knowledge and methods) might contribute to a professional school concerned with improving the quality of public policy-making. In a school that was focused on policy-making as the crucial activity of government, it was natural to use political science in the relatively narrow ways outlined in the first two sub-components of this field. In a school (and a world) in which the issues have gradually changed from what constitutes an effective government policy to the issue of how responsibility and work should be divided up within the society, it is natural for this field to widen out in the directions indicated in the third area defined above.]

Managing Organizational Production and Capacity

The second broad area in the field of public management is concerned with the question of how managers might use particular tools of managerial influence to enhance the accountability and performance of their organizations. The intellectual core of this area is the knowledge that has been developed (largely in schools of management rather than departments of political science or sociology) about the techniques of managerial influence of organizational behavior.

This field is generally organized around the different devices that managers use to influence their organizations. Thus, the field of production and operations management is concerned with the analysis of production methods in a search for maximum efficiency in the use of the organization's financial, material and human resources. The field of management control is concerned with information systems to record the organization's uses of resources to motivate performance and lay the basis for future planning. The field of human resources management is concerned with systems for recruiting, training, assigning, and motivating those

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who work for the organization, and assuring that these systems effectively deploy and invest in the people who work for the organization. The field of financial management is concerned with the creation of accounting systems and financial statements that can reflect not only how the organization is using financial resources, but also its degree of financial health and viability for the long run. The field of strategic planning is concerned with fitting the organization's current and future operations to the demands and opportunities of a changing environment, and with the creation of internal planning processes that establish strategic and operational goals.

In each of these fields, there is a large literature that seeks to reveal the best way of using these adminstrative systems to improve the accountability and performance of an organization. Sometimes the approaches are abstract and deductive. Other times, the knowledge is based on relatively large scale empirical investigations. And still other times, the knowledge is rooted in more anecdotal insights from case studies. [The ultimate value of this field to managers is limited by two fundamental problems that are deeper than the methodological strengths or weaknesses of different approaches. One problem is that the best way to use a particular sort of administrative system may differ from one organization to another, or from one moment in an organization's history to another. There may be no general answer to the question of how best to set up a budgeting or information system. This is obviously a problem if the aim of this literature is to define "best practices" with respect to things such as organizational structure, strategic planning, and personnel systems.

The second problem is that there is some confusion about the general aim of using these administrative tools. The debate is captured well by the tensions among three different concepts: accountability, performance, and adaptability.

One purpose of using tools such as accounting and personnel administration is to increase the accountability of an agency; that is, to show that the resources entrusted to the organization and its managers are being used according to pre-announced policies and procedures. It is specifically important to show that public funds are not being stolen, and that public payrolls are not being filled with the party faithful. This is accomplished by establishing clear policies and procedures, and by developing systems for auditing performance to make sure that the procedures were followed.

A second reason for using the systems is to improve the performance of the organization. When the organization's activities are sufficiently homogenous or sufficiently routinized that efficient policies can be written down explicitly in advance, the idea of performance is closely related to the concept of accountability. When, however, the tasks of the organization are sufficiently heterogeneous or sufficiently novel that some inventiveness is required to deal effectively with a problem, some tension arises between accountability and performance. In this case, the pursuit of strict accountability may actually hinder performance by preventing the organization from making useful adaptations in its procedures.

The concepts of performance and adaptability are similar when one is thinking of an organization that faces a changing environment and takes a long run view of the performance

of the organization. But they are quite different if the organization faces a stable environment, or if one takes a short run view of performance. In these situations, the things that would make an organization flexible (such as the creation or organizational slack, the inclusion within the organization of some experiments and initiatives that would be valuable in one environment but quite useless in another, the creation of generalist managers who know little about the substance of particular projects but a great deal about getting people to work together) might all seem wasteful when all the resources of the organization could, in principle, be devoted to the efficient production of today's specific objectives.

What makes these distinctions important is that administrative systems would be designed quite differently depending on whether one's goal was to enhance accountability and avoid fraud, waste and abuse; or to maximize performance with respect to current, well defined objectives; or to build an organization that could adapt to changing demands on it quickly and easily. And it is by no means clear which of these objectives is or should be the most important objective in all situations.]

Political Management

The third broad area within the field of public management is the domain of political management. This is the most unfamiliar terrain because it draws on neither political science nor on traditional conceptions of management. Political science has been concerned with describing how "policy" is made, of course. But it has not been concerned with advising public officials how they ought to behave in the policy-making process. Political management is not ordinarily considered part of private sector management, for it is generally assumed in the private sector that purposes have been established, and that authority has already been delegated. Thus, the principal task of management is not to debate purposes, but to deploy the resources in ways that will achieve the desired result. So, political management is neglected in most discussions of both public administration and private management.

Despite this, it is obvious that it is an important and consuming task for public sector managers. It is no accident that public organizations have developed specialized offices for dealing with legislatures, the press, or community groups. These reflect the reality that all managers of public organizations must deal with an external environment that feels authorized to review the activities of the official. To protect the standing and credibility of their agency's mission, the agency itself, and their own personal reputations, public managers will devise methods for managing their relationships with their political environment.

Some of the most crucial questions in this field are normative questions about how public officials can participate effectively in policy-making, and strengthen rather than weaken democratic governance. Other questions, however, are technical, and draw on different intellectual fields.

At an abstract level, the field of political management is probably most usefully informed by negotiation theory and game theory. But the parts of these abstract fields that are

valuable are not the simple two-person, zero-sum games that have received the most academic attention because their structures produce determinant results. Instead, they are the much messier situations of n-person, variable sum games, in which there is always an alternative to negotiating, and where the issues and players that are inside or outside the game are always changing. Offering public managers useful information about how to conduct negotiations in such fluid environments is an enormous challenge.

At a somewhat lower level of abstraction is the problem of organizing a specific policy making process that simultaneously builds political legitimacy for a decision, and that draws in the available technical information about the likely consequences of alternative choices.

At a still different level of abstraction, there is the issue of how public managers should manage their relationships to legislatures, the media, and interest groups. This includes the question of how they should behave personally in their relationships with these institutions, and how they might equip the rest of their organization to handle these relationships. This includes such questions as how they ought to organize the specialized offices to deal with legislatures, the press, the interest groups; and what powers managers of regionally decentralized offices might have to adjust central department policies in response to local concerns.

In the end, just as the task of managing organizational capacity is concerned with equipping and motivating organizations to perform, the task of political management is concerned with protecting the legitimacy and credibility of an organization, a given set of policies, or the manager himself.

APPENDIX A: ETYMOLOGICAL ROOTS

An important clue about the differences in the conception of public adminstration and public management comes from an examination of the current definitions and the original roots of the words "administer" and "manage." The principal current definition of "administer" is "to superintend the execution, use or conduct of something." The definition of "manage" is more varied. Indeed, it seems to have five distinct, commonly used meanings:

1)   To control and direct

2)   To make and keep one submissive

3)   To treat with care; husband

4)   To work upon; manipulate

5)   To bring about by contriving; succeed by doing.

There is obviously some overlap between the current definitions of "administer" and "manage." The first definition of manage is very close to the principal definition of administer. But the other definitions of manage differ from the idea of administer in subtle but important ways.

The notion of management suggests the working of one person's will against others, while the notion of administration suggests the neutral execution of an agreed upon plan that is largely depersonalized. Management suggests a degree of uncertainty, the necessity of coping with changed circumstances, and improvisation; while administration connotes maintaining existing conditions, or carrying out a detailed plan without adjustment. Management hints at an interest in the conservation and artful use of available resources to accomplish a task, while administration suggests the systematic deployment of sufficient resources to overwhelm the task and achieve the intended purpose. In short, the connotations of management suggest more room for individual adaptation and adjutment in response to changing circumstances and opportunities, while administration suggests the systematic execution of an enterprise authoritatively established by others.

These differences are foreshadowed by a difference in the roots of the words "administer" and "manage". The root word for administer is "mei-2" which means small, or reduce into parts. Related words are "mince" and "minuet." The root for the word manage is "man-2." It means hand, or control by hand. It also connoted protection. And it seems to have been used extensively with respect to horsemanship. Thus, the current definitions of management that connote direction and control are related to the idea of "manipulation" - a word with the same root. But the connotations of protecting and coping seem related to horsemanship - an enterprise that is occasionally, but not always under close control, and that requires both caring and improvisation.